

Cable & Wireless Jamaica Limited

Unaudited Consolidated Financial Statements

For the quarter and six months ended September 30, 2005

We hereby present the Unaudited Consolidated Financial Statements for Cable & Wireless Jamaica Limited and its subsidiaries for the quarter and six months ended September 30, 2005.

Revenue for the quarter of \$5,471,520k and year to date of \$11,148,412k is relatively unchanged when compared to the same quarter last year and up 1% year to date. As noted in the previous quarter, Broadband revenues continue to experience significant growth with the Company's average monthly subscriber base increasing 67% over the previous quarter and 511% for the same quarter last year.

With the Jamaican market maturing, the Company is of the view that the mobile market will move towards simplified rate plans whereby pricing does not discriminate by mobile network termination. This has led to the Company's introduction of the 'Anyone' mobile plans on September 29, 2005 on the GSM prepaid and postpaid platform. To date, the Company has noted a significant increase in minutes of usage and average revenue generated per user by subscribers to the plan.

Gross margin of \$3,795,009k for the quarter and \$7,849,918k year to date reflects an increase of 10% and 5% respectively when compared to the same period last year. This is primarily due to a decline in handset subsidies which was partially offset by higher outpayment costs resulting from increased international traffic

Total operating expenses of \$3,064,907k for the quarter and \$5,999,392k year to date increased by 17% and 15% respectively when compared to the same period last year. Increases in administrative, marketing and selling expenses for the quarter of \$361,463k and \$431,375k year to date are primarily driven by increased utility costs as a result of higher oil prices and increased marketing spend to improve product and service positioning, especially in mobile offerings. *Depreciation* is also down 2% on prior year on a quarter by quarter basis but up 6% on a year to date basis compared to last year primarily due to significant capital projects being completed in the later months of the prior year.

Operating profit for the quarter of \$730,101k and year to date of \$1,850,526k are down 14% and 18% respectively when compared to the same period last year. The decline is largely due to increased operating costs. Net finance costs, which comprises net interest payable and foreign exchange losses, reduced by 56% for the quarter compared to last year and by 29% year on year for the six month period. Financing costs continue to decline due to the switch to predominantly J\$ borrowing during the prior year and the relative stability of the J\$ over the period. As a result, profit before tax for the quarter increased by 3% year on year but declined 15% for the year to date when compared to prior year.

Net profit attributable to stockholders of \$415,572k for the quarter and \$1,024,804k year to date increased by 12% and declined 12% respectively. This has yielded a year to date Earnings per share of 6.09 cents.

These Unaudited Consolidated Financial Statements have been prepared in accordance with and comply with standards issued by the International Accounting Standards Board. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent audited annual financial statements, except for disclosure relating to segment reporting which was discontinued with effect from the first quarter reporting.

On behalf of the Board

Hon. Patrick Rousseau
Director

Andrew Cocking
Director

November 11, 2005

Group Income Statement

Quarter Ended September 30, 2005

\$000's	3 months to Sep 30, 2004	3 months to Sep 30, 2005	6 months to Sep 30, 2004	6 months to Sep 30, 2005
Revenue	5,484,450	5,471,520	11,083,102	11,148,412
Outpayments	(1,243,977)	(1,427,243)	(2,519,074)	(2,770,807)
Other cost of sales	(792,386)	(249,268)	(1,094,832)	(527,687)
Total costs of sales	(2,036,363)	(1,676,511)	(3,613,906)	(3,298,494)
Gross margin	3,448,087	3,795,009	7,469,196	7,849,918
Employee expenses	(662,195)	(776,800)	(1,396,418)	(1,694,018)
Administrative, marketing and selling expenses	(1,234,908)	(1,596,371)	(2,524,546)	(2,955,921)
Depreciation and amortisation	(706,750)	(691,736)	(1,278,225)	(1,349,453)
Total operating expenses	(2,603,853)	(3,064,907)	(5,199,189)	(5,999,392)
Operating profit	844,234	730,101	2,270,007	1,850,526
Net finance costs	(281,583)	(157,341)	(471,567)	(333,950)
Other	5,511	10,870	(7,428)	-
Total other income / (expenses)	(276,072)	(146,471)	(478,995)	(333,950)
Profit before taxation	568,162	583,630	1,791,012	1,516,576
Taxation	(197,319)	(168,058)	(628,663)	(491,772)
Net profit attributable to stockholders	370,843	415,572	1,162,349	1,024,804
Earnings per share	2.20c	2.50c	6.91c	6.09c

Group Balance Sheet**As at September 30, 2005****\$000's**

	Sep 30, 2004	Mar 31, 2005	Sep 30, 2005
Property, plant & equipment	26,260,842	27,622,370	27,201,474
Intangible assets	0	622,923	629,369
Investments	316,011	100	100
Deferred expenditure	36,759	33,211	6,683
Deferred tax asset	458,937	-	-
Employee benefits assets	2,408,751	2,645,000	2,823,217
Total non-current assets	29,481,300	30,923,604	30,660,843
Cash and cash equivalents	1,938,935	1,781,123	2,013,793
Accounts receivable	3,836,129	3,949,717	4,128,879
Due from related companies	119,779	122,515	245,745
Inventories	588,441	370,653	511,534
Current portion of deferred expenditure	163,300	117,456	89,357
Total current assets	6,646,584	6,341,464	6,989,308
TOTAL ASSETS	36,127,884	37,265,068	37,650,151
Share capital	16,817,440	16,817,440	16,817,440
Reserves	759,734	870,425	876,981
Accumulated profit	656,162	1,477,095	1,492,853
TOTAL EQUITY	18,233,336	19,164,960	19,187,274
Bank overdraft, unsecured	153,167	548	0
Accounts payable	4,242,020	6,441,546	6,639,298
Current portion of loans	1,342,524	364,950	407,356
Taxation	2,767,000	225,324	314,268
Due to ultimate parent company	7,455,361	7,032,783	6,258,447
Due to related companies	34,154	9,068	976,466
Total current liabilities	15,994,226	14,074,219	14,595,835
Loans	695,765	563,957	235,254
Deferred tax liability	157,166	2,364,843	2,487,786
Employee benefits obligations	1,047,391	1,097,089	1,144,002

Total non-current liabilities	1,900,322	4,025,889	3,867,042
TOTAL LIABILITIES	17,894,548	18,100,108	18,462,877
TOTAL EQUITY & LIABILITIES	36,127,884	37,265,068	37,650,151

Group Statement of Cashflows

Quarter Ended 30 September 2005

\$000's	3 months to Sep 30, 2004	3 months to Sep 30, 2005	6 months to Sep 30, 2004	6 months to Sep 30, 2005
Net profit attributable to stockholders	370,843	415,572	1,162,349	1,024,804
Employee benefits	(116,722)	(66,121)	(236,126)	(131,304)
Depreciation and amortisation	706,750	691,736	1,278,225	1,349,453
Gain on disposal of property, plant & equipment	(6,853)	-	5,669	(6,232)
Amortisation of deferred expenditure	74,401	69,755	154,227	96,968
Unrealised translation losses on loans	27,328	65,470	30,655	70,355
Deferred taxation	49,330	42,014	157,166	122,943
Total adjustments for non-cash items	734,234	802,854	1,389,816	1,502,183
Operating cashflow before working capital movements	1,105,077	1,218,427	2,552,165	2,526,987
(Increase) / decrease in current assets				
Accounts receivable	(241,938)	405,515	(263,562)	(179,162)
Due from related companies	37,478	8,104	(34,174)	(123,230)
Inventories	(138,604)	(304,169)	68,578	(140,881)
Increase / (decrease) in current liabilities				
Accounts payable	206,875	200,172	(765,545)	197,752
Taxation	147,989	128,619	471,497	88,944
Due to related companies	26,481	29,488	(48,459)	139,980
Total movements in working capital	38,281	467,730	(571,665)	(16,597)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,143,358	1,686,157	1,980,500	2,510,389
Unrealised translation adjustment on consolidation	3,460	2,914	3,368	6,556
Acquisition of property, plant and equipment, net	(1,165,025)	(824,518)	(1,957,625)	(1,025,808)
Proceeds from disposals of property, plant and equipment	(1,045)	-	11,893	10,870
Deferred expenditure incurred	(17,304)	16,471	(102,097)	(26,528)

NET CASH USED BY INVESTING ACTIVITIES	(1,179,914)	(805,132)	(2,044,461)	(1,034,910)
Net cash generated before financing activities	(36,556)	881,025	(63,961)	1,475,479
Loans repaid	(514,311)	(286,297)	(1,259,644)	(286,297)
Dividends paid		(181,628)		(181,628)
Ultimate parent company financing	358,170	(67,262)	998,122	(774,336)
NET CASH USED BY FINANCING ACTIVITIES	(156,141)	(535,187)	(261,522)	(1,242,261)
NET (DECREASE)./INCREASE IN CASH AND CASH EQUIVALENTS	(192,697)	345,838	(325,483)	233,218
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,978,465	1,667,955	2,111,251	1,780,575
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,785,768	2,013,793	1,785,768	2,013,793

Group Statement of Changes in Shareholders' Equity

Quarter ended September 30, 2005

\$000's

	Share capital	Reserves	Accumulated/ (deficit) profit	Total equity
	\$'000	\$'000	\$'000	\$'000
Balances at April 1, 2004	16,817,440	756,366	(506,187)	17,067,619
Net profit attributable to stockholders	-	-	1,162,349	1,162,349
Release of appreciation in fair value of investment	-	-	-	-
Unrealised translation adjustment on consolidation	-	3,368	-	3,368
Balance at September 30, 2004	16,817,440	759,734	656,162	18,233,336
Balances at April 1, 2004	16,817,440	756,366	(506,187)	17,067,619
Net profit attributable to stockholders	-	-	2,281,134	2,281,134
Release of appreciation in fair value of investment	-	(186,338)	-	(186,338)
Unrealised translation adjustment on consolidation	-	2,545	-	2,545

Transfer to capital reserves	-	297,852	(297,852)	-
Balance at March 31, 2005	16,817,440	870,425	1,477,095	19,164,960
Balance at April 1, 2005	16,817,440	870,425	1,477,095	19,164,960
Net profit after tax for the period	-	-	1,024,804	1,024,804
Dividends	-	-	(1,009,046)	(1,009,046)
Release of appreciation in fair value of investment	-	-	-	-
Translation adjustment on consolidation	-	6,556	-	6,556
Balance at September 30, 2005	16,817,440	876,981	1,492,853	19,187,274