

Cable & Wireless Jamaica Limited

Unaudited Consolidated Financial Statements

For the quarter and nine months ended December 31, 2005

We hereby present the Unaudited Consolidated Financial Statements for Cable & Wireless Jamaica Limited and its subsidiaries for the quarter and nine months ended December 31, 2005.

Revenue for the quarter of \$5,706,968k is 2% better than the same period last year and year-to-date of \$16,855,380k is 1% better than the same period last year. As noted in the previous quarters, Broadband revenues continue to experience significant growth with the Company's average monthly subscriber base increasing 50% over the previous quarter and 529% for the same quarter last year.

With the introduction of the 'Anyone' mobile plans on September 29, 2005 on the GSM prepaid and postpaid platforms, activity on the Company's GSM platform has increased substantially. The Company's active mobile subscriber base has increased by 9% and monthly minutes of use have increased by 62%. The Company continues to realize significant increase in average revenue per user by subscribers to the plan.

Gross margin of \$3,806,964k for the quarter reflects an increase of 3% when compared to the same period last year and \$11,656,882k year-to-date reflects an increase of 4% when compared to the same period last year. This is primarily due to continued benefit from the reduction of subsidy levels as compared to prior year and a significantly lower number of handsets sold into the market year-to-date.

Total operating expenses of \$2,730,882k for the quarter decreased by 3% when compared to same period last year and year-to-date operating expenses of \$8,730,274k increased by 9.1% when compared to the same period last year. Decrease in administrative, marketing and selling expenses for the quarter of \$100,040k primarily relates to favourable adjustments resulting from our pension surplus and the net increase of \$726,228k is 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.

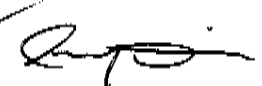
Operating profit for the quarter of \$1,076,081k increased 19% when compared to the same period last year and year-to-date of \$2,926,607k decreased 8% respectively when compared to the same period last year. The year-to-date decline is largely due to increased operating costs. Net finance costs, which comprises net interest payable and foreign exchange losses, reduced by 13% for the quarter compared to last year and by 23% year on year for the nine-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 19% year on year but declined 6% for the year-to-date when compared to prior year. The improved performance for the 3rd quarter offsets lesser performances in the 1st and 2nd quarters and is driven by the improved mobile and Internet performances.

Net profit attributable to stockholders of \$544,178k for the quarter increased 16% when compared to the same period last year and \$1,568,982k year-to-date declined 4% when compared to the same period last year. This has yielded a year-to-date Earnings per share of 9.33 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


Leonard deBorja
Chairman


Rodney S Davis
President and CEO

**Cable & Wireless Jamaica
Group Income Statement
Quarter Ended December 31, 2005
\$000's**

	3 Months to Dec 31, 2004	3 Months to Dec 31, 2005	9 Months to Dec 31, 2004	9 Months to Dec 31, 2005
Revenue	5,617,359	5,706,968	16,700,461	16,855,380
Outpayments	(1,224,295)	(1,479,108)	(3,743,369)	(4,249,915)
Other cost of sales	(682,101)	(420,898)	(1,776,933)	(948,583)
Total costs of sales	(1,906,396)	(1,900,004)	(5,520,302)	(5,198,498)
Gross margin	3,710,963	3,806,964	11,180,159	11,656,882
Employee expenses	(662,059)	(616,435)	(2,058,477)	(2,310,453)
Administrative, marketing and selling expenses	(1,540,537)	(1,440,497)	(4,065,083)	(4,396,418)
Depreciation	(602,261)	(673,950)	(1,880,486)	(2,023,403)
Total operating expenses	(2,804,857)	(2,730,882)	(8,004,046)	(8,730,274)
Operating profit / loss	906,106	1,076,081	3,176,113	2,926,607
Net finance costs	(253,720)	(221,512)	(725,287)	(555,462)
Other	65,939		58,511	0
Total other income / (expenses)	(187,781)	(221,512)	(666,776)	(555,462)
Profit before taxation	718,325	854,570	2,509,337	2,371,146
Taxation	(247,814)	(310,391)	(876,477)	(802,163)
Net profit attributable to stockholders	470,511	544,178	1,632,860	1,568,982
Earnings per share	2.80	3.24	9.71	9.33

Group Balance Sheet
Quarter ended December 31, 2005
\$000's

	Dec 31, 2004	Mar 31, 2005	Dec 31, 2005
Property, plant & equipment	27,169,797	27,622,370	27,254,895
Intangible assets	0	622,923	411,560
Investments	316,011	100	100
Deferred expenditure	45,759	33,211	14,986
Deferred tax asset	458,936		0
Employee benefits assets	2,556,113	2,645,000	3,243,501
Total non-current assets	30,546,616	30,923,604	30,926,041
Cash and cash equivalents	1,635,338	1,781,123	1,820,306
Accounts receivable	3,287,631	3,949,717	4,728,644
Due from related companies	39,031	122,515	529,463
Inventories	602,507	370,653	659,065
Current portion of deferred expenditure	158,494	117,456	109,210
Total current assets	5,723,001	6,341,464	7,846,688
TOTAL ASSETS	36,269,617	37,265,068	38,771,728
Share capital	16,817,440	16,817,440	16,817,440
Reserves	760,137	870,425	885,675
Accumulated profit	1,126,673	1,477,095	2,037,031
TOTAL EQUITY	18,704,250	19,164,960	19,740,146
Bank overdraft, unsecured	29,740	548	0
Accounts payable	3,882,801	6,441,546	6,558,485
Current portion of loans	978,617	364,950	406,755
Taxation	2,952,861	225,324	547,221
Due to ultimate parent company	7,717,351	7,032,783	6,485,432
Due to related companies	15,482	9,068	1,048,191
Total current liabilities	15,576,852	14,074,219	15,046,084
Loans	695,712	563,957	245,839
Deferred tax liability	219,118	2,364,843	2,565,384
Employee benefits obligations	1,073,685	1,097,089	1,174,276
Total non-current liabilities	1,988,515	4,025,889	3,985,498
TOTAL LIABILITIES	17,565,367	18,100,108	19,031,582
TOTAL EQUITY & LIABILITIES	36,269,617	37,265,068	38,771,728

Group Statement of Cashflows
Quarter Ended December 31, 2005
\$000's

	3 Months to Dec 31, 2004	3 Months to Dec 31, 2005	9 Months to Dec 31, 2004	9 Months to Dec 31, 2005
Net Profit attributable to stockholders	470,511	544,178	1,632,860	1,568,982
Employee benefits	(121,068)	(390,010)	(357,194)	(521,314)
Depreciation	602,261	673,950	1,880,486	2,023,403
Gain on disposal of property, plant & equipment	(65,181)	0	(59,512)	(6,232)
Gain on disposal of investment	0	0	0	0
Amortisation of deferred expenditure	53,613	24,190	207,840	121,158
Unrealised translation losses on loans	1,647	119,734	32,302	190,089
Deferred taxation	61,952	77,598	219,118	200,541
Total adjustments for non-cash items	533,224	606,461	1,923,040	2,007,644
Operating cashflow before working capital movements	1,003,735	1,049,640	3,555,900	3,576,627
(Increase) / decrease in current assets				
Accounts receivable	548,498	(599,765)	284,936	(778,927)
Due from related companies	80,748	(283,718)	46,574	(406,948)
Inventories	(14,066)	(147,531)	54,512	(288,412)
Increase / (decrease) in current liabilities				
Accounts payable	(359,219)	(80,813)	(1,124,764)	116,939
Taxation	185,861	232,953	657,358	321,897
Due to related companies	(18,672)	(71,725)	(67,131)	311,705
Total movements in working capital	423,150	(707,149)	(148,515)	(723,746)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,426,885	342,491	3,407,385	2,852,881
Unrealised translation adjustment on consolidation	403	8,694	3,771	15,250
Acquisition of property, plant and equipment, net	(1,511,215)	(389,944)	(3,468,840)	(1,715,752)
Proceeds from disposals of property, plant and equipment	66,027	0	77,920	10,870
Deferred expenditure incurred	(43,203)	8,303	(145,300)	(18,225)
NET CASH USED BY INVESTING ACTIVITIES	(1,487,988)	(372,948)	(3,532,449)	(1,707,858)
Net cash (used) / generated before financing activities	(61,103)	(330,457)	(125,064)	1,145,023
Loans repaid	(381,057)	9,985	(1,640,701)	(276,313)
Dividends paid	0	(100,000)	0	(281,628)
Ultimate parent company financing	261,990	226,985	1,260,112	(547,351)
NET CASH (USED) / GENERATED BY FINANCING ACTIVITIES	(119,067)	136,970	(380,589)	(1,105,292)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALE	(180,170)	(193,487)	(505,653)	39,731
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,785,768	2,013,793	2,111,251	1,780,575
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,605,598	1,820,306	1,605,598	1,820,306

Group Statement of Changes in Shareholders' Equity
Quarter ended December 31, 2005
 \$'000's

	Share capital \$'000	Reserves \$'000	Accumulated/ (deficit) profit \$'000	Total equity \$'000
Balances at April 1, 2004	16,817,440	766,366	(606,187)	17,057,619
Net profit attributable to stockholders	0	0	1,632,860	1,632,860
Unrealised translation adjustment on consolidation	0	3,771	0	3,771
Balance at December 31, 2004	16,817,440	760,137	1,126,673	18,704,250
Balances at April 1, 2005	16,817,440	760,137	(606,187)	17,057,619
Net profit attributable to stockholders	0	0	2,281,134	2,281,134
Release of appreciation in fair value of investment	0	(186,338)	0	(186,338)
Unrealised translation adjustment on consolidation	0	2,545	0	2,545
Transfer to capital reserves	0	297,852	(297,852)	0
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 attributable to stockholders	-	-	1,568,982	1,568,982
Dividends	-	-	(1,009,046)	(1,009,046)
Translation adjustment on consolidation	-	15,250	-	15,250
Balance at December 31, 2005	16,817,440	885,675	2,037,031	19,740,146