

**Cable & Wireless Jamaica Limited**  
**Unaudited Consolidated Financial Statements**  
**For The Three Months Ended 31 December 2007**

The Board of Directors of Cable & Wireless Jamaica Limited releases the unaudited consolidated results of the Company, Jamaica Digiport International (JDI), and other subsidiaries, (collectively referred to as the “Group”), for the three months ended 31 December 2007.

***Outlook***

The Company has re-aligned its strategy to better meet market challenges and customer service expectations. Management is putting into place revised processes and executing on a number of initiatives to strengthen the Company’s market proposition, network quality, and customer experience. Internally, the senior management team has been further strengthened through the appointment of a new CFO, Eduardo Ryan, whilst internal processes and controls are being reviewed and strengthened.

The Board of Directors expects that the new strategy and expertise of the senior management team will result in improved financial performance in the medium term.

***Results***

*Revenue* for the quarter ended 31 December 2007, of \$6,222m was in line with the same period last year.

*Gross Margin* of \$3,992m has fallen 3% compared to the same period last year, as a result of the revenue movements above and higher mobile handset subsidies.

*Total Operating Expenses* (excluding depreciation) have increased by 17% to \$2,858m compared to the same period last year, reflecting customer service and operational issues.

Certain operating costs have increased due to poor execution of a number of outsource contracts and redundancy costs, which have been incurred as part of the business restructuring.

*Operating profit* of \$386m represents a decline of \$521m compared to the same period last year as a result of the decline in gross margin and the increase in operating expenses.

*Net finance costs* have decreased by \$46m largely due to foreign currency gains.

These unaudited consolidated financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards.

On behalf of the Board

Andrew Cocking  
**Director**

Phil Green  
**Director**

**Group Income Statement (Unaudited)**  
**Quarter Ended December 31, 2007**  
**\$000's**

	<b>3 Months to Dec 31, 2006</b>	<b>3 Months to Dec 31, 2007</b>	<b>9 Months to Dec 31, 2006</b>	<b>9 Months to Dec 31, 2007</b>
<b>Revenue</b>	<b>6,263,031</b>	<b>6,221,529</b>	<b>18,480,860</b>	<b>17,347,297</b>
Outpayments	(1,500,399)	(1,669,510)	(4,779,312)	(5,215,376)
Other costs of sales	(657,787)	(559,863)	(1,736,171)	(1,858,821)
<b>Total cost of sales</b>	<b>(2,158,186)</b>	<b>(2,229,373)</b>	<b>(6,515,483)</b>	<b>(7,074,197)</b>
<b>Gross margin</b>	<b>4,104,845</b>	<b>3,992,156</b>	<b>11,965,377</b>	<b>10,273,100</b>
Employee expenses	(945,383)	(793,325)	(2,613,794)	(2,409,686)
Administrative, marketing, and selling expenses	(1,506,809)	(2,065,128)	(4,272,067)	(5,332,665)
Depreciation	(745,690)	(747,781)	(2,271,949)	(2,242,931)
<b>Total operating expenses</b>	<b>(3,197,881)</b>	<b>(3,606,235)</b>	<b>(9,157,810)</b>	<b>(9,985,283)</b>
<b>Operating profit</b>	<b>906,963</b>	<b>385,921</b>	<b>2,807,567</b>	<b>287,817</b>
Net finance costs				
Foreign exchange (losses)/gains	(22,935)	1,653	(15,078)	(69,054)
Other finance costs	(381,124)	(363,393)	(1,004,670)	(1,013,333)
Finance income	17,709	21,176	58,591	69,254
	<b>(386,350)</b>	<b>(340,564)</b>	<b>(961,157)</b>	<b>(1,013,133)</b>
Other income/(expenses)	110,041	(3,977)	101,218	(40,462)
<b>Profit/(loss) before taxation</b>	<b>630,654</b>	<b>41,379</b>	<b>1,947,628</b>	<b>(765,779)</b>
Taxation	(177,601)	(27,863)	(606,461)	272,486
<b>Net profit/(loss) attributable to stockholders</b>	<b>453,053</b>	<b>13,517</b>	<b>1,341,167</b>	<b>(493,292)</b>
<b>EPS</b>	2.69c	0.08c	7.97c	(2.93)c

**Group Balance Sheet (Unaudited)**  
**Quarter ended December 31, 2007**  
**\$000's**

	Dec 31, 2006	March 31, 2007	Dec 31, 2007
Property plant & equipment	27,180,471	27,954,728	29,936,019
Intangible assets	796,657	691,528	398,222
Deferred expenditure	66,055	80,454	78,102
Employee benefits assets	3,659,000	3,614,000	3,457,000
<b>Total non-current assets</b>	<b>31,702,183</b>	<b>32,340,710</b>	<b>33,869,343</b>
Cash & cash equivalents	714,431	1,410,225	1,116,788
Accounts receivable	5,129,561	4,379,512	4,928,955
Prepaid expenses	1,153,802	1,171,643	610,912
Due from related companies	289,759	121,035	144,443
Company tax recoverable	72,065	86,996	87,871
Inventories	894,762	431,483	29,226
Current portion of deferred expenditure	175,428	204,512	302,716
<b>Total current assets</b>	<b>8,429,807</b>	<b>7,805,406</b>	<b>7,220,913</b>
<b>TOTAL ASSETS</b>	<b>40,131,989</b>	<b>40,146,116</b>	<b>41,090,255</b>
Share capital	16,817,440	16,817,440	16,817,440
Reserves	2,510,767	2,491,656	2,523,684
Accumulated profit/(deficit)	1,254,916	1,012,732	(696,087)
<b>TOTAL EQUITY</b>	<b>20,583,123</b>	<b>20,321,828</b>	<b>18,645,037</b>
Trade and other payables	5,359,306	5,884,046	5,941,216
Short-term bridge financing loans	-	3,042,124	-
Current portion of loans	32,934	12,391	13,005
Due to related companies	11,118	40,421	4,669
<b>Total current liabilities</b>	<b>5,403,357</b>	<b>8,978,982</b>	<b>5,958,890</b>
Loans	221,542	222,515	4,160,142
Due to ultimate parent company	8,197,797	4,143,418	5,932,047
Deferred tax liability	3,803,558	4,565,000	4,296,817
Provisions	584,385	382,462	422,565
Employee benefits obligation	1,338,225	1,531,911	1,674,759
<b>Total non-current liabilities</b>	<b>14,145,507</b>	<b>10,845,306</b>	<b>16,486,330</b>
<b>TOTAL LIABILITIES</b>	<b>19,548,865</b>	<b>19,824,288</b>	<b>22,445,220</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>40,131,989</b>	<b>40,146,116</b>	<b>41,090,255</b>

**Group Statement of Cash Flows (Unaudited)**  
**Quarter ended December 31, 2007**  
**\$000's**

	3 Months to Dec 31, 2006	3 Months to Dec 31, 2007	9 Months to Dec 31, 2006	9 Months to Dec 31, 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit/(loss) attributable to stockholders	453,053	13,517	1,341,167	(493,292)
Adjusted for:				
Unrealised translation losses on loans	4,679	121,943	10,289	74,162
Employee benefits, net	(121,933)	(125,471)	(321,599)	(411,152)
Depreciation and amortisation	745,690	747,781	2,271,949	2,242,931
Amortisation of deferred expenditure	40,727	85,095	100,139	208,810
Deferred taxation	177,601	32,166	606,461	(268,183)
Loss on disposal of property plant and equipment and intangible assets	92,395	6,278	101,218	42,763
Interest earned	(9,188)	(10,672)	(40,898)	(35,034)
Interest expense	297,857	362,891	868,634	1,011,867
Provisions	17,628	(13,428)	52,680	(40,103)
Cash generated before changes in working capital	<u>1,698,509</u>	<u>1,220,101</u>	<u>4,990,040</u>	<u>2,332,770</u>
Accounts receivable	(878,360)	(965,269)	(1,706,011)	(549,443)
Prepaid expenses	(52,618)	839,016	(662,180)	560,731
Due from related companies	(55,533)	(23,388)	(1,013)	(23,408)
Inventories	(318,616)	52,344	(471,474)	402,257
Trade and other accounts payables	107,965	191,407	204,189	57,170
Provisions	(6,626)	-	(263,625)	-
Due to related companies	196	(0)	(18,963)	(35,752)
Cash generated from operations	<u>494,917</u>	<u>1,314,210</u>	<u>2,070,963</u>	<u>2,744,324</u>
Net cash provided by operating activities	<u>494,917</u>	<u>1,314,210</u>	<u>2,070,963</u>	<u>2,744,324</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Unrealised translation adjustment on consolidation	12,557	22,727	12,601	32,028
Acquisition of property plant & equipment and intangible assets	(920,781)	(1,098,363)	(2,552,588)	(3,973,937)
Proceeds from disposal of property plant & equipment	-	383	-	455
Interest received	9,130	10,647	40,195	34,968
Deferred expenditure incurred	(124,011)	(49,277)	(188,066)	(304,662)
Net cash used by investing activities	<u>(1,023,106)</u>	<u>(1,113,884)</u>	<u>(2,687,859)</u>	<u>(4,211,149)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase/(decrease) in loans	37,562	(4,991)	(350,752)	833,219
Dividends paid	-	(504,527)	(672,698)	(504,527)
Interest paid	(298,808)	(362,884)	(877,693)	(853,374)
Due to ultimate parent company	611,096	606,393	1,432,959	1,698,070
Net cash used by financing activities	<u>349,851</u>	<u>(266,009)</u>	<u>(468,183)</u>	<u>1,173,388</u>
Net decrease in cash and cash equivalents	(178,338)	(65,681)	(1,085,079)	(293,437)
Cash and cash equivalents at beginning of year	892,769	1,182,469	1,799,510	1,410,225
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>714,431</b>	<b>1,116,788</b>	<b>714,431</b>	<b>1,116,788</b>

**Group Statement of Changes in Shareholders' Equity (Unaudited)**  
**Quarter ended December 31, 2007**  
**\$'000's**

	Share Capital	Reserves	Accumulated Profit	Total
<b>Balance at April 1, 2006</b>	16,817,440	2,498,166	841,538	20,157,144
Profit for the period	-	-	1,341,167	1,341,167
Post retirement actuarial gains and change in disallowed asset	-	-	(255,092)	(255,092)
Dividends paid	-	-	(672,698)	(672,698)
Unrealised translation adjustment on consolidation	-	12,601	-	12,601
	<u>16,817,440</u>	<u>2,510,767</u>	<u>1,254,916</u>	<u>20,583,122</u>
Balance at April 1, 2006, restated	16,817,440	2,498,166	182,331	19,497,937
Profit for the year	-	-	2,053,766	2,053,766
Dividends paid	-	-	(672,698)	(672,698)
Actuarial gains and losses recognised directly in equity, net of deferred tax	-	-	(574,000)	(574,000)
Transfer from employee benefits reserve	-	(23,333)	23,333	-
Unrealised translation adjustment on consolidation	-	16,823	-	16,823
	<u>16,817,440</u>	<u>2,491,656</u>	<u>1,012,732</u>	<u>20,321,828</u>
<b>Balance at March 31, 2007</b>	<u>16,817,440</u>	<u>2,491,656</u>	<u>1,012,732</u>	<u>20,321,828</u>
Net loss for the period	-	-	(493,292)	(493,292)
Dividends paid	-	-	(504,527)	(504,527)
Actuarial gains and losses recognised directly in equity, net of deferred tax	-	-	(711,000)	(711,000)
Unrealised translation adjustment on consolidation	-	32,028	-	32,028
	<u>16,817,440</u>	<u>2,523,684</u>	<u>(696,087)</u>	<u>18,645,037</u>
<b>Balance at December 31, 2007</b>	<u>16,817,440</u>	<u>2,523,684</u>	<u>(696,087)</u>	<u>18,645,037</u>