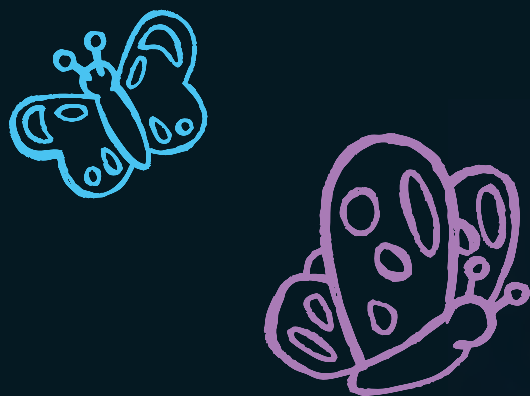
Landline | Internet | Mobile | Entertainment

LIME

Destination
A Better Place



2009 Annual Report

Cable & Wireless Jamaica Limited

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of Cable & Wireless Jamaica Limited will be held at the Hilton Hotel Kingston Jamaica, 77 Knutsford Boulevard, Kingston 5, on the 29th day of July, 2009, commencing at 3:00 p.m. to transact the following business:

1. **To receive the audited accounts for the year ended 31 March, 2009 and the Reports of the Directors and Auditors thereon.**

   The Company is asked to consider, and if thought fit, pass the following Resolution:

   Resolution No. 1
   "That the Accounts for the year ended 31 March, 2009 together with the Reports of the Directors and Auditors thereon, be and are hereby adopted."

2. **To elect the Directors**

   (i) The Directors retiring by rotation in accordance with Article 91 of the Company's Articles of Association are Messrs. Andrew Cocking and Leonardo de Barros, who being eligible for re-election, offer themselves for re-election to the Board.

   The Company is asked to consider and if thought fit, pass the following resolutions:

   Resolution No. 2 (a)
   "That Mr. Andrew Cocking, retiring by rotation, be and is hereby re-elected."

   Resolution No. 2 (b)
   "That Mr. Leonardo de Barros, retiring by rotation, be and is hereby re-elected."

   (ii) In accordance with Article 97 of the Company's Articles of Association, Messrs. Geoff Houston, Mark Kerr-Jarrett and Ken McFadyen, having been appointed since the last Annual General Meeting, will retire, and being eligible, offer themselves for election to the Board.

   The Company is asked to consider, and if thought fit, pass the following resolutions:

   Resolution 2 (c)
   "That Mr. Geoff Houston be and is hereby elected a Director of the Company."

   Resolution 2 (d)
   "That Mr. Mark Kerr-Jarrett be and is hereby elected a Director of the Company."

   Resolution 2(e)
   "That Mr. Ken McFadyen be and is hereby elected a Director of the Company."

3. **To fix the fees of the Directors.**

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No. 3
   "That the amount shown in the Accounts of the Company for the year ended 31 March 2009 as fees of the Directors for their services as Directors, be and is hereby approved."

4. **To fix the remuneration of the Auditors.**

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No. 4
   "That the remuneration of the auditors, KPMG, who have signified their willingness to continue in office, be fixed by the Directors of the Company."

5. **SPECIAL RESOLUTION**

   To amend the Memorandum and Articles of Association of the Company.

   The Company is asked to consider and if thought fit, pass the following resolution:

   Resolution No. 5
   "That the Memorandum and Articles of Association of the Company be amended in the manner following, that is to say:

   The Articles of Incorporation hereto annexed be and is hereby adopted as the Articles of Incorporation of the Company in place of the existing Memorandum and Articles of Association ."

Dated 20th day of May, 2009

By Order of the Board

Camille Facey (Mrs.)
Secretary

NOTE
A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, vote instead of that member. A proxy need not be a member of the Company.

An instrument for the appointment of proxies is included at the back of this Annual Report and must be deposited with the Registrar of the Company, Duke Corporation Limited, no later than 3:00 p.m. Monday, 27 July, 2009.

Landline | Internet | Mobile | Entertainment

LIME

Destination

CABLE & WIRELESS JAMAICA LIMITED

When Cable & Wireless became LIME, we began the process that would take us to an exciting new destination…

Using our international reach, we bring the best technologies to the region, tailoring these to local needs and delivering them through an effortless, highly personal service.

We apply powerful ideas to make tomorrow…

A Better Place

How we'll reach our **Destination**

Our new values will help us reach a better place

Imaginative

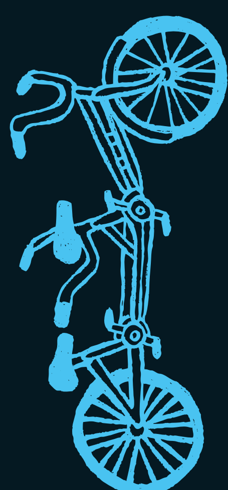
We're full of ideas, and we're always looking for better ways to do things.

In touch

We stay in touch with the real world – and we understand our customers' needs.

positive

We are inherently optimistic, and a force for good.



Confident

We see ourselves as a true leader, self-confident and visionary.

Reaching a Better Place

To get to a better place, we created a manifesto that covers where we want to be, and how we plan to get there.

Making it Better for our Customers

Where do we want to be?
At a point where no one will go more than one day without the ability to communicate with friends, family, colleagues and loved ones, no matter where they are, even during times of national crisis.

How are we getting there?
We already have in place the infrastructure that supports our emergency services. In times of national crisis, we'll work around the clock to try to restore at least one of our services within 24 hours, keeping Caribbean people in touch and Caribbean businesses running.

Where do we want to be?
At a stage where we respond within one minute to every call to our contact centres.

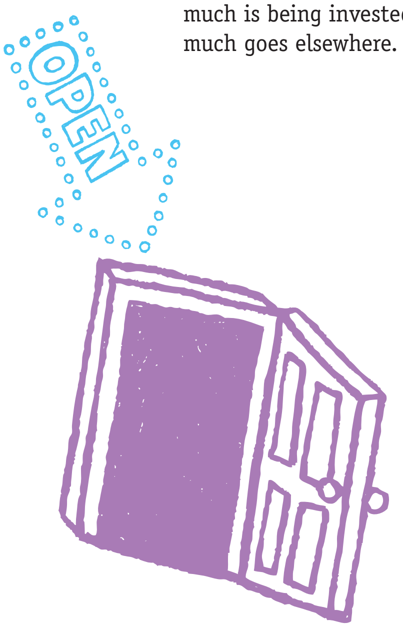
How are we getting there?
We're taking our market-leading contact centre performance to world-class levels by putting in place all the measures necessary to ensure every customer call is answered within a minute of reaching the contact centre.

Where do we want to be?
In a place where our customers are treated like friends, not adversaries.

How are we getting there?
We're investing in training and tools that help LIME colleagues treat customers like real people, not sales opportunities, always focusing on what's right for the customer instead of what's profitable for us. We're focusing product development on technologies that enhance or simplify our customers' busy lives.

Where do we want to be?
Where we are absolutely transparent in the management of our finances.

How are we getting there?
We're publishing our financial results so that every Caribbean person can see how we're using the money they spend with us. We're showing how much is being spent on developing a world-class network, how much is being invested into communities, how much profit is going to Caribbean shareholders, and how much goes elsewhere.



Making it Better in our Communities

Where do we want to be?
In the position of holding a LIME Kindness Day every year.

How are we getting there?
We're working with colleagues to identify worthy causes, to which every LIME colleague will dedicate one working day.

Where do we want to be?
Every year, we want to invest in major carnivals, which celebrate culture, music, dance and "Caribbeaness".

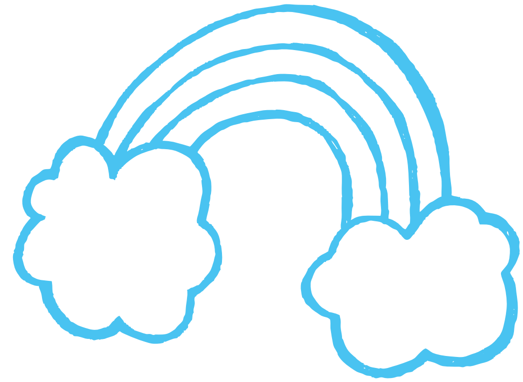
How are we getting there?
We'll not only continue to invest, but will increase what we invest into Carnivals, Jazz festivals and other events. We'll also provide support in-kind and be a fully involved participant in any event we're involved with, and we'll invite customers, colleagues and community leaders to join us in making the events a success.

Where do we want to be?
At the point where every child in every market has connection to a world of education via computer and Internet access.

How are we getting there?
We're working on creating a safe environment either at or after school in which every Caribbean child can have access to a computer with an Internet connection. This will help to raise the standard of our children's education, so that they can ultimately compete, first academically and then professionally at international levels.

Where do we want to be?
At a stage where we offer access to Broadband and teaching resources for every primary school in every market in which we operate.

How are we getting there?
We're working on making this a reality. We're also planning to work with educational bodies to develop online learning and teaching resources so that teachers can plan and deliver lessons, pupils can learn more and learn faster, and children preparing for exams can have access to revision schedules and learning logs.



Making it Better for our Colleagues

Where do we want to be?
Creating roles and opportunities for people of the Caribbean foremost.

How are we getting there?
Wherever a Caribbean resident can provide the same skills and expertise as a non-Caribbean person, we're giving them first priority on employment and promotion opportunities. We're employing fewer expatriate colleagues and making it a priority to fill senior management positions with people who live in the Caribbean and understand our communities.

Where do we want to be?
Offering five days of training or development every year for every colleague.

How are we getting there?
In recognition that highly skilled employees are integral to our customer service promise, we're providing training through external courses, on-the-job training, attendance at seminars and workshops, work shadowing, and internal initiatives. We aim to ensure that LIME is recognized as a world-class development organization, shaping the future business leaders of the Caribbean and beyond.

Where do we want to be?
At the point where every LIME colleague has their own personal development plan.

How are we getting there?
We're creating plans with our colleagues that provide clear direction on how they can develop their careers, receive promotions and move into positions of higher authority. Time will be given to colleagues to develop plans, and the plans will be discussed and updated at least four times every year.

Where do we want to be?
Recognising each LIME colleague's contribution in style!

How are we getting there?
We're introducing a pan-Caribbean colleague recognition scheme culminating in an annual recognition event rivaling any award given by any company worldwide.

Making it Better in the Caribbean

Where do we want to be?
At the centre of recovery efforts during times of national emergency.

How are we getting there?
We're planning not only to keep the lines of communication open, but to have every one of our colleagues pitch in to help emergency efforts, everything from providing water and food to helping those who have lost their homes.

Where do we want to be?
Making Caribbean suppliers the first choice for all the products and services we use.

How are we getting there?
We've put in place a Caribbean first sourcing policy so that there's continued employment and economic development in the region, as well as reinvestment in the Caribbean of the millions of dollars we spend with suppliers each year. We also plan to partner with Caribbean businesses wherever possible to deliver the "managed and professional services" we'll provide to our corporate customers.

Where do we want to be?
At the point where we've reduced our paper wastage by 15% and doubled our recycling volumes every year.

How are we getting there?
We've just launched our LIME Green campaign, which educates Caribbean people on global and local environmental issues. We're taking action to reduce our carbon footprint internally – and working on providing incentives for our customers to contribute. We plan to recycle old telephones and directories, and we're encouraging customers to switch to paperless billing via our Automatic Payment programme and by giving them access to their accounts via their Internet service at home or at Internet points in-store. On Earth Day, April 22, 2009 we held tree-planting events across the region to encourage people to get on board.


LIME

Chairman's Report

It is a true testament to the commitment of the management and staff of our Company that they sustained the turnaround that began last year, despite an economic climate that has, at best, been extremely challenging.

I am pleased to report that because of that commitment we were able to achieve an increase in Operating Profit of J$1,904m (before impairment and restructuring), which can be credited to an encouraging increase in our gross margin and a reduction in operating expenses.

Still, while our performance this year was much improved over last year, we continued to be challenged by an increasingly adverse economic climate and the effect of our downsizing which has been taking place over the past 18 months. We are encouraged by the fact that most of the pain of our restructuring is now behind us and we have begun to see an upswing in employee morale, which can only result in an improvement in the customer service we deliver.

Our new brand, LIME – Landline, Internet, Mobile and Entertainment – entered the market to mixed reception, but quickly gained traction as both our customers and employees embraced the change as a fresh approach to our business, providing an opportunity for a more vibrant presence and a "new beginning".

AUDIT COMMITTEE

Under the stewardship of Chairman Andrew Cocking and Directors Rousseau and Diaz, the committee had an extremely productive year. The Committee presided over a process whereby we closed all outstanding audit points and continued the process of strengthening internal audit controls within the Company.

CORPORATE GOVERNANCE

Maintaining the highest standards of corporate governance remains a principal part of the Board's guiding principles, and the Board is accordingly pleased to note that as part of the One Caribbean transformation project, best practices drawn from CWIG Limited will be implemented throughout the region to supplement what the Jamaican Board and Operating Unit has already begun. The Board looks forward to being a part of the development process and to implementing world-class practices where they do not already exist.

While we had another change at the top of the organisation with Geoff Houston taking over the reigns from Phil Green, the re-structured senior management team displayed the type of approach that helped to drive improved efficiencies and acceptance of our new brand, and continues to do so.

Some of the highlights for the year were:

- **Operating Profit**
  Efficiency improvements drove an increase in Operating Profit (before impairment & restructuring) of J$1,904m over the previous year.

- **Improved customer service**
  In September 2008, we successfully migrated our Contact Centre to a new provider enabling us to significantly improve our customer service levels. At the close of the year over 74% of calls were being answered within 30 seconds and the call abandonment rate had fallen to 12% as compared to 20% at the end of 2007/08.

- **Enhanced retail presence**
  We have opened six flagship stores, refreshed 80% of our retail outlets and added 3,900 Top Up locations.

- **Our new regional brand**
  On November 3, 2008, we launched our LIME brand, reinforcing our position locally and regionally as the Caribbean's leading full service telecommunications provider.

- **Increased cost efficiency**
  We reduced operating costs by 6% during the financial year, as we continue to deliver on the One Caribbean Transformation Programme.

Our new brand, LIME – Landline, Internet, Mobile and Entertain-ment – entered the market to mixed reception, but quickly gained traction as both external customers and employees embraced the change.

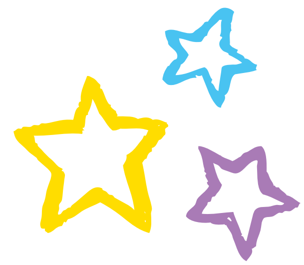
Brittany Lyons, Miss Jamaica World 2008, got a brand new BlackBerry© Bold handset from LIME just before she went to the finals of the Miss World Pageant in South Africa in November 2008. Regional Vice President, Corporate Communications, Errol K. Miller, made the presentation on behalf of the Company.

Executive Vice President Commercial, Mariano Doble, (left) having a lively on-air discussion with popular radio presenter Alan Magnus during the outside broadcast on RJR which was part of the massive promotional drive mounted to launch the LIME brand.

- **Increased marketing focus on TopUp activities**
  Mobile prepaid TopUp frequency increased significantly as a result of the increased marketing activities focused around driving TopUp frequency and the volume of our mobile prepaid subscriber base.

- **Gross Margin**
  Gross Margin of J$14,415m increased by 9% year-on-year and as a percentage of revenue from 58% to 66%, driven by our focus on efficiency.

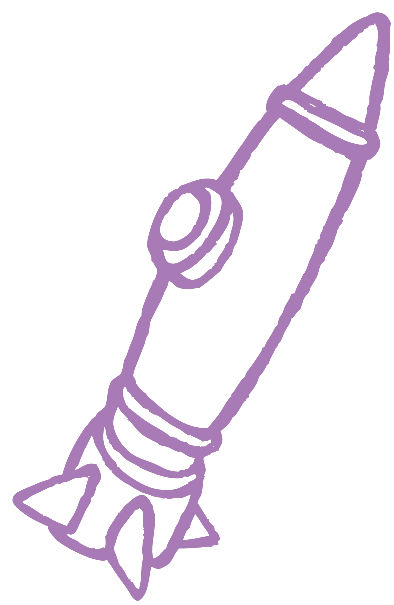
- **Total Operating Expenses**
  Total Operating Expenses (excluding depreciation & amortisation) fell by 6% compared to the previous year highlighting the results of our cost reduction programme. This is against the background of out-of-control oil prices for most of the year and the resultant astronomical increases in energy and fuel costs.



These results demonstrate continued improvement in our financial performance, notwithstanding the challenges in the environment both locally and globally and their direct impact on demand. We will remain focused on delivering better service to our customers and better performance for our stockholders as we continue to pursue the One Caribbean programme to reduce costs, improve efficiency and increase profitability.

Our performance clearly shows that we have passed significant milestones in the turn-around which began a year and a half ago. This is in no small part due to the extraordinary efforts of the entire employee team at Cable & Wireless Jamaica. On behalf of the Board of Directors and all the shareholders I thank them most sincerely for their efforts.

Leonardo de Barros
Chairman




LIME

Country Manager's Report

In the face of challenging economic conditions, intensified competition and organisational transitions, we remained focused on our goal of building a customer-centred business. The plans that we began implementing in the 2007-08 financial year to drive the turnaround of the business continued in earnest in the fiscal year under review. We are now approximately half way through what we had anticipated to be at least a three year journey and while we still have a considerable distance to cover, we are now seeing encouraging signs.

Hitting Customer Service Targets

To meet our customers' demand for fast, efficient service we set our Service Delivery Team a target of 10-5/3-1. Simply put, residential services should be installed in ten days and fixed in five, while business services should be installed in three working days and repaired in one day. By the end of the year, the Team was hitting these targets consistently, driving considerable improvement in our service delivery performance between Q1 and Q4.

Our Customer Experience Team also turned in a positive performance driven in no small part by the engagement of an internationally recognised customer care service provider. We began a partnership with e-Services Limited and by Q3, when we were past the expected teething pains, 74% of all calls to our Contact Centre were being answered within 30 seconds.

Two Major Corporate Contract Wins

We scored two major wins during the year when we signed multi-million dollar contracts with two of the country's largest companies – Sandals Resorts International and Bank of Nova Scotia Jamaica Ltd. We beat off stiff competition to win the contract to become the primary telecoms service provider for Scotia for the next five years. Under our agreement with Sandals, we are now their chief provider of data transport and mobile services for the next three years. In addition, the Government continued to be a major customer for both our voice and data services.

Repositioning the Business

On the retail and consumer side, we continued to reposition the business by offering consumers compelling propositions and products and services to suit their individual lifestyle and budget. In November, we sent a major signal to the market when we unveiled our new brand LIME which served to reinvigorate our presence.

We also continued the retail expansion drive which began in 2007-08, opening new stores and refurbishing existing locations with an emphasis on increasing our presence in rural areas. Our retail locations have started to reflect the look, feel and spirit of the LIME brand and we are developing the kind of consistency in appearance and function that will engender customer confidence.

Organisational Restructuring and Industrial Relations

Notwithstanding the foregoing, the Company continues to face numerous challenges. With expenses mounting and revenue streams under pressure we had to take hard measures to reduce our operational costs, including some amount of restructuring. In spite of numerous challenges, our employees continued to deliver and must be commended for showing such a high level of professionalism under adverse circumstances.

Recognising that the situation called for improved communication and consultation, we proactively engaged the Unions and Staff Associations and a Consultative Committee was established to provide a forum for on-going dialogue. The leadership of the Unions did their part to preserve the spirit of collaboration even when Management was forced to take tough decisions with regard to their members.

The Road Ahead

While we know that the way ahead will not be easy, we are continuing to drive our turnaround even in the face of adverse conditions. A major allocation has already been approved to significantly improve the capacity of our broadband network and our 3G network will be operational in Q1. We will continue to expand and improve our mobile network coverage and we will be working closely with our corporate clients as we weather the financial storm together.

The Company continues to evolve and where necessary reinvent itself to remain viable under constantly

The company continues to evolve and where necessary reinvent itself to remain viable under constantly changing circum-stances.

Father Gregory Ramkissoon, (second left) Executive Director of Mustard Seed Communities and members of his management team, Deputy Executive Director, Darcy Tulloch-Williams (centre) and Donna Reynolds, Administrator (second right) accepting accept a cheque for $2 million from LIME and its parent company Cable & Wireless International (CWI) to support the recovery efforts at Martha's House, a children's home that was destroyed by fire in early 2009. Making the presentation on behalf of LIME and CWI is Errol K. Miller, (left) LIME's Regional Vice President, Corporate Communications. Ronald Thwaites, Member of Parliament for Central Kingston, where Martha's House is located, was also on hand for the presentation.

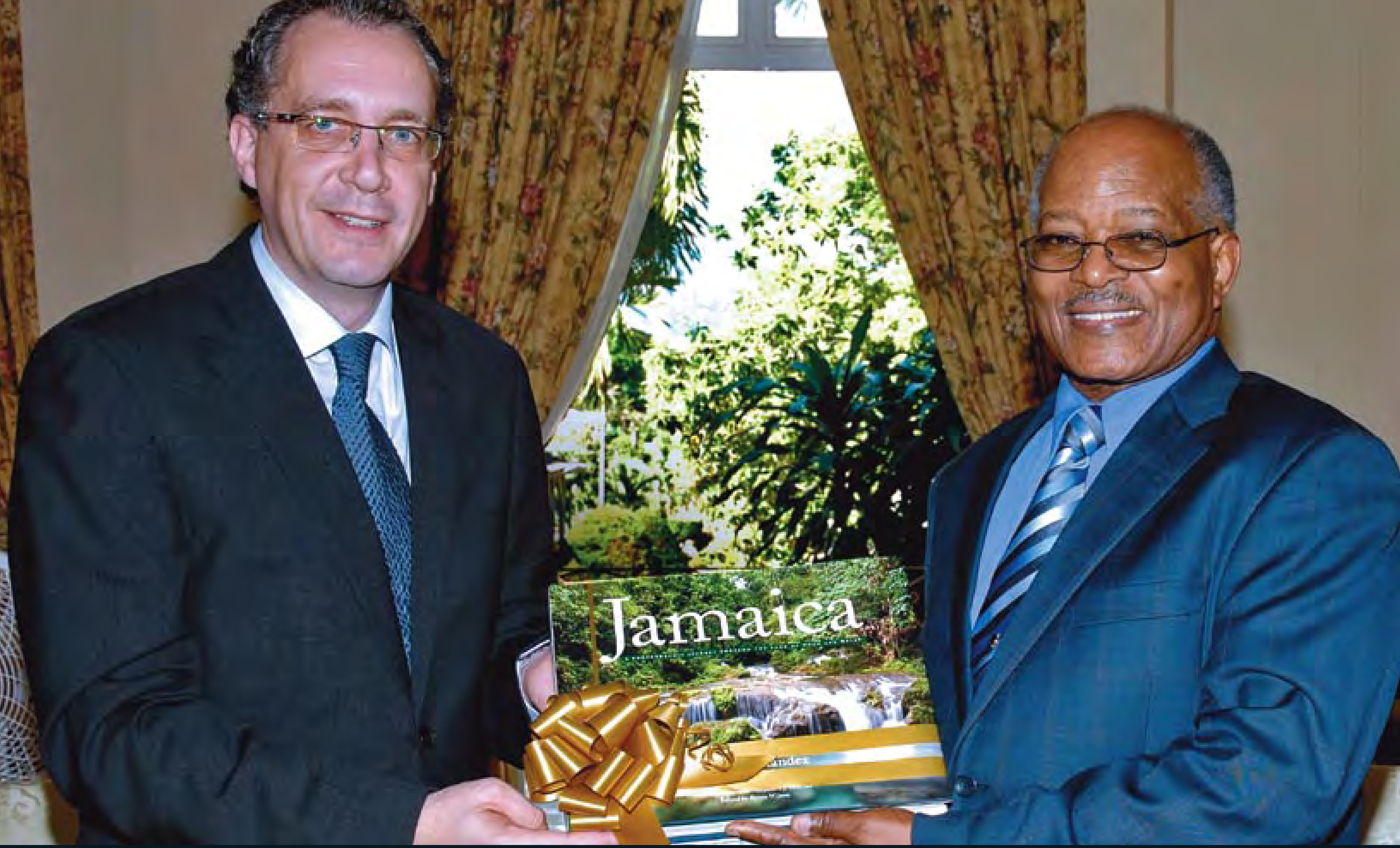
Members of LIME's promotional team show off the versatility of the dynamic new brand. T-Shirts, caps, bags and other merchandise promoting the LIME brand have proven to be very popular with the public.

LIME's Regional Vice President Corporate Communications Errol K. Miller (left) accepting the Corporate Social Responsibility Honour Roll Award for National Priorities from President of the Private Sector Organization of Jamaica (PSOJ) Chris Zacca. The PSOJ saluted LIME for using the company's core competencies of Information Communications Technology to contribute to a number of national goals including literacy, educational achievements, employment and entrepreneurship.

A member of the public gives an enthusiastic spontaneous performance of a song promoting LIME at one of the numerous community based promotional events that the Company has staged since the launch of the new brand.

changing circumstances. We have been here in Jamaica and here for Jamaica for more than 120 years and we will work tirelessly to serve the people of this country for 120 more. We thank all of our loyal customers who have made us their provider of choice and we look forward to providing them with even better service in the future.

Geoff Houston
Country Manager



One of the last official duties of former Governor General Sir Kenneth Hall (right) was the hosting of a courtesy call from LIME's Country Manager, Geoff Houston who presented the Governor General with a special retirement gift, a copy of "Jamaica: A Photographic Journey Through the Land of Wood and Water", a pictorial environmental publication which was sponsored by LIME.

Singing Sensation Tarrus Riley (left) got a BlackBerry© smartphone from Country Manager Geoff Houston when he visited LIME Jamaica's head office in November 2008, shortly after the new brand was launched. The reggae crooner was among the artists that performed at the LIME staff launch event which was held at the Company's Chalmers Avenue Sports Club.

Regional Product Campaign Manager, Yanique Forbes (centre) helps students from the New Providence Primary School in Kingston to plant a tree to mark World Earth Day 2009 and the launch of LIME's "Go Green" Programme. The planting was done under the watchful eye of the School's Environmental Club Teacher, Nicola Guy (second right).

LIME Employee Volunteers Dahlia Campbell (left) and Shelly-Ann O'Connor watch excitedly as students from The Queens School in Kingston, assisted by Acting Principal, Ms Carole Jackson plant a tree in their schoolyard to mark World Earth Day 2009.

Go green with us.

Go Green with us.

As a leader in the communications industry, we feel a huge responsibility to advance environmental and sustainable thinking across the region. That's why we started LIME Green – it's one of many ways we're making the Caribbean a better place. By encouraging paperless statements, cutting back on energy usage, organising tree planting events, beach clean-ups and other community awareness activities we hope to set a good example and make a difference where we can. As part of our Go Green initiative we have introduced our Automatic Payment Programme, which allows customers to sign up for automatic payments via their bank account or credit card. This saves them from driving to a store to pay their bills. Soon we will be enhancing our ebilling. Customers will not only be able to view and pay their bills online, but by signing up for the service they will opt out of receiving paper bills and therefore do their part in helping the environment.

For Earth Day, April 22, 2009, we held a series of tree planting initiatives across the region and had experts explain ways in which communities and individuals could get involved to reduce their carbon footprint.

We are also reducing the amount of printed material we produce each year, and in the next few months plan to introduce in our stores, biodegradable retail bags.

For facts and tips on how to Go Green, visit: www.time4lime.com/green

John Eyre, (left) President of the Amateur Swimming Association and Founder of SwimJamaica is all smiles as he accepts a sponsorship cheque valued at $4 Million from Geoff Houston, Country Manager for LIME in Jamaica. LIME's contribution is underwriting the cost of SwimJamaica's Innercity Swim Programme for a year.

Hillel Academy's tennis coach, Ryan Russell, (right) accepts the championship trophy on behalf of the Hillel Boys Team who won the 2008 LIME High Schools Tennis Knockout Competition. Presenting the trophy on behalf of LIME is Corporate Communications Manager, Camille Taylor (left) while Kadija Richards is looking on.

Corporate Social Responsibility

During the year in review, the strength of the Company's Corporate Social Responsibility (CSR) policy and practices was recognized by two prominent Jamaican organisations – the Jamaica Employer's Federation (JEF), and the Private Sector Organisation of Jamaica (PSOJ) which each conferred LIME with an award. LIME was hailed by the JEF for its "voluntary, positive initiatives and partnerships, resulting in community and marketplace development", and by the PSOJ for "…using the Company's core competencies of Information Communications Technology to contribute to a number of national goals that include literacy, educational achievements, employment and entrepreneurship".

In Jamaica, LIME has consistently demonstrated its commitment to enhancing national development and welfare through intervention programmes, sponsorships and donations to education, youth development, sports, crime prevention and national security. We are immensely proud of our track record in this regard and have below highlighted some of the more prominent projects implemented during the year in review.

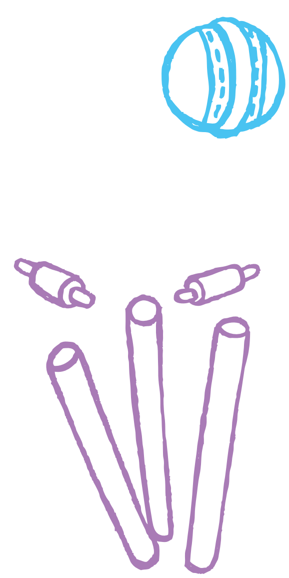
PROMOTING ACCESS TO ICT

210 computers were donated to 21 primary schools under our Computers for Schools Programme, in partnership with Teens 4 Technology. Since its launch in 2005, a total of 860 computers have been donated to 86 schools across Jamaica. At several of these schools, the students had little or no exposure to computers prior to our Foundation's intervention. A further 22 schools will receive similar allocations over the next few months which will complete our goal of equipping 108 schools at a total cost of approximately $12M.

In addition to its ongoing programme to provide free Internet access to primary and secondary schools and over 50 community projects across Jamaica, LIME has, through its foundation, commissioned two additional computer resource centres. The two facilities – the FIWI CyberCentre on Balcombe Drive in Waterhouse, Kingston, and the Yallahs cyberCentre located at St. David's Anglican Church in Yallahs, St. Thomas – were established in collaboration with corporate and/or community partners. Each was equipped with 10 computers and free high-speed Internet access at a total cost of over $600,000, bringing to 10 the number of centres established across the island to provide ICT access and training at the community level.

In addition, we strengthened our programme to increase use of ICT in education by facilitating free basic and multi-media computer workshops for 63 teachers and community ICT trainers. Training was delivered by volunteer professionals and through LIME's e-learning programme.

YOUTH DEVELOPMENT & SPORTS



LIME continued its support for youth development through sports programmes, recognising sports as a vehicle for helping young people achieve their full potential. In addition to its long-standing sponsorship of the Jamaica Badminton Association's junior programmes, the National High School Tennis Competition and supporting the attendance of local educational institutions at the prestigious Penn Relays track meet, the Company expanded its reach to support Swim Jamaica's inner-city programme.

LIME donated $4m to facilitate the expansion of Swim Jamaica's programmes to provide swimming classes for children from underserved communities. Our contribution will enable at least 500 children from inner-city schools to participate at two Corporate Area facilities, the National Stadium Pool and Bournemouth Bath, for a year. The sponsorship will be used to cover the cost of instructor fees, equipment, certificates of participation, t-shirts, pool fees and teaching materials.

We will also be providing computers and broadband Internet service for a library and homework centre that is being set up at the Bournemouth Bath facility that is currently being renovated by the Kingston Rotary Club. As a result, the programme at Bournemouth will have an added dimension as the inner-city youth who attend swim classes there will have an opportunity to participate in a reading development programme.

SOCIAL INTERVENTION

LIME continued its support for national crime prevention efforts by donating $2.4 million dollars when it renewed its sponsorship of the PSOJ Crime Stop Programme for the third year running. The funds were used to finance Crime Stop's marketing programme which encourages citizens to report criminal activity in exchange for financial rewards.

We also continued support for the Violence Prevention Alliance Learning for Life Literacy Programme which targets males in violence prone inner-city communities.

One of the founding partners in the Multi-Care Foundation which was created to assist inner-city youth, LIME continued its support last year through a $2m donation.

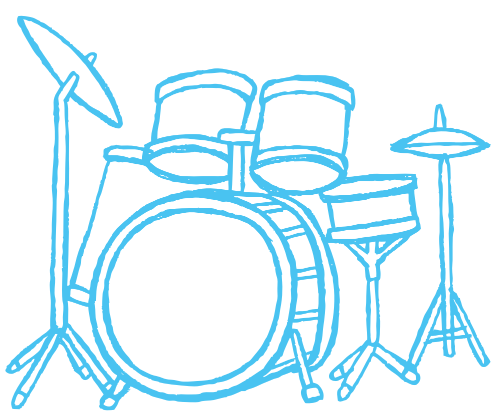
The Company also continued its sponsorships of the Generating Genius Science Programme and the Jamaica Library Service National Reading Competition and Fair.

EMPLOYEE VOLUNTEERISM

LIME Jamaica boasts an active body of employee volunteers who undertake charitable works and provide support for individuals and organisations in need. Through its established employee charity fund, the employee volunteer corps spearheaded several outreach activities. The major event for 2008 was a fun day hosted for 62 children from various Homes and Institutions at Coyaba Gardens, Ocho Rios.

In addition, in support of World Aids Day, they organised a Red Ribbon Drive which facilitated donations to Jamaica AIDS Support of $40,000 cash and a medical scale valued at approximately $60,000.

Through a number of collection drives throughout the year, employees donated large boxes of clothing, bed linen, food items, toiletries and toys which were presented to various charities in need of hurricane relief and as part of our annual December outreach.



LIME's Country Manager Geoff Houston, (second right) presenting a "Landline Xpress" handset to Police Commissioner, Rear Admiral Hardley Lewin (second left). The handset, which allows LIME to provide landline service via its mobile network, is one of 16, which the Company donated to the Jamaica Constabulary Force (JCF) in February 2009. The handsets were allocated to Police Stations in areas that are currently without LIME landline service. The Company also waived the rental charges on the new phone lines for the first year. Also on hand for the presentation were Senior Superintendent George Quallo (left) and LIME's Regional Vice President Corporate Communications, Errol K. Miller.

LIME has provided 10 computers each and Internet access where available to 86 educational institutions under its Computers for Schools programme, giving thousands of students across the country access to ICT.

Board of Directors

LEONARDO DeBARROS
Chairman

Leonardo DeBarros is Chairman of the Boards of Cable & Wireless Jamaica and Cable & Wireless Panama, and a Director of Telecommunications Services of Trinidad & Tobago (TSTT). Mr. DeBarros has held several senior management positions with Motorola in the Far East, Latin America and the Caribbean. He has been the recipient of several awards including the 1993 Hispanic Engineer National Award for Outstanding Professional Achievement and the 2003 Alumni Citation Award from the University of Nebraska.

ANDREW COCKING
Director

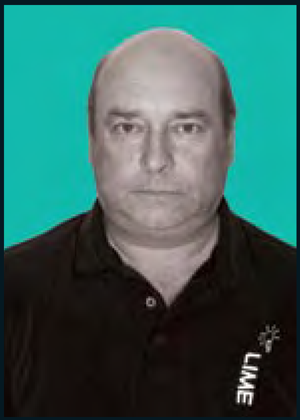
Andrew Cocking joined the Board of Cable & Wireless Jamaica in 2001. He is the Deputy Group President of the Capital & Credit Financial Group and Managing Director of Capital & Credit Remittance Limited and Express Remittance Services Cayman Limited. He was the joint recipient of The Caribbean Entrepreneur of the Year Award in the Financial Services in 2000 and serves as the Chairman of the Students' Loan Bureau.

RICHARD DODD
Director

Richard Dodd is CEO of LIME. He took up this role in April 2008, having previously worked across Cable & Wireless' international portfolio, most recently as Chief Executive of the Monaco & Islands Business. Richard joined Cable & Wireless International as Chief Executive of the M&I business in February 2005 and in August 2006, he added the role of Director of Business Development for Cable & Wireless International. In this dual role Richard was responsible for CWI's merger and acquisition activity as well as setting business strategy and running the M&I portfolio. Before joining Cable & Wireless, Richard ran his own telecommunications company in London and, prior to that, he spent twelve years in management consulting, specialising in major deals and restructurings, for A T Kearney in London, and Arthur D. Little in Brussels.

GEOFF HOUSTON
Country Manager

Geoff Houston was appointed Executive Vice President of LIME and Country Manager for Jamaica on January 1, 2009. Geoff joined Cable & Wireless, Jamaica (C&WJ) as Chief Operations Officer on May 1, 2008 after having been in the telecommunications business for over 20 years. He started with BT in the UK and has been a part of the Cable & Wireless team for the past 16 years. For the 4 year period before he joined C&WJ, Geoff served as CEO of the highly successful C&W Channel Islands and Isle of Man portfolio of businesses in Europe, and prior to that, was CEO of the Seychelles business. He was instrumental in setting up the Company's mobile network in South Africa, spent time in Hong Kong working on mobile operations in Asia and has driven start-ups in Panama and Kuwait. He has an MBA from Henley.

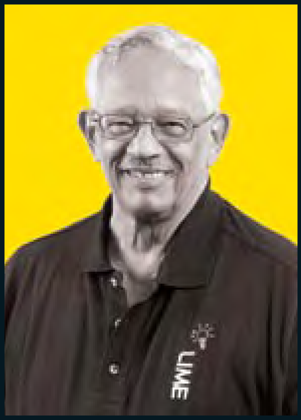


MARK KERR-JARRETT, J.P.
Director

Mark Kerr-Jarrett, J.P., has been the Managing Director of the Barnett Group of Companies since 1989 and is actively involved in Land Development, Construction Services, Tourism and Farming. He sits on the Boards of Guardian Asset Management (Ja) Ltd, Greater Montego Bay Re-development Company Limited, National Works Agency and the Agricultural Development and Marketing Corporation. He is also Chairman of the St. James High School Board and the St. James Parish Development Committee as well as Vice Chairman of the St. James Local Public Accounts Committee. He studied at Cheltenham College, Georgia Institute of Technology, and Virginia Institute of Technology where he pursued his qualifications in mechanical engineering before returning to Jamaica. Mr. Kerr-Jarrett has wide and varied interests within Jamaica and is a former President of the Montego Bay Chamber of Commerce, as well as a Director of Trumpet Call Ministries International and Teamwork Christian Center Trust.

KEN McFADYEN
Director

Ken McFadyen is Chief Operating Officer of Cable & Wireless International (CWI) Group, having joined the company in January 2008, and is a member of the Operating Board. Ken was previously with the global professional services firm Alvarez & Marsal where he was a Senior Director responsible for business development and delivery of corporate re-structuring services. He was previously with Cable & Wireless UK as Business Transformation Director, where he was responsible for the integration of Energis into Cable & Wireless. Ken was a member of the Energis executive team, having joined as IT Director and subsequently becoming Service Delivery Director. Prior to this, Ken's career had embraced line Finance roles and managing consulting. He was a Partner in Ernst & Young Consulting, and has worked on performance improvement initiatives across a range of industries globally. Ken is a Fellow of the UK Chartered Institute of Management Accountants.



HON. PATRICK ROUSSEAU, OJ
Director

Hon. Patrick Rousseau, OJ is an Attorney-at-Law and Consultant-in house with the law firm, Myers Fletcher & Gordon. Mr. Rousseau joined the Board of Directors of Cable & Wireless Jamaica in 1998. He has served as Director and Chairman of several boards including Red Stripe Jamaica Ltd, Life of Jamaica Ltd., Carib Cement Company Ltd., United Motors Limited, the West Indies Cricket Board, Caymanas Track Limited and SportsMax Limited. In 1976 Mr. Rousseau received the Order of Jamaica from the Government of Jamaica for distinguished work in the Bauxite Industry.

CAMILLE FACEY
Corporate Secretary

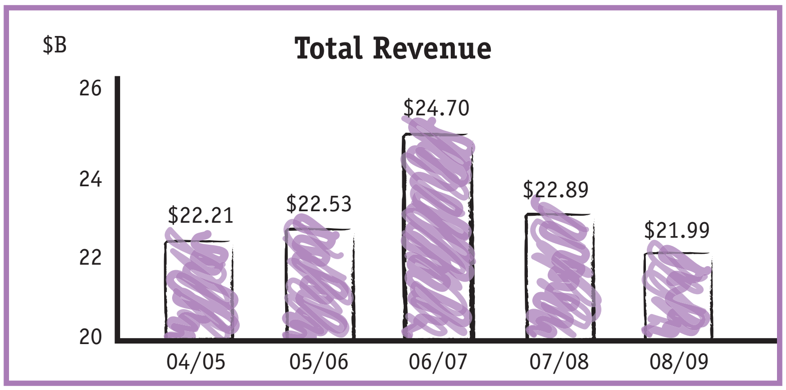
Camille Facey is an Attorney-at-Law with over 20 years experience in commercial and business law. She joined the Company in 2001 as SVP with responsibility for the Legal, Regulatory & Public Policy Division and in 2004 was also appointed Corporate Secretary. Effective November, 2008 she was appointed Regional Vice President with responsibility for Legal, Regulatory & Corporate Affairs in Jamaica, Cayman, BVI and Turks & Caicos Islands. Possessing a strong sense of social responsibility, she has also served in a number of honorary positions such as Vice Chairman of the Caribbean Association of National Telecommunication Organisations (CANTO), Director and Honorary Secretary of the National Development Foundation of Jamaica, Director of National Foundation for Development of Science and Technology, a member of the Board of Trustees of Caribbean and Central American Action (CCAA) and Deputy Chairman of the Cable & Wireless Jamaica Foundation.

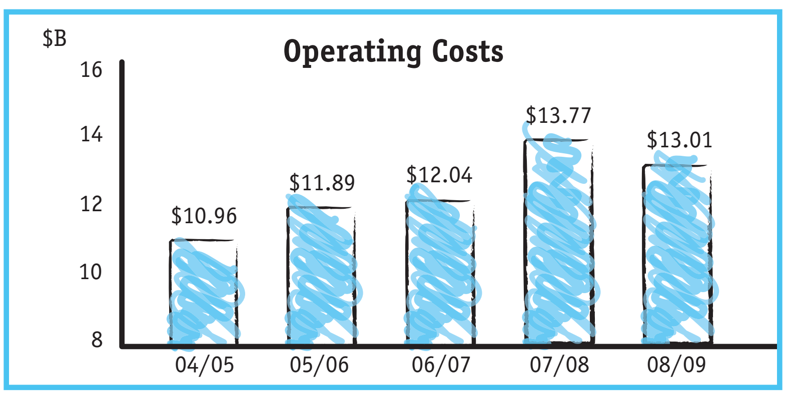
Financial Review

As a result of our improved performance and the inclusion of an impairment charge in the prior year, for the year under review, net loss attributable to stockholders was $303m compared to $4,195m for the year ended March 31, 2008. This yielded a loss per stock unit of 1.80¢ compared to a loss last year of 24.94¢.

When adjusted for the pension and "One Caribbean" restructuring charges and impairment, we would have reflected an adjusted net profit attributable to stockholders of $155m compared to a net loss of $764m in the prior year an increase of $919m year on year.

Revenue for the current year declined by 4% from $22,895m to $21,993m. The reduction in revenue was due primarily to a decline in Mobile and International incoming revenue, offset by an increase in fixed voice revenue.





This year was a challenging one for the mobile business. The elimination of the Anyone World mobile plan and other low margin products contributed to a decline in mobile revenue and the number of new subscribers when compared to prior year. In addition, increased control over subsidy levels resulted in reduced earnings from the sale of handsets.

As part of our efforts to revitalise and increase the profitability of the mobile business we launched the Supa Pak and Ultra Pak mobile plans which include bundled minutes for cross network and International calling.

The decline in International revenue was driven by reduced termination rates combined with a decline in traffic commencing in December 2008. In December 2008 and January 2009, Digicel unilaterally reduced CWJ international circuits which resulted in a significant reduction of international mobile minutes to CWJ.

Effective April 1, 2008, fixed line rental charges were increased from $500 to $700 for residential customers and from $1,250 to $1,600 for corporate customers. This in turn resulted in an increase in Fixed Line National revenue of approximately 11% year on year.

Broadband revenues increased by approximately 11% year on year as a result of our drive to expand our footprint across the island.

In the prior year, aggressive sales promotions in the prepaid segment resulted in increased customer acquisition costs such as handset subsidies and sales commissions. In the current year we instituted tighter controls over the issue of free handsets under contractual arrangements and sale of handsets at subsidised prices during promotions which have resulted in a reduction in Other Cost of Sales from $2,772m to $1,955m. Overall Cost of Sales decreased by $2,042m or 21%.

Outpayments to other carriers also declined from 30% to 26% of revenue as a result of the decline in International traffic and the elimination of low margin price plans.

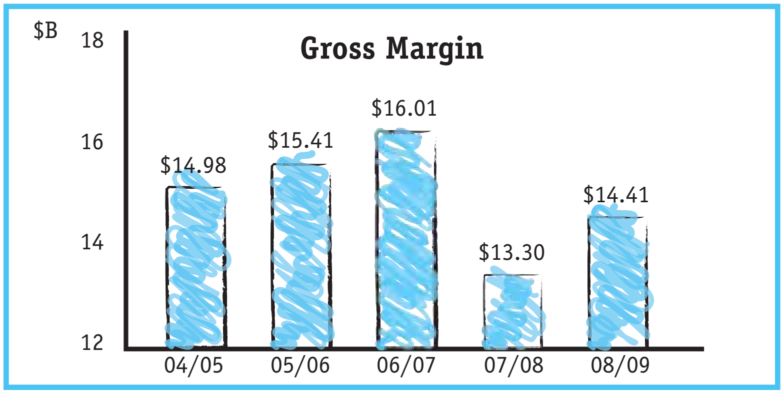
The combination of these factors resulted in an increase in Gross Margin as a percentage of revenue from 58% to 66%. Gross Margin overall increased by 9% year on year from $13,275m to $14,415m.

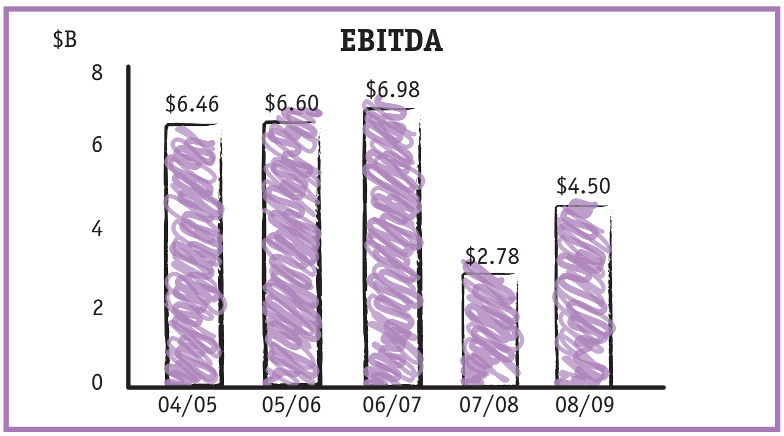
Despite double digit inflation and devaluation of the Jamaican dollar of more than 20%, total operating expenses declined by more than 5% when compared to prior year driven primarily by an 18% reduction in employee related expenses.

Prior year employee expenses include $519m redundancy costs whereas the comparative figure for the current year, $603m, is carried as restructuring costs as they are as a result of the "One Caribbean" transformation. Excluding this however, employee expenses declined by 2%, reflecting a combination of a wage increase of up to 12.5% and an 18% reduction in headcount.

During the year we unveiled our new regional brand LIME (Landline, Internet, Mobile and Entertainment) reinforcing our position locally and regionally as the Caribbean's leading telecommunications provider.

Costs associated with Administrative and Selling expenses increased by less than 6% as a result of the various cost containment programmes implemented during the year. The Company successfully renegotiated contracts with major suppliers of Network and IT support services and cancelled others. We successfully migrated our Contact Centre to a new provider enabling us to improve our customer service levels at a reduced cost. These cost savings initiatives were however severely hampered by the increased cost of utilities during the year.





We commenced our "One Caribbean" transformation during the year and incurred restructuring costs of $677m which include redundancy and rebranding costs.

During the year we successfully completed the restructuring of the Defined Benefit pension plan to a Defined Contribution plan. Pension restructuring reflects a $892m net gain on the settlement and curtailment realised through the restructuring of the two defined benefit pension schemes. In addition to the exceptional income statement credit, the restructuring allowed for a cash refund of $1,500m to be paid to the Company. The pension credit in relation to the ordinary running of the schemes was $941m and the charge in respect of the new defined contribution scheme was $180m. Approval for this restructuring was received from the Financial Services Commission during March 2009.

Operating profit reversed the trend of the prior year to reflect a profit of $1,622m versus a loss of $5,642m in the prior year, a result of the $5,145m impairment recorded in the prior year offset by the costs associated with the "One Caribbean" restructuring and the curtailment gain on the pension restructuring.

Net finance costs for the year increased by 32% due primarily to increased foreign exchange losses resulting from the devaluation of the Jamaican dollar against the British pound and the United States dollar and higher interest expenses resulting from an increase in net borrowings related to the rollout of our 3G network.

Total capital expenditure for the year was $5,032m, $235m less than the prior year. As a percentage of revenue this has remained flat at approximately 23%.

These results demonstrate continued improvement in our financial performance, notwithstanding the challenges posed by current economic conditions and their direct impact on demand.

Directors' Report

The Directors are pleased to present their Report and the audited Financial Statements for the year ended March 31, 2009.

FINANCIAL RESULTS

Results for the year are set out in pages 36 to 77. Highlights thereof are set out below:

	2009 $ MILLION	2008 $ MILLION
Turnover	21,993	22,895
Net Loss	(303)	(4,195)
Total Net Assets	15,387	14,695
Dividend Paid	–	505

DIVIDENDS

The Directors have not recommended that a dividend be paid in respect of the year ended March 31, 2009.

THE BOARD

The Directors who served the Company since the last Annual General Meeting are:-

Mr. Leonardo de Barros, Chairman	
Ms Lisa Agard	Resigned effective January 6, 2009
Mr. Andrew Cocking	
Mr. Jorge Diaz	Resigned effective May 6, 2009
Mr. Richard Dodd	
Mr. Philip W. Green	Resigned effective December 31, 2008
Hon. Patrick Rouseau, O.J.	
Mr. Eduardo Ryan	Resigned effective January 1, 2009

In accordance with Article 91 of the Articles of Association, Messrs. Leonardo deBarros and Andrew Cocking will retire by rotation, and being eligible, offer themselves for re-election.
Messrs Geoff Houston, Mark Kerr-Jarrett and Ken McFadyen having been appointed since the last Annual General Meeting shall resign and offer themselves for election to the Board.

AUDITORS

Messrs. KPMG, the retiring auditors, having signified their willingness to continue in office, will be deemed reappointed in accordance with Section 154(2) of the Companies Act.
The Directors wish to express their thanks to the management and staff for their continued commitment and hard work.

On behalf of the Directors, dated the 20th day of May, 2009.

Leonardo de Barros
Chairman

STOCKHOLDERS	as at 31 March 2009
TEN LARGEST SHAREHOLDERS	**UNITS**
Cable & Wireless (CALA Investments) Limited	13,285,777,982
Kelfenora Limited	504,523,212
Life of Jamaica – Pooled Equity Fund No. 1 Trading A/c	224,765,964
Carl Marks and Company, Inc.	156,889,759
Casa Corporation Limited	110,225,134
Trading A/C – National Insurance Fund	96,273,768
Mayberry Investments Limited A/C 09022	63,275,258
Peter Forde/Patricia Forde	60,117,493
Fortress Mutual Fund Limited/F.C.I.B. C1191	52,925,499
Trading A/C – Life of Jamaica	48,688,717

DIRECTORS	**UNITS**
Leonardo de Barros*	258,180
Andrew Cocking*	439,282
Richard Dodd	Nil
Patrick Rousseau	100,000

SENIOR MANAGERS	**UNITS**
Trudie Bent-Williams	Nil
Austin Brown*	10,802
Camille Facey*	143,359
Steve Fradella	Nil
Edward Gabbidon*	17,412
Patrick Gillings	Nil
Emerson Hewitt	Nil
Geoff Houston	Nil
Xesus Johnston	Nil
Errol K. Miller	5,700
Martha Miller	105
Lawrence McNaughton	58,771
Howard Mollison	Nil
Leroy Reid	Nil

* Includes Stockholdings of connected persons

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INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements

We have audited the financial statements of Cable & Wireless Jamaica Limited (the company) and the consolidated financial statements of the company and its subsidiaries (the group), set out on pages 36 to 77, which comprise the company's and the group's balance sheet as at March 31, 2009, the company's and the group's statements of income, recognised income and expenses, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the company and the group as at March 31, 2009, and of the company's and the group's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Companies Act, so far as concerns members of the company.

Report on additional requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

KPMG

May 20, 2009

Group Income Statement

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Revenue	2(e)	**21,992,857**	22,894,540
Outpayments		**(5,622,719)**	(6,847,686)
Other cost of sales		**(1,954,771)**	(2,771,921)
Total cost of sales		**(7,577,490)**	(9,619,607)
Gross margin		**14,415,367**	13,274,933
Employee expenses	3	**(2,543,032)**	(3,120,781)
Administrative, marketing and selling expenses	4	**(7,372,958)**	(7,372,511)
Depreciation and amortisation	7	**(3,091,832)**	(3,277,663)
Total operating expenses		**(13,007,822)**	(13,770,955)
Operating profit/(loss) before impairment, pension restructuring income and other restructuring costs		**1,407,545**	(496,022)
Impairment	5	**–**	(5,145,535)
Pension restructuring income	13(b)(iii)	**892,000**	–
Other restructuring costs	3	**(677,042)**	–
Operating profit/(loss)		**1,622,503**	(5,641,557)
Net finance costs:			
Foreign exchange losses		**(236,920)**	(137,127)
Other finance costs		**(1,812,824)**	(1,477,836)
Finance income		**37,097**	95,528
	6	**(2,012,647)**	(1,519,435)
Other income/(expenses)		**20,589**	(55,390)
Loss before taxation	7	**(369,555)**	(7,216,382)
Taxation	8	**66,730**	3,021,684
Loss attributable to stockholders		**(302,825)**	(4,194,698)
Dealt with in the financial statements of:			
The Company		**(327,664)**	(4,253,954)
The Subsidiaries		**24,839**	59,256
		(302,825)	(4,194,698)
Loss per stock unit	9	**(1.80¢)**	(24.94¢)

The accompanying notes form an integral part of the financial statements.

Group Balance Sheet

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Property, plant and equipment	10	**27,518,868**	25,690,799
Intangible assets	11	**548,077**	522,006
Deferred expenditure	12	**55,206**	55,516
Employee benefits assets	13(a)	**3,191,000**	3,492,000
Total non-current assets		**31,313,151**	29,760,321
Cash and cash equivalents	14	**700,269**	846,488
Accounts receivable	15	**3,842,715**	3,748,324
Taxation recoverable		**103,725**	95,989
Prepaid expenses		**441,100**	375,760
Due from related companies	16	**181,821**	136,475
Inventories	17	**219,744**	155,541
Current portion of deferred expenditure	12	**203,055**	284,818
Total current assets		**5,692,429**	5,643,395
TOTAL ASSETS		**37,005,580**	35,403,716
Share capital	18	**16,817,440**	16,817,440
Reserves	19	**2,425,293**	2,443,218
Accumulated deficit		**(3,855,317)**	(4,565,159)
TOTAL EQUITY		**15,387,416**	14,695,499
Trade and other accounts payable	20	**6,381,830**	5,470,684
Provisions	21	**141,546**	322,766
Current portion of long-term loans	22	**16,212**	749,039
Due to related companies	16	**102,923**	47,116
Total current liabilities		**6,642,511**	6,589,605
Provisions	21	**1,346,771**	1,349,017
Long-term loans	22	**285,951**	3,421,455
Due to ultimate parent company	23	**11,945,027**	6,434,933
Deferred tax liability	24	**1,397,904**	1,061,207
Employee benefits obligations	13(b)	**–**	1,852,000
Total non-current liabilities		**14,975,653**	14,118,612
TOTAL LIABILITIES		**21,618,164**	20,708,217
TOTAL EQUITY AND LIABILITIES		**37,005,580**	35,403,716

The financial statements on pages 36 to 77 were approved by the Board of Directors on May 20, 2009 and signed on its behalf by:

Director
Geoff Houston

Director
Andrew Cocking

The accompanying notes form an integral part of the financial statements.

Group Statement of Recognised Income and Expenses

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Unrealised translation adjustments on consolidation		**161,827**	32,895
Share-based payment	2(w)	**20,915**	–
Actuarial gains/(losses) recognised directly in equity		**1,218,000**	(1,440,000)
Deferred taxes on employee benefits	24	**(406,000)**	480,000
Net income/(expenses) recognised directly in equity		**994,742**	(927,105)
Loss for the year		**(302,825)**	(4,194,698)
Total recognised income and expenses for the year		**691,917**	(5,121,803)

The accompanying notes form an integral part of the financial statements.

Group Statement of
Changes in Stockholders' Equity

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Attributable to the equity holders of the parent company			
	Share capital $'000 (note 18)	**Reserves $'000 (note 19)**	**(Accumulated deficit)/ unappropriated surplus $'000**	**Total $'000**
Balances at March 31, 2007	16,817,440	2,491,656	1,012,732	20,321,828
Total recognised income and expenses for the year	–	32,895	(5,154,698)	(5,121,803)
Dividends (note 26)	–	–	(504,526)	(504,526)
Transfer from employee benefits reserve	–	(81,333)	81,333	–
Balances at March 31, 2008	16,817,440	2,443,218	(4,565,159)	14,695,499
Total recognised income and expenses for the year	–	182,742	509,175	691,917
Transfer from employee benefits reserve	–	(200,667)	200,667	–
Balance at March 31, 2009	**16,817,440**	**2,425,293**	**(3,855,317)**	**15,387,416**

The accompanying notes form an integral part of the financial statements.

Group Statement of Cash Flows

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss attributable to stockholders	**(302,825)**	(4,194,698)
Adjustments for:		
Unrealised translation losses on long-term loans	**95,402**	34,186
Employee benefits, net	**(333,000)**	(997,911)
Depreciation and amortisation	**3,091,832**	3,277,663
Provision for impairment	**–**	5,145,535
Amortisation of deferred expenditure	**330,633**	287,984
Taxation	**(66,730)**	(3,021,684)
Loss on disposal of property, plant and equipment and intangible assets	**95,754**	117,470
Interest earned	**(37,097)**	(59,450)
Interest expense	**1,812,824**	1,477,836
Provisions	**(2,246)**	966,555
Cash generated before changes in working capital	**4,684,547**	3,033,486
Accounts receivable	**(91,755)**	628,798
Prepaid expenses	**(65,340)**	795,883
Due from related companies	**(45,346)**	(15,440)
Inventories	**(64,203)**	275,942
Trade and other accounts payable	**609,125**	(580,916)
Provisions	**(181,220)**	322,766
Short-term bridge loan	**–**	(3,042,124)
Due to related companies	**55,807**	6,695
Cash generated from operations	**4,901,615**	1,425,090
Income tax paid	**(10,309)**	(11,102)
Net cash provided by operating activities	**4,891,306**	1,413,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	**(5,041,726)**	(6,107,217)
Interest received	**34,461**	61,840
Deferred expenditure incurred	**(248,560)**	(343,352)
Net cash used by investing activities	**(5,255,825)**	(6,388,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised translation adjustment on consolidation	**161,827**	32,895
Share-based payment transferred to reserve	**20,915**	-
(Decrease)/increase in long-term loans	**(3,963,733)**	3,901,402
Dividends paid	**–**	(504,526)
Interest paid	**(1,317,349)**	(1,147,494)
Due to ultimate parent company	**5,316,640**	2,128,727
Net cash provided by financing activities	**218,300**	4,411,004
Net decrease in cash and cash equivalents	**(146,219)**	(563,737)
Cash and cash equivalents at beginning of year	**846,488**	1,410,225
CASH AND CASH EQUIVALENTS AT END OF YEAR	**700,269**	846,488

The accompanying notes form an integral part of the financial statements.

Company Income Statement

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Revenue		**21,873,821**	22,778,113
Outpayments		**(5,614,612)**	(6,838,497)
Other cost of sales		**(1,943,100)**	(2,776,394)
Total cost of sales		**(7,557,712)**	(9,614,891)
Gross margin		**14,316,109**	13,163,222
Employee expenses	3	**(2,532,527)**	(3,102,799)
Administrative, marketing and selling expenses	4	**(7,352,308)**	(7,345,695)
Depreciation and amortisation	7	**(3,076,290)**	(3,266,253)
Total operating expenses		**(12,961,125)**	(13,714,747)
Operating profit/(loss) before impairment, pension restructuring income and other restructuring costs		**1,354,984**	(551,525)
Impairment	5	**–**	(5,145,535)
Pension restructuring income	13(b)(iii)	**892,000**	–
Other restructuring costs	3	**(675,216)**	–
Operating profit/(loss)		**1,571,768**	(5,697,060)
Net finance costs:			
Foreign exchange losses		**(208,864)**	(133,199)
Other finance costs		**(1,809,838)**	(1,475,831)
Finance income		**29,378**	83,732
	6	**(1,989,324)**	(1,525,298)
Other income/(expenses)		**20,589**	(55,389)
Loss before taxation	7	**(396,967)**	(7,277,747)
Taxation	8	**69,303**	3,023,793
Loss attributable to stockholders		**(327,664)**	(4,253,954)

The accompanying notes form an integral part of the financial statements.

Company Balance Sheet

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Property, plant and equipment	10	**27,479,254**	25,645,752
Intangible assets	11	**548,077**	522,006
Interest in subsidiaries, shares at cost	2(d)(i)	**12,117,350**	12,117,350
Deferred expenditure	12	**55,206**	55,516
Employee benefits assets	13(a)	**3,191,000**	3,492,000
Total non-current assets		**43,390,887**	41,832,624
Cash and cash equivalents	14	**611,716**	666,450
Accounts receivable	15	**3,757,954**	3,698,632
Prepaid expenses		**441,004**	375,722
Due from related companies	16	**181,821**	150,680
Company tax recoverable		**96,849**	89,694
Inventories	17	**219,744**	155,541
Current portion of deferred expenditure	12	**203,055**	284,818
Total current assets		**5,512,143**	5,421,537
TOTAL ASSETS		**48,903,030**	47,254,161
Share capital	18	**16,817,440**	16,817,440
Reserves	19	**2,148,248**	2,328,000
Accumulated deficit		**(4,282,072)**	(4,967,075)
TOTAL EQUITY		**14,683,616**	14,178,365
Trade and other accounts payable	20	**6,310,173**	5,387,209
Provisions	21	**141,546**	322,766
Current portion of long-term loans	22	**16,212**	749,039
Due to related companies	16	**102,923**	47,116
Total current liabilities		**6,570,854**	6,506,130
Provisions	21	**1,332,583**	1,340,865
Long-term loans	22	**285,951**	3,421,455
Due to ultimate parent company	23	**11,945,027**	6,434,933
Deferred tax liability	24	**1,397,904**	1,061,207
Due to subsidiaries	25	**12,687,095**	12,459,206
Employee benefits obligations	13(b)	**–**	1,852,000
Total non-current liabilities		**27,648,560**	26,569,666
TOTAL LIABILITIES		**34,219,414**	33,075,796
TOTAL EQUITY AND LIABILITIES		**48,903,030**	47,254,161

The financial statements on pages 36 to 77 were approved by the Board of Directors on May 20, 2009 and signed on its behalf by:

Director
Geoff Houston

Director
Andrew Cocking

The accompanying notes form an integral part of the financial statements.

Company Statement of Recognised Income and Expenses

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Notes	2009 $'000	2008 $'000
Share-based payment	2(w)	**20,915**	–
Actuarial gains/(losses) recognised in equity		**1,218,000**	(1,440,000)
Deferred taxes on employee benefits	24	**(406,000)**	480,000
Net income/(expenses) recognised directly in equity		**832,915**	(960,000)
Loss for the year		**(327,664)**	(4,253,954)
Total recognised income and expenses for the year		**505,251**	(5,213,954)

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Stockholders' Equity

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	Share capital $'000 (note 18)	Reserves $'000 (note 19)	(Accumulated deficit)/ unappropriated surplus $'000	Total $'000
Balances at March 31, 2007	16,817,440	2,409,333	670,072	19,896,845
Total recognised income and expenses for the year	–	–	(5,213,954)	(5,213,954)
Dividends (note 26)	–	–	(504,526)	(504,526)
Transfer from employee benefits reserve	–	(81,333)	81,333	–
Balances at March 31, 2008	16,817,440	2,328,000	(4,967,075)	14,178,365
Total recognised income and expenses for the year	–	20,915	484,336	505,251
Transfer from employee benefits reserve	–	(200,667)	200,667	–
Balance at March 31, 2009	**16,817,440**	**2,148,248**	**(4,282,072)**	**14,683,616**

The accompanying notes form an integral part of the financial statements.

Company Statement of Cash Flows

Year ended March 31, 2009 (Expressed in Jamaica $000's)

	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss attributable to stockholders	**(327,664)**	(4,253,954)
Adjustments for:		
Unrealised translation losses on loans	**95,402**	34,186
Employee benefits, net	**(333,000)**	(997,911)
Depreciation and amortisation	**3,076,290**	3,266,253
Provision for impairment	**–**	5,145,535
Amortisation of deferred expenditure	**330,633**	287,984
Deferred Taxation	**(69,303)**	(3,023,793)
Loss on disposal of property, plant and equipment and intangible assets	**95,754**	117,470
Interest earned	**(29,378)**	(47,654)
Interest expense	**1,809,838**	1,475,831
Provisions	**(8,282)**	965,149
Cash generated before changes in working capital	**4,640,290**	2,969,096
Accounts receivable	**(56,603)**	643,405
Prepaid expenses	**(65,282)**	795,485
Due from related companies	**(31,141)**	(29,645)
Inventories	**(64,203)**	275,942
Trade and other accounts payable	**618,237**	(577,652)
Provisions	**(181,220)**	322,766
Short-term bridge loan	**–**	(3,042,124)
Due to related companies	**55,807**	6,695
Cash generated from operations	**4,915,885**	1,363,968
Income tax paid	**(7,155)**	(9,557)
Net cash provided by operating activities	**4,908,730**	1,354,411
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	**(5,031,617)**	(6,107,217)
Interest received	**26,659**	44,851
Deferred expenditure incurred	**(248,560)**	(343,352)
Net cash used by investing activities	**(5,253,518)**	(6,405,718)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share-based payment transferred to reserve	**20,915**	–
Due to subsidiaries	**227,889**	23,167
(Decrease)/increase in loans	**(3,963,733)**	3,901,402
Dividends paid	**–**	(504,526)
Interest paid	**(1,311,657)**	(1,144,921)
Due to ultimate parent company	**5,316,640**	2,128,727
Net cash provided by financing activities	**290,054**	4,403,849
Net decrease in cash and cash equivalents	**(54,734)**	(647,458)
Cash and cash equivalents at beginning of year	**666,450**	1,313,908
CASH AND CASH EQUIVALENTS AT END OF YEAR	**611,716**	666,450

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

1. THE COMPANY AND ITS REGULATORY FRAMEWORK

The Company is incorporated and domiciled in Jamaica and its ordinary stock units are listed on the Jamaica Stock Exchange.

The Company's registered office is located at 2-6 Carlton Crescent, Kingston 10, Jamaica, West Indies.

The Company is a 79% subsidiary of Cable and Wireless (CALA Investments) Limited, incorporated in the Cayman Islands, and the ultimate parent Company is Cable and Wireless plc., incorporated in England. Another subsidiary of Cable and Wireless plc. holds an additional 3% of the issued ordinary stock units of the Company. Cable and Wireless Group Companies are referred to in these financial statements as "related companies".

The principal activity of the Group and the Company is the provision of domestic and international telecommunications services under various operating licences granted on March 14, 2000, under the Telecommunications Act (the Act).

The operating licenses, all of which extend to March 14, 2015, are:

- Carrier (Cable & Wireless Jamaica Limited) Licence;
- Service Provider (Cable & Wireless Jamaica Limited) Licence;
- Spectrum (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Carrier (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Service Provider (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Spectrum (Cable & Wireless Jamaica Limited) Licence;
- Free Trade Zone Carrier (Jamaica Digiport International Limited) Licence; and
- Free Trade Zone Service Provider (Jamaica Digiport International Limited) Licence.

In accordance with the Act, rates on certain fixed line services are subject to a "price-cap" methodology applied by the Office of Utilities Regulation.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

At the date of approval of the financial statements, there were certain standards and interpretations which were in issue but were not yet effective. Those which are considered relevant to the Company are as follows:

- *Revised IAS 1 – Presentation of Financial Statements* (effective January 1, 2009) requires presentation of all non-owner changes in equity either in a single statement of comprehensive income, or in an income statement plus a statement of comprehensive income. Revised IAS 1 also requires that a statement of financial position be presented at the beginning of the comparative period when the entity restates the comparatives, a disclosure for reclassification adjustments and disclosure of dividends and related per share amounts on the face of the statement of changes in equity or in the notes.

- *IAS 23, Revised – Borrowing Costs* (effective January 1, 2009) removes the option of immediately recognising all borrowing costs as an expense. The standard requires that an entity capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset.

- *IAS 32 Financial instruments: Presentation* (effective January 1, 2009). The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if certain conditions are met. Where such instruments are reclassified, the entity is required to disclose the amount, the timing and the reason for the reclassification.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(a) Statement of compliance continued:

- *Amendments to IFRS 7 Financial Instruments: Disclosures* (effective January 1, 2009) require enhanced disclosures in respect of two aspects: disclosures over fair value measurement for financial instruments specifically in relation to disclosures over the inputs used in valuation techniques and the uncertainty associated with such valuations; and improving disclosures over liquidity risk, to address current diversity in practice.

- *IFRS 8 Operating Segments* (effective January 1, 2009) introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Company's 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them.

The adoption of IAS 1 Revised, IAS 23 revised, IAS 32, amendments to IFRS 7 and IFRS 8 is expected to result in adjustments and additional disclosures to the financial statements. Management is currently in the process of evaluating the impact of adopting these standards on the financial statements.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the Company.

The financial statements are prepared using the historical cost basis. The significant accounting policies stated in paragraph (c) to (y) below conform in all material respects with IFRS.

Where necessary, prior year comparatives have been restated and reclassified to conform to the 2009 presentation.

(c) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date, and the income and expense for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Pension and other post-retirement benefits:

The amounts recognised in the balance sheet and income statement for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the Company's obligation. In the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenure security on the market. The estimate of expected rate of increase in medical costs is determined based on inflationary factors. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

Also, see note 13(a) (vi) for conversion of existing pension plan during the year.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(c) Use of estimates and judgements continued:

(ii) Allowance for impairment losses on receivables:
In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(iii) Net realisable value of inventories:
Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

(iv) Residual value and expected useful life of property plant & equipment:
The residual value and the expected useful life of an asset are reviewed at least at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the Company and its subsidiaries. Impairment of property, plant and equipment is dependent upon management's internal assessment of future cash flows from cash generating units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rate used.

(v) Deferred taxation:
In recognising a deferred tax asset in the financial statements, management makes judgements regarding the utilisation of losses. Management makes an estimate of the future taxable profit against which the deductible temporary differences, unused tax losses will be utilised. Management expects that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(vi) Site restoration obligation:
Site restoration obligation is estimated at the present value of the future expected restoration cost based on the timing and current prices of goods and services. Changes to technology, regulations, prices of necessary goods and services and realisable values of the Company's products, may affect the timing and scope of retirement activities and may substantially alter the decommissioning liabilities and future operating costs.

(d) Basis of consolidation:

(i) Subsidiaries
A "subsidiary" is an enterprise controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The Group financial statements include the financial statements of the Company and its wholly-owned subsidiaries – The Jamaica Telephone Company Limited (JTC), Jamaica International Telecommunications Limited (JAMINTEL) and Jamaica Digiport International Limited, all of which are incorporated in Jamaica – made up to March 31, 2009. The Company and its subsidiaries are collectively referred to as the "Group".

JTC and JAMINTEL were rendered dormant on April 1, 1995, when all of their undertaking, assets and liabilities

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(d) Basis of consolidation continued:

(i) Subsidiaries continued

were transferred to the Company pursuant to the Telecommunications of Jamaica (Transfer to and Vesting of Assets and Liabilities of Jamaica Telephone Company Limited and Jamaica International Telecommunications Limited) Act, 1995.

(ii) Transactions eliminated on consolidation

Intra-Group balances and income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

(e) Revenue recognition:

Operating revenue represents amounts, excluding general consumption tax billed, for the provision of domestic and international telecommunications services. In accordance with normal practice in the telecommunications industry, estimates are included to provide for that portion of revenue which connecting carriers have not yet reported.

(f) Property, plant & equipment and intangible assets:

(i) Owned assets:

Items of property, plant & equipment and intangible assets (computer software) are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of property, plant & equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant & equipment are recognised in profit or loss as incurred.

Site restoration obligation costs are included in the cost of transmission equipment.

(ii) Depreciation/amortisation:

Depreciation/amortisation is computed on the straight-line basis at annual rates estimated to write down the assets to their estimated residual values at the end of their expected useful lives.

No depreciation is charged on construction in progress and land.

Depreciation/amortisation rates are as follows:

Buildings	–	2.5% to 10%
Plant and Machinery	–	5% to 22.5%
Cables and transmission equipment	–	5% to 8%
Office equipment and computers	–	10%
Computer equipment	–	20%
Software	–	33 1/3%

Depreciation methods, useful lives and residual values are reassured annually.

(g) Interest in subsidiaries:

The Company's investments in subsidiaries are stated at cost.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(h) Cash and cash equivalents:
Cash and cash equivalents comprise cash, bank balances and short-term deposits maturing within three months or less from the date of deposit or acquisition that are readily convertible into known amounts of cash and which are not subject to significant risk of change in value.

(i) Accounts receivable:
Trade and other receivables are stated at amortised cost less impairment losses.

(j) Related parties:
A party is related to the Company, if:

(i) directly, or indirectly through one or more intermediaries, the party:
- is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
- has a direct or indirect interest in the Company that gives it significant influence; or
- has joint control over the Company;

(ii) the party is an associate of the Company;
(iii) the party is a joint venture or a partnership in which the Company is a venturer or a partner;
(iv) the party is a member of the key management personnel of the Company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its directors, related companies and affiliated parties controlled by its directors, senior officers, executives and significant shareholders of the parent Company. "Key management personnel" represents certain senior officers of the Company and its parent and ultimate parent companies.

(k) Inventories:
Inventories, consisting principally of items held for resale and are valued at the lower of cost, determined on the weighted average basis, and estimated realisable value.

(l) Accounts payable:
Trade and other payables, are stated at amortised cost.

(m) Provisions:
A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(i) Restructuring:
A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced. Estimated restructuring costs mainly include employee termination benefits and are based on a detailed plan agreed between management and employee representatives.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(m) Provisions continued:

(ii) Site restoration:
The Group has contractual obligations to dismantle and restore cell sites at the end of agreed periods. A provision for site restoration is recognised at the commencement of the lease and revised annually. Where it is likely that time-value of money is significant to calculating the estimated site restoration cost, the risk-free route is used to determine obligation and the underlying cash flows to adjusted for the risks specific to the obligation.

(n) Capitalisation of borrowing costs:

Where the Company:

- borrows generally for the purpose of obtaining a qualifying asset, borrowing costs relating to such funds are capitalised based on the weighted average rate of borrowings outstanding during the year (excluding borrowings made specifically for the purpose of obtaining a qualifying asset).

- borrows to fund a specific qualifying asset, borrowing costs are capitalised as part of the cost of obtaining that asset.

(o) Dividends:
Dividends are recognised as a liability in the period in which they are declared.

(p) Taxation:
Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the income statement, except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is computed using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the Company and its subsidiary are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Operating lease payments:
Payments made under operating leases are recognised in the income statement on the straight line basis over the term of the lease.

(r) Employee benefits:
Employee benefits comprising pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion.

The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the Company's

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(r) Employee benefits continued:

post-employment benefits, assets and obligations as computed by the actuary. In carrying out their audit, the auditors make use of the work of the actuary and the actuary's report.

(i) Pension arrangements:

The Company is a sponsoring employer of a defined benefit pension scheme administered by trustees. The adoption of IAS 19 does not affect the pension scheme, which continues to be governed by the approved trust deeds and rules, and remains under the control of the appointed trustees. Also, see note 13(a)(vi) in respect of the conversion of the plan to a defined contributory pension scheme which was approved during the year.

The Company's net obligation in respect of defined benefit pension arrangements is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any scheme assets is deducted. To the extent that the obligation is less than the fair value of scheme assets, the asset recognised is restricted to the discounted value of future benefits available to the Group. The discount rate applied is the yield at balance sheet date on long-term government instruments that have maturity dates approximating the terms of the Group's obligation. The calculation is performed using the projected unit credit method.

Actuarial gain and losses are recognized directly in equity.

Obligations for contributions to its defined contribution pension scheme are recognised as expenses in the income statement as incurred.

(ii) Other post-retirement benefits:

The Company provides post-retirement health care benefits to certain of its retirees. These benefits are usually conditional upon the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans and the present value of future benefits at the balance sheet date is shown as an obligation on the balance sheet.

Cumulative unrecognized gains and losses are recognised in a manner similar to the defined benefit pension plan.

(iii) Other employee benefits:

Employee entitlements to paid leave are recognised when they accrue to employees. An accrual is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the balance sheet date.

(s) Impairment:

The Group considers evidence of impairment at both a specific asset and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by Grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a customer, indications that a customer will enter bankruptcy and changes in the payment status of customers.

The carrying amounts of the Group's assets, other than inventories [see accounting policy (k)] are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount, determined by the fair value less cost to sell, is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or Group of assets (cash-generating unit) exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(s) Impairment continued:

(i) Calculation of recoverable amount:
The recoverable amount of the Group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the Group of assets/cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:
An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

(t) Net finance costs:
Net finance costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, material bank charges and foreign exchange gains and losses recognised in the income statement.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(u) Financial instruments:
A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable, related Company balances and trade investments. Similarly financial liabilities include, accounts payable, provisions, related Company balances and loans.

(v) Interest-bearing borrowings:
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(w) Share-based payment plan:
The share-based payment plan is used to incentivise high performance for certain eligible managers in the international division of the ultimate parent Company. The plan awards employees through allocation of shares in ultimate parent Company at nil cost. These subsequently vest pending EBITDA and cash flow performance measures over a period of 1 to 2 years. The plan is considered to be an equity settled plan.

(x) Foreign currencies:
Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are stated at fair value and are translated to Jamaica dollars at foreign exchange rates ruling at the dates the values were determined.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES continued

(x) Foreign currencies continued:

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the income statement are treated as cash items and included in cash flows from operating or financing activities along with movements in the relevant balances.

Unrealised gains and losses arising on translation of net stockholders' equity in a subsidiary are recognised directly to equity on the Group balance sheet and added or deducted to reflect the underlying Group cash flows from financing activities in the Group statement of cash flows.

(y) Segment reporting:

A segment is a component of the Group that is engaged either in providing distinguishable services and products (business segment), or in providing services and products within a distinguishable economic environment (geographical segment), which are subject to risks and rewards that are different from those of other segments.

In accordance with *IAS 14 (Revised), Segment Reporting*, an enterprise is required to look at, *inter alia*, the nature of its products and services, the types or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment. The standard sets out the appropriate methodology for identifying segments. On the basis of this methodology, the Company considers itself to be an integrated telecommunications provider with no distinguishable segments and its internal organisational reporting, management structures and service delivery are organised to provide an integrated menu of telecommunication products to corporate and retail customers throughout the Island of Jamaica. As a consequence, assets, liabilities and profit and loss are assessed on a Company wide basis.

3. EMPLOYEE EXPENSES

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gross salaries	2,845,201	2,909,767	2,834,696	2,893,904
Other benefits and allowances	638,831	624,619	638,831	622,500
Employee benefits credits [note 13(b)(iv)]	(941,000)	(933,000)	(941,000)	(933,000)
Redundancy costs	–	519,395	–	519,395
	2,543,032	**3,120,781**	**2,532,527**	**3,102,799**

The redundancy costs of $602,543,000 for the current year, arising mainly from transformation to 'One Caribbean' structure has been included in other restructuring costs (see also note 21).

4. ADMINISTRATIVE, MARKETING AND SELLING EXPENSES

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Administrative	3,575,206	3,484,252	3,555,840	3,463,481
Marketing	553,957	954,092	553,671	953,545
Selling	3,243,795	2,934,167	3,242,797	2,928,669
	7,372,958	**7,372,511**	**7,352,308**	**7,345,695**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

5. IMPAIRMENT

As required under *IAS 36 – Impairment of assets*, the Company compared the carrying value of the property, plant & equipment under its main cash generating units at the balance sheet date to their estimated recoverable amounts. The recoverable amount is the value in use of the respective cash generating units discounted at a nominal pre-tax rate (2008: 11.7%). At March 31, 2008, the resulting impairment adjustments of $5,145,535,000 related to mobile cash generating unit (CGU). The impairment resulted primarily from the deterioration in the trading performance from the increasingly competitive mobile environment. A similar assessment at March 31, 2009 indicated no impairment for any CGUs.

6. NET FINANCE COSTS

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Foreign exchange losses	236,920	137,127	208,864	133,199
Other finance costs:				
Parent Company loans	1,478,760	692,785	1,478,760	692,785
Other loans	189,576	559,711	189,576	559,713
Other debts issuance costs and expenses	144,488	225,340	141,502	223,333
	1,812,824	1,477,836	1,809,838	1,475,831
Finance income:				
Interest income – third party	(37,097)	(59,450)	(29,378)	(47,654)
Specific borrowing costs capitalised (note 10)	–	(36,078)	–	(36,078)
	(37,097)	(95,528)	(29,378)	(83,732)
	2,012,647	**1,519,435**	**1,989,324**	**1,525,298**

Interest income arises materially from treasury transactions entered into in the ordinary course of business.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

7. DISCLOSURE OF EXPENSES/(INCOME) AND RELATED PARTY TRANSACTIONS

Loss before taxation is stated after charging/(crediting) the following:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Directors' emoluments:				
Fees	1,824	1,102	1,824	1,102
Management remuneration	87,348	66,664	87,348	66,664
Other key management personnel compensation:				
Short term employee benefits	176,541	194,930	176,541	191,632
Post employment benefits	(33,000)	(14,000)	(33,000)	(14,000)
Auditors' remuneration	24,000	20,285	22,500	18,635
Depreciation and amortisation	3,091,832	3,277,663	3,076,290	3,266,253
Impairment allowance on property, plant & equipment	–	5,145,535	–	5,145,535
Loss on disposal of property plant & equipment	95,754	117,470	95,754	117,470
Bad debt expenses	461,634	407,318	461,188	407,318
Inventory write off	103,498	11,152	103,498	11,152
Ultimate parent Company:				
Management & other fees	1,276,563	704,908	1,276,563	704,908
Interest expense	1,478,760	692,785	1,478,760	692,785
Related companies:				
Other (income)/expenses	(170,698)	416,281	(170,698)	416,281
Revenue, net	838,509	673,540	838,509	673,540

All transactions with related companies were entered into in the ordinary course of business.

8. TAXATION

Taxation, based on the results for the year adjusted for taxation purposes, is made up as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current tax expense:				
Income tax @ $33\frac{1}{3}\%$	2,573	2,109	–	–
Deferred taxation:				
Utilisation of tax losses carried forward	(1,020,366)	(1,833,904)	(1,020,366)	(1,833,904)
Origination and reversal of other temporary differences, net	951,063	(1,189,889)	951,063	(1,189,889)
	(69,303)	(3,023,793)	(69,303)	(3,023,793)
Tax credit recognised in income statement	**(66,730)**	**(3,021,684)**	**(69,303)**	**(3,023,793)**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

8. TAXATION continued

Reconciliation of effective tax rate:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loss before taxation	(369,555)	(7,216,382)	(396,967)	(7,277,747)
Computed "expected" tax expense @ $33^1/_3$%	(123,185)	(2,405,461)	(132,322)	(2,425,915)
Difference between loss for financial statements and tax reporting purposes on:				
Property, plant & equipment	43,475	134,451	44,228	135,697
Relief under the Jamaica Export Freezone Act	(15,482)	(14,580)	–	–
Disallowed expenses and other capital adjustments	28,462	(736,094)	18,791	(733,575)
Total differences	56,455	(616,223)	63,019	(597,878)
Actual tax credit recognised in income statement	**(66,730)**	**(3,021,684)**	**(69,303)**	**(3,023,793)**

At March 31, 2009 taxation losses, subject to agreement by the Commissioner of Taxpayer Audit & Assessment, available for relief against future taxable profits, amounted to approximately $10.8 billion (2008: $7.7 billion).

9. LOSS PER STOCK UNIT

The calculation of loss per stock unit is based on the loss attributable to stockholders of $302,825,000 (2008: $4,194,698,000) and the 16,817,439,740 issued and fully paid ordinary stock units.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

10. PROPERTY, PLANT & EQUIPMENT

(a) The Group:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment, & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2007	7,385,941	33,150,612	8,510,908	1,944,247	3,628,149	54,619,857
Additions	839,821	–	–	–	4,891,162	5,730,983
Transfers/reclassifications	3,493,129	3,628,922	367,773	346,227	(7,836,051)	–
Disposals/retirements	(109,296)	(1,432,484)	(64,383)	(92,649)	–	(1,698,812)
March 31, 2008	11,609,595	35,347,050	8,814,298	2,197,825	683,260	58,652,028
Additions	10,109	–	–	–	4,594,852	4,604,961
Transfers/reclassifications	479,293	1,825,096	436,663	185,455	(2,926,507)	–
Disposals/retirements	(116,534)	(4,183)	–	(17,447)	–	(138,164)
March 31, 2009	**11,982,463**	**37,167,963**	**9,250,961**	**2,365,833**	**2,351,605**	**63,118,825**
Depreciation:						
March 31, 2007	1,797,325	18,532,567	4,893,460	1,441,777	–	26,665,129
Charge for the year	491,803	1,666,163	377,043	244,105	–	2,779,114
Impairment	–	5,145,535	–	–	–	5,145,535
Transfer (see note 11)	–	–	–	(47,207)	–	(47,207)
Eliminated on disposals/ retirements & adjustments	(24,134)	(1,406,708)	(63,892)	(86,608)	–	(1,581,342)
March 31, 2008	2,264,994	23,937,557	5,206,611	1,552,067	–	32,961,229
Charge for the year	2,360,458	79,066	22,272	219,342		2,681,138
Eliminated on disposals/ retirements & adjustments	(21,845)	(3,404)	–	(17,161)	–	(42,410)
March 31, 2009	4,603,607	24,013,219	5,228,883	1,754,248	–	35,599,957
Net book values:						
March 31, 2009	**7,378,856**	**13,154,744**	**4,022,078**	**611,585**	**2,351,605**	**27,518,868**
March 31, 2008	**9,344,601**	**11,409,493**	**3,607,687**	**645,758**	**683,260**	**25,690,799**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

10. PROPERTY, PLANT & EQUIPMENT continued

(b) The Company:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2007	7,349,193	31,074,544	7,967,118	1,917,767	3,628,149	51,936,771
Additions	839,821	–	–	–	4,891,162	5,730,983
Transfers/reclassifications	3,493,129	3,628,922	367,773	346,227	(7,836,051)	–
Disposals/retirements	(109,296)	(1,432,484)	(64,383)	(92,649)	–	(1,698,812)
March 31, 2008	11,572,847	33,270,982	8,270,508	2,171,345	683,260	55,968,942
Additions	–	–	–	–	4,594,852	4,594,852
Transfers/reclassifications	479,293	1,825,096	436,663	185,455	(2,926,507)	–
Disposals/retirements	(116,534)	(4,183)	–	(17,447)	–	(138,164)
March 31, 2009	**11,935,606**	**35,091,895**	**8,707,171**	**2,339,353**	**2,351,605**	**60,425,630**
Depreciation:						
March 31, 2007	1,774,119	16,058,822	4,789,576	1,415,983	–	24,038,500
Charge for the year	489,295	1,654,588	377,043	246,778	–	2,767,704
Impairment	–	5,145,535	–	–	–	5,145,535
Transfer (see note 11)	–	–	–	(47,207)	–	(47,207)
Eliminated on disposals, retirements & adjustments	(24,134)	(1,406,708)	(63,892)	(86,608)	–	(1,581,342)
March 31, 2008	2,239,280	21,452,237	5,102,727	1,528,946	–	30,323,190
Charge for the year	2,357,650	78,965	22,272	206,709	–	2,665,596
Eliminated on disposals, retirements & adjustments	(21,845)	(3,404)	–	(17,161)	–	(42,410)
March 31, 2009	**4,575,085**	**21,527,798**	**5,124,999**	**1,718,494**	**–**	**32,946,376**
Net book values:						
March 31, 2009	**7,360,521**	**13,564,097**	**3,582,172**	**620,859**	**2,351,605**	**27,479,254**
March 31, 2008	**9,333,567**	**11,818,745**	**3,167,781**	**642,399**	**683,260**	**25,645,752**

Freehold land & buildings for the Group and the Company include land aggregating $69,768,931 (2008: $69,768,931) at historical cost.

In 2008, borrowing costs specifically attributable to the acquisition of property, plant & equipment aggregating $36,078,647 were capitalised, based on the application of a weighted average cost of borrowings of 14.91%. During the year, no borrowing costs qualified for such capitalisation.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

11. INTANGIBLE ASSETS

This represents acquired computer software as follows:

	The Group and the Company	
	2009 $'000	2008 $'000
Cost:		
At beginning of year	3,086,287	2,710,053
Additions	436,765	376,234
At end of year	3,523,052	3,086,287
Amortisation:		
At beginning of year	2,564,281	2,018,525
Charge for year	410,694	498,549
Transfer from property, plant & equipment (note 10)	–	47,207
At end of year	2,974,975	2,564,281
Net book value at end of year	**548,077**	**522,006**

12. DEFERRED EXPENDITURE

	The Group and the Company	
	2009 $'000	2008 $'000
Long-term portion of deferred GCT	55,206	55,516
Current portion of deferred GCT	203,055	284,818
	258,261	**340,334**

Deferred General Consumption Tax (GCT) comprises input tax on certain capital acquisitions and is recoverable over a twenty-four month period by way of offset against output tax.

13. EMPLOYEE BENEFITS

(a) Pension assets:

	The Group and the Company	
	2009 $'000	2008 $'000
Present value of obligations	(6,049,000)	(7,554,000)
Fair value of plan assets	10,283,000	15,039,000
Unrecognised amount due to limitation	(1,043,000)	(3,993,000)
Recognised assets	**3,191,000**	**3,492,000**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

13. EMPLOYEE BENEFITS continued

(a) Pension assets continued:

(i) Movement in present value of obligation:

	The Group and the Company	
	2009 $'000	2008 $'000
Balance at beginning of year	7,554,000	6,212,000
Benefits paid	(244,000)	(285,000)
Service and interest cost	1,159,000	949,000
Contributions	107,000	111,000
Actuarial (gain)/loss	(883,000)	873,000
Gain on curtailment	(1,644,000)	(306,000)
Balance at end of year	**6,049,000**	**7,554,000**

Gain on curtailment recognised in income statement represents the impact on the value of the plan obligations due to the cessation of salary linkage and the practice of paying discretionary increases, offset by the effect of several benefit improvements.

(ii) Movement in plan assets:

	The Group and the Company	
	2009 $'000	2008 $'000
Fair value of plan assets at beginning of year	15,039,000	12,546,000
Contributions paid	234,000	122,000
Expected return on plan assets	2,105,000	1,746,000
Benefits paid	(244,000)	(285,000)
Actuarial gain	(1,975,000)	910,00
Premiums for medical insurance [see (vii) below]	(2,682,000)	–
Refund to the Company	(1,500,000)	–
Loss on curtailment [see (iv) below]	(694,000)	–
Fair value of plan assets at end of year	**10,283,000**	**15,039,000**
Plan assets consist of the following:		
Equities	42,000	4,253,000
Fixed income securities	474,000	4,602,000
Real estate	3,718,000	6,184,000
Annuities	6,049,000	–
	10,283,000	**15,039,000**

Loss on curtailment of $694,000,000 represents the differences between the premium paid on the annuities and the value of the related obligations recognised as an actuarial loss directly in equity.

Of the refund due to the Company, $1,000,000,000 was received during the year and the balance of $500,000,000 was received subsequent to year end.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

13. EMPLOYEE BENEFITS continued

(a) Pension assets continued:

(iii) Credit recognised in the income statement:

	The Group and the Company	
	2009 $'000	2008 $'000
Current service costs	230,000	238,000
Interest on obligations	929,000	711,000
Gain on curtailment	(1,644,000)	(306,000)
Expected return on plan assets	(2,105,000)	(1,746,000)
	(2,590,000)	**(1,103,000)**

Of the credit recognised, $1,176,000,000 (2008: $1,103,000,000) is included in employee expenses in the income statement. An amount of $1,414,000,000 (2008: Nil) being curtailment gain, net of service costs is shown as pension restructuring income.

Actual return on plan assets	**337,000**	**2,782,000**

(iv) Actuarial gains and losses recognised directly in equity:

	The Group and the Company	
	2009 $'000	2008 $'000
Cumulative amount at beginning of year	1,871,000	635,000
Recognised during the year	965,000	(37,000)
Loss on curtailment [see (ii) above]	694,000	–
Change in disallowed asset	(2,950,000)	1,273,000
Cumulative amount at end of year	**580,000**	**1,871,000**

(v) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	The Group and the Company	
	2009	2008
Discount rate	16%	13%
Inflation	10%	9%
Gross discount rate for valuing annuity assets	8%	N/A
Expected return on plan assets	14%	14%
Future salary increases	13%	11%
Future pension increases	11%	8%

Assumptions regarding future mortality are based on the GAM 94 table. The expected long-term rate of return is based on the assumed long term rate of inflation.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

13. EMPLOYEE BENEFITS continued

(a) Pension assets continued:

(vi) In 2008, the conversion process of existing defined benefit plan to a defined contributory plan was initiated. On March 14, 2008, the restructuring of the plan was approved by members vote. The Financial Services Commission (FSC) approved the restructuring on January 26, 2009. For the purposes of determining and recognising the curtailment, the impact of changes has been measured at the FSC approval date (for practical purposes – the end of March 2009).

(vii) In October 2008, the Company signed contracts with an insurer which covered both the pension annuities and post retirement medical benefits for current pensioners. The contract in respect of the medical benefits for non-pensioners, although not yet signed, is near finalisation.

(b) Other post-retirement benefits:

	The Group and the Company	
	2009 $'000	2008 $'000
Present value of obligations	**–**	**1,852,000**

(i) Movements in the liability for defined benefit obligations:

	The Group and the Company	
	2009 $'000	2008 $'000
Balance at beginning of year	1,852,000	1,531,911
Current service and interest costs	292,000	255,000
Benefits paid	(93,000)	(54,000)
Actuarial losses	166,000	204,089
Gain on settlement/curtailment	(2,217,000)	(85,000)
Balance at end of year	**–**	**1,852,000**

(ii) Expense recognised in the income statement:

	The Group and the Company	
	2009 $'000	2008 $'000
Current service costs	57,000	52,000
Interest on obligations	235,000	203,000
Effect of curtailment	465,000	(85,000)
	757,000	**170,000**

The interest expense recognised of $235,000,000 (2008:$170,000,000) is included in employee expenses in the income statement. An amount of $522,000,000 (2008:Nil) being curtailment loss, including service costs is shown as pension restructuring income.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

13. EMPLOYEE BENEFITS continued

(b) Other post-retirement benefits continued:

(iii) Recognised in the income statement as pension restructuring income:

	2009 $'000	2008 $'000
Pension assets [13(a)(iii)]	(1,414,000)	–
Other post retirement benefits [13(b)(ii)]	522,000	–
	(892,000)	**–**

(iv) Recognised in the income statement as employee expenses:

	2009 $'000	2008 $'000
Pension assets [13(a)(iii)]	(1,176,000)	(1,103,000)
Other post retirement benefits [13(b)(ii)]	235,000	170,000
	(941,000)	**(933,000)**

(v) Actuarial gains and losses recognised directly in equity:

	The Group and the Company	
	2009 $'000	2008 $'000
Cumulative amount at beginning of year	370,911	166,911
Recognised during the year	73,000	204,000
Cumulative amount at end of year	**443,911**	**370,911**

(vi) Principal actuarial assumptions at the balance sheet (expressed as weighted averages):

	The Group and the Company	
	2009	2008
Discount rate	16.0%	13.0%
Medical claims growth	15.5%	12.5%

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

13. EMPLOYEE BENEFITS continued

(c) Historical information (in millions of dollars)

Defined benefit pension plan

	2009	2008	2007	2006	2005
Present value of the defined benefit obligation	(6,049)	(7,554)	(6,212)	(5,324)	(4,267)
Fair value of plan assets	10,283	15,039	12,546	10,678	10,815
Surplus in plan	**4,234**	**7,485**	**6,334**	**5,354**	**6,548**
Experience adjustments on plan liabilities	(761)	(567)	(636)	(595)	(581)
Experience adjustments on plan assets	**1,786**	**910**	**698**	**(1,285)**	**1,618**
Post-employment medical benefits					
Present value on the defined benefit obligation	**–**	**1,852**	**1,532**	**1,469**	**1,022**
Experience adjustments on plan liabilities	**166**	**204**	**(92)**	**334**	**(72)**

(d) At March 31, 2009, the recognised asset of $3,191 million represents assets set aside within the plan as a reserve equal to the net present value of the future revised employer contributions under the Defined Contribution Scheme payable by the Company, as part of the restructuring. Consequently, no cash is expected to be remitted to the pension plan to cover the employer's required contribution. The contribution for the next financial year is estimated to be $180 million.

The unrecognised amount of $1,043 million represents surplus that the Company has agreed to share with the members as part of the restructuring, however, the terms of distribution of the current surplus has not yet been finalised with the trustees.

14. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash at bank	596,704	465,897	550,330	318,871
Short term deposits	103,565	380,591	61,386	347,579
	700,269	**846,488**	**611,716**	**666,450**

15. ACCOUNTS RECEIVABLE

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables	3,582,284	3,917,110	3,537,419	3,896,574
Allowance for doubtful debts	(520,526)	(349,649)	(519,974)	(349,624)
	3,061,758	3,567,461	3,017,445	3,546,950
Other receivables	780,957	180,863	740,509	151,682
	3,842,715	**3,748,324**	**3,757,954**	**3,698,632**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

15. ACCOUNTS RECEIVABLE continued

The aging of trade receivables at the reporting date was:

	The Group			
	2009		2008	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	1,241,465	–	786,014	–
Past due 0-30 days	1,170,763	(37,047)	1,963,082	(22,886)
Past due 31-60 days	587,178	(81,038)	388,328	(21,075)
Past due 61-90 days	229,401	(109,891)	195,063	(71,369)
Past due 91-180 days	195,872	(135,640)	320,359	(93,945)
More than 180 days	157,605	(156,910)	264,264	(140,374)
	3,582,284	**(520,526)**	**3,917,110**	**(349,649)**

	The Company			
	2009		2008	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	1,216,050	–	786,014	–
Past due 0-30 days	1,170,763	(37,047)	1,942,546	(22,861)
Past due 31-60 days	577,190	(81,038)	388,328	(21,075)
Past due 61-90 days	221,248	(109,891)	195,063	(71,369)
Past due 91-180 days	194,563	(135,088)	320,359	(93,945)
More than 180 days	157,605	(156,910)	264,264	(140,374)
	3,537,419	**(519,974)**	**3,896,574**	**(349,624)**

The movement in allowance for doubtful debt in respect of trade receivables during the year was as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Balance at beginning of year	349,649	325,557	349,624	325,528
Impairment loss recognised	170,877	24,092	170,350	24,096
Balance at end of year	**520,526**	**349,649**	**519,974**	**349,624**

Allowance for doubtful debts relate to customers which are in unexpected difficult economic situations. Based on past experience, the Company believes that trade receivables not past due and those past due for which no provision is made, relate to customers that have a good record of payment.

During the year net bad debt expense aggregating $461,188,000 (2008: $407,318,000) has been recognised in the income statement.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

16. DUE FROM/TO RELATED COMPANIES

This represents amounts receivable/payable from/to other Cable & Wireless Group companies, principally for telecommunications traffic arising in the ordinary course of business.

17. INVENTORIES

	The Group and the Company	
	2009 $'000	2008 $'000
Mobile handsets	128,445	155,541
Other inventories	91,299	–
	219,744	**155,541**

Inventories are stated net of allowance for impairment of $73,525,000 (2008: $25,495,000).

During the year, inventory write-off aggregating $103,498,000 (2008: $11,152,000) has been recognised in the income statement.

18. SHARE CAPITAL

	The Group and the Company	
	2009 $'000	2008 $'000
Authorised: 16,820,000,000 ordinary shares at no par value		
Stated, issued and fully paid: 16,817,439,740 ordinary stock units at no par value	**16,817,440**	**16,817,440**

19. RESERVES

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Share-based payment reserve	20,915	–	20,915	–
Unrealised translation reserve	277,045	115,218	–	–
Employee benefits reserve*	2,127,333	2,328,000	2,127,333	2,328,000
	2,425,293	**2,443,218**	**2,148,248**	**2,328,000**

* This reserve represents the accumulated pension assets credit, net of related taxation.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade payables	2,669,953	2,067,070	2,669,926	2,015,233
Other payables	3,200,460	2,923,855	3,176,990	2,930,724
Customer deposits	511,417	479,759	463,257	441,252
	6,381,830	**5,470,684**	**6,310,173**	**5,387,209**

21. PROVISIONS

	The Group			The Company		
	Restructuring $'000	Site Restoration $'000	Total $'000	Restructuring $'000	Site Restoration $'000	Total $'000
Balance at March 31, 2007	–	382,462	382,462	–	375,716	375,716
Provisions made during the year	519,395	913,418	1,432,813	519,395	913,213	1,432,608
Provisions used during the year	(196,629)	–	(196,629)	(196,629)	–	(196,629)
Unwind of discount	–	53,137	53,137	–	51,936	51,936
Balance at March 31, 2008	322,766	1,349,017	1,671,783	322,766	1,340,865	1,663,631
Provisions made during the year (note 3)	602,543	36,043	638,586	602,543	27,135	629,678
Provisions used during the year	(783,763)	(120,607)	(904,370)	(783,763)	(116,534)	(900,297)
Unwind of discount	–	82,318	82,318	–	81,117	81,117
Balance at March 31, 2009	**141,546**	**1,346,771**	**1,488,317**	**141,546**	**1,332,583**	**1,474,129**

Provisions relating to site restoration are not expected to crystallise in the next twelve months.

22. LONG-TERM LOANS

The Group and the Company

	Currency	Nominal interest rate	Year of maturity	2009 Face value $'000	2009 Carrying amount $'000	2008 Face value $'000	2008 Carrying amount $'000
Export Development Corporation Interest free loan (a)	US$	(see below)	2038	476,283	302,163	396,626	245,094
Citibank (b)	J$	14.6%	11/5/2012	–	–	3,925,400	3,925,400
Total loans outstanding					302,163		4,170,494
Less: Current portion					(16,212)		(749,039)
Non-current portion					**285,951**		**3,421,455**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

22. LONG-TERM LOANS continued

(a) Export Development Corporation – This loan has been remeasured to fair value using an imputed interest rate of 3.3% and is guaranteed by the Government of Jamaica. At March 31, 2009, this represented an amount of US$5,398,000 (2008: US$5,580,000) outstanding.

(b) This loan was fully repaid on May 12, 2008 through financing arrangements from the ultimate parent company.

23. DUE TO ULTIMATE PARENT COMPANY

	The Group and the Company	
	2009 $'000	2008 $'000
Inter-company trading (i)	(487,091)	420,777
Accrued interest	356,242	162,788
Other loan (ii)	12,075,876	5,851,368
	11,945,027	**6,434,933**

This represents amounts arising from:

(i) Foreign currency denominated balances on inter-company trading in the normal course of business.

(ii) The loan is denominated in J$ and bears interest at 14% (2008:14%) at year end.

24. DEFERRED TAX LIABILITY

The net deferred tax liability is attributable to temporary differences in the recognition of the following:

	2009 The Group and the Company			
	Balance at April 1	Recognised in equity	Recognised in income	Balance at March 31
Employee benefits	546,667	406,000	277,666	1,230,333
Property, plant & equipment	3,123,363	–	817,625	3,940,988
Taxation losses	(2,574,511)	–	(1,020,365)	(3,594,876)
Other	(34,312)	–	(144,229)	(178,541)
	1,061,207	**406,000**	**(69,303)**	**1,397,904**

	2008 The Group and the Company			
	Balance at April 1	Recognised in equity	Recognised in income	Balance at March 31
Employee benefits	555,214	(480,000)	471,453	546,667
Property, plant & equipment	4,089,353	–	(965,990)	3,123,363
Taxation losses	(740,607)	–	(1,833,904)	(2,574,511)
Other	661,040	–	(695,352)	(34,312)
	4,565,000	**(480,000)**	**(3,023,793)**	**1,061,207**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

25. DUE TO SUBSIDIARIES

This represents interest-free long-term loans for which no fixed repayment terms have been determined. The balance includes United States dollar de-nominated loans totalling approximately US$7,933,000 (2008: US$7,591,000).

26. DIVIDENDS

In the previous year, the Company declared and paid ordinary dividends of 3 cents per share, gross, amounting to $504,526,000.

27. FINANCIAL RISK MANAGEMENT

Financial instruments risks:
The Company has exposure to credit risk, market risk, and liquidity risk from the use of financial instruments.

Senior management has responsibility for monitoring the Company's risk management policies and periodically report to the Board of Directors on their activities.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the Company's activities. The ultimate parent company, through the internal audit department, has monitoring oversight of the risk management policies.

(i) Credit risk:
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises primarily from credit given to customers including related companies and deposits with financial institutions. Balances arising from those activities are accounts receivable, amounts due from related companies and cash and cash equivalents. The maximum credit exposure is represented by the carrying amount of financial assets on the balance sheet.

Maximum exposure to credit risk at the reporting date was:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables	3,061,758	3,567,461	3,017,445	3,546,950
Due from related companies	181,821	136,475	181,821	150,680
Cash and cash equivalents	700,269	846,488	611,716	666,450
	3,943,848	**4,550,424**	**3,810,982**	**4,364,080**

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analysed for creditworthiness prior to being offered credit. There are also comprehensive procedures for the disconnection of services to, and recovery of amounts owed by defaulting customers. Management has procedures in place to restrict customer service if the customers have not cleared outstanding debts within the credit period. Customers that fail to meet the Company's benchmark creditworthiness may transact business with the Company on a prepayment basis.

Credit risk is monitored according to each customer's characteristics, such as whether it is an individual or company, it's geographic location, industry, aging profile, and previous financial difficulties. Trade receivables relate mainly to the Company's interconnect, mobile and fixed line customers.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

27. FINANCIAL RISK MANAGEMENT continued

Financial instruments risks continued:

(i) Credit risk continued:

Trade receivables continued

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's average credit period on the sale of services is 30 days. Allowances for impaired trade receivables are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Due from related companies

Related party transactions are pre-authorised and approved by management during the budgetary process.

Cash and cash equivalents

Cash and cash equivalents are placed with counter-parties who are believed to have minimal risk of default.

(ii) Market risk:
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets.

(a) Interest rate risk:
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's policy requires management to manage the maturities of interest bearing financial assets.

The interest rate profile of the financial liabilities of the Group, at balance sheet date was as follows:

The Group

Currency	Fixed rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
		March 31, 2009	
US$	47,160	635,519	682,679
Jamaica$	12,426,915	5,763,895	18,190,810
	12,474,075	6,399,414	18,873,489
		March 31, 2008	
US$	38,507	891,557	930,064
Jamaica$	10,129,536	7,238,393	17,367,929
	10,168,043	8,129,950	18,297,993

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

27. FINANCIAL RISK MANAGEMENT continued

Financial instruments risks continued:

(ii) Market risk continued:

(a) Interest rate risk continued:

The Company

Currency	Fixed rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
		March 31, 2009	
US$	–	1,635,519	1,635,519
Jamaica$	12,426,915	17,418,211	29,845,126
	12,426,915	**19,053,730**	**31,480,645**
		March 31, 2008	
US$	–	891,557	891,557
Jamaica$	10,129,536	19,652,631	29,782,167
	10,129,536	**20,544,188**	**30,673,724**

Financial liabilities on which no interest is paid [see note 22] comprise a loan from Export Development Corporation, accounts payable and amounts owed (from)/to the ultimate parent Company in the normal course of business.

The maturity profiles of the Company's fixed loan financial liabilities are disclosed in notes 22, 23 and 27 (iii).

There are no material long-term floating rate financial assets. Surplus cash is invested in UK pound sterling (UK£), US dollar (US$) and Jamaica dollar ($) money market deposits for short periods ranging between one and three months.

Interest rate sensitivity

The Company does not account for any fixed rate financial assets and liabilities at fair value. Therefore a change in the interest rates at the reporting date would not affect the reported loss or equity for the year.

(b) Foreign currency risk:
The Company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Jamaican dollar. The principal foreign currency risks of the Company, represented by balances in the respective currencies, are as follows:

The table shows the Group's and Company's foreign currency exposure, at balance sheet date.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

27. FINANCIAL RISK MANAGEMENT continued

Financial instruments risks continued:

(ii) Market risk continued:

(b) Foreign currency risk continued:

	The Group		The Company	
	Net foreign currency monetary liabilities		Net foreign currency monetary liabilities	
	UK£ '000	US$ '000	UK£ '000	US$ '000
	March 31, 2009			
Accounts payable	–	(18,355)	–	(17,623)
Accounts receivable	–	8,435	–	7,477
Cash and bank deposits	410	2,859	410	2,859
Long-term loans	–	(3,402)	–	(3,402)
	410	**(10,463)**	**410**	**(10,689)**
	March 31, 2008			
Accounts payable	–	(13,794)	–	(14,457)
Accounts receivable	–	11,139	–	11,139
Cash and bank deposits	24	1,565	24	1,565
Long-term loans	–	(3,448)	–	(3,448)
	24	**(4,538)**	**24**	**(5,201)**

Sensitivity analysis

Exchange rates, in terms of Jamaican dollars which is the Company's principal intervening currency, were as follows:

	UK£	US$
At May 20, 2009	138.56	88.99
At March 31, 2009	129.02	88.82
At March 31, 2008	141.15	71.08

For 2009, a 10% strengthening of UK£ and US$ against the Jamaican dollar would have increased the loss by $87,643,000 for the Group and $89,651,000 for the Company and 2% weakening of UK£ and US$ against the Jamaica dollar would have decreased the loss by $17,258,000 for the Group and $17,930,000 for the Company.

For 2008, a 7% strengthening/weakening of UK£ and a 3% strengthening/weakening of the United States dollar against the Jamaican dollar would have increased/(decreased) loss by $237,000 and $9,678,000 respectively for the Group and $11,090,000 respectively for the Company. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

27. FINANCIAL RISK MANAGEMENT continued

Financial instruments risks continued:

(iii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping lines of funding available with relevant suppliers, bankers and related parties, sourcing appropriate currency holdings to match liabilities and pursuing prompt payment policies.

The following are the contractual maturities of financial liabilities, including interest payments as at:

The Group

	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
March 31, 2009						
Due to related companies	102,923	102,923	102,923	–	–	–
Due to ultimate parent Company	11,945,027	22,999,126	1,672,303	1,906,426	7,475,370	11,945,027
Trade and other payables	6,381,830	6,405,701	6,405,701	–	–	–
Provisions	141,546	141,546	141,546	–	–	–
Long-term loans	302,163	478,240	16,212	16,212	48,636	397,180
	18,873,489	**30,127,536**	**8,338,685**	**1,922,638**	**7,524,006**	**12,342,207**
March 31, 2008						
Due to related companies	47,116	47,116	47,116	–	–	–
Due to ultimate parent Company	6,434,933	12,389,912	900,890	1,027,015	4,027,074	6,434,933
Trade and other payables	5,470,684	5,494,672	5,494,672	–	–	–
Provisions	322,766	322,766	322,766	–	–	–
Long-term loans	4,170,494	5,679,094	1,298,466	1,406,099	2,642,520	332,009
	16,445,993	**23,933,560**	**8,063,910**	**2,433,114**	**6,669,594**	**6,766,942**

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

27. FINANCIAL RISK MANAGEMENT continued

Financial instruments risks continued:

(iii) Liquidity risk continued:

The Company

	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
			March 31, 2009			
Due to related companies	102,923	102,923	102,923	–	–	–
Due to ultimate parent Company	11,945,027	22,999,126	1,672,303	1,906,426	7,475,370	11,945,027
Trade and other payables	6,310,173	6,334,044	6,334,044	–	–	–
Provisions	141,546	141,546	141,546	–	–	–
Long-term loans	302,163	478,240	16,212	16,212	48,636	397,180
	18,801,832	**30,055,879**	**8,267,028**	**1,922,638**	**7,524,006**	**12,342,207**
			March 31, 2008			
Due to related companies	47,116	47,116	47,116	–	–	–
Due to ultimate parent Company	6,434,933	12,389,912	900,890	1,027,015	4,027,074	6,434,933
Trade and other payables	5,387,209	5,411,217	5,411,217	–	–	–
Provisions	322,766	322,766	322,766	–	–	–
Long-term loans	4,170,494	5,679,094	1,298,466	1,406,099	2,642,520	332,009
	16,362,518	**23,850,105**	**7,980,455**	**2,433,114**	**6,669,594**	**6,766,942**

Management believes that the Company will not encounter significant difficulties in meeting its financial liabilities.

(iv) Capital management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The Board of Directors together with responsible senior management of the ultimate parent Company monitors the return on capital. The objective is to maintain a strong capital base so as to sustain the solvency and future development of the business. There were no changes in the Company's approach to capital management during the year. Also, the Company is not exposed to any externally imposed capital requirements.

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, other financial assets and other financial liabilities are assumed to approximate to their fair values due to their short-term nature. Amounts due to/from related companies are considered to approximate their carrying value as they represent an ability to effect set-offs in future in the amounts disclosed. Long-term assets and liabilities are carried at their contracted settlement value. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

29. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments:

At March 31, 2009, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	The Group and the Company	
	2009 $'000	2008 $'000
Commitments in respect of contracts placed	**370,393**	**78,761**

(b) Lease commitments:

Unexpired commitments under operating leases for motor vehicles and equipment are payable as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Within 1 year	305,188	257,203	288,000	244,306
From 1-2 years	356,765	257,203	288,000	244,306
From 2-3 years	288,000	257,203	288,000	244,306
From 3-4 years	288,000	258,075	288,000	244,306
From 4-5 years	290,525	258,155	288,000	244,306
Over 5 years	288,000	254,952	288,000	244,306
	1,816,478	**1,542,791**	**1,728,000**	**1,465,836**

Lease payments under these operating leases recognised in the income statement for the year aggregated approximately $284 million (2008: $277 million) for the Group and $276 million (2008: $244 million) for the Company.

In addition, there were operating leases primarily in relation to the cell site with an estimated annual rental of $177 million (2008: $139 million). The average lease term is 5 years.

(c) Contingent liabilities:

Legal cases:

(i) A suit has been filed by Mossel (Jamaica) Limited against the Company for $155,000,000 relating to transit charges. Case management was held during the year and the matter has been set for trial in November 2009.

(ii) A suit has been brought against the Company for US$13,011,873 which the plaintiff is claiming that the company has abused its dominance in the market for fixed line termination services. The company has filed its defence and counter-claim.

(iii) In a suit relating to call termination rates, the Company was awarded settlement in the amount of $342,000,000. The plaintiff has lodged an appeal to the Privy Council and if successful, the Company will likely have to repay the sum. The appeal is unlikely to be heard before July 2009.

(iv) A suit has been filed by Mossel (Jamaica) Limited against the Company for $349,306,750 plus, $1,306,655,813 claiming bad debt retained by the Company under the interconnection agreement and in respect to the Company's "Homefone" service. The Company has filed its defence on the matter.

Notes to the Financial Statements

Year ended March 31, 2009 (Expressed in Jamaica $000's)

29. COMMITMENTS AND CONTINGENCIES continued

(c) Contingent liabilities continued:

Legal cases continued:

(v) A suit has been brought against the Company by Columbus Communications Jamaica Limited (Flow) for US$6 million for claims in respect of backhaul facilities provided to facilitate agreements with affiliates of Flow. The Company has filed its defence.

No provision has been made in respect of these items, as based on legal and other advice, management is of the view that no liability will materialise with regard to the issues mentioned.

Our Executives

TRUDIE BENT-WILLIAMS
Head of Sales Performance & Planning

Trudie joined the Company in July 2001 and currently heads the team responsible for sales analysis and local product propositions. In her eight years with the Company she has worked in several areas including Post Sales Support, Sales Intelligence and Business Process Improvement. In addition to her extensive experience in business administration, Trudie has also worked in Education, Marketing and Public Relations. She holds a Bachelor of Science Degree in International Relations and Economics and a Master of Science Degree in Economic Development Policy, both from the University of the West Indies.

AUSTIN BROWN
Head of Technology Operations

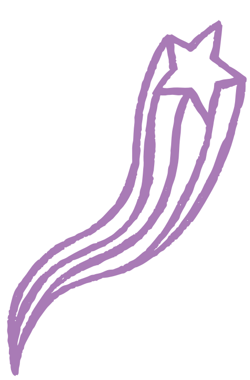
Austin is an accomplished engineer with 30 years experience in telecommunications engineering and operations. He currently has responsibility for the Company's Fixed, Mobile and IP & Data network Facilities, Fleet and Security operations. Austin previously served as Head of Network Engineering, Head of Network Planning and Vice President of Network Planning and Development. He holds a Bachelor of Engineering Degree in Electronics and Telecommunications from the University of Technology and a Master of Science Degree in Computer Based Management Information Systems from the University of the West Indies. He is a fellow of the Telecommunications Executive Management Institute of Canada (TEMIC).

INGRID CHAMBERS
Vice President, Human Resources

Ingrid joined the company in April 2009 bringing to the job 29 years of experience in the banking, insurance and financial services industries where she gained considerable experience in steering organizations through transformation. She has held various positions with local organisations including Managing Director, General Manager, Vice President Operations, Vice President Human Resources and Manager Training and Development. Most recently she worked with NCB Insurance Company Limited and Scotia Jamaica Life Insurance Limited.

XESUS JOHNSTON
Vice President, Consumer & SME Sales

Xesus has been a part of the Company's senior management team for the last four years, heading up the Broadband & Consumer Division and then the Sales Planning & Business Development function before taking charge of Consumer & SME Sales. Prior to joining the Company, Xesus was a partner in the management consultancy firm Teape-Johnston and Associates. He has served as a Commissioner of the Jamaica Fair Trading Commission and has been a member of the Board of Directors of both the Development Bank of Jamaica and the Cable & Wireless Co-operative Credit Union.



LAWRENCE McNAUGHTON
Executive Vice President, Carrier Services & International Facilities, Caribbean

Lawrence joined the Company as a Network Maintenance Technician in 1980 and in the ensuing three decades has held various positions including Head of Cellular Services and Vice President for Marketing & Sales. Since 2004 he has been at the helm of the Carrier Services Business for the Caribbean region managing relationships with international and domestic carriers and service providers, such at AT&T, Sprint and BT. Lawrence holds both a Bachelors and a Masters Degrees in Electrical Engineering and a Post Graduate Diploma in Management. He is a member of University of Technology's Engineering Advisory Board, an Accredited Director of the Institute of Chartered Secretaries and Administrators and Chairman of the Board of Cable & Wireless St. Kitts & Nevis.

ERROL K. MILLER
Regional Vice President, Corporate Communications

Errol has been at the helm of the Company's Corporate Communications function for more than 20 years. In that capacity, he has emerged as one of the most accomplished and respected communications practitioners in Jamaica. He has worked with public and private sector entities in both Canada and Jamaica including the Canadian Broadcasting Corporation, the Jamaica Broadcasting Corporation and the National Water Commission. He holds both a Bachelors and Masters Degree in Communications from the University of the West Indies and currently sits on the Boards of the National Health Fund, the Multi-Care Foundation and the Cable & Wireless Jamaica Foundation.

EDWARD GABBIDON
Vice President, Corporate Sales – Jamaica

Edward joined the Company in February 2008 serving first as Assistant Vice President Corporate Sales & Solutions and then as the Project Management Office (PMO) Lead for the Enterprise Team. Having worked at a senior level in the Jamaican business industry for many years, he has extensive knowledge of Jamaica's corporate landscape and considerable experience in several industries including Banking, Utilities and Telecommunications. He holds an Executive Masters Degree in Business Administration from the University of the West Indies.

PATRICK GILLINGS
Vice President, Advertising and Promotions

Patrick has held senior marketing positions at a number of Jamaica's largest and most respected companies including Marketing Director for Pepsi America's Caribbean, Marketing Manager at J. Wray and Nephew Limited and Regional Sales Manager at Desnoes and Geddes, (now Diageo trading as Red Stripe). He joined the Cable & Wireless Jamaica team in 2004 as Senior Vice President Marketing & Communication. He went on to establish his own business in 2005 and then rejoined the Company two years later. Patrick is credited with being one of the early pioneers of Sports Marketing in Jamaica and was part of the team that put Jamaica on the map as a Spring Break tourism destination.

EMERSON HEWITT
Vice President, Customer Solutions

Emerson has worked with Cable & Wireless in various locations for over 13 years in different business areas including finance, billing, marketing and business development. Prior to joining the team in Jamaica, he was Vice President Marketing & Products at Cable & Wireless Barbados and also served as Commercial Director for Cable & Wireless USA for five years. Before he came to Cable & Wireless, Emerson worked with Mercury Communications in the United Kingdom. He is a Chartered Accountant and holds a Bachelors Degree in Hotel Management from the University of the West Indies.

MARTHA MILLER
Acting Chief Financial Officer

Martha initially joined the Company in 2006, first holding the role of Mobile Analyst (Finance) and then Mobile Corporate Product Manager. Martha re-joined the Company in July 2008 as Vice President, Financial Planning and Analysis and was appointed Acting CFO in December 2008. Prior to that, she served as Financial Controller at Intcomex, Jamaica, a subsidiary of Intcomex Inc. based in the USA. A Fellow of the Association of Certified and Chartered Accountants, Martha holds a BSc in Computer Studies from the University of the West Indies and has more than 17 years of experience in Internal Auditing and Financial Reporting.

HOWARD P. MOLLISON
Vice President, Service Delivery

Howard has been with the Company for ten years and a Vice-President for six of them, having held responsibility for critical operational functions including Customer Support, Corporate Services and Service Delivery. He has extensive experience in sales and marketing having worked with a number of Jamaica's leading consumer goods companies including Desnoes & Geddes Limited (now Diageo trading as Red Stripe), P.A. Benjamin Ltd and Soft Sheen Products West Indies Ltd. He is a former director of the Sugar Company of Jamaica Limited and previously sat on both the Betting Gaming and Lotteries Commission (BGLC) and the Financial Services Commission (FSC). He holds a Bachelor of Arts Degree in History and Government from the University of the West Indies, and both a Bachelor of Science Degree in Economics and Management and an MBA from the University of New Orleans. He is a Certified Project Management Professional (PMP) and a member of the Project Management Institute (PMI).

LEROY REID
Vice President, Western Region

Leroy joined the company in 1984, was seconded to Jamaica Digiport International Ltd. in 1988 and was promoted to General Manager of that entity in 1999. He was later appointed Vice President, Internet & Broadband of Cable & Wireless Jamaica Limited in 2006 and was subsequently given responsibility for Business & Partner Sales for the small and medium enterprise sector. His academic qualifications include a Bachelor of Engineering Degree from the Anglia Polytechnic College and an MBA from the Nova Southeastern University.

Company Information

EXECUTIVE MANAGEMENT TEAM

Geoff Houston
Country Manager

Trudie Bent-Williams
Head of Sales Performance & Planning

Steve Fradella
Programme Lead, 3G Project

Edward Gabbidon
Vice President, Corporate Sales

Patrick Gillings
Vice President, Advertising and Promotions

Xesus Johnston
Vice President, Consumer & SME Sales

Martha Miller
Acting Chief Financial Officer

Howard Mollison
Vice President, Service Delivery

Leroy Reid
Vice President, Western Region

CWI CARIBBEAN REPRESENTATIVES ON JAMAICA EXECUTIVE MANAGEMENT TEAM

Austin Brown
Head of Networks

Ingrid Chambers
Vice President, Human Resources

Camille Facey
Regional Vice President, Legal Regulatory & Corporate Affairs, Jamaica, BVI, TCI and Cayman.

Emerson Hewitt
Vice President, Customer Solutions

Lawrence McNaughton
Executive Vice President, Carrier Services & International Facilities (Caribbean)

Errol K. Miller
Regional Vice President, Corporate Communications

REGISTERED OFFICE

2-6 Carlton Crescent
Kingston 10, Jamaica
Telephone: 926-9700
Fax No. 968-9696
website: www.time4lime.com

REGISTRAR & TRANSFER AGENT

Duke Corporation
Scotia Bank Centre
Corner Duke & Port Royal Streets
Kingston, Jamaica

AUDITORS

KPMG
6 Duke Street
Kingston, Jamaica

BANKERS

The Bank of Nova Scotia Jamaica Ltd.
National Commercial Bank Jamaica Ltd.
Citibank N. A.

ATTORNEYS-AT-LAW

Myers Fletcher & Gordon
21 East Street
Kingston

Grant Stewart Phillips & Company
11a Swallowfield Road
Kingston 5

Proxy Form

I/We...
of...
being a member/members of the above-named company, hereby appoint
....
of...
or failing him ....
of...
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Wednesday, 29 July 2009, and at any adjournment thereof.

I/We desire this form to be used for/against the resolutions, as indicated below.

Please indicate by inserting X in the spaces below how you wish your votes to be cast. If no indication is given, your proxy will vote for or against each resolution or abstain as he thinks fit.

....
....

RESOLUTIONS

For text of resolutions please refer to Notice of Meeting

RESOLUTION	FOR	AGAINST
1		
2 (a)		
2 (b)		
2 (c)		
2 (d)		
2 (e)		
3		
4		
Special Resolution		
5		

Dated this......................day of...................................2009

....
Signature Signature

NOTE: TO BE VALID

1. This form must be received by the Registrar of the Company, Duke Corporation Limited, Penthouse, Scotia Bank Centre, Corner Duke & Port Royal Streets, Kingston, Jamaica by 3:00 p.m. on Monday, July 27, 2009.
2. If the appointer is a corporation, this form must be under its Common Seal in accordance with its Articles of Association.
3. A $100.00 stamp is to be affixed in the space provided.

STAMP
$100

Cable & Wireless Jamaica Limited
2-6 Carlton Crescent, Kingston 10, Jamaica

www.time4lime.com