Cable & Wireless Jamaica Limited
Unaudited Consolidated Financial Statements
For The Quarter Ended June 30, 2009

The Board of Directors of Cable & Wireless Jamaica Limited ("the Company") releases the unaudited consolidated results of the Company, Jamaica Digiport International (JDI), and other subsidiaries, (collectively referred to as "CWJ"), for the quarter ended June 30, 2009.

Highlights

We remain committed to our priorities of customer service, margin maximisation and cost efficiency, and accordingly report as follows:-

- We launched our 3G wireless network in June providing download speeds of up to 7.2Mbps;
- We launched 8 Mbps ADSL service in key exchange areas
- We added 1082 new Top Up locations during the quarter.
- We opened 4 new Flagship Stores in the quarter. There are now 11 full service stores in operation throughout the Island.
- We continued to implement cost reduction strategies to mitigate the impact of the recession on revenues and the devaluation on costs.
- In July we signed a Tower Share Agreement with Oceanic Digital to provide access to an additional 89 Cell Sites which will increase our mobile coverage and reduce network costs.

Results

Revenue for the quarter declined 5% from J$5,704m in 2008 to J$5,395m in 2009. Increased ADSL revenue and non-recurring revenues associated with the Tower Share Agreement with Oceanic Digital were offset by reductions in fixed and mobile revenues resulting from the impact of the recession, our focus on gross margin rather than revenue and increased competition. The decline in international revenue was driven by reduced termination rates combined with a decline in traffic commencing in December 2008 when a competitor unilaterally reduced CWJ's international circuits resulting in a continued significant reduction of incoming international mobile minutes to CWJ.

Gross Margin overall declined 2% to J$3,679m compared with J$3,762m for the same period last year. Recurring gross margins as a percentage of revenue remained flat year-on-year at 66%. This result reflected improvement in Fixed Line margin percentages as lower margin interconnect revenues and low margin price plans were eliminated, offsetting reductions in Mobile margin percentages which are also under competitive and economic pressure.

Total Operating Expenses (excluding depreciation & amortisation) increased by 10% over the quarter ended June 2008. The Company successfully managed to reduce its local currency based costs including employee expenses, offset by an increase in foreign currency based expenses and as a consequence of the 24% devaluation of the Jamaican dollar against the United States dollar during the year.

Operating Losses of J$165m for the quarter compares with Operating Profit of J$382m for the quarter ended June 2008 mainly as a result of the increase recorded in Operating Expenses and a further J$198m for restructuring costs related to the ongoing transformation process.

Net finance costs. Over the past year the Company increased its borrowings in order to fund network development and expansion. As a consequence, net finance costs have increased by 42% over June 2008 due primarily to an increase of J$211m in interest expenses resulting from the increased borrowings, and to a change in interest rates which are currently charged at the Bank of Jamaica 182 Day Weighted Average Treasury Bill Yield.

Net loss attributable to stockholders of J$504m was greater than the June 2008 quarter loss (J$27m) resulting in a loss per stock unit of 2.99c compared to 0.16c.

Outlook: The transformation process has generated significant underlying savings which have ameliorated the impact of the global economic recession and the tough competitive environment. These underlying savings, it is expected, will serve the Company well as we exit the current recession.

We continue to work hard to improve performance and are focused on delivering world class customer experience, better value to our customers and increased value to our stockholders in the future.

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

On behalf of the Board

Andrew Cocking
Director

Patrick Rousseau
Director

Cable & Wireless Jamaica Limited
Group Income Statement
Quarter ended June 30, 2009
J$000's

	3 Months to June 30, 2009	12 Months to March 31, 2009	3 Months to June 30, 2008
Revenue	5,394,587	21,992,857	5,703,749
Outpayments	(1,484,045)	(5,622,719)	(1,505,530)
Other cost of sales	(231,668)	(1,954,771)	(436,152)
Total Cost of Sales	**(1,715,713)**	**(7,577,490)**	**(1,941,682)**
Gross Margin	**3,678,873**	**14,415,367**	**3,762,067**
Employee expenses	(746,034)	(2,543,032)	(799,209)
Administrative, marketing, and selling expenses	(2,149,019)	(7,372,958)	(1,832,235)
Depreciation and amortisation	(751,019)	(3,091,832)	(748,116)
Total Operating Expenses	**(3,646,072)**	**(13,007,822)**	**(3,379,560)**
Operating profit before restructuring costs	**32,801**	**1,407,545**	**382,507**
Pension restructuring costs	-	892,000	-
Restructuring costs	(197,694)	(677,042)	-
Operating (loss)/ profit	**(164,893)**	**1,622,503**	**382,507**
Net finance costs			
Foreign exchange gains/ (losses)	18,842	(236,920)	(21,721)
Other finance costs	(631,544)	(1,812,824)	(420,736)
Finance income	4,279	37,097	13,900
	(608,423)	**(2,012,647)**	**(428,557)**
Other income	13,695	20,589	-
Loss before taxation	**(759,621)**	**(369,555)**	**(46,050)**
Taxation	256,011	66,730	18,649
Loss attributable to stockholders	**(503,610)**	**(302,825)**	**(27,401)**
Loss per stock unit	(2.99¢)	(1.80¢)	(0.16¢)

Cable & Wireless Jamaica Limited
Group Balance Sheet
Quarter ended June 30, 2009
J$000's

	June 30, 2009	March 31, 2009	June 30, 2008
Property, plant & equipment	27,312,653	27,518,868	25,992,044
Intangible asset	487,981	548,077	475,732
Deferred expenditure	39,401	55,206	34,861
Employee benefits assets	3,268,914	3,191,000	3,655,000
Total non-current assets	**31,108,948**	**31,313,151**	**30,157,637**
Cash & cash equivalents	373,903	700,269	725,754
Accounts receivable	3,588,755	3,842,715	3,789,640
Taxation recoverable	103,870	103,725	96,251
Prepaid expenses	2,795,064	441,100	625,821
Due from related companies	190,327	181,821	159,008
Inventories	175,434	219,744	195,387
Current portion of deferred expenditure	185,411	203,055	241,195
Total current assets	**7,412,764**	**5,692,429**	**5,833,056**
TOTAL ASSETS	**38,521,712**	**37,005,580**	**35,990,693**
Share capital	16,817,440	16,817,440	16,817,440
Reserves	2,430,252	2,425,293	2,444,331
Accumulated deficit	(4,178,972)	(3,855,317)	(4,592,560)
TOTAL EQUITY	**15,068,720**	**15,387,416**	**14,669,211**
Trade and other accounts payables	5,391,451	6,381,830	5,587,141
Provisions	167,199	141,546	60,762
Current portion of loans	16,307	16,212	32,717
Due to related companies	106,554	102,923	56,935
Total current liabilities	**5,681,511**	**6,642,511**	**5,737,555**
Provisions	1,402,080	1,346,771	1,380,625
Loans	288,667	285,951	242,259
Due to ultimate parent company	14,938,840	11,945,027	11,040,630
Deferred tax liability	1,141,893	1,397,904	1,042,558
Employee benefits obligation	-	-	1,877,855
Total non-current liabilities	**17,771,481**	**14,975,653**	**15,583,927**
TOTAL LIABILITIES	**23,452,991**	**21,618,164**	**21,321,482**
TOTAL EQUITY & LIABILITIES	**38,521,711**	**37,005,580**	**35,990,693**

Director
Patrick Rousseau

Director
Andrew Cocking

Cable & Wireless Jamaica Limited
Group Statement of Recognised Income and Expenses
Quarter ended June 30, 2009
J$'000

	June 30,2009	March 31,2009	June 30,2008
Unrealised translation adjustments on consolidation	4,959	161,827	1,113
Share - based payment	-	20,915	-
Actuarial gains recognised directly in equity	179,954	1,218,000	-
Deferred taxes on employee benefits	-	(406,000)	-
Net income recognised directly in equity	184,913	994,742	1,113
Loss for the period/year	(503,610)	(302,825)	(27,401)
Total recognised income and expenses for the period/year	(318,697)	691,917	(26,288)

Cable & Wireless Jamaica Limited
Group Statement of Changes in Shareholders' Equity
Quarter ended June 30, 2009
J$'000's

	Share Capital	Reserves	(Accumulated deficit)/ unappropriated profit	Total
Balances at April 1, 2008	16,817,440	2,443,218	(4,565,159)	14,695,499
Total recognised income and expenses for the period	-	1,113	(27,401)	(26,288)
Balances at June 30, 2008	16,817,440	2,444,331	(4,592,560)	14,669,211
Balances at April 1, 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	-
Balances at March 31, 2009	**16,817,440**	**2,425,293**	**(3,855,317)**	**15,387,416**
Total recognised income and expenses for the period	-	4,959	(323,656)	(318,697)
Balances at June 30, 2009	**16,817,440**	**2,430,252**	**(4,178,972)**	**15,068,719**

Cable & Wireless Jamaica Limited
Group Statement of Cashflows
Quarter ended June 30, 2009
J$'000

	3 Months to June 30, 2009	12 Months to March 31, 2009	3 Months to June 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss attributable to stockholders	(503,610)	(302,825)	(27,401)
Adjusted for:			
Unrealised translation losses on loans	2,812	95,402	3,895
Employee benefits, net	(80,559)	(333,000)	(137,145)
Depreciation and amortisation	751,019	3,091,832	748,116
Amortisation of deferred expenditure	32,465	330,633	77,600
Deferred taxation	(256,011)	(66,730)	(18,649)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(13,695)	95,754	-
Interest earned	(4,279)	(37,097)	(13,900)
Interest expense	631,544	1,812,824	420,736
Provisions	55,309	(2,246)	31,608
Cash generated before changes in working capital	614,995	4,684,547	1,084,860
Accounts receivable	253,959	(91,755)	(41,316)
Prepaid expenses	(2,353,964)	(65,340)	(250,061)
Due from related companies	(8,506)	(45,346)	(22,533)
Inventories	44,311	(64,203)	(39,846)
Trade and other accounts payables	(990,380)	609,125	116,457
Provisions	25,654	(181,220)	(262,004)
Due to related companies	3,630.38	55,807.00	9,819.00
Cash (used)/generated from operations	(2,410,300)	4,901,615	595,376
Income tax paid	-	(10,309)	-
Net cash (used)/provided by operating activities	(2,410,300)	4,891,306	595,376
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property plant & equipment and intangible assets	(469,071)	(5,041,726)	(1,003,006)
Interest received	2,581	34,461	9,724
Deferred expenditure incurred	(65,916)	(248,560)	(13,321)
Net cash used by investing activities	(532,406)	(5,255,825)	(1,006,603)
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised translation adjustment on consolidation	4,959	161,827	1,113
Share-based payment transferred to reserve	-	20,915	-
Decrease in loans	-	(3,963,733)	(3,921,506)
Interest paid	(378,951)	(1,317,349)	(313,813)
Due to ultimate parent company	2,990,331	5,316,640	4,524,699
Net cash provided by financing activities	2,616,339	218,300	290,493
Net decrease in cash and cash equivalents	(326,366)	(146,219)	(120,734)
Cash and cash equivalents at beginning of period	700,269	846,488	846,488
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**373,903**	**700,269**	**725,754**