

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

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

- The success of our re-branding, including programmes aimed at younger users, is demonstrated by the selection of LIME as the exclusive telecom sponsor for the UWI Students Guild;
- The 3G product launched in the first quarter is doing well and we exceeded our first 100 days sales targets;
- We have grown subscriber numbers for mobile broadband and ADSL the latter due in part to our promotion of 8mbps ADSL packages which are twice as fast as those previously offered residentially;
- World Pack plans were successfully re-launched during the quarter offering the best value in the mobile international calling market

Results:

Revenue for the quarter declined 10% to J\$5,104m from J\$5,567m for the same period in 2008. We have grown internet and data revenues and maintained market share on mobile while growing demand for business products, however the poor economic environment exerted downward pressure on fixed and mobile voice minutes of use with a resulting decline in revenue. The Group continues to see increased demand for its innovative business solutions from small, medium and large customers as the market transitions to more IP-based and managed services.

Gross Margin overall declined 12% to J\$3,225m compared with J\$3,653m for the same period last year driven by the reduction in revenue. Gross margin as a percentage of revenue remained broadly flat.

Total Operating Expenses (excluding depreciation & amortisation) declined by 15% to J\$2,239m from J\$2,620 for the quarter ended September 30, 2008. The Group successfully managed to reduce its Jamaica dollar based costs including property costs despite increases in foreign currency based expenses including network and IT costs exacerbated by the 23% devaluation of the Jamaica dollar against the United States dollar over the year.

Depreciation & Amortization charges for the quarter were J\$2,774m compared with J\$1,535m for the same period in 2008. Additional depreciation and obsolescence charges of J\$1,205m were recognised in the quarter as part of a continuing review of useful economic lives for the asset base in accordance with IAS16 and to reflect our continuing transformation of the core networks.

Operating Loss of J\$1,071m for the quarter compares with J\$113m for the same period in 2008 mainly as a result of the additional depreciation charges of J\$1,205m made in the current quarter, partially offset by the decrease in operating expenses and restructuring costs.

Net finance costs. Net finance costs have increased by J\$527m over the September 2008 quarter due primarily to an increase of J\$409m in interest expenses resulting from the increased borrowings from the parent company to fund network development and expansion as well as increased interest rates currently charged at the Bank of Jamaica 182 Day Weighted Average Treasury Bill Yield.

Net loss attributable to stockholders was J\$1,335m for the quarter compared with J\$238m for the same period of the previous year and yielded a loss per stock unit of 7.94c compared to 1.42c for the same quarter in the previous year. The net loss attributable to stockholders for the six months to September 30, 2009 was J\$1,839m compared with J\$266m for the same period in 2008 as a result of the additional depreciation charge, the increased finance costs and the depreciation of the Jamaica dollar against the US dollar and the British pound. This has yielded a loss per stock unit of 10.93c compared with a loss of 1.58c for the same period in the previous year.

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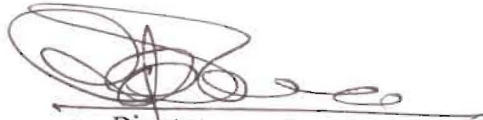
Outlook: The Group continues to implement its strategic transformation plans including improved product performance, service delivery and world class customer experience, positioning the Group to deliver better value to its customers and increased value to its stockholders.

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



Director
William Houston



Director
Patrick Rousseau

Cable & Wireless Jamaica Limited
Group Income Statement
Quarter Ended September 30, 2009
J\$000's

	<u>3 Months to Sept 30, 2008</u>	<u>3 Months to Sept 30, 2009</u>	<u>6 Months to Sept 30, 2008</u>	<u>6 Months to Sept 30, 2009</u>
Revenue	5,566,557	5,013,826	11,270,306	10,408,413
Outpayments	(1,485,946)	(1,289,958)	(2,991,476)	(2,774,003)
Other cost of sales	(427,351)	(498,390)	(863,503)	(730,059)
Total Cost of Sales	<u>(1,913,297)</u>	<u>(1,788,348)</u>	<u>(3,854,979)</u>	<u>(3,504,062)</u>
Gross Margin	3,653,260	3,225,478	7,415,327	6,904,351
Employee expenses	(668,250)	(731,150)	(1,467,459)	(1,477,185)
Administrative, marketing, and selling expenses	(1,951,808)	(1,508,109)	(3,784,043)	(3,657,128)
Depreciation and amortisation	(786,637)	(2,023,186)	(1,534,753)	(2,774,205)
Total Operating Expenses	<u>(3,406,695)</u>	<u>(4,262,445)</u>	<u>(6,786,255)</u>	<u>(7,908,517)</u>
Operating profit/(loss) before restructuring cost	246,565	(1,036,967)	629,072	(1,004,166)
Restructuring cost	(359,365)	(33,698)	(359,365)	(231,392)
Operating profit/(loss)	(112,800)	(1,070,665)	269,707	(1,235,558)
Net finance costs				
Foreign exchange gains	111,896	10,975	90,175	29,817
Other finance costs	(424,280)	(832,933)	(845,016)	(1,464,477)
Finance income	23,230	5,878	37,130	10,157
	<u>(289,154)</u>	<u>(816,080)</u>	<u>(717,711)</u>	<u>(1,424,503)</u>
Other income	20,773	42,780	20,773	56,475
Loss before taxation	(381,181)	(1,843,965)	(427,231)	(2,603,586)
Taxation	142,697	508,852	161,347	764,863
Loss attributable to stockholders	<u>(238,484)</u>	<u>(1,335,113)</u>	<u>(265,884)</u>	<u>(1,838,723)</u>
Loss per stock unit	(1.42¢)	(7.94¢)	(1.58¢)	(10.93¢)

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

	<u>Sept 30, 2009</u>	<u>March 31, 2009</u>	<u>Sept 30, 2008</u>
Property Plant & Equipment	25,727,534	27,518,868	26,295,196
Intangible assets	455,310	548,077	642,137
Deferred expenditure	32,653	55,206	76,281
Employee benefits assets	3,360,912	3,191,000	2,978,000
Total non-current assets	<u>29,576,409</u>	<u>31,313,151</u>	<u>29,991,614</u>
Cash & cash equivalents	570,768	700,269	443,320
Accounts receivable	2,846,566	3,842,715	3,493,083
Taxation recoverable	95,854	103,725	96,677
Prepaid expenses	1,604,208	441,100	964,525
Due from related companies	272,250	181,821	190,758
Inventories	117,808	219,744	225,840
Current portion of deferred expenditure	180,647	203,055	299,386
Total current assets	<u>5,688,101</u>	<u>5,692,429</u>	<u>5,713,589</u>
TOTAL ASSETS	<u>35,264,510</u>	<u>37,005,580</u>	<u>35,705,203</u>
Share capital	16,817,440	16,817,440	16,817,440
Reserves	2,429,412	2,425,293	2,449,758
Accumulated deficit	(5,513,945)	(3,855,317)	(5,506,376)
TOTAL EQUITY	<u>13,732,907</u>	<u>15,387,416</u>	<u>13,760,822</u>
Trade and other accounts payable	5,521,247	6,381,830	5,119,037
Provisions	15,779	141,546	350,202
Current portion of long-term loans	16,302	16,212	13,265
Due to related companies	171,375	102,923	45,825
Total current liabilities	<u>5,724,703</u>	<u>6,642,511</u>	<u>5,528,329</u>
Provisions	1,317,416	1,346,771	1,307,214
Long term loans	283,534	285,951	232,481
Due to ultimate parent company	13,682,406	11,945,027	12,339,346
Deferred tax liability	523,544	1,397,904	562,193
Employee benefits obligations	-	-	1,974,819
Total non-current liabilities	<u>15,806,900</u>	<u>14,975,653</u>	<u>16,416,053</u>
TOTAL LIABILITIES	<u>21,531,603</u>	<u>21,618,164</u>	<u>21,944,382</u>
TOTAL EQUITY & LIABILITIES	<u>35,264,511</u>	<u>37,005,580</u>	<u>35,705,203</u>


Director
William Houston


Director
Patrick Rousseau

Cable & Wireless Jamaica Limited
Group Statement of Cashflows
Quarter Ended September 30, 2009
J\$000s

	3 Months to September 30, 2008	3 Months to September 30, 2009	6 Months to September 30, 2008	6 Months to September 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss attributable to stockholders	(238,483)	(1,335,112)	(265,884)	(1,838,723)
Adjusted for:				
Unrealised translation losses on long term loans	(1,982)	200	1,913	3,012
Employee benefits, net	(239,037)	(89,354)	(376,181)	(169,912)
Depreciation and amortisation	786,637	2,023,186	1,534,753	2,774,205
Amortisation of deferred expenditure	82,628	46,004	160,228	78,469
Taxation	(142,697)	(508,851)	(161,347)	(764,863)
Gain on disposal of property plant and equipment	(20,773)	0	(20,773)	(13,695)
Interest earned	(23,230)	(5,878)	(37,130)	(10,157)
Interest expense	424,280	832,933	845,016	1,464,477
Provisions	(73,411)	(84,664)	(41,803)	(29,355)
Cash generated before changes in working capital	<u>553,933</u>	<u>878,465</u>	<u>1,638,793</u>	<u>1,493,459</u>
Accounts receivable	296,558	744,292	255,242	998,253
Prepaid expenses	(338,704)	1,190,856	(588,765)	(1,163,108)
Due from related companies	(31,749)	(81,923)	(54,282)	(90,429)
Inventories	(30,453)	57,625	(70,299)	101,936
Trade and other accounts payables	(299,982)	(103,725)	(183,525)	(1,094,105)
Provisions	289,439	(151,421)	27,435	(125,767)
Due to related companies	(11,110)	64,822	(1,291)	68,452
Net cash provided by operating activities	<u>427,932</u>	<u>2,598,991</u>	<u>1,023,307</u>	<u>188,691</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Unrealised translation adjustment on consolidation	5,427	(841)	6,540	4,118
Acquisition of property, plant equipment	(1,351,320)	(407,338)	(2,354,326)	(876,409)
Interest received	25,284	5,471	35,008	8,052
Deferred expenditure incurred	(182,242)	110,876	(195,563)	44,960
Net cash used by investing activities	<u>(1,502,851)</u>	<u>(291,832)</u>	<u>(2,508,341)</u>	<u>(819,279)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in long term loans	(3,242)	(5,338)	(3,924,748)	(5,338)
Interest paid	(275,685)	(852,003)	(589,498)	(1,230,954)
Due to ultimate parent company	1,071,412	(1,252,952)	5,596,111	1,737,379
Net cash provided by financing activities	<u>792,485</u>	<u>(2,110,293)</u>	<u>1,081,865</u>	<u>501,087</u>
Net decrease in cash and cash equivalents	(282,434)	196,866	(403,168)	(129,501)
Cash and cash equivalents at beginning of year	<u>725,754</u>	<u>373,903</u>	<u>846,488</u>	<u>700,269</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>443,320</u>	<u>570,769</u>	<u>443,320</u>	<u>570,768</u>

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

	<u>Share Capital</u>	<u>Reserves</u>	<u>Accumulated Profit</u>	<u>Total</u>
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	-	6,540	(941,217)	(934,677)
Balances at September 30, 2008	<u>16,817,440</u>	<u>2,449,758</u>	<u>(5,506,376)</u>	<u>13,760,822</u>
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	<u>16,817,440</u>	<u>2,425,293</u>	<u>(3,855,317)</u>	<u>15,387,416</u>
Total recognised income and expenses for the year	-	4,118	(1,658,628)	(1,654,509)
Balances at September 30, 2009	<u>16,817,440</u>	<u>2,429,411</u>	<u>(5,513,945)</u>	<u>13,732,907</u>

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

	September 30, <u>2009</u>	March 31, 2009	September 30, <u>2008</u>
Unrealised translation adjustments on consolidation	4,118	161,827	6,540
Share -based payment	-	20,915	-
Actuarial gains/(losses) recognised directly in equity	180,095	1,218,000	(675,333)
Deferred taxes on employee benefits	-	(406,000)	-
Net income/ (expenses) recognised directly in equity	184,213	994,742	(668,793)
Loss for the year	<u>(1,838,723)</u>	<u>(302,825)</u>	<u>(265,884)</u>
Total recognised income and expenses for the year	<u>(1,654,509)</u>	<u>691,917</u>	<u>(934,677)</u>