20 Annual 12 Report

LIME

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New age strategy of market penetration

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of Cable & Wireless Jamaica Limited will be held at the Wyndham Kingston Jamaica, 77 Knutsford Boulevard, Kingston 5, on July 25, 2012 commencing at 3:00 p.m. to transact the following business:

1. ***To receive the audited accounts for the year ended March 31, 2012 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 March 31, 2012 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 99 of the Company's Articles of Incorporation are Messrs. Christopher Dehring and David Shaw, 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. Christopher Dehring, retiring by rotation, be and is hereby re-elected."

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

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 March 31, 2012 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."

Dated May 24, 2012

By Order of the Board

Kamina Johnson Smith
Corporate Secretary

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 with this Annual Report and must be deposited with the Registrar of the Company, Duke Corporation Limited, no later than 3:00 p.m. Tuesday, July 24, 2012.


Chris Dehring
Chairman

Chairman's Report

This year has been one of mixed results and significant change. Our nation continued to reel from the challenges of the global recession, and it has been a year of dramatic change in the telecoms industry.

Our highly competitive industry has now been reduced to two players with the transfer of Claro's licence to Digicel. We were disappointed with the ruling of the Supreme Court denying our application for leave to seek judicial review of the Government's decision in this regard. We are, however, pleased that the Court has since granted the Fair Trading Commission the right to sue Digicel and Claro in relation to the same transaction. We believe this is only right given that having fewer players in the market is likely to lessen competition.

We closed the year with vigorous advocacy for regulatory change needed to preserve competition in the telecoms industry, and to protect the rights of Jamaican consumers. These efforts reaped success through the passage of the Telecommunications (Amendment) Act 2012 which created a framework that the Office of Utilities Regulation (OUR) can use to level the playing field in the industry.

As I have emphasized in the past, these changes will not only improve and facilitate competition in the industry, but will benefit consumers in the long term.

PERFORMANCE

While we remain challenged and still have a lot of work to do to get back on the road to profitability, the good news is that our mobile business continues to capture an increasing share of this market's value with a 2% increase in revenues driven by increased voice Average Revenue Per User (ARPU) and growth in data.

We also expect that the signing of the historic Memorandum of Understanding (MOU) with our Trade Union partners will drive efficiency and facilitate more effective cost management which should reflect on corporate performance going forward.

We recorded full year results with increases in mobile revenue, EBITDA and a decline in operating costs.

Reduced spending in various areas contributed to a 5% decrease in total operating expenses (excluding depreciation & amortization) to J$9,993m, compared with J$10,485m for the previous year. There was a lowering of expenditure on advertising and marketing activities, decreased property costs, reduced network and IT costs due to cost savings initiatives and savings in relation to discretionary spend. This was offset by higher employee costs due to union agreements, and a reduction in the net expected returns on pension assets due to reduced interest rates.

Although revenues declined by 2%, mainly driven by a 6% decrease in fixed line revenues as a result of a decline in the subscriber base, there were increases of 3% and 12% in mobile and enterprise & data revenues respectively. Increased mobile revenues were due to improved ARPU stemming from increased mobile data usage. The improvements in enterprise & data revenues were driven by increased sales to corporate customers.

This improvement in operating results was, however, overshadowed by a non-cash impairment of the fixed asset base, totalling J$15,750m. The net book value of the company's assets was written down or 'impaired' as a result of the annual review of their carrying value to match the expected future cash flows.

The outcome was unavoidable and was due to the trading impact seen in recent years with the major contributing factor being the unbalanced regulatory framework under which the Company has been operating.

We are bullish about our company's future!

We have taken aggressive steps to revitalize our brand, and will intensify these efforts in the new fiscal year.

We still hold the unique position of being Jamaica's only full-service provider. But we are so much more than that because our customers depend on us to use our technology to make their lives better.

Our plans for growth therefore centre on driving industry innovation, strategic investment and leveraging the advantages of our unique marketing position.

AUDIT & GOVERNANCE

During the year in review, the Board met 7 times, the Audit Committee met 3 times and the Corporate Governance Committee met once. No new directors were appointed to the Board.

The Audit Committee was comprised of the non-Executive Directors of the Company, Directors Cocking, Kerr-Jarrett and Rousseau together with ex-officio member, Managing Director, Garfield Sinclair. The Committee was ably chaired by Andrew Cocking until his resignation for personal reasons effective April 3, 2012. On behalf of the Board, I extend my sincere thanks for his years of dedicated service to the Company.

As Chairman of the Board, I also chaired the Corporate Governance Committee. We conducted an initial review of the Corporate Governance Policy of the Company adopted in 2007 and ensured that it was compliant with the new Jamaica Stock Exchange Rule 414.

Chairman's Report

The Policy, which is now available on www.lime.com, may be adjusted in the year to come, but will certainly continue to be reviewed in accordance with the said Rule. The Committee also formalized and approved our Share Dealing Policy and Procedures. This document was scoped for consistency with both the JSE's Model Share Dealing Code, and the Code of our parent company CWC plc, and will govern what we hope to be increased investment in our shares by senior executive members of the Company.

The Board continues to advocate for the embedding of good corporate governance principles at all levels of the Company, and we are committed to ensuring that even higher levels are achieved in the years to come.

SCHOLARSHIP - LIME Jamaica Chairman Chris Dehring presents a scholarship card to a young patron at Skool Aid 2011 hosted at the Jam World show ground in Portmore. Over 20,000 students and their parents attended the annual back to school fair put on by LIME.

OUTLOOK

So, where do we go from here? We are confident that we will have a level playing field on which to compete and we are ready for that.

We intend to continue to engage our staff, the strongest telecoms team in Jamaica, as it is this team which will grow our subscriber base across all markets through high quality customer service and customer loyalty programmes. As a team we will change the telecoms landscape once again, providing sustainable growth and value to our customers and shareholders alike.

On behalf of the Board of Directors I would like to take this opportunity to thank Garry and his team for another year of relentless service. The future is promising, and as we continue to work through the challenges together, I am confident we can take hold of it.


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Business
Diaspora
Jamaica
LIME
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It's Jamaica's Ultimate Mobile Deal
Talk XL
Text XL
XL Free Nights
XL Credit
LIME XL VALUE
Log into:
MyLIME
WebMail
TopUp here.
credit.
Top up
Get Help
Directory
Pay a Bill
Phones
Latest Promotions
BlackBerry Offers
Watch & Win
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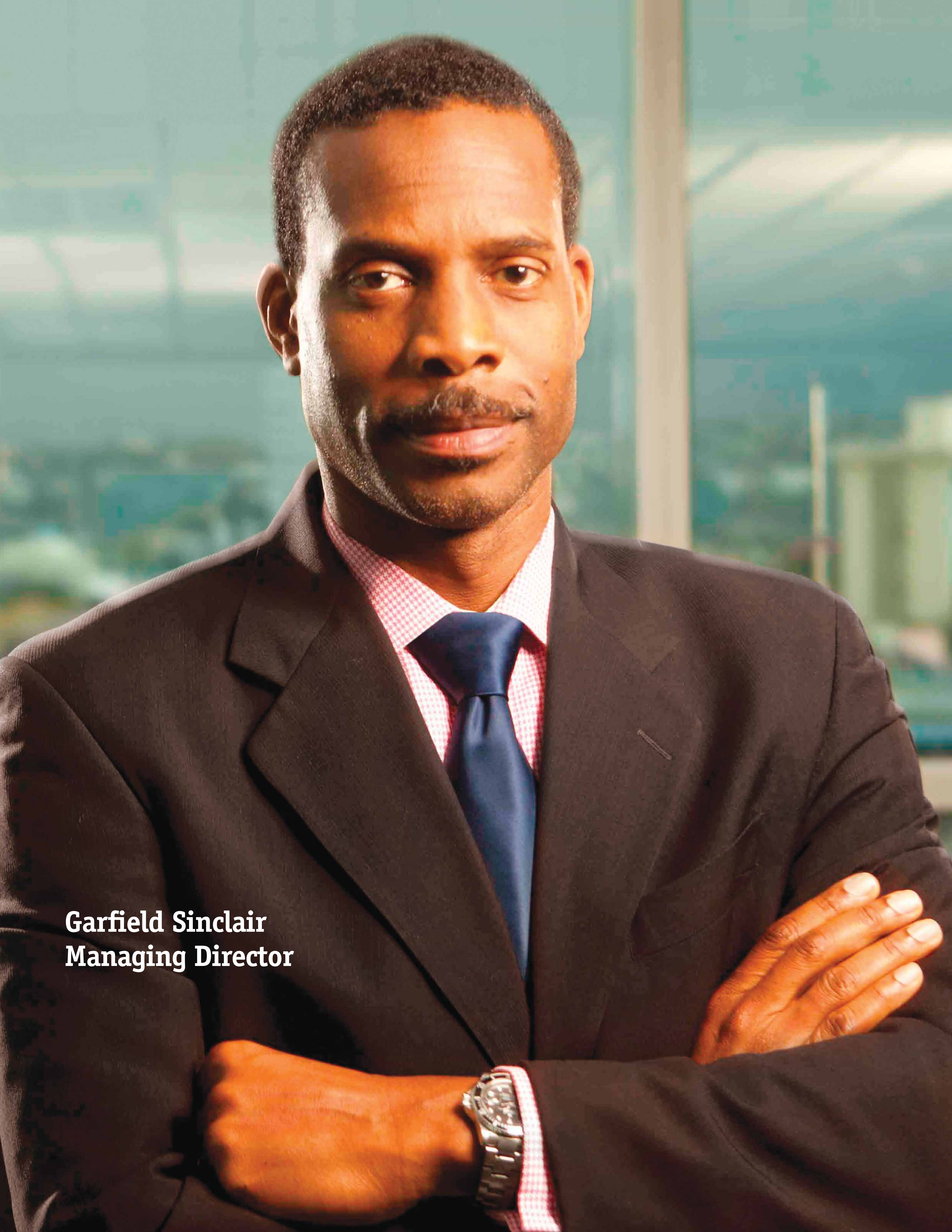

Garfield Sinclair
Managing Director

Managing Director's Report

The results of the last financial year were a mix of challenges and encouraging results, which have provided me with a strengthened resolve and a clearer path back to market leadership and profitability.

EBITDA increased 38% from the prior year and operating expenses before depreciation continued to trend in the right direction, falling by 5% from the prior year, which we achieved in an extremely weak and competitively unstable economic environment. The improvement in our operating results was, however, eclipsed by the J$15,750m impairment of our fixed assets. This write down was a one-off, non-cash accounting charge, which has resulted in a negative equity position.

The decisions and initiatives implemented during the year, however, are strategically positioning the company to effectively compete for new customers, retain existing ones and generate vastly improved financial results.

IMPROVING OUR POSITION AS TELECOMS PARTNER OF CHOICE

We continued to provide Corporate and Enterprise customers with the best solutions for improving their operations and enhancing their profitability. IP Telephony, Cloud based E-Mail hosting and a variety of Data Transmission products are a few of the offerings that found favour with these customers during the year based on our pricing and scalability. We have begun to deliver on the 5-year agreement with Government's Universal Access Fund (UAF) for its Wide Area Network (WAN) project to provide broadband access to Post Offices, Libraries and Secondary Schools, and the Jamaica Constabulary Force (JCF) also chose LIME's mobile Internet network to support their Compliance Databases.

Our mobile business saw encouraging growth in revenue and margins despite continuing to endure an intensely competitive environment. Our focus on customer retention yielded lower customer attrition across most lines of business. The residential fixed line business continues to follow the global trend toward mobile substitution while our broadband business saw improved average revenue per user as customers upgraded to higher bandwidths and lower yielding subscribers terminated their service.

CREATING A BETTER REGULATORY ENVIRONMENT

After years of advocacy, the Government has finally effected necessary changes to the telecoms legislation, updating the regulatory framework that governs our industry. This means a major step has been taken towards creating a level playing field for all service providers. Once the changes have been implemented, the telecoms playing field will be more level, and the company will be better able to compete on market driven issues like price, innovation and customer service.

COMMITTING TO A DELIGHTFUL CUSTOMER EXPERIENCE

Maintaining customer loyalty is important to growing revenues. Our focus on churn management therefore not only ensures that customers remain with us, but also that their experience is delightful.

We have also committed to adopting a customer service measurement system which will ensure that we regularly identify and address the concerns of both detractors and promoters of our business. Automated processes are being increasingly deployed in our Contact Centres and Field Services operations, to ensure that our customers' queries, service provisioning and faults, are resolved as quickly and efficiently as possible.

OFFICIALLY OPEN - Garfield Sinclair, LIME Managing Director (right) cuts the ribbon during a symbolic opening of the 3 North Community Park in Portmore, newly refurbished by LIME. L- R Fitz Jackson, M.P- St. Catherine South, James Davis, President of the 3 North Citizens" Association Michael Edwards, Portmore councillor and children from the community look on.

CONGRATS: Garfield Sinclair, LIME Managing Director presents a FLIPtop computer to J'neil Green, top female student in the 2011 GSAT Examinations during the launch of the low cost, student friendly PC last August.

100th STORE: With excitement and fanfare, then Mayor of Portmore, Councillor Keith Hinds cuts the ribbon to set off the celebrations and officially open LIME's 100th Retail Store; while LIME's Head of Retail Operations, Simone Sanguinetti-Mullings and Head of Retail, Stephen Price applaud. LIME's newest Flagship Outlet, which is located at Shop 19B in Block B of the Portmore Mall, was established at a cost of $6 million.

Managing Director's Report

LEVERAGING OUR FIXED NETWORK TO BRIDGE THE DIGITAL GAP

We are committed to improving Internet penetration in Jamaica, which at approximately 19% is one of the lowest in our region and indeed the entire hemisphere. We have, therefore, introduced a bundled offer with our Landline service in order to make Internet service more affordable to households across Jamaica. The product offers customers a flat rate for broadband services and the same dollar value in talk time for calls to LIME landlines and mobile, calls to UK landlines, and calls to both landlines and mobiles in the USA and Canada. Additionally, we continue to improve our infrastructure, which, among other things, has facilitated increased bandwidth to existing customers and communities and allowed a number of rural communities to access high speed Internet services for the first time.

OUTLOOK

Our primary goal is a return to profitability. We expect that a more symmetric regulatory environment will allow us to deliver much more value to an increasing subscriber base; giving consumers exactly what they demand, where they want it and at a price they can afford. Corporate, Enterprise and Government segments will see more tailored solutions, which will enhance their profitability. As a team we will inculcate a culture of delighting customers and rewarding them for their loyalty, while continuing to enrich the communities we serve with our 140 years of contribution to national development.

Management Discussion
& Analysis

	$'000 2012	$'000 2011	$'000 2010	$'000 2009	$'000 2008
Ordinary Stock - Issued	16,817,440	16,817,440	16,817,440	16,817,440	16,817,440
Shareholders' Equity	(14,225,008)	5,788,113	11,934,987	15,387,416	14,695,499
Market Capitalisation	3,363,488	3,531,662	7,399,673	7,567,848	13,117,603
Borrowings	25,526,393	20,691,857	14,554,997	12,734,281	10,184,650
Capital Investment	3,712,406	6,135,872	4,064,732	5,041,726	6,107,217
Total Assets	19,699,991	35,723,255	34,958,652	37,492,671	35,403,716
PROFIT & LOSS ACCOUNT					
Turnover	**20,438,364**	**20,787,973**	**22,046,168**	**21,992,857**	**22,894,540**
EBITDA	2,269,678	1,644,430	4,357,406	4,499,377	2,781,641
Loss before Tax	(19,927,377)	(4,522,902)	(5,670,624)	(369,555)	(7,216,382)
Net Loss attributable to Stockholders	(20,235,439)	(6,111,526)	(3,388,191)	(302,825)	(4,194,698)
Dividends	-	-	-	-	504,526
IMPORTANT RATIOS					
Debt to Equity	(179%)	357%	122%	83%	69%
Return on Equity	142%	(106%)	(28%)	(2%)	(29%)
Loss per Stock (¢)	(120.32)	(36.34)	(20.15)	(1.80)	(24.94)
Closing Share Price	0.20	0.21	0.44	0.45	0.78
Price Earning Ratio	(0.17)	(0.58)	(2.18)	(25.00)	(3.13)

Management Discussion & Analysis

CORE BUSINESS AND STRATEGY

» Core Business

Cable & Wireless Jamaica Limited, trading and branded as LIME, together with its subsidiaries (hereafter collectively called 'LIME') comprise the country's leading provider of integrated telecommunications services. LIME's goals and objectives centre on making it simple, easy and affordable for Jamaicans to communicate using our mobile, broadband and fixed line services.

A member of Cable & Wireless Communications Plc's group of companies, LIME provides unsurpassed state of the art connectivity across the Caribbean, to North America, Europe and the rest of the world. LIME's integrated, telecoms infrastructure facilitates the provision of tailored solutions that meet the dynamic business and personal communications needs of its customers, while providing excellent value for money.

LIME's comprehensive range of solutions include Metro-Ethernet and Multi-Protocol Label Switching (MPLS), high speed Internet access, GSM, 3G, 4G and Mobile TV services as well as fixed line business and residential services with a full suite of value-added features. Additionally, Jamaica Digiport International Limited provides customized solutions to entities operating in Jamaica's Free Zones.

Continuous upgrading and expansion of LIME's mobile, Internet and Internet Protocol (IP) networks ensures that Jamaica continues to enjoy world-class telecommunications services with the highest standards of performance and reliability. LIME is also an industry innovator, continuously launching new products and unveiling novel services to satisfy the increasingly sophisticated demands of the Jamaican market.

Our Mission: To understand and deliver to our Government, Businesses and Families

Our Vision: Always working to improve life in the Caribbean

Our Promise: Building, connecting and serving our communities

Our Core Values:

Respect: We treat our customers and each other as we want to be treated.

Deliver: We keep our word. We do what we say we're going to do.

Win: Caribbean people are winners. We win by helping our customers and communities to win.

Innovate: We always find a way to help our customers and communities - and love coming up with new ways to do it.

RETURNING TO PROFITABILITY

During the year in review we undertook a number of initiatives intended to drive business growth:

» Strengthening Our Relationship with Our Business Customers

Amidst the financial constraints that dominate the local business environment, LIME continues to grow the business and government segments by leveraging our position as Jamaica's only full-service telecom provider.

Our fixed and mobile data service platforms continue to provide the backbone on which our customers' mission critical operations are built. For the Government's Universal Access Fund (UAF) Wide Area Network (WAN), LIME provides broadband access to Post Offices, Libraries and Secondary Schools; and the Jamaica Constabulary Force (JCF) uses LIME's mobile data platform to allow its officers to query the Traffic Offenders Compliance Databases via their BlackBerry service while in the field. Such projects are evidence not only of the critical support our infrastructure provides, but of LIME's continued partnership with Government to aid in its provision of critical public services that promote national development. The same is true for our large enterprise customers like Bank of Nova Scotia and the Grace Kennedy Group who upgraded their Data Networks to support and enable faster and more reliable Automated Banking Machines and business services, respectively.

We expect continued growth in returns from our fixed and wireless data services as we expand our sales to this important market segment. Cloud based services will continue to fuel growth in this area, with a number of government and business customers implementing or piloting solutions such as Hosted PBX, Desk-top Video Conferencing, Online e-Learning and Hosted e-Mail services.

Recent pronouncements from the government that the Universal Access Fund WAN will be expanded to include some 700 primary schools and other learning institutions, represent a significant opportunity for LIME and further underscores our optimism about the future of our Government segment performance.

The SME sector was embraced as the segment of growth for the commercial arm of LIME in 2011/12, as it showed record growth and increased job creation for Jamaica. We recognized that to harness the full potential of the SME segment of the economy, supporting infrastructure had to be implemented to make ICT more accessible to this group. This accessibility would allow for improved efficiency, productivity and growth.

As a result of our team's work in this regard, the SME segment saw significant growth with total revenues including service and equipment sales mushrooming to 218% over the previous fiscal year.

EXPANDING OUR INFRASTRUCTURE

» Mobile Data

Worldwide trends indicate that data will become the primary mode of communication over the next five years, surpassing voice. This trend is also developing in Jamaica. During the year there has been exponential growth in usage of our mobile data service. To complement this growth, LIME Jamaica launched its 4G experience centres on March 12th. The experience centres, located in key commercial and residential areas in parts of New Kingston, Portmore, and Montego Bay, allow consumers to 'test drive' true 4G speeds, a first in Jamaica.

LIME has also delivered key and highly desired products to support the growing trend of data usage. During this fiscal, we introduced the iPHONE 4S, the Samsung Galaxy S2 tablet, the Mi-Fi (a portable unit that delivers mobile Internet access to 5 devices) and other smart devices that solidifies LIME as the number one choice for mobile Internet service in Jamaica. LIME will ensure it remains the number one choice for data by keeping Jamaica on par with first world countries and markets.

» Fixed Internet

The Internet today has become a virtual Utility for persons of all ages worldwide, and Jamaica is no different. However, current residential Internet penetration in Jamaica is somewhere between 18-20% of households. The main barriers continue to be the price of the service and the tools required to utilize it. To address this issue, we have introduced a bundled offer of Landline and Internet services which will make the Internet more affordable to households across Jamaica. The product, "Browse & Talk" is a residential Plan that offers Internet and voice calling for one low monthly price (packages start as low as J$2,500 per month). With this package, Customers receive Internet service and talk time equivalent to the cost of the package. Customers can utilise the talk time to call LIME mobile and fixed line numbers, UK landlines only, and both mobile and landline numbers in the USA and Canada.

We continue to invest in network improvements which allow us to sell packages of up to 15 and 100Mbps on our copper and fibre infrastructure respectively. LIME currently provides Fibre-To-The Home Internet services (speeds up to 100Mbps) to communities across Jamaica including Stonebrook Estate and Vista, Rhynne Park, Florence Hall, Portmore Country Club 2 and the Palms of Portmore. These improvements have resulted in consumers taking higher bandwidth packages to support their evolving need and desire for higher speeds. This will improve our ARPU and their experience when using popular applications. Continued investment will also prepare our network to launch LIME TV in fiscal year 2012/13.

» Mobile TV

In the second year of its existence, Mobile TV has played a unique role in delivering key news, sports, entertainment and education to Jamaicans on the go. This year, LIME's Mobile TV in collaboration with CVM TV will deliver the 2012 Olympics with extensive coverage of the games. Although coverage is confined to the Kingston Metropolitan Area, in the last year, Mobile TV increased to 13 channels to satisfy the growing number of sports fans, women and children who are the primary demographic users of the service.

OPTIMIZING OUR RETAIL EXPERIENCE FOR SUCCESS

Building on the expansion of our retail footprint across the country, specific emphasis was placed on increasing the quality of service within our LIME locations. This work has been expanded to all our dealer locations. With a successful Christmas Campaign followed by an ambitious Claro Switch campaign in February (that sought to provide choice to disenfranchised Claro subscribers), the widened footprint served to bolster the last quarter's growth in our active mobile subscriber base. This current financial year, our strategy will involve increasing our electronic top-up footprint and adding new dealers to fill population centre gaps across the island.

A significant pillar in our continued drive to increase broadband penetration is our targeted approach to community-based selling, where our field sales teams perform direct selling to households. This has proven to attract a higher quality customer account since packages are better tailored to their needs.

EXTENDING BRAND AWARENESS AND RELEVANCE TO THE CONSUMER

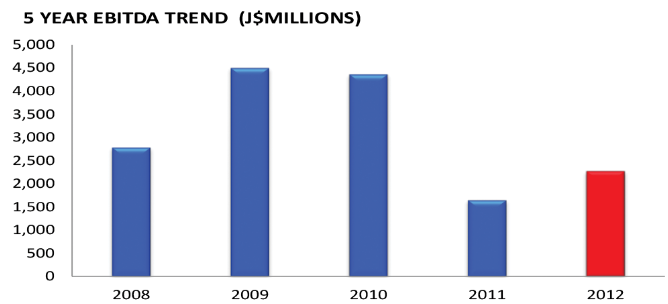
Amidst criticism about a lack of awareness of our LIME brand, the business sought to secure key sponsorships which would bear fruit within this financial year and the next. Such wins included CVM's exclusive live television coverage of the Olympics; commentary and analysis on TVJ, Hitz FM and Irie FM, as well as the Jamaica Observer's coverage of the World Championships and the Olympics. These will be strong pillars for messaging for the next financial year. LIME also aligned itself with 2 new brand ambassadors, Damian "Junior Gong" Marley and World Champion Yohan Blake.

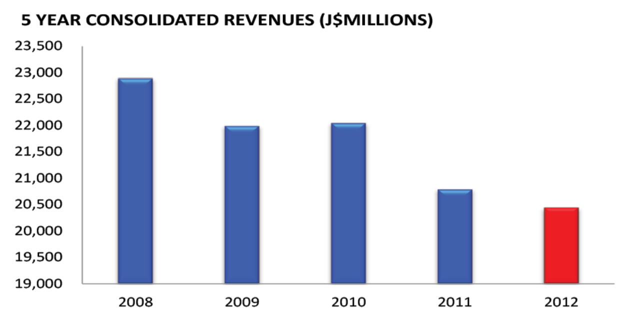
PERFORMANCE SUMMARY

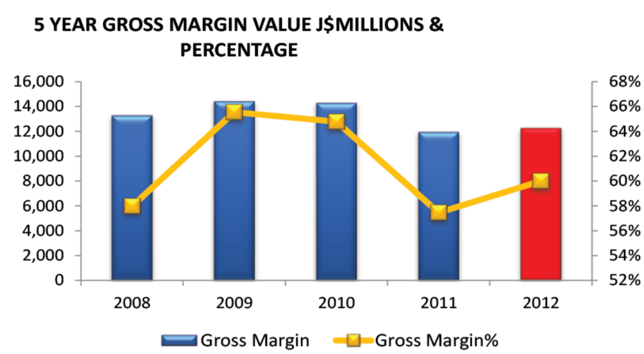
Trading for the year under review remained challenging primarily due to the continued impact of difficult economic conditions and an unequal competitive environment. Notwithstanding, Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) increased to J$2,270m compared to J$1,644m in the prior year, as management continued to focus on initiatives in areas such as customer retention, mobile services revenue growth, cost containment and regulatory reform.

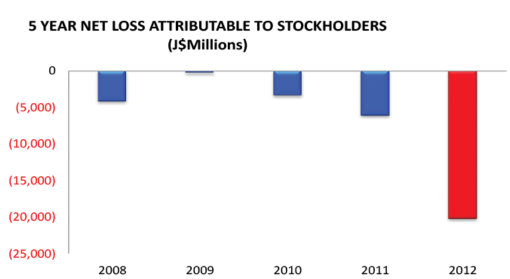
Revenue for the year was J$20,438m compared with J$20,788m for the previous year, reflecting a decrease in fixed line revenue as a result of a decline in subscriber base and usage. This was mitigated by increases of 3% and 12% in mobile and enterprise & data revenues respectively. Improved mobile services performance was due to reduced cost of sales, improved ARPUs stemming from growth in active subscribers and growth in data usage. The improvement in enterprise & data revenues were driven by increased sales to corporate customers.

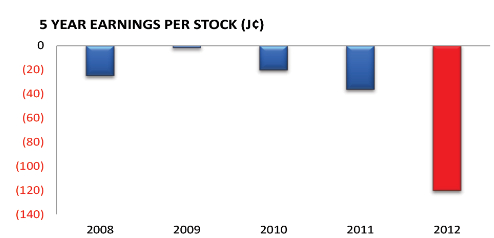
Gross Margin increased to J$12,262m compared with J$11,945m for the prior year with a margin percentage of 60% (2011: 57%). The increase was the result of an improvement in Mobile margin due principally to increased inbound roaming, lower handset subsidies, and enterprise & data improving by 13%, although partially offset by a 2% decline in fixed voice. EBITDA was J$2,270m compared to J$1,644m in the previous year, but was overshadowed by a non-cash impairment adjustment of J$15,750m wherein the net book value of the Company's fixed assets was written down to reflect the net present values of the cash flows generated by the said assets. Net Loss attributable to stockholders was (J$20,235m) (2011: J$6,112m) primarily as a result of the non-cash impairment adjustment. This resulted in loss per stock unit of (120.32¢) (2011: 36.34¢).











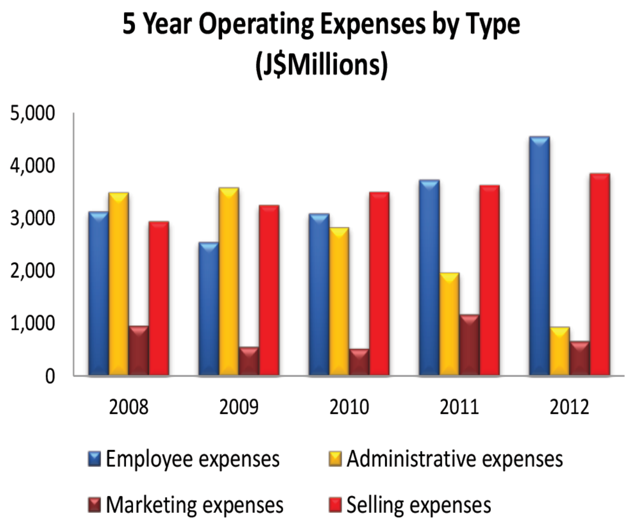
PERFORMANCE SUMMARY CONT'D.

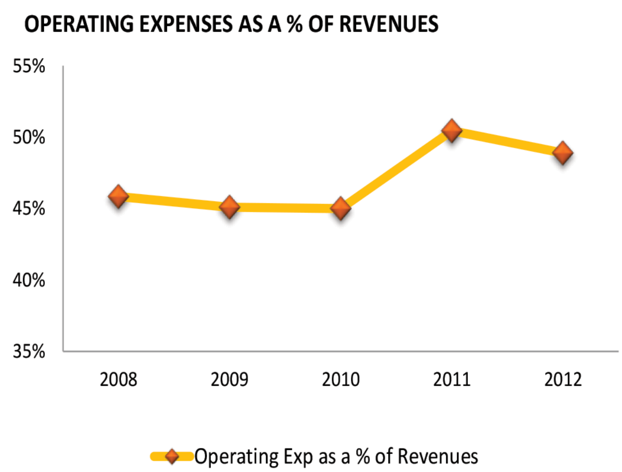
Total Operating Expenses (excluding depreciation & amortization) decreased by 5% to J$9,993m compared with J$10,485m for the previous year. Operating expenses as a percentage of revenue decreased to 49% compared with 50% for the prior year. The decrease was due mainly to reduced advertising and marketing activities, decreases in property, network and IT costs due to cost reduction initiatives, and savings in discretionary spend. This was offset by higher employee costs due to the retroactive settlement of previously agreed wage adjustments for our valued employees and a reduction in the net expected returns on pension assets due to reduced interest rates.

Net Finance Costs for the year decreased by 11% to J$1,725m compared with J$1,930m in the previous year, due mainly to the net positive effect of the continued lowering of interest rates and re-negotiation of current debt at lower interest rates, offset by the increased borrowings. Prior year costs included additional interest of J$65m booked for a one-off adjustment in relation to fees payable to a third party telecommunications provider for mobile call termination from LIME's fixed network.

GROUP FINANCIAL POSITION

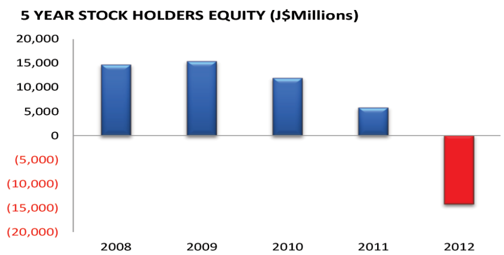
Total assets decreased by J$16,023m to J$19,700m reflecting a 40% decrease in capital expenditure over the prior year and the non-cash impairment adjustment to the fixed assets totaling J$15,750m. Total borrowings at the end of the year were J$25,526m, an increase of $4,834m over the prior year, reflecting the funding of capital investment and working capital support.





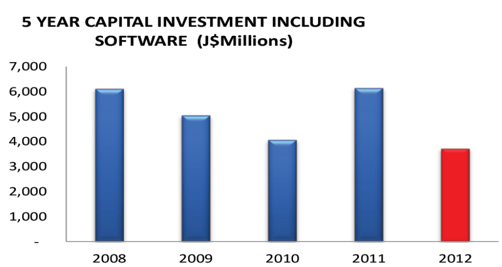
STOCKHOLDERS' EQUITY

Stockholders' equity at the end of the fiscal year was J$(14,225m) compared with J$5,788m at the end of the prior year. This was mainly driven by the non-cash impairment which was somewhat mitigated by the decrease in operational expenses.



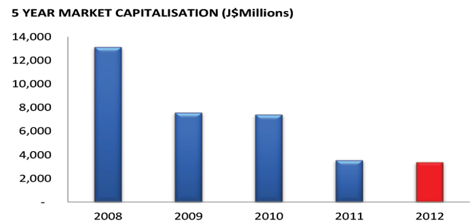
CAPITAL INVESTMENT

During the year in review, capital expenditure of J$3,712m (2011: J$6,136m) was invested in the continued expansion of the network, investment in power projects to cut energy costs, upgrades to customer-facing software, development of the LIME TV project and the build out of the Jamaica E-Learning platform.



RISK MANAGEMENT

LIME has a comprehensive risk management framework to identify, evaluate and monitor the significant risks inherent in our business activities. The work of the internal audit team is supported by the executive management team and oversight is provided by the Board of Directors. LIME operates a risk management process under which key risks to plans are identified along with their likelihood of occurrence and the actions to be taken to manage those risks. The principal risks identified by LIME are economic conditions, liquidity, competitive activity, litigation, network and data security, theft and vandalism, service disruption and bypass.



» **Economic conditions:** As with a number of businesses across the world, LIME's business has been adversely impacted by the global economic downturn. Unfavourable local, regional and international economic conditions may have an impact on our operations. This could affect growth, profitability, our ability to finance business requirements and to pay dividends. We continue to monitor key negative indicators closely and are ready to take action to address any ongoing impact of the downturn.

» **Liquidity:** Liquidity risk could arise if LIME does not have sufficient financial resources available to meet its obligations and commitments as they fall due, or can access funding only at excessive cost. Exceptional market events could impact LIME adversely, and affect its ability to meet obligations as they fall due. LIME seeks to mitigate these risks by ensuring that it has sufficient liquidity to fund the business. We have raised sufficient credit lines to meet medium-term liquidity needs and continue to maintain good relationships with our core banks.

» **Competitive Activity:** We continue to respond to the intensely competitive markets in which we operate by putting in place initiatives to enhance customer experience and improve cost efficiency. Although particularly aggressive competition could drive down margins through price and promotional activity which could in turn have an effect on our profits and cash flow, we continue to invest in the quality of the network, quality of service and customer relationship systems supplemented by retention activities. We also conduct marketing analyses, run marketing promotions and focus on improving our customer service and expanding our network coverage in order to remain competitive. From another perspective, we also continue to monitor the market impact of the recent merger of our major competitors in the mobile space.

» **Litigation:** As with most large organizations, there is a risk of litigation against LIME. Unfavourable rulings in any material proceedings could significantly affect our financial performance and reputation. When facing litigation, we defend our position vigorously, using appropriate legal advice and support.

» **Service disruption:** Our networks are critical to providing efficient and reliable service to our customers. Like other telecoms operators, our business depends on other network operators to provide network access and interconnection services for the origination, carriage and termination of some telecommunications services. Furthermore, our network and IT systems are vulnerable to interruption from natural disasters, fire, security breaches, terrorist action and human error. Network or IT failure could result in loss of customers and claims for loss of service affecting our reputation and results. We continue to monitor and update our business continuity and disaster recovery plans, maintain crisis management and emergency response teams as well as appropriate insurance cover. In addition, we continue to upgrade our network to mitigate the effects of these risks.

» **Network and data security:** Despite security management across LIME's network, there is a risk that third parties may gain unauthorised access to the network and to sensitive data. LIME has information security procedures and controls in place which are regularly reviewed and remedial action plans implemented where necessary.

» **Internal control and financial reporting:** As part of the regional operating process, a regional executive committee called the Regional Operating Board headed by Mr. David Shaw oversees the areas within which LIME is seeking to create and optimize regional synergies. These areas are Finance, Commercial, Operations, Legal Regulatory & Corporate Affairs, as well as Human Resources across LIME's 14 jurisdictions, including Jamaica. It reviews the overall performance of the

LIME businesses within the region and makes certain decisions about the allocation of resources among the relevant entities.

LIME Jamaica's Board of Directors is responsible for the company's system of internal control and for reviewing its effectiveness on a continual basis. LIME's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material mis statement or loss. The concept of reasonable assurance recognizes that the cost of control procedures should not exceed the expected benefits.

The Executive Management team reports to the Board of Directors through the Managing Director on significant changes in LIME's business and the external environment in which it operates. In addition, it provides the Board with quarterly financial information, which includes key risk and performance indicators. LIME's key internal control and monitoring procedures include the following:

Financial reporting: Each year, an annual budget is agreed and approved by the Board. At each Board meeting, actual results are reviewed and reported against budget and, when appropriate, forecasts revised.

Investment appraisal: LIME has clearly defined policies for capital expenditure. These include annual budgets and detailed appraisal processes for such expenditure.

Monitoring systems: Internal controls are monitored through a programme of internal audits. The Internal Audit function reports to the Audit Committee on its examination and evaluation of the effectiveness and adequacy of systems of internal control.

» **Financial controls:** LIME has dedicated resources to embed processes and controls across the business. It operates a number of additional self-assessment exercises, which include monthly certification of compliance with key financial controls and an annual controls self-assessment. The latter exercise requires management to assess the effectiveness of its fundamental operating controls over all aspects of its operations, in addition to the other financial controls covered by our Financial Controls Toolkit. The results of this exercise are utilised by Internal Audit in planning its work for each forthcoming year.

» **Effectiveness of Internal Control:** The Board of Directors reviewed the effectiveness of the internal control systems in operation during the financial year. The processes as set out above have been in place for the year under review and up to the date of this Annual Report. Where appropriate, necessary action has been or is being taken to remedy any failings and weaknesses identified as significant during this review.

THE BUSINESS CONTINUITY FRAMEWORK

The Business Continuity Management (BCM) process concentrates on managing business risks to guarantee minimum downtime of services. It focuses on the determination and analysis of Single Points of Failure (SPOFs) in order to employ effective response mechanisms to minimize/eliminate interruptions to critical operations. There are robust plans in place designed to ensure quick responses to both natural and man-made disaster events. Risk exposures are determined and plans implemented to ensure compliance with international standards and team members' awareness of their responsibilities.

» **Critical Operations:** Critical operations plans address the impact that interruptions and downtime have on essential areas of our business. The plans also identify key contacts, critical internal and external suppliers, and alternate routing strategies.

» **Disaster Management:** To minimize or eliminate interruptions to the business, disaster management plans are designed to enable quick responses to adverse occurrences and events. Detailed responses to occurrences including earthquakes, fires and hurricanes are included in these plans and routine simulation exercises are carried out to ensure that planned responses are effected within specified timeframes.

» **Incident management:** The Local Incident Management Team (LIMT) is equipped to manage any crisis which may arise from natural or man-made factors including network or IT failures as well as fires, hurricanes or terrorism. The team is charged with managing the response to crises from occurrence to resolution. The LIMT is supported by the Regional Incident Management team (RIMT).

OUR PEOPLE...OUR COMPETITIVE ADVANTAGE

At LIME we are committed to the belief that the right people are our greatest asset. Therefore, we remain focused on retaining internal talent and on identifying and recruiting the right people to grow the business. We continuously seek to build the bench strength of our organization through the continuous development of our people, and to cultivate a culture of superior service and performance.

ALIGNING COLLEAGUE DEVELOPMENT TO BUSINESS PRIORITIES

Our focus this past year was on the development of our colleagues in line with business priorities. These priorities included strengthening client relationships, encouraging employee contributions to the people strategy, and nurturing a sense of civic duty in each LIME colleague.

» **Strengthening Client Relationships**

Our Sales Academy delivered specific programmes designed to train and certify frontline staff and Account Managers – from Foundation to Mastery. The training lineup included 'Sales Leadership at the Frontline' and specialized field sales and sales incentive training. In keeping with our thrust to improve customer relations at every touch point, our contracted technicians underwent intense customer service training focused on better equipping them to face existing and prospective clients. It is envisaged that a Customer Service Academy will evolve from this type of customer-focused training for our back-office and technical staff.

Our partnership with Skillsoft - deliverer of our world-class eLearning platform - expanded to include new online courses and economical value-added learning assets geared towards professional and personal development.

We launched a new LIME Management Academy, developed a learning platform called 'Skillport' and throughout the year, we delivered crucial on-line training to enhance customer service, sales, and technical skills.

» **Employee Contribution to Profitability:** Representatives of the senior leadership team presented to employees the business agenda and the challenges of operating in a fast paced and fiercely competitive industry. These were unprecedented, frank and engaging discussions on how we move the company forward. The strategy for supporting a growth trajectory for Jamaica whilst ensuring that we retain cost-effectiveness and efficiency was discussed in company-wide road shows and via live-streaming.

A historic Memorandum of Understanding (MOU) which extends from August, 2011, to March 31, 2014, was signed with our Union Partners. This internal initiative formed a part of the approach to support the growth trajectory of the company. Various actions were agreed, which would impact positively on costs. This included inter alia, the reduction of vacation-leave accrued liabilities, a co-sharing of the canteen expenses for the company, and the introduction and preparatory roll out of flexible working arrangements.

Equally, we continued focusing on our technical team by upskilling them so as to achieve and maintain a competitive level of partnership with our vendors in order to increase our ability to access better pricing. To keep our engineers and technicians up-to-date with the latest technology solutions to support network improvement, we collaborated with key technology vendors on certification courses as follows:

- Avaya IP Office (Business Phone System targeting the SME Market).
- Ericsson Training (Supporting the expansion of the 4G network).
- Fibre-to-the-Home (Increasing the capacity of the network bandwidth to offer more high-value products/services to the market).
- CISCO Certification Training.

» **Nurturing a Sense of Civic Duty:** Throughout the year, employees at every level of the organization demonstrated their sense of social responsibility. Embedded as part of their annual objectives, staff gave contributions through time and effort to five major local charities, refurbished schools, fed the hungry, participated in educational events such as Career Day and Read Across Jamaica Day, and played their role in many internationally recognized charitable causes such as World AIDS Day, World Food Day and Breast Cancer Month. These efforts were recognized and encouraged by the company.

CONCLUSION

The Human Resources Management team faced many challenges during the year under review. However, with the team's commitment to excellence and with the support of colleagues, we were able to align our collective effort and make our contribution towards the improvements in staff development, customer service and engagement.

OUTLOOK

Though economic conditions continue to tighten and the regulatory environment remains unbalanced in a number of respects, LIME Jamaica continues to implement new strategies to remain viable. Our advocacy for regulatory parity bore some fruit this year, and we intend to capitalize on the strides made. We will also persist in our campaign to have an even better regulatory environment, one in which consumers will experience more value for money and which will enable us to effectively compete.

We expect continued growth from our business segments as we tailor products and services to fit this segment's dynamic needs. The investments made in upgrading our core infrastructure, as well as improving product performance and customer satisfaction, all reinforce our commitment to providing a globally competitive standard of service, which will delight our existing and new customers.

This year we made strides in our mobile business. Not only did we gain new customers, but we have managed to retain almost all the customers that joined LIME in the last quarter of the financial year. Preventing customer attrition has always been core to our business and so our churn management programmes focus on: proactive intervention prior to churn, a full-fledged loyalty programme, a toolkit built around best fit plans based on usage, and improved customer experience at touch points.

In returning LIME Jamaica to profitability, focus will continue to be on aligning our operating expenditure with revenues being generated, removing or reversing unprofitable revenue streams, improving our front and back office efficiencies and ensuring proper workforce management.


LIME

STRENGTHENING THE COMMUNITIES WE BUILD

Education, Sports, Community Outreach and Employee Volunteerism. These are the things our customers and colleagues care about and, as such, these causes continue to feature heavily in our activities and remain important to the way we define ourselves as one of the nation's oldest corporate citizen.

Chairman, Chris Dehring (left) demonstrated his dribbling skills at the Sport Zone at "Skool Aid", a massive back-to-school fair which was held just ahead of the start of the new school year in August 2011. In addition to educational services, we also offered a wide range of entertainment and sporting activities for the thousands of patrons who attend the one day event.

We reinforced our strong support for education and community with the second staging of the highly anticipated back-to-school fair, "Skool Aid". Parents of Portmore, and those from as far as Montego Bay, got a financial break as they prepared for the opening of the new school term. The fair provided parents and students with an opportunity to get school supplies along with free medical check-ups and hair grooming for the upcoming school year. With more than 20,000 persons in attendance, the day's events concluded with a live fireworks show.

For eight consecutive years, we have continued to show our support to the Jamaica Library Service's National Reading Competition, with a donation of J$1,080,000 per year. The competition is used to promote the importance of literacy and to create a love for reading among our nation's young people. We believe in 100 percent literacy for all our people because we see literacy as a critical factor in the bid to bridge our country's digital divide.

We believe that we must prepare our youth to take hold of the future. This is the reason we invest heavily in activities such as Child's Month.

LIME Foundation Chairman, Errol Miller, goes down on his knees to "even out things" as he makes a presentation to Brianna Douglas, the winner of the 6-8 Years category in the Jamaica Library Service's Annual National Reading Competition.

Danielle Thomas (second left) of Edwin Allen surges ahead of the pack to win the Champions' Race at LIME's Penn Relays Sponsorship handing over ceremony. Among those left panting in her wake were (from left) LIME Jamaica's Managing Director, Garry Sinclair, former 100M World Record Holder, Asafa Powell, Fedrick Dacres of Calabar and World 100M Men's Champion, Yohan Blake.

Each Child's Month for the last three years, we have played our part in assisting the youths of Jamaica. In May of 2011, we were one of the major sponsors of National Child's Month, and donated J$1,035,000 for the staging of a series of activities to celebrate the month.

Some of the activities included a Kid's Expo and Fun Day, an essay competition and Action Day, where children learnt about community service.

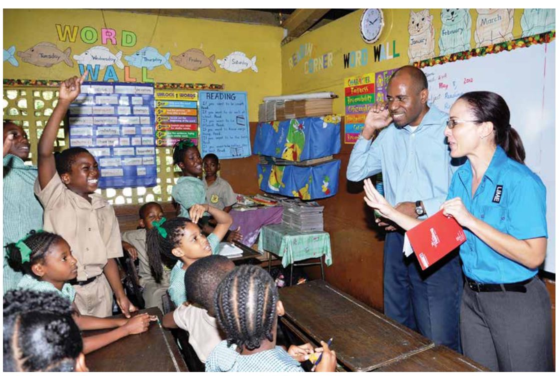
In the summer of 2011, we also provided 48 teenagers from inner-city communities within the Kingston region, an opportunity to take a step into the world of Information Technology with hands-on training at a series of one-week camps. Part of an initiative implemented by our Foundation, the programme taught students how to use Microsoft Office suite, as well as basic web design. This was followed by a website development competition, in which the weekly winners were presented with cash awards to assist with back to school expenses.

Additionally, for 19 consecutive years we have continued a long-standing tradition of supporting local secondary schools in sending teams to the Penn Relays in the United States.

In April 2011, we gave teams from 18 schools J$108,000 each to help with the travel costs, in addition to a contribution of J$720,000 to "Team Jamaica Bickle", which is an organisation that, among many other support activities, provides meals and transportation for the Jamaican athletes participating in the Games.

VOLUNTEERISM - A PRIORITY AT LIME

Volunteerism within our organisation has always been important, so we have continued to give back in as many ways that we can. One of our social outreach activities throughout the year was "Read Across Jamaica Day" when more than 100 of our executives and employees travelled across the country to visit the various primary schools. At each school, the volunteers read to students and took the time to talk about their jobs and their interests, while answering questions from the youngsters. From this initiative, a partnership was developed with MacMillan Publishers to make book donations to all the schools that were visited.



LIME executive, David Roache and Company Secretary, Kamina Johnson Smith engage students at the St. Peter Claver Primary after reading to them during the company's participation in Read Across Jamaica Day. Scores of LIME Staff across the island visited primary schools to participate in the annual literacy drive.

In an independent effort in December 2011, our Employee Volunteers continued their established tradition of donating cash and items to the Jamaica AIDS Support for Life (JAS), with a donation valued at more than J$60,000. The employees made a cash donation of J$30,000 to JAS from their Volunteer Charity Fund, financed through salary deductions. They also donated collected items, including clothing, food and toiletries valued at more than J$30,000.

LIME Jamaica's former Corporate Communications Manager, Camille Taylor (right) ensures that the LIME cap she gave to Oneil Buchannan (centre) of Jamaica AIDS Support for Life (JAS) fits just right; while Dane Richardson, JAS' Programme Manager looks on.

SERVING OUR COMMUNITIES

Christmas is a time for families and a time for giving. So we used our Christmas Campaign as the perfect time to engage in number of community outreach projects in which we shared in the gift of giving. Items such as furniture, appliances, computers, books and other necessities were donated to five institutions that cater to the homeless, special needs children and abandoned children as well the elderly and the poor. Through this immense effort, close to 500 less fortunate people benefitted from the outreach.

L-R LIME elf Michael Collins, Centre Manager Sandra Henry, residents Deon Wilmot, Monica Robinson, Fabian Daley, Leslie Miller, Head of Retail, Stephen Price and Danielle Fisher pose for the camera with a brand new weed-wacker, a gift from LIME. The facility houses almost 30 of the parish's ill and destitute citizens

Marketing Highlights

A SWEET DEAL - LIME's Grace Silvera and 100m World Champion, Yohan Blake cut a custom cake designed by caterer Jacqui Tyson, marking the commencement of a three – year partnership between LIME and the sprinter. Members of the St. Jago High School student body look on.

NEW FACES OF LIME

We welcomed two fresh faces to the LIME family. 100m World Champion Yohan Blake will join sprinting sensation Asafa Powell on Team LIME, as well as internationally renowned reggae superstar Damian Marley. The announcements of both partnerships were met with delight from our customers and fan base online.

Chris Dehring, LIME Chairman shares a happy moment with former Miss World Cindy Breakspeare and her son, new LIME ambassador Damian Jnr. Gong Marley at the signing event in February.

LIME Booth at the Shaggy and Friends Concert 2012.

IT'S FLIPPIN GOOD WITH LIME:

Last August we introduced a new low cost PC called the "FLIPtop." The affordable device was launched with great excitement and increased access to the Internet across the island.

Flippin' For LIME: Members of the dance group, Shady Squad, pose with LIME's FLIPtop PC at the public launch hosted at the Half Way Tree Transport Centre.

USING OUR TECHNOLOGY TO MAKE A DIFFERENCE

In keeping with the mantra of international recording artiste Shaggy's outreach foundation, we joined in the effort and 'made a difference' by securing Lauryn Hill as the headline entertainer for the Shaggy and Friends in Concert charity event held in January. Using our technology, we also enhanced the experience for patrons at the event and on the wards of the Bustamante Hospital for Children with a simultaneous live link of both locations.

A JOLLY LIME CHRISTMAS/ ONCE IN A-LIME-TIME CHRISTMAS

It was a Christmas season of a lifetime in 2011 when we offered the most unique holiday incentive ever in the telecommunications industry. Five lucky LIME customers walked away with a lifetime (40 years) of our suite of services – landline, internet, mobile and mobile TV. Additionally, our staff members, valued customers and well-deserving groups across the island, all had an opportunity to experience a 'LIME Lifetime Moment' with the many outreach activities executed across the island during the period.

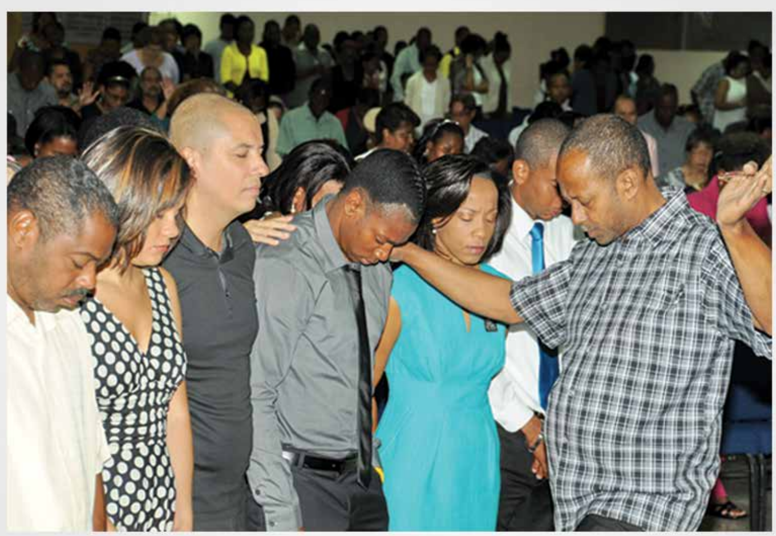
Celebration Time: A LIME customer for over 10 years, business woman, Loys Smith was the first full-suite winner of the LIME Christmas of a Lifetime Promotion. Here, she is feted by members of the LIME Team.

LIME Continues to Lead: Grace Silvera - Regional VP Marketing & Corporate Communication gives final instructions for the preparation of our Carlton Store '4G Experience Centre.

LIME IS THE DATA NETWORK OF CHOICE

On March 12 we stole the competitor's thunder and delivered to our consumers, Jamaica's first taste of the latest in mobile data technology at a series of '4G Experience Centres' across the island. 4G Experience Centres were launched in Kingston, Portmore and Montego Bay to give customers the opportunity to test the super-fast data experience.

Champion Among Champions: Asafa Powell, our brand ambassador, poses with members of the Girls sprint medley champions from Holmwood Technical at the 2012 staging of the LIME sponsored ISSA Grace Kennedy Boys and Girls Championships at the national stadium.



All Good Things Come From The Lord: Lance Henry, (right) Elder of Swallowfield Chapel, asks God's blessing for the talent of World 100M Champion, Yohan Blake (centre) and his recently launched philanthropic organisation, the Y B Afraid Foundation. Among those offering up prayers for Yohan on this special occasion were (from left) Steve James, LIME's Head of Sales Western, Melissa McIntosh, Executive Director of the Y B Afraid Foundation, Timothy Spencer, Yohan's Manager, Grace Silvera, LIME's Regional Vice President, Marketing & Corporate Communications and Stephen Miller, LIME's Sponsorship Manager (partially hidden).

Directors' |Report

The Directors hereby present their Report and the audited Financial Statements for the year ended March 31, 2012.

Financial Results: Results for the year are set out in pages 28 to 77. Highlights thereof are set out below:

	2012 $MILLION	2011 $MILLION
Turnover	20,438	20,788
Net loss	(20,235)	(6,112)
Total Net Assets	(14,225)	5,788
Dividend Paid	–	–

Dividends: The Directors have not recommended that a dividend be paid in respect of the year ended March 31, 2012.

Impairment: The Directors upon the advice of the company's auditors approved a non-cash impairment of the company's fixed asset base totaling J$15,750m. The impairment was a result of the annual review of the carrying value of fixed assets and required a write down of the book value of the assets to match the expected future cash flows.

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 company's management and staff for their continued commitment and hard work.

Christopher Dehring
Chairman

May 28, 2012

KPMG
Chartered Accountants

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INDEPENDENT AUDITOR'S 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 its subsidiaries (collectively, "the group"), set out on pages 28 to 77, which comprise the group's and the company's statements of financial position as at March 31, 2012, the group's and the company's statements of income, comprehensive income, changes in stockholders' deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we 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 control. 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 modified audit opinion.

KPMG

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial positions of the group and the company as at March 31, 2012, and of the group's and company's financial performance, changes in stockholders' deficit and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(b) of the financial statements, which indicates that the company has been reporting continued losses and during the year ended March 31, 2012, recognised an impairment charge on property, plant & equipment and intangible assets of $15,750,000,000 (2011: Nil) [see notes 9 and 10], which resulted in the group and the company reporting a loss of $20,235,439,000 (2011: $6,111,526,000) and $20,259,194,000 (2011: $6,148,783,000), respectively for the year, and stockholders' deficit of $14,225,008,000 and $14,922,752,000 (2011: stockholders' equity of $5,788,113,000 and $5,128,380,000) respectively, as at that date. As a result of the continued losses, uncertainty exists about the company's continuation as a going concern. Additionally, the stockholders' deficit is considered a breach of the Jamaica Stock Exchange's (JSE) capital adequacy rules and may result in possible de-listing from the JSE.

Note 2(b) also discloses the company's plans for attaining profitable operations and its consideration of options to maintain its listing by restoring its capital. Until such time as the company returns to profitable operations, the company remains dependent on its ultimate parent for continued financial support. A support letter indicating financial support for the foreseeable future has been received from the ultimate parent company.

Report on additional matters as required by 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, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

May 28, 2012

FINANCIAL STATEMENTS

Group Income Statement
Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Revenue	2(e)	20,438,364	20,787,973
Outpayments		(5,771,553)	(6,334,705)
Other cost of sales		(2,404,422)	(2,507,972)
Total cost of sales		(8,175,975)	(8,842,677)
Gross margin		**12,262,389**	**11,945,296**
Other operating income		-	184,210
Total operating income		12,262,389	12,129,506
Employee expenses	3	(4,550,843)	(3,726,996)
Administrative, marketing and selling expenses	4	(5,441,868)	(6,758,080)
Operating expenses		**(9,992,711)**	**(10,485,076)**
Operating profit before restructuring costs, depreciation, amortisation, impairment and net finance costs		**2,269,678**	**1,644,430**
Restructuring costs	3	(392,047)	(101,883)
Operating profit before depreciation, amortisation, impairment and net finance costs		**1,877,631**	**1,542,547**
Depreciation and amortisation	6	(4,409,101)	(4,146,742)
Impairment	6, 9(c)	(15,750,000)	-
		(20,159,101)	(4,146,742)
Operating loss before net finance costs		**(18,281,470)**	**(2,604,195)**
Net finance costs:			
Foreign exchange losses		(2,559)	(163,125)
Other finance costs		(1,757,383)	(1,799,318)
Finance income		35,403	32,350
	5	(1,724,539)	(1,930,093)
Other income		78,632	11,386
Loss before taxation	6	**(19,927,377)**	**(4,522,902)**
Taxation	7	(308,062)	(1,588,624)
Loss attributable to stockholders		**(20,235,439)**	**(6,111,526)**
Dealt with in the financial statements of:			
The company		(20,259,194)	(6,148,783)
The subsidiaries		23,755	37,257
		(20,235,439)	(6,111,526)
Loss per stock unit	8	(120.32¢)	(36.34¢)

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

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income

Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Loss for the year		(20,235,439)	(6,111,526)
Other comprehensive income/(loss) for the year:			
Unrealised translation adjustments on consolidation		14,256	(33,564)
Actuarial gains/(losses) on employee benefits assets		148,868	(2,451)
		163,124	(36,015)
Deferred taxes on employee benefits	27	-	667
Total other comprehensive income/(loss) for the year, net of tax		163,124	(35,348)
Total comprehensive loss for the year		(20,072,315)	(6,146,874)

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

FINANCIAL STATEMENTS

Group Statement of Financial Position

Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Property, plant and equipment	9(a)	9,272,878	25,949,264
Intangible assets	10	271,355	184,583
Deferred expenditure	11	3,640	116,634
Net investment in finance leases	2(q)(ii)	25,372	83,487
Employee benefits assets	12 (a)	3,381,000	3,145,000
Total non-current assets		12,954,245	29,478,968
Cash and cash equivalents	13	394,583	313,660
Accounts receivable	14	3,858,007	3,851,961
Prepaid expenses		416,123	400,972
Due from related companies	15	1,087,037	876,306
Taxation recoverable		109,263	107,978
Inventories	16	624,889	302,359
Current portion of deferred expenditure	11	196,811	332,018
Current portion of net investment in finance lease	2(q)(ii)	59,033	59,033
Total current assets		6,745,746	6,244,287
TOTAL ASSETS		**19,699,991**	**35,723,255**
Share capital	17	16,817,440	16,817,440
Reserves	18	2,541,791	2,370,201
Accumulated deficit		(33,584,239)	(13,399,528)
NET (DEFICIT)/EQUITY		**(14,225,008)**	**5,788,113**
Bank overdraft	19	46,712	113,148
Trade and other accounts payable	20	6,942,732	7,778,928
Short-term loan	21	-	430,000
Current portion of long-term loan	22	15,973	15,697
Due to other group company	23(a)	669,290	2,199,463
Due to related companies	15	280,113	172,407
Total current liabilities		7,954,820	10,709,643
Provisions	24	911,034	1,006,459
Long-term loan	22	261,598	263,207
Due to other group companies	23(b)	24,532,820	17,670,342
Deferred income	25	264,727	285,491
Total non-current liabilities		25,970,179	19,225,499
TOTAL LIABILITIES		**33,924,999**	**29,935,142**
NET (DEFICIT)/EQUITY AND LIABILITIES		**19,699,991**	**35,723,255**

The financial statements on pages 28 to 77 were approved by the Board of Directors on May 28, 2012 and signed on its behalf by:

Director
Christopher Dehring

Director
Hon. Patrick Rousseau (O.J.)

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

FINANCIAL STATEMENTS

Group Statement of Changes in Stockholders' Equity(Deficit)

Year ended March 31, 2012

	Share capital $'000 (note 17)	Reserves $'000 (note 18)	Accumulated deficit $'000	Total $'000
Balances at March 31, 2010	16,817,440	2,289,765	(7,172,218)	11,934,987
Loss for the year	-	-	(6,111,526)	(6,111,526)
Other comprehensive loss:				
Unrealised translation adjustments on consolidation	-	(33,564)	-	(33,564)
Actuarial losses, net of tax	-	-	(1,784)	(1,784)
Total other comprehensive loss	-	(33,564)	(1,784)	(35,348)
Total comprehensive loss for the year	-	(33,564)	(6,113,310)	(6,146,874)
Transfer from employee benefits reserve	-	114,000	(114,000)	-
Balances at March 31, 2011	16,817,440	2,370,201	(13,399,528)	5,788,113
Loss for the year	-	-	(20,235,439)	(20,235,439)
Other comprehensive income:				
Unrealised translation adjustments on consolidation	-	14,256	-	14,256
Actuarial gains, net of tax	-	-	148,868	148,868
Total other comprehensive income	-	14,256	148,868	163,124
Total comprehensive loss for the year	-	14,256	(20,086,571)	(20,072,315)
Transfer from employee benefits reserve	-	157,334	(157,334)	-
Forfeiture of dividends declared	-	-	59,194	59,194
Balances at March 31, 2012	16,817,440	2,541,791	(33,584,239)	(14,225,008)

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

FINANCIAL STATEMENTS

Group Statement of Cash Flows
Year ended March 31, 2012

	2012 $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(20,235,439)	(6,111,526)
Adjustments for:		
Unrealised translation losses/(gains) on long-term loan	14,488	(2,984)
Employee benefits, net	(87,132)	(173,451)
Depreciation and amortisation	4,409,101	4,146,742
Impairment	15,750,000	-
Taxation	308,062	1,588,624
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(41,101)	34,747
Interest earned	(35,403)	(32,350)
Interest expense	1,757,383	1,799,318
Provisions	38,438	99,603
Cash generated before changes in working capital	1,878,397	1,348,723
Accounts receivable	(6,046)	102,534
Prepaid expenses	(15,151)	36,793
Inventories	(322,530)	9,213
Due from related companies	(210,731)	(165,609)
Deferred expenditure	248,201	(217,441)
Trade and other accounts payable	(915,913)	364,419
Due to other group company	(1,530,173)	2,199,463
Due to related companies	107,706	(7,652)
Cash (used)/generated from operations	(766,240)	3,670,443
Income tax paid	(309,347)	(312,574)
Net cash (used)/generated by operating activities	(1,075,587)	3,357,869
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(3,712,406)	(6,135,872)
Proceeds from disposal of assets	50,157	-
Net investment in finance leases	58,115	58,408
Interest received	35,403	32,350
Net cash used by investing activities	(3,568,731)	(6,045,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised translation adjustment on consolidation	14,256	(33,564)
Decrease in long-term loan	(15,821)	(15,717)
(Decrease)/increase in deferred income	(20,764)	285,491
Short-term loan	(430,000)	430,000
Interest paid	(1,677,666)	(1,555,993)
Dividends forfeited	59,194	-
Due to other group companies	6,862,478	3,412,950
Net cash provided by financing activities	4,791,677	2,523,167
Net increase/(decrease) in cash and cash equivalents	147,359	(164,078)
Cash and cash equivalents at beginning of year	200,512	364,590
CASH AND CASH EQUIVALENTS AT END OF YEAR	**347,871**	**200,512**
Comprise of:		
Cash and bank	394,583	313,660
Bank overdraft	(46,712)	(113,148)
	347,871	200,512

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

FINANCIAL STATEMENTS

Company Income Statement
Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Revenue	2(e)	20,340,841	20,658,282
Outpayments		(5,719,828)	(6,274,740)
Other cost of sales		(2,403,177)	(2,507,972)
Total cost of sales		(8,123,005)	(8,782,712)
Gross margin		**12,217,836**	**11,875,570**
Other operating income		-	184,210
Total operating income		12,217,836	12,059,780
Employee expenses	3	(4,550,501)	(3,722,835)
Administrative, marketing and selling expenses	4	(5,416,877)	(6,731,673)
Operating expenses		**(9,967,378)**	**(10,454,508)**
Operating profit before restructuring costs, depreciation, amortisation, impairment and net finance costs		**2,250,458**	**1,605,272**
Restructuring costs	3	(392,047)	(101,883)
Operating profit before depreciation, amortisation, impairment and net finance costs		**1,858,411**	**1,503,389**
Depreciation and amortisation	6	(4,405,088)	(4,134,084)
Write-down of interest in subsidiaries	6(c)	(11,945,754)	-
Impairment	6, 9(c)	(15,750,000)	-
		(32,100,842)	(4,134,084)
Operating loss before net finance costs		**(30,242,431)**	**(2,630,695)**
Net finance costs:			
Foreign exchange losses		(2,559)	(165,145)
Other finance costs		(1,756,091)	(1,797,769)
Finance income		25,366	21,344
	5	(1,733,284)	(1,941,570)
Dividend income	6(c)	11,945,754	-
Other income		78,590	11,386
		12,024,344	11,386
Loss before taxation	**6**	**(19,951,371)**	**(4,560,879)**
Taxation	7	(307,823)	(1,587,904)
Loss attributable to stockholders		**(20,259,194)**	**(6,148,783)**

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

Company Statement of Comprehensive Income

Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Loss for the year		(20,259,194)	(6,148,783)
Other comprehensive gain/(loss) for the year:			
Actuarial gain/(loss) on employee benefits assets		148,868	(2,451)
Deferred taxes on employee benefits	27	-	667
Total other comprehensive gain/(loss) for the year, net of tax		148,868	(1,784)
Total comprehensive loss for the year		(20,110,326)	(6,150,567)

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

FINANCIAL STATEMENTS

Company Statement of Financial Position
Year ended March 31, 2012

	Notes	2012 $'000	2011 $'000
Property, plant and equipment	9(b)	9,260,071	25,932,641
Intangible assets	10	271,355	184,583
Interest in subsidiaries, shares at cost	2(d)(i)	171,596	12,117,350
Deferred expenditure	11	3,640	116,634
Net investment in finance leases	2(q)(ii)	25,372	83,487
Employee benefits assets	12 (a)	3,381,000	3,145,000
Total non-current assets		13,113,034	41,579,695
Cash and cash equivalents	13	369,572	281,371
Accounts receivable	14	3,795,050	3,772,968
Prepaid expenses		416,085	400,755
Due from related companies	15	1,087,037	876,306
Taxation recoverable		102,720	101,487
Inventories	16	624,889	302,359
Current portion of deferred expenditure	11	196,811	332,018
Current portion of net investment in finance leases	2(q)(ii)	59,033	59,033
Total current assets		6,651,197	6,126,297
TOTAL ASSETS		**19,764,231**	**47,705,992**
Share capital	17	16,817,440	16,817,440
Reserves	18	2,274,916	2,117,582
Accumulated deficit		(34,015,108)	(13,806,642)
NET (DEFICIT)/EQUITY		**(14,922,752)**	**5,128,380**
Bank overdraft	19	46,712	113,148
Trade and other payables	20	6,892,019	7,724,123
Short-term loan	21	-	430,000
Current portion of long-term loan	22	15,973	15,697
Due to other group companies	23(a)	669,290	2,199,463
Due to related companies	15	280,113	172,407
Total current liabilities		7,904,107	10,654,838
Provisions	24	892,046	988,464
Long-term loan	22	261,598	263,207
Due to other group companies	23(b)	24,532,820	17,670,342
Deferred income	25	264,727	285,491
Due to subsidiaries	26	831,685	12,715,270
Total non-current liabilities		26,782,876	31,922,774
TOTAL LIABILITIES		**34,686,983**	**42,577,612**
NET (DEFICIT)/EQUITY AND LIABILITIES		**19,764,231**	**47,705,992**

The financial statements on pages 28 to 77 were approved by the Board of Directors on May 28, 2012 and signed on its behalf by:

Director Director

Christopher Dehring Hon. Patrick Rousseau (O.J.)

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

FINANCIAL STATEMENTS

Company Statement of Changes in Stockholders' Equity(Deficit)

Year ended March 31, 2012

	Share capital $'000 (note 17)	Reserves $'000 (note 18)	Accumulated deficit $'000	Total $'000
Balances at March 31, 2010	16,817,440	2,003,582	(7,542,075)	11,278,947
Loss for the year	-	-	(6,148,783)	(6,148,783)
Other comprehensive loss:				
Actuarial losses, net of tax	-	-	(1,784)	(1,784)
Total comprehensive loss for the year	-	-	(6,150,567)	(6,150,567)
Transfer from employee benefits reserve	-	114,000	(114,000)	-
Balances at March 31, 2011	16,817,440	2,117,582	(13,806,642)	5,128,380
Loss for the year	-	-	(20,259,194)	(20,259,194)
Other comprehensive income:				
Actuarial gains, net of tax	-	-	148,868	148,868
Total comprehensive loss for the year	-	-	(20,110,326)	(20,110,326)
Transfer from employee benefits reserve	-	157,334	(157,334)	-
Forfeiture of dividends declared	-	-	59,194	59,194
Balances at March 31, 2012	16,817,440	2,274,916	(34,015,108)	(14,922,752)

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

FINANCIAL STATEMENTS

Company Statement of Cash Flows

Year ended March 31, 2012

	2012 $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(20,259,194)	(6,148,783)
Adjustments for:		
Unrealised translation losses /(gains) on loan	14,488	(2,984)
Employee benefits, net	(87,132)	(173,451)
Depreciation and amortisation	4,405,088	4,134,084
Write-down of interest in subsidiaries	11,945,754	-
Impairment	15,750,000	-
Taxation	307,823	1,587,904
(Gain)/loss on disposal of property, plant and equipment and intangible assets	(40,860)	35,686
Interest earned	(25,366)	(21,344)
Interest expense	1,756,091	1,797,769
Provisions	37,401	98,229
Cash generated before changes in working capital	13,804,093	1,307,110
Accounts receivable	(22,082)	123,182
Prepaid expenses	(15,330)	36,803
Due from related companies	(210,731)	(165,609)
Inventories	(322,530)	9,213
Deferred expenditure	248,201	(217,441)
Trade and other accounts payable	(911,821)	368,939
Due to other group company	(1,530,173)	2,199,463
Due to related companies	107,706	(7,652)
Cash generated from operations	11,147,333	3,654,008
Income tax paid	(309,056)	(314,589)
Net cash generated by operating activities	10,838,277	3,339,419
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment and intangible assets	(3,712,406)	(6,135,872)
Proceeds from the sale of assets	50,157	-
Net investment in finance leases	58,115	58,408
Interest received	25,366	21,344
Net cash used by investing activities	(3,578,768)	(6,056,120)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to subsidiaries	(11,883,585)	46,260
Decrease in long-term loan	(15,821)	(15,717)
(Decrease)/increase in deferred income	(20,764)	285,491
Short-term loan	(430,000)	430,000
Interest paid	(1,676,374)	(1,555,993)
Dividend forfeited	59,194	-
Due to other group companies	6,862,478	3,412,950
Net cash (used)/provided by financing activities	(7,104,872)	2,602,991
Net increase/(decrease) in cash and cash equivalents	154,637	(113,710)
Cash and cash equivalents at beginning of year	168,223	281,933
CASH AND CASH EQUIVALENTS AT END OF YEAR	322,860	168,223
Comprise of:		
Cash and bank	369,572	281,371
Bank overdraft	(46,712)	(113,148)
	322,860	168,223

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

Notes to the Financial Statements

Year ended March 31, 2012

1. Identification and principal activities

Cable & Wireless Jamaica Limited ("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 CWC CALA Holdings Limited, incorporated in Barbados, and the ultimate parent company is Cable & Wireless Communications plc., incorporated in England. Another subsidiary of Cable & Wireless Communications plc. holds an additional 3% of the issued ordinary stock units of the company.

On March 19, 2010, the Cable & Wireless Group effected a group reorganisation whereby Cable & Wireless Communications plc. was inserted as a new holding company for the Cable & Wireless Group via a Scheme of Arrangement. Cable & Wireless Communications plc therefore replaced Cable and Wireless plc. (now Cable & Wireless Limited) as the parent company of the Cable & Wireless Group as at this date. On March 22, 2010, the entire ordinary share capital of Cable and Wireless plc was cancelled and shareholders were given one ordinary share and one B share of Cable & Wireless Communications plc. for every share of Cable and Wireless plc held on that date. At this time, the Cable & Wireless Group was renamed the Cable & Wireless Communications Group. Cable & Wireless Communications group companies are referred to in these financial statements as "related companies".

As part of the 'One Caribbean' structure, the company along with other group companies in the Caribbean trade under the name 'LIME' (Landline, Internet, Mobile and Entertainment).

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 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 Telecommunications 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 ("the Act").

Notes to the Financial Statements

Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

Certain new IFRS, and interpretations of and amendments to existing standards which were in issue, came into effect for the current financial year as follows:

- *IAS 24, Related Party Disclosure, revised* (effective January 1, 2011) introduces changes to the related party disclosure requirements for government - related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure. There were no material impact on the financial statements as a result of adopting this standard.

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

- *IFRS 9, Financial Instruments (2010)*. The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after January 1, 2015 (previously January 1, 2013). The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The revised standard now includes guidance on classification and measurement of financial liabilities designated as at fair value through profit or loss and incorporates certain existing requirements of IAS 39 Financial Instruments: Recognition and Measurement on the recognition and de-recognition of financial assets and financial liabilities.

- *IFRS 13, Fair Value Measurement* (effective January 1, 2013), defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value, or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- *Disclosures–Transfer of Financial Assets (Amendments to IFRS 7)* (effective July 1, 2011). The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities and to evaluate the nature of and risks associated with the entity's continuing involvement in these derecognised assets.

- Amendment to IFRS 7, *Financial Instruments: Disclosures* is effective for annual reporting periods beginning on or after January 1, 2013. The standard is amended to help users of financial statements to understand the actual and potential effects of netting arrangements on the entity's financial position. The amendment includes minimum disclosure requirements related to financial assets and liabilities that are offset in the statement of financial position or subject to enforceable master netting arrangements or similar arrangements.

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

- *IAS 19 Employee Benefits* (effective January 1, 2013) has been amended to require all actuarial gains and losses will be recognized immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss. It also requires the expected return on plan assets recognized in profit or loss is to be calculated based on the rate used to discount the defined benefit obligation. The amendment also includes changes to the definitions and disclosure requirements in the current standard.

- *Amendment to IAS 32 Financial Instruments: Presentation* - The standard clarifies that an entity currently has a legal enforceable right to offset if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all the counterparts. In addition, it clarifies that gross settlement is equivalent to net settlement if, and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk; and process receivables and payables in a single settlement process or cycle. The amendment is effective for annual reporting periods beginning on or after January 1, 2014.

- *IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* (effective July 1, 2012) has been amended to require an entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or Loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.

- *IAS* 12, *Income Taxes*, has been amended, effective for annual reporting periods beginning on or after January 1, 2012, to require an entity to measure deferred taxes relating to an asset based on whether the entity expects to recover the carrying amount of the asset through use or sale.

- *IFRS* 10 *Consolidated Financial Statements* (effective for annual reporting periods beginning on or after January 1, 2013) supersedes IAS 27 *Consolidated and Separate Financial Statements* and provides a single model to be applied in the control analysis for all investees, including entities that currently are Special Purpose Entities. The consolidation procedures are carried forward from IAS 27 (2008).

- *IFRS* 12 *Disclosure of Interest in Other Entities* (effective for annual reporting periods beginning on or after January 1, 2013) contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. These required disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

The company is required to understand what a structured entity is in the context of its operations; apply judgement in assessing whether it is 'involved' with a structured entity, which has the potential to broaden the transactions and relationships to which the disclosures may apply, particularly for those who sponsor, or perhaps even transact business with, but do not consolidate, structured entities; and assess the level of disclosure that it believes will be meaningful to users of the financial statements.

Management is assessing the impact, if any, of the above amendments, interpretations and new standards on its future 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 preparation of the financial statements in accordance with IFRS and the Act usually assumes that the company will continue in operational existence for the foreseeable future. This means, inter alia, that the statement of financial position and the statements of income and comprehensive income assume no intention or necessity to liquidate the company or curtail the scale of its operations. This is commonly referred to as the going concern basis.

The company has reported continued losses. During the year ended March 31, 2012, the company recognised an impairment charge on property plant & equipment and intangible assets of $15,750,000,000 (2011:Nil) [see notes 9 and 10], which resulted in the group and the company reporting a loss of $20,235,439,000 (2011: $6,111,526,000) and $20,259,194,000 (2011: $6,148,783,000) respectively for the year and stockholders' deficit of $14,225,008,000 and $14,922,752,000 (2011: stockholders' equity of $5,788,113,000 and $5,128,380,000) respectively, as at that date. As a result of the continued losses, uncertainty exists about the company's continuation as a going concern. Until such time as the company returns to profitable operations, the company remains dependent on its ultimate parent for continued financial support.

The stockholders' deficit is considered a breach of the Jamaica Stock Exchange's (JSE) capital adequacy rules. As a result of the matters noted above, uncertainty exists about the company's ability to maintain its listing with the JSE. The company is currently evaluating the impact of a possible de-listing from the JSE as well as options to maintain its listing by restoring its capital. In the preparation of these financial statements, no adjustments or provisions have been made with respect of any breach of the JSE rules. However, in the event a delisting does occur, the company believes it will still be able to continue operations.

Notes to the Financial Statements

Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(b) Basis of preparation (cont'd):

The company remains committed to attaining profitable operations. To a great extent, the company believes this may be achieved through recently announced regulatory changes, innovative revenue initiatives (with increased focus on growth areas such as data and business services), re-vamped marketing campaigns and continued cost reduction strategies that form part of the overall corporate strategy.

In the interim, the Directors have received a letter from the ultimate parent company, indicating that financial support will be provided for the foreseeable future.

On the basis of the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

The significant accounting policies stated in paragraphs (c) to (x) below conform in all material respects with IFRS.

(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 statement of financial position 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 benefits:

The amounts recognised in the statement of financial position, income statement and statement of comprehensive income for pension benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the expected long-term return on plan assets, the discount rates used to determine the present value of estimated future cash flows and the growth in pensionable payroll.

The expected return on plan assets considers the long-term historical returns in excess of inflation, asset allocation and the future estimates of long-term inflation. The discount rates are based on the yields on long-term government securities denominated in both Jamaica and US dollars and comparable securities in the Caribbean. The growth in pensionable payroll is based on management's estimate. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

Notes to the Financial Statements

Year ended March 31, 2012

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 individually 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 and unused tax losses will be utilised. In management's opinion, at this time, it is not probable that future taxable profits will be available against which the unused tax losses can be utilized.

(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.

Notes to the Financial Statements
Year ended March 31, 2012

2. **Statement of compliance, basis of preparation and significant accounting policies (continued)**

(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, 2012.

Additionally, two wholly owned subsidiaries, Digital Media & Entertainment Limited incorporated in July 2008 and Caribbean Landing Company Limited incorporated in September 15, 2009, have commenced operations. As at the reporting date, the results of these companies are included in the group financial statements.

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

A voluntary liquidation process has started in respect of JTC and JAMINTEL and will be completed within the 2013 financial year [See also note 6 (c)].

The company and its subsidiaries are collectively referred to as the "group".

(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 and is accounted for on the accruals basis. In accordance with normal practice in the telecommunications industry, estimates are included to provide for that portion of revenue earned but unbilled, including revenues which connecting carriers have not yet reported.

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(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 land and buildings.

(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	- 2.5% to 20%
Cables and transmission equipment	- 10% to 25%
Office equipment and computers	- 10% to 25%
Computer equipment	- 20%
Software	- 33⅓%

Depreciation methods, useful lives and residual values are reassessed annually (see note 9).

(g) Interest in subsidiaries:

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

(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.

Bank overdraft, which is payable on demand and forms an integral part of the company's cash management activities, is included as a component of the cash and cash equivalents for the purpose of the statement of cash flows.

(i) Accounts receivable:

Trade and other receivables are stated at amortised cost less impairment losses.

Notes to the Financial Statements

Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(j) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent 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, other group company 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.

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(m) Provisions:

A provision is recognised in the statement of financial position 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.

(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 rate is used to determine obligation and the underlying cash flows are 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.

- borrows for general financing needs, borrowing costs are expensed on the effective interest basis.

(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 other comprehensive income.

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

Notes to the Financial Statements

Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(p) Taxation (continued):

Deferred tax is computed 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 reporting date.

A deferred tax liability is recognised for 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) Lease arrangements:

(i) 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.

(ii) Investment in finance leases:

This represents a US$ financing arrangement of Customer Premises Equipment (CPE) for a corporate customer and is receivable over a period of four years.

Income from finance leases is recognised in a manner which produces a constant rate of return on the net investment in the leases. These leases are carried at amortised cost, which approximates the net realisable value stream plus an appropriate rate of return.

(r) Employee benefits:

Employee benefits, comprising net pensions assets 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 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 sponsors a defined benefit arrangement for employees' service prior to March 31, 2008 and a defined contribution arrangement for service thereafter under one pension plan. The plan is administered by trustees.

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(r) Employee benefits (continued):

(i) Pension arrangements (continued):

The defined benefit arrangements are secured by an insurance policy which is an asset of the plan. The return on the latter asset is matched by the interest cost on the defined benefit arrangements. The company has prepaid its required contributions over the expected working lifetimes of the members who participate in the defined contribution arrangement. The liabilities of the defined contribution arrangement are matched by assets. Each year, the relevant portion of the prepaid contributions is allocated to the active members and reflected as an expense of the company.

The company's net obligation in respect of its pension arrangements is the sum of the present value of its defined benefit arrangements and the value of the assets backing the defined contribution arrangements less the fair value of the plan's assets. To the extent that the obligation is less than the fair value of the plan's assets, the asset recognised is restricted to the present value of the prepaid contributions.

Actuarial gains and losses are recognised in other comprehensive income.

(ii) Other post-retirement benefits:

The post-retirement medical benefits for current pensioners and for non-pensioners are secured by insurance contracts.

(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 reporting date.

(s) Impairment:

The group considers evidence of impairment at both a specific asset and collective level. All individually 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 includes 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 are reviewed at each reporting 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. 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 profit or loss.

Notes to the Financial Statements

Year ended March 31, 2012

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 and related company balances. Similarly, financial liabilities include bank overdraft, trade and other 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) 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 reporting 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.

FINANCIAL STATEMENTS

Notes to the Financial Statements
Year ended March 31, 2012

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(w) Foreign currencies (continued):

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.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss 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 in other comprehensive income and directly to equity on the group statement of financial position and added or deducted to reflect the underlying group cash flows from financing activities in the group statement of cash flows.

(x) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

3. Employee expenses

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Gross salaries	3,590,558	3,062,720	3,590,216	3,059,522
Other benefits and allowances	1,055,285	837,276	1,055,285	836,313
Employee benefits credits [note 12(b)]	(95,000)	(173,000)	(95,000)	(173,000)
	4,550,843	3,726,996	4,550,501	3,722,835

Restructuring costs materially represents a one-off staff benefit of $348 million (2011: Nil) paid to certain employees.

4. Administrative, marketing and selling expenses

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Administrative	934,240	1,963,896	910,383	1,939,339
Marketing	660,363	1,166,435	660,273	1,165,725
Selling	3,847,265	3,627,749	3,846,221	3,626,609
	5,441,868	6,758,080	5,416,877	6,731,673

Notes to the Financial Statements
Year ended March 31, 2012

5. Net finance costs

	The group		The company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Foreign exchange losses	2,559	163,125	2,559	165,145
Other finance costs:				
Other group company loan	1,543,184	1,564,574	1,543,184	1,564,574
Other loans	48,232	12,839	48,232	12,837
Other debts issuance costs and expenses	165,967	221,905	164,675	220,358
	1,757,383	1,799,318	1,756,091	1,797,769
Finance income:				
Interest income – third party	(35,403)	(32,350)	(25,366)	(21,344)
	1,724,539	1,930,093	1,733,284	1,941,570

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

6. Disclosure of expenses/(income) and related party transactions

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

	The group		The company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Directors' emoluments:				
Fees	12,907	4,875	12,907	4,875
Management remuneration	48,305	56,968	48,305	56,968
Other key management personnel compensation:				
Short-term employee benefits	191,390	198,271	191,390	198,271
Post employment benefits	(2,000)	(4,000)	(2,000)	(4,000)
Auditors' remuneration	28,280	27,950	26,780	26,450
Depreciation and amortisation	4,409,101	4,146,742	4,405,088	4,134,084
Write-down of interest in subsidiaries	-	-	11,945,754	-
Impairment	15,750,000	-	15,750,000	-
(Gain)/loss on disposal of property, plant & equipment	(41,101)	34,747	(40,860)	35,686
Bad debt expenses	398,176	398,198	398,176	398,198
Inventory obsolescence	260,889	41,519	260,889	41,519
Related party transactions:				
Ultimate parent company:				
Management & branding fees	1,224,614	1,357,309	1,224,614	1,357,309
Other group company:				
Interest expense	1,543,184	1,564,574	1,543,184	1,564,574

Notes to the Financial Statements

Year ended March 31, 2012

6. **Disclosure of expenses/(income) and related party transactions (continued)**

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

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Related companies:				
Management & operational recharges	(2,321,354)	(1,711,188)	(2,321,354)	(1,711,188)
Other income	-	(342,502)	-	(342,502)
Revenue, net	950,080	967,150	950,080	967,150

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

(b) The company entered into a Support Services Agreement effective April 1, 2009 with a related company to provide Management and Operational Support Services. These services include Finance Support delivered through a Finance Shared Service Centre located in Jamaica and Centres of Excellence that provide technical support on Tax, Treasury, Procurement and Supply Chain Management. The agreement also provides for Support for Sales and Marketing, Customer Operational Services, Technology and Property Services, Strategic and Business Advisory Services as well as Legal, Regulatory and Public Policy Services. Human Resources Support Services are provided through a Human Resource Shared Service Centre which is also located in Jamaica.

(c) This represents a write-down of interest in subsidiaries, JTC and JAMINTEL due to a reduction in the carrying value of these investments as a result of dividends declared by the said companies for the same amount.

7. **Taxation**

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

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Current tax expense:				
Income tax at 33⅓%	239	720	-	-
Withholding tax	307,823	313,090	307,823	313,090
	308,062	313,810	307,823	313,090
Deferred taxation (note 27):				
Effect of tax losses	(2,841,502)	(1,821,236)	(2,841,502)	(1,821,236)
Unrecognised deferred tax	7,254,653	3,395,582	7,254,653	3,395,582
Origination and reversal of other temporary differences, net	(4,413,151)	(299,532)	(4,413,151)	(299,532)
	-	1,274,814	-	1,274,814
Tax expense	308,062	1,588,624	307,823	1,587,904

Notes to the Financial Statements
Year ended March 31, 2012

7. Taxation (continued)

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Reconciliation of actual tax expense:				
Loss before taxation	(19,927,377)	(4,522,902)	(19,951,371)	(4,560,879)
Computed "expected" tax credit at 33⅓%	(6,642,459)	(1,507,634)	(6,650,457)	(1,520,293)
Difference between loss for financial statements and tax reporting purposes on:				
Property, plant & equipment	6,977,279	10,596	6,978,484	11,812
Relief under the Jamaica Export Freezone Act	(2,347)	(8,050)	-	-
Caricom income	(684,072)	(693,018)	(684,072)	(693,018)
Unrecognised tax losses	(2,402,589)	3,395,582	(2,402,589)	3,395,582
Disallowed expenses and other capital adjustments	3,062,250	391,148	3,066,457	393,821
Total differences	6,950,521	3,096,258	6,958,280	3,108,197
Actual tax expense	308,062	1,588,624	307,823	1,587,904

At March 31, 2012 taxation losses, subject to agreement by the Commissioner of Tax Administration Jamaica, available for relief against future taxable profits, amounted to approximately $29.5 billion (2011: $20.9 billion).

8. Loss per stock unit

The calculation of loss per stock unit is based on the loss attributable to stockholders of $20,235,439,000 (2011: $6,111,526,000) and the 16,817,439,740 (2011: 16,817,439,740) issued and fully paid ordinary stock units.

9. Property, plant & equipment

(a) The group:

	Freehold land & buildings	Plant & machinery	Cables & transmission equipment	Office equipment, & computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost:						
March 31, 2010	12,456,143	39,907,110	9,345,845	2,358,592	1,828,384	65,896,074
Additions	-	-	-	-	6,135,872	6,135,872
Transfers	1,381,715	3,648,835	697,227	555,447	(6,283,224)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(140,728)	(140,728)
Disposals/retirements	(381,303)	(90)	-	(35,686)	-	(417,079)
March 31, 2011	13,456,555	43,555,855	10,043,072	2,878,353	1,540,304	71,474,139

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Notes to the Financial Statements
Year ended March 31, 2012

9. Property, plant & equipment (continued)

(a) The group (continued):

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment, & computers $'000	Capital work-in-progress $'000	Total $'000
March 31, 2011	13,456,555	43,555,855	10,043,072	2,878,353	1,540,304	71,474,139
Additions	-	-	49,184	-	3,663,222	3,712,406
Transfers	764,185	1,821,321	542,202	485,309	(3,613,017)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(383,582)	(383,582)
Disposals/retirements	(172,155)	(16,946)	(2,603)	(18,077)	-	(209,781)
March 31, 2012	14,048,585	45,360,230	10,631,855	3,345,585	1,206,927	74,593,182
Depreciation:						
March 31, 2010	5,101,824	29,434,495	5,396,802	1,903,664	-	41,836,785
Charge for the year	559,753	2,583,997	441,490	274,057	-	3,859,297
Eliminated on disposals/ retirements	(135,110)	(650)	-	(35,447)	-	(171,207)
March 31, 2011	5,526,467	32,017,842	5,838,292	2,142,274	-	45,524,875
Charge for the year	598,357	2,835,448	446,093	310,693	-	4,190,591
Impairment	4,113,123	8,839,112	2,537,459	181,796	-	15,671,490
Eliminated on disposals/ retirements	(38,004)	(8,066)	(2,581)	(18,001)	-	(66,652)
March 31, 2012	10,199,943	43,684,336	8,819,263	2,616,762	-	65,320,304
Net book values:						
March 31, 2012	3,848,642	1,675,894	1,812,592	728,823	1,206,927	9,272,878
March 31, 2011	7,930,088	11,538,013	4,204,780	736,079	1,540,304	25,949,264

(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, 2010	12,408,925	37,831,042	8,815,904	2,332,355	1,828,384	63,216,610
Additions	-	-	-	-	6,135,872	6,135,872
Transfers	1,381,715	3,648,835	697,227	555,447	(6,283,224)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(140,728)	(140,728)
Disposals/ Retirements	(381,303)	(90)	-	(35,686)	-	(417,079)
March 31, 2011	13,409,337	41,479,787	9,513,131	2,852,116	1,540,304	68,794,675

Notes to the Financial Statements

Year ended March 31, 2012

9. Property, plant & equipment (continued)

(b) The company (continued):

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment & computers $'000	Capital work-in-progress $'000	Total $'000
March 31, 2011	13,409,337	41,479,787	9,513,131	2,852,116	1,540,304	68,794,675
Additions	-	-	49,184	-	3,663,222	3,712,406
Transfers	764,185	1,821,321	542,202	485,309	(3,613,017)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(383,582)	(383,582)
Disposals/retirements	(172,061)	(16,946)	(2,603)	(18,077)	-	(209,687)
March 31, 2012	14,001,461	43,284,162	10,101,914	3,319,348	1,206,927	71,913,812
Depreciation:						
March 31, 2010	5,071,927	26,938,653	5,307,187	1,867,896	-	39,185,663
Charge for the year	558,735	2,582,809	432,055	273,040	-	3,846,639
Eliminated on disposals/ retirements	(135,110)	289	-	(35,447)	-	(170,268)
March 31, 2011	5,495,552	29,521,751	5,739,242	2,105,489	-	42,862,034
Charge for the year	595,341	2,835,448	445,171	310,618	-	4,186,578
Impairment	4,113,123	8,839,112	2,537,459	181,796	-	15,671,490
Eliminated on disposals/ retirements	(38,004)	(7,775)	(2,581)	(18,001)	-	(66,361)
March 31, 2012	10,166,012	41,188,536	8,719,291	2,579,902	-	62,653,741
Net book values:						
March 31, 2012	3,835,449	2,095,626	1,382,623	739,446	1,206,927	9,260,071
March 31, 2011	7,913,785	11,958,036	3,773,889	746,627	1,540,304	25,932,641

Freehold land & buildings for the group and the company include land aggregating $69,468,931 (2011: $69,768,931) at historical cost.

The company is a party to the East-West Cable System ("EWCS") under the Construction and Maintenance Agreement (the "Agreement") entered into during the financial year ended March 31, 2011. EWCS was constructed by a related company Cable & Wireless EWC Limited. The Agreement details the beneficial ownership interests of EWCS, which has been calculated based on business usage requirements. The company has 1.56095% beneficial ownership.

Included in the construction costs of EWCS are landing station assets of $52,079,480 that the company has legal title to under the Agreement. The company has capitalized fixed assets relating to EWCS of $49,184,180 being its share of the beneficial ownership of the total construction cost, included in Cables & transmission equipment above. This asset is depreciated over 15 years.

Notes to the Financial Statements

Year ended March 31, 2012

9. Property, plant & equipment (continued)

(c) Impairment:

Actual results for the company continue to be lower than previously expected. Accordingly, the management has considered this to be a trigger for an impairment review on the assets of the company.

One relevant CGU has been identified for the purpose of assessing the carrying value of the business due to integrated infrastructure to provide services. For the matters of testing the assets for impairment, the cash-generating unit has been described as a reportable segment defined in note 31.

The company held property, plant & equipment and intangible assets totalling $25,281,426,000 immediately prior to the impairment review. Fair value less costs to sell cannot be determined due to the specialized nature of some of the assets.

The value in use was determined for the business by discounting future expected cash flows based on the approved five year business plan adjusted in accordance with requirements of IFRS and CWC accounting policy to derive maintenance case cash flow estimates that were then discounted to their net present value using a discount rate for the business of 11% (2011: 11.1%).

The value in use has been calculated at $9,531,426,000. Consequently, at March 31, 2012, the carrying value of the company's assets has been reduced by $15,750,000,000 to the estimated value in use.

The allocation of the impairment adjustment among the different classes of assets was done after a detailed review of those assets, taking into account the nature of the assets, their use and their potential resale value. No land and buildings other than transmission towers have been impaired, as the market values are considered to be in excess of the carrying value.

10. Intangible assets

This represents acquired computer software as follows:

	The group and the company	
	2012	2011
	$'000	$'000
Cost:		
At beginning of year	3,723,983	3,583,255
Transfer from property, plant & equipment (note 9)	383,582	140,728
Adjustment	210	-
At end of year	4,107,775	3,723,983
Amortisation:		
At beginning of year	3,539,400	3,252,511
Charge for year	218,510	287,445
Impairment [note 9(c)]	78,510	-
Write offs	-	(556)
At end of year	3,836,420	3,539,400
Net book value at end of year	271,355	184,583

11. Deferred expenditure

	The group and the company	
	2012	2011
	$'000	$'000
Long-term portion of deferred GCT	3,640	116,634
Current portion of deferred GCT	196,811	332,018
	200,451	448,652

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. Effective May 2, 2011, the GCT legislation has been amended for input tax on certain acquisitions to be recovered over a three-month period.

12. Employee benefits

(a) Pension assets:

	The group and the company	
	2012	2011
	$'000	$'000
Present value of obligations	(8,347,000)	(7,834,000)
Fair value of plan assets	12,476,000	12,320,000
Unrecognised amount due to limitation	(748,000)	(1,341,000)
Recognised assets	3,381,000	3,145,000

(i) Movement in present value of obligation:

	The group and the company	
	2012	2011
	$'000	$'000
Balance at beginning of year	7,834,000	7,478,000
Benefits paid	(320,000)	(312,000)
Service and interest cost	764,000	686,000
Contributions	218,000	180,000
Actuarial gain	(149,000)	(198,000)
Balance at end of year	8,347,000	7,834,000

(ii) Movement in plan assets:

	The group and the company	
	2012	2011
	$'000	$'000
Fair value of plan assets at beginning of year	12,320,000	11,942,000
Contributions	218,000	180,000
Expected return on plan assets	859,000	859,000
Benefits paid	(320,000)	(312,000)
Actuarial loss	(601,000)	(349,000)
Fair value of plan assets at end of year	12,476,000	12,320,000

Notes to the Financial Statements

Year ended March 31, 2012

12. Employee benefits (continued)

(a) Pension assets (continued):

(ii) Movement in plan assets (continued):

	The group and the company	
	2012	2011
	$'000	$'000
Plan assets consist of the following:		
Equities	62,000	53,000
Fixed income securities	3,127,000	2,791,000
Real estate	3,012,000	3,184,000
Annuities	6,275,000	6,292,000
	12,476,000	12,320,000

(iii) Credit recognised in the income statement:

	The group and the company	
	2012	2011
	$'000	$'000
Current service costs	232,000	198,000
Interest on obligations	532,000	488,000
Expected return on plan assets	(859,000)	(859,000)
	(95,000)	(173,000)
Actual return on plan assets	326,000	589,000

Of the credit recognised, $95,000,000 (2011:$173,000,000) is included in employee expenses in the income statement [see 12(b) below].

(iv) Actuarial gains and losses recognised in other comprehensive income:

	The group and the company	
	2012	2011
	$'000	$'000
Cumulative amount at beginning of year	390,000	380,000
Recognised during the year	(452,000)	(139,000)
Change in disallowed asset	593,000	149,000
Cumulative amount at end of year	531,000	390,000

Notes to the Financial Statements
Year ended March 31, 2012

12. Employee benefits (continued)

(a) Pension assets (continued):

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

	The group and the company	
	2012	2011
Discount rate	10%	10.5%
Inflation	5%	6.5%
Gross discount rate for valuing annuity assets	8%	8%
Expected return on plan assets	6%	7.5%
Future salary increases	5%	6.5%
Future pension increases	0%	0%

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.

(vi) In 2008, the conversion process of the 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.

(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 was finalised in 2010.

(b) Amounts recognised in the income statement

As employee expenses:

	2012 $'000	2011 $'000
Pension assets [see 12(a)(iii)]	(95,000)	(173,000)

(c) Historical information (in millions of dollars)

Defined benefit pension plan

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Present value of the defined benefit obligation	(8,347)	(7,834)	(7,478)	(6,049)	(7,554)
Fair value of plan assets	12,476	12,320	11,942	10,283	15,039
Surplus in plan	4,129	4,486	4,464	4,234	7,485
Experience adjustments on plan liabilities	149	198	(866)	(761)	(567)
Experience adjustments on plan assets	(601)	(349)	933	1,786	910

Notes to the Financial Statements
Year ended March 31, 2012

12. Employee benefits (continued)

(d) At March 31, 2012, the recognised asset of $3,381 million (2011: $3,145 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 $244 million.

The unrecognised amount of $748 million (2011: $1,341 million) represents surplus that the company has agreed to share 50:50 with the members as part of the restructuring.

13. Cash and cash equivalents

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Cash at bank	354,891	154,460	331,655	123,905
Short term deposits	39,692	159,200	37,917	157,466
	394,583	313,660	369,572	281,371

14. Accounts receivable

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade receivables	4,151,132	4,036,243	4,121,951	3,996,532
Allowance for doubtful debts	(523,665)	(469,266)	(523,602)	(469,204)
	3,627,467	3,566,977	3,598,349	3,527,328
Other receivables	230,540	284,984	196,701	245,640
	3,858,007	3,851,961	3,795,050	3,772,968

	The group			
	2012		2011	
	Gross	Impairment	Gross	Impairment
	$'000	$'000	$'000	$'000
Not past due	1,319,986	-	1,222,717	-
Past due 0-30 days	1,813,699	(9,389)	1,907,801	(2,373)
Past due 31-60 days	378,783	(8,314)	322,813	(39,670)
Past due 61-90 days	146,888	(14,186)	229,021	(93,398)
Past due 91-180 days	206,087	(206,087)	195,514	(175,450)
More than 180 days	285,689	(285,689)	158,377	(158,375)
	4,151,132	(523,665)	4,036,243	(469,266)

Notes to the Financial Statements

Year ended March 31, 2012

14. Accounts receivable (continued)

The aging of trade receivables at the reporting date was:

	The company			
	2012		2011	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	1,310,509	-	1,222,500	-
Past due 0-30 days	1,796,677	(9,389)	1,882,549	(2,311)
Past due 31-60 days	377,124	(8,314)	315,264	(39,670)
Past due 61-90 days	145,928	(14,186)	222,330	(93,398)
Past due 91-180 days	206,024	(206,024)	195,514	(175,450)
More than 180 days	285,689	(285,689)	158,375	(158,375)
	4,121,951	(523,602)	3,996,532	(469,204)

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

	The group		The company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Balance at beginning of year	469,266	419,518	469,204	419,457
Impairment loss recognised	54,399	49,748	54,398	49,747
Balance at end of year	523,665	469,266	523,602	469,204

Allowance for doubtful debts relate to customers that have defaulted on their contractual payment terms. 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 $398,176,000 (2011: $398,198,000) has been recognised in the income statement.

15. Due from/(to) related companies

	The group and the company		The group and the company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cable & Wireless Barbados Limited	445,485	84,781	-	-
Cable & Wireless Cayman Limited	362,670	83,826	-	-
Cable & Wireless BVI Limited	99,351	-	-	-
CWI Caribbean Limited	-	504,295	(112,265)	-
Other	179,531	203,404	(167,848)	(172,407)
	1,087,037	876,306	(280,113)	(172,407)

This represents balances with other Cable & Wireless group companies, principally for telecommunications traffic and services provided under a Support Services Agreement.

All related party transactions were entered during the ordinary course of business (see also note 6).

Notes to the Financial Statements
Year ended March 31, 2012

16. Inventories

	The group and the company	
	2012	2011
	$'000	$'000
Mobile handsets	474,896	301,131
Other equipment and accessories	322,315	10,093
	797,211	311,224
Less: Allowance for impairment	(172,322)	(8,865)
	624,889	302,359

During the year, inventory impairment expenses amounting to $260,889,000 (2011: $41,519,000) have been recognised in the income statement.

17. Share capital

	The group and the company	
	2012	2011
	$'000	$'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

18. Reserves

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Share-based payment reserve	20,915	20,915	20,915	20,915
Unrealised translation reserve	266,875	252,619	-	-
Employee benefits reserve*	2,254,001	2,096,667	2,254,001	2,096,667
	2,541,791	2,370,201	2,274,916	2,117,582

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

19. Bank overdraft

	The group and the company	
	2012	2011
	$'000	$'000
Bank overdraft	46,712	113,148

The overdraft is part of a General Banking Facility with National Commercial Bank Jamaica Limited (NCB) which is supported by a guarantee of Cable and Wireless (West Indies) Limited in the amount of $1,080,000,000. The overdraft portion of the facility is in the amount of $550,000,000. The overdraft facility was renewed in June 2011 for a further twelve (12) months at an interest rate equal to the 6-month Government of Jamaica Weighted Average Treasury Bill Yield (WATBY) plus a risk spread of 3.0%, current rate is 9.57% per annum. The rate is re-set semi-annually.

Notes to the Financial Statements
Year ended March 31, 2012

20. Trade and other payables

	The group		The company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Trade payables	1,840,796	2,144,027	1,840,577	2,134,932
Other payables	4,591,196	5,129,649	4,565,331	5,112,144
Customer deposits	469,738	416,353	445,109	388,148
Current-portion of provisions (note 24)	-	47,897	-	47,897
Current-portion of deferred income (note 25)	41,002	41,002	41,002	41,002
	6,942,732	7,778,928	6,892,019	7,724,123

21. Short-term loan

	The group and the company	
	2012 $'000	2011 $'000
Principal	-	430,000

This represents a revolving line of credit disbursed by Proven Wealth Limited on February 14, 2011 which matured on February 16, 2012 and was not renewed. Interest was variable at 300 basis points above the weighted average yield rate applicable to the 180-day Bank of Jamaica Treasury Bill Tender ('WATBY') held immediately prior to the interest rate reset date. Interest was payable quarterly and was reset quarterly on May 16, August 16, November 16 and February 16. The closing rate was 9.27559% per annum.

22. Long-term loan

	The group and the company			
	2012		2011	
	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Export Development Corporation	424,260	277,571	432,652	278,904
Less: current portion		(15,973)		(15,697)
Non-current portion		261,598		263,207

This is a United States dollar denominated interest free loan guaranteed by the Government of Jamaica maturing in August 2038 with semi-annual principal payments of US$91,489. At March 31, 2012 the face value of the loan was US$4,848,657 (2011: US$5,031,635) which has been re-measured at amortised cost value using an imputed interest rate of 3.3% per annum.

Notes to the Financial Statements

Year ended March 31, 2012

23. Due to other group companies

	The group and the company	
	2012	2011
	$'000	$'000
(a) CWI Caribbean Limited:		
Principal	632,464	2,199,463
Accrued interest	36,826	-
	669,290	2,199,463

This is a short term Revolving Facility granted by CWI Caribbean Limited on May 26, 2010 with a credit limit of US$10 million. Interest is charged on the net daily loan balances at the average 1-month LIBOR plus 300 basis points. The rate is currently 3.23294% per annum.

	The group and the company	
	2012	2011
	$'000	$'000
(b) Cable & Wireless Jamaica Finance (Cayman) Limited:		
Principal	23,875,454	14,759,974
Accrued interest	657,366	2,910,368
	24,532,820	17,670,342

This represents the amount drawn on a $25.8 billion uncommitted revolving facility with Cable & Wireless Jamaica Finance (Cayman) Limited. Interest is charged at 100 basis points above the weighted average yield rate applicable to the six month Bank of Jamaica Treasury Bill Tender ('WATBY') held immediately prior to the interest rate reset date. The interest rate is reset semi-annually on May 11th and November 11th. The interest rate was reset on November 11, 2011 from 7.63% to 7.22% per annum.

The facility was previously with CWI HQ Limited and was assigned with effect from September 30, 2009.

24. Provisions

	The group			The company		
	Restructuring	Site Restoration	Total	Restructuring	Site Restoration	Total
	$'000 (Note 20)	$'000	$'000	$'000 (Note 20)	$'000	$'000
Balance at March 31, 2010	67,022	1,117,425	1,184,447	67,022	1,100,804	1,167,826
Provisions made during the year	99,481	-	99,481	99,481	-	99,481
Provisions used during the year	(118,606)	(256,162)	(374,768)	(118,606)	(255,444)	(374,050)
Unwind of discount	-	145,196	145,196	-	143,104	143,104
Balance at March 31, 2011	47,897	1,006,459	1,054,356	47,897	988,464	1,036,361
Provisions used during the year	(47,897)	(206,001)	(253,898)	(47,897)	(205,149)	(253,046)
Unwind of discount	-	110,576	110,576	-	108,731	108,731
Balance at March 31, 2012	-	911,034	911,034	-	892,046	892,046

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

Notes to the Financial Statements
Year ended March 31, 2012

25. Deferred income

This relates to income deferred to future years in relation to capacity owned by the company on the Fibralink Cable System by way of an Indefeasible Right of Use (IRU). The company is a consortium member on the Maya-1 cable system. The company has agreed to grant a customer an IRU on the Fibralink for a fifteen (15) year term from the Seven Mile Point, Bull Bay terminal station in Kingston, Jamaica to the ARCOS North Miami terminal station in Miami, Florida.

26. 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 denominated loans totalling approximately US$9,086,110 (2011: US$8,521,000).

27. Deferred tax liability/(asset)

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

	2012			
	The group and the company			
	Balance at beginning of year $'000	Recognised in other comprehensive income $'000	Recognised in income $'000	Balance at end of year $'000
Employee benefits	1,048,333	46,887	31,667	1,126,887
Property, plant & equipment	3,536,402	-	(5,144,995)	(1,608,593)
Taxation losses	(6,967,833)	-	(2,841,502)	(9,809,335)
Other	(1,012,484)	-	700,177	(312,307)
Unrecognised deferred tax	3,395,582	(46,887)	7,254,653	10,603,348
	-	-	-	-

	2011			
	The group and the company			
	Balance at beginning of year $'000	Recognised in other comprehensive income $'000	Recognised in income $'000	Balance at end of year $'000
Employee benefits	991,333	(667)	57,667	1,048,333
Property, plant & equipment	3,207,305	-	329,097	3,536,402
Taxation losses	(5,146,597)	-	(1,821,236)	(6,967,833)
Other	(326,188)	-	(686,296)	(1,012,484)
Unrecognised deferred tax	-	-	3,395,582	3,395,582
	(1,274,147)	(667)	1,274,814	-

Deferred tax assets in respect of unutilised tax losses amounting to $9.8 billion (2011: $6.9 billion) have not been recognised as management does not consider, at this time, that it is probable that future taxable profits will be available against which to utilise those losses within the foreseeable future.

Notes to the Financial Statements
Year ended March 31, 2012

28. 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 and the Regional Operating Board 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 been 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 in the statement of financial position.

Maximum exposure to credit risk at the reporting date was:

	The group		The company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cash and cash equivalents	394,583	313,660	369,572	281,371
Accounts receivable	3,858,007	3,851,961	3,795,050	3,772,968
Due from related companies	1,087,037	876,306	1,087,037	876,306
	5,339,627	5,041,927	5,251,659	4,930,645

Trade receivables

The group'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 group's benchmark creditworthiness may transact business with the group on a prepayment basis.

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

Notes to the Financial Statements

Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(i) Credit risk (continued):

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

The company's normal terms of credit on the sale of services is 30 days. Allowances for impaired trade receivables are recognised based on an estimate of irrecoverable amounts, 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 the reporting date was as follows:

	The group			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2012			
US$	24,505	-	303,774	328,279
Jamaica dollar ($)	491,822	24,497,798	7,382,157	32,371,777
	516,327	24,497,798	7,685,931	32,700,056

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(a) Interest rate risk (continued):

	The group			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2011			
US$	28,205	-	334,708	362,913
Jamaica dollar ($)	931,296	16,959,739	10,300,345	28,191,380
	959,501	16,959,739	10,635,053	28,554,293

	The company			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2012			
US$	-	-	1,070,736	1,070,736
Jamaica dollar ($)	491,822	24,497,798	18,880,315	43,869,935
	491,822	24,497,798	19,951,051	44,940,671
	2011			
US$	-	-	1,082,900	1,082,900
Jamaica dollar ($)	931,296	16,959,739	22,240,823	40,131,858
	931,296	16,959,739	23,323,723	41,214,758

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 rate financial liabilities are disclosed in notes 19, 21, 23 and 24.

Notes to the Financial Statements
Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(a) Interest rate risk (continued):

There is 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.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 (2011: 500) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2011.

	The group and the company	
	Increase	decrease
	$'000s	$'000s
	2012	
Variable rate instruments	244,978	(244,978)
	2011	
Variable rate instruments	847,987	(847,987)

(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:

Notes to the Financial Statements

Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(b) Foreign currency risk (continued):

The table below shows the group's and company's foreign currency exposure, at the reporting date.

	The group		The company	
	Net foreign currency monetary liabilities		Net foreign currency monetary liabilities	
	UK£ '000	US$ '000	UK£ '000	US$ '000
	2012			
Accounts payable	-	(18,473)	-	(17,892)
Accounts receivable	-	9,596	-	8,763
Cash and bank deposits	4	1,164	4	878
Long-term loans	-	(3,180)	-	(3,180)
	4	(10,893)	4	(11,431)
	2011			
Accounts payable	-	(23,148)	-	(22,510)
Accounts receivable	-	10,446	-	9,455
Cash and bank deposits	4	1,011	4	1,011
Long-term loans	-	(3,469)	-	(3,469)
	4	(15,160)	4	(15,513)

Sensitivity analysis

Exchange rates, in terms of Jamaican dollars, were as follows:

	UK£	US$
At May 28, 2012:	137.68	87.95
At March 31, 2012:	138.43	87.29
At March 31, 2011:	137.07	85.79

For 2012, a 1% strengthening/weakening of UK£ and the United States dollar against the Jamaican dollar would have increased/(decreased) loss by $9,503,000 for the group and $9,972,000 for the company.

Notes to the Financial Statements
Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(b) Foreign currency risk (continued):

For 2011, a 5% strengthening/weakening of UK£ and the United States dollar against the Jamaican dollar would have increased/(decreased) loss by $64,998,000 for the group and $66,514,000 for the company.

(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 reporting date:

	The group					
	2012					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	46,712	46,712	46,712	-	-	-
Trade and other payables	6,942,732	6,861,336	6,861,336	-	-	-
Due to other group company - current	669,290	669,290	669,290	-	-	-
Due to related companies	280,113	280,113	280,113	-	-	-
Due to other group company - long term	24,532,820	33,389,169	1,771,270	1,771,270	5,313,809	24,532,820
Long-term loan	277,571	424,260	15,973	15,973	47,919	344,395
	32,749,238	41,670,880	9,644,694	1,787,243	5,361,728	24,877,215

Notes to the Financial Statements

Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(iii) Liquidity risk (continued):

	The group					
	2011					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	113,148	113,148	113,148	-	-	-
Trade and other payables	7,778,928	7,799,745	7,799,745	-	-	-
Short-term loan	430,000	430,000	430,000	-	-	-
Due to other group company – current	2,199,463	2,199,463	2,199,463	-	-	-
Due to related companies	172,407	172,407	172,407	-	-	-
Due to other group company – long term	17,670,342	25,551,313	1,576,194	1,576,194	4,728,583	17,670,342
Long-term loan	278,904	432,652	15,697	15,697	47,094	354,164
	28,643,192	36,698,728	12,306,654	1,591,891	4,775,677	18,024,506

	The company					
	2012					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	46,712	46,712	46,712	-	-	-
Trade and other payables	6,892,019	6,809,391	6,809,391	-	-	-
Due to other group company - current	669,290	669,290	669,290	-	-	-
Due to related companies	280,113	280,113	280,113	-	-	-
Due to other group company - long term	24,532,820	33,389,169	1,771,270	1,771,270	5,313,809	24,532,820
Long-term loan	277,571	424,260	15,973	15,973	47,919	344,395
	32,698,525	41,618,935	9,592,749	1,787,243	5,361,728	24,877,215

28. Financial risk management (continued)

Financial instruments risks (continued):

(iii) Liquidity risk (continued):

	The company					
	2011					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	113,148	113,148	113,148	-	-	-
Trade and other payables	7,724,123	7,743,529	7,743,529	-	-	-
Short-term loan	430,000	430,000	430,000	-	-	-
Due to other group company - current	2,199,463	2,199,463	2,199,463	-	-	-
Due to related companies	172,407	172,407	172,407	-	-	-
Due to other group company - long-term	17,670,342	25,551,313	1,576,194	1,576,194	4,728,583	17,670,342
Long-term loan	278,904	432,652	15,697	15,697	47,094	354,164
	28,588,387	36,642,512	12,250,438	1,591,891	4,775,677	18,024,506

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

(iv) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology, infrastructure and from external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(v) Business risk:

Business risk is defined as the risk to the company arising from changes in its business, including the risk that the company may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of a failure of management and the risk of policy change from government and its regulator rendering the company's business model unfeasible. To counter this the company has a robust governance structure and senior management are focused on developing the business to maintain competitive advantage.

Notes to the Financial Statements
Year ended March 31, 2012

28. Financial risk management (continued)

Financial instruments risks (continued):

(vi) 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 Regional Operating Board, 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 group is required under the 'capital adequacy' rules of the Jamaica Stock Exchange, to maintain positive stockholders' equity [see note 2(b)].

29. 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. The group does not have any material assets and liabilities carried at fair value.

30. Commitments and contingencies

(a) Capital commitments:

At March 31, 2012, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	The group and the company	
	2012	2011
	$'000	$'000
Commitments in respect of contracts placed	155,565	520,544

30. Commitments and contingencies (continued)

(b) Lease commitments:

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

	The group		The company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Within 1 year	341,733	458,187	325,087	441,541
From 1-2 years	299,733	346,364	288,962	329,718
From 2-3 years	273,160	305,435	270,715	294,665
From 3-4 years	261,370	281,047	261,370	278,602
From 4-5 years	204,960	269,592	204,960	269,592
Over 5 years	490,709	683,466	490,709	683,466
	1,871,665	2,344,091	1,841,803	2,297,584

Lease payments under these operating leases recognised in the income statement for the year aggregated approximately $384 million (2011: $417 million) for the group and $377 million (2011: $410 million) for the company.

(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. The trial commenced in November 2009 and has been part heard for the parties' submissions.

(ii) A suit has been brought against the company by Newgen Technologies Limited for US$13,011,873. The plaintiff is claiming that the company has abused its dominance in the market for fixed line termination services. An appearance was entered and defence was prepared and filed.

(iii) 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.

(iv) 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 the legal and other advice, management is of the view that no liability will materialise with regard to the issues mentioned.

31. Segment information

The group is an integrated telecommunications service provider offering mobile, fixed line, data and other services to residential and business customers. Fixed lines services include provision of land lines to facilitate local and international calls. Mobile services include postpaid and prepaid voice and data services, sales and service of handsets and value added services including LIME 3G. Broadband, data and other services consist of broadband (ADSL), Metro Ethernet (fiber service), frame and leased type services, hosting and storage services, as well as equipment sales and service.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the year ended March 31, 2012, can be found in the group income statement and related notes. There are no differences in the measurement of the reportable segment results and the group's results.

Details of the segment assets and liabilities for the year ended March 31, 2012 can be found in the group's statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the group's assets and liabilities.

Entity-wide disclosures:

The revenue for continuing operations from external customers can be analysed by product as follows:

	2012 $'000	2011 $'000
Mobile	4,590,567	4,478,384
Fixed line	9,582,212	10,239,135
Broadband, data & other	6,265,585	6,070,454
	20,438,364	20,787,973

Revenue for continuing operations from external customers is grouped according to where the telecommunications services were provided. All external customer revenue is derived from within Jamaica.

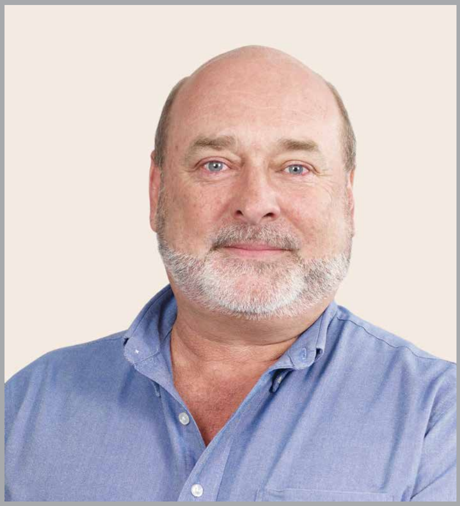
The group does not have any customers from which revenue exceeds 10% of group revenue.

32. Subsequent Event

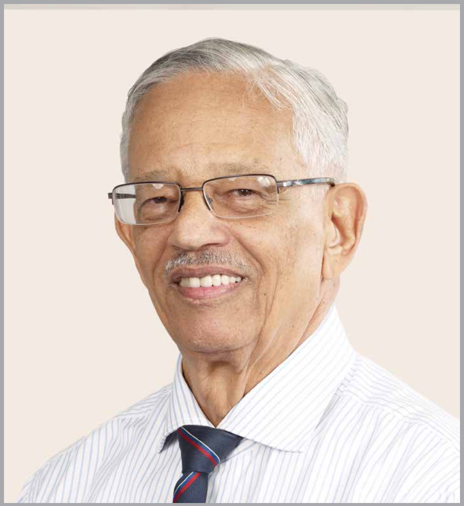
On May 4, 2012, amendments to the Telecommunications Act were passed in the Senate. The new framework created by this legislation will come into effect upon assent of the Governor General. The legislation, among other things, grants the Office of Utilities Regulations (OUR) power to set interim rates for wholesale and retail services but without retroactive effect. The updated terms of the Act pave the way for number portability, which will allow customers to move to any network while retaining their original number. The important matter of infrastructure sharing is also addressed by empowering the OUR to set infrastructure sharing rules. This means that operators can be mandated to share facilities such as cell sites towers, where the regulator considers that this is justified. The amended legislation will enable the telecommunications regulators to modernise the regulation of the telecoms industry, correct several anomalies, and create a level playing field for all service providers.

BOARD

Christopher Dehring
CHAIRMAN



Mark Kerr-Jarrett, J.P.
DIRECTOR



Hon. Patrick Rousseau, OJ
DIRECTOR

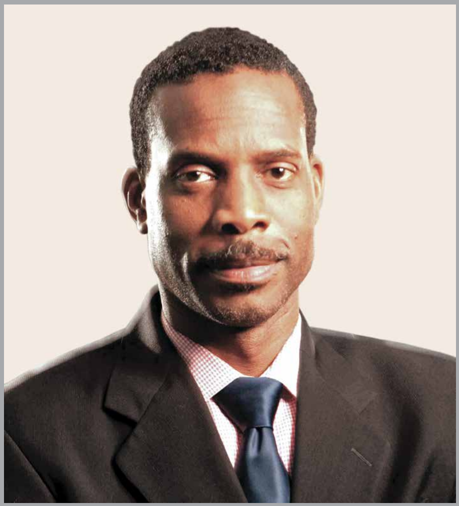
Chris Dehring was appointed Chairman of LIME Jamaica and Chief Marketing Officer of LIME Caribbean in November 2009. Prior to joining LIME he served as CEO of the ICC Cricket World Cup 2007, leading the team that staged the largest Pan Caribbean event ever held in the region. Chris is very well known in both local and regional financial communities as he was a founding partner and CEO of Dehring Bunting & Golding Ltd., one of the Caribbean's most successful investment banks. He also served as Chief Marketing Officer for the West Indies Cricket Board (WICB) and in that capacity he successfully restructured the organisation's global commercial operations, negotiating record multi-million dollar broadcast, sponsorship and licensing deals and growing revenues to support the development of regional cricket. A graduate of West Virginia Wesleyan College with a BSc. in Marketing and Economics, Chris was the recipient of the Wall Street Journal Student Achievement Award in Economics.

Mark Kerr-Jarrett 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 Board of the Greater Montego Bay Re-Development Company Limited. He is also Chairman of 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, is a former President of the Montego Bay Chamber of Commerce and a former director of Guardian Asset Management (Jamaica) Ltd, as well as a Director of Trumpet Call Ministries International. Mr. Kerr-Jarrett is married with two children.

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 local boards including Desnoes & Geddes Limited, Life of Jamaica Limited, Carib Cement Company Limited, 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.

OF DIRECTORS

David Shaw
CEO, LIME CARIBBEAN



Garfield Sinclair
MANAGING DIRECTOR

Kamina Johnson Smith
COMPANY SECRETARY

David Shaw is the Chief Executive Officer of LIME Caribbean, having been appointed to that post on August 1, 2009. After studying communication and electronic engineering, David started his career as an engineer. From engineering he moved into various sales, commercial and market management roles, progressively garnering bigger portfolio responsibilities. Upon joining Energis, David was part of the Board that led its successful turnaround, resulting in its sale to Cable & Wireless. As the Chief Commercial Officer of Cable & Wireless Europe Asia and the United States of America (EAUS), he was accountable for worldwide sales, marketing, service and commercial activities. He was a key part of the Board that successfully led the first two phases of the EAUS turnaround. Having worked in the UK, United States of America, Europe, India and the Far East, David has gained extensive knowledge and experience in international commerce.

Garfield "Garry" Sinclair was appointed LIME's Managing Director for Jamaica & Cayman in October 2010, bringing to that position nearly 20 years of experience in business management. Prior to his appointment at LIME, he was one of the pioneering members of the team that established Dehring Bunting & Golding Limited (DB&G), one of the country's first investment banks. Garry worked with DB&G for more than 13 years and was eventually appointed President & Chief Operating Officer. A licensed CPA with the California Board of Accountancy, Garry holds a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from the Sloan School of Management at the Massachusetts Institute of Technology (MIT).

He currently serves as Chairman of the Jamaica Stock Exchange Pension Fund and Kingston Properties and is a Director of several other local organizations including Proven Investments Limited and Proven Wealth Limited.

Kamina Johnson Smith was appointed Company Secretary on March 1, 2011. She also serves as Secretary to the Company's five subsidiaries and the LIME Foundation. Kamina holds the position of Senior Legal & Regulatory Counsel, with responsibilities that include the BVI, Cayman Islands and the Turks and Caicos Islands. She is an attorney-at-law with more than 10 years at the Jamaican Bar who joined LIME in August 2001. Since then, she has supported all aspects of the business, including secondment to the Legal Department of (then) Cable & Wireless International in the UK, while she obtained her Master of Laws. Kamina is highly committed to public service and volunteerism and has successfully managed several projects of the LIME Foundation. She represents the company on the PSOJ's Corporate Governance Committee, has served as Director of the Factories Corporation of Jamaica and the Early Childhood Commission, and currently sits in the Upper House as an Opposition Senator.

Stockholdings

AS AT 31 MARCH 2012

10 LARGEST SHAREHOLDERS	Units
CWC CALA HOLDINGS LIMITED	13,285,777,982
KELFENORA LIMITED	504,523,212
LOJ PIF EQUITY FUND	185,202,894
CARL MARKS AND COMPANY INC.	156,889,759
TRADING A/C - NATIONAL INSURANCE FUND	96,273,768
CASA CORPORATION LTD	64,960,272
PETER FORDE	60,117,493
FORTRESS MUTUAL FUND LTD/ F.C.I.B C1191	52,925,499
MAYBERRY WEST INDIES LIMITED	51,172,318
MF&G TRUST & FINANCE LTD A/C #528	50,340,069
TOTAL	**14,508,183,266**

DIRECTORS

Directors	Units
Cocking, Andrew*	439,282
Dehring, Christopher*	1,034,826
Kerr-Jarrett, Mark	-
Rousseau, Patrick	100,000
Shaw, David	-
Sinclair, Garfield*	4,021,000

SENIOR MANAGEMENT

Senior Managers	Units
Cameron, Rochelle	-
Dehiri, Sunny	-
Gabbidon, Edward*	17,412
Ellis-Duncan Nicola	-
Johnson Smith, Kamina	-
Naar, Norman	-
Mollison, Howard	-
Nelson, Derrick	-
Price, Stephen*	139,596
Silvera, Grace	-
Taylor, Camille	-

***Includes stockholdings of connected parties**

Company Information

EXECUTIVE MANAGEMENT TEAM:

Garfield Sinclair
Managing Director, Jamaica & Cayman

Sunny Dehiri
Chief Financial Officer - Jamaica & Cayman

Edward Gabbidon
Vice President, Corporate & SME Sales

Howard Mollison
Vice President, Service Support & Delivery

Norman Naar
Head of Government & Enterprise Sales, Jamaica

Stephen Price
Head of Retail

REGIONAL LIME EXECUTIVES ASSIGNED TO JAMAICA

Rochelle Cameron
Head of Legal & Regulatory - North

Nicola Ellis-Duncan
Head of Human Resources - Jamaica

Derrick Nelson
Vice-President, Carriers & Service Providers

Grace Silvera
Regional Vice President Marketing & Corporate Communications

Registered Office
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Kingston 10, Jamaica
Telephone: 926-9700
Fax: 968-9696
website: www.time4lime.com

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Scotia Bank Centre
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Auditors
KPMG
6 Duke Street
Kingston, Jamaica

Bankers
The Bank of Nova Scotia Ja. Ltd.
National Commercial Bank Ja. Ltd.
Citibank N. A.
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LIME