

Cable & Wireless Jamaica Limited
Unaudited Condensed Consolidated Interim Financial Statements
For the Quarter ended September 30, 2014

The Board of Directors of Cable & Wireless Jamaica Limited (the Company) hereby release the unaudited consolidated results of the Company, Jamaica Digiport International Limited (JDI), Digital Media & Entertainment Limited (DM&E) and other subsidiaries, (collectively referred to as "CWJ"), for the second quarter ended September 30, 2014.

Q2 Financial Summary:

For the second quarter, the Company is reporting revenues of J\$5,088m, operating profit of J\$403m and a net loss for the quarter of J\$612m.

Q2 Highlights -compared to Q2 prior year:

- Total revenue up 15%
- Mobile subscriber base up 12%
- Mobile revenue up 42%
- Broadband subscriber base up 13%
- Broadband revenue up 4%
- EBITDA up 95%

Garfield Sinclair, CEO of Cable & Wireless Jamaica Limited, commenting on the year to date results, said:

"Our results for the half year ended September 30, 2014 continue the improving trend of both financial and customer service performance across virtually all lines of business. Our mobile business, experienced a 12% increase in our active subscriber base leading to a 38% increase in mobile revenue over the prior half year result. The quarterly result showed an even better 42% increase in revenue over the similar prior year quarter, which reflects the increasing pace of mobile data adoption due to the success of the very affordable Huawei Y330 data handsets, wider Superfast 4G HSPA+ coverage and vastly improved average revenues per pre-paid subscriber.

"Our Fixed Voice market share increased by nearly 3% for the six month period, compared to the prior year's comparative period, resulting in an overall 5% increase in combined National and International gross margins, while our flagship Browse & Talk product continued to drive double digit percentage increases in both broadband revenues and our subscriber base over the prior year. Our ambition to provide Internet access to Jamaicans everywhere, all the time is underscored by our US\$20M investment to be completed during this fiscal year.

"Corporate and Enterprise revenues and margins remained flat for the six month period, compared to the prior year's comparative period, as we transitioned customers from our legacy data services to our more modern MPLS and Direct Internet Access solutions at more competitive prices. We remain market leaders to our Corporate, Government and Enterprise customers and we intend to continue leveraging our superior national and international data networks along with our position as trusted advisors to find solutions that make them and their customers more efficient.

"Our financial performance as reflected by a 207% increase in EBITDA for the six month period, compared to the prior year's comparative period, shows what steady application of a simple but powerful transformation strategy can yield. We intend to continue our focus on delighting customers, improving our mobile and broadband networks and challenging our colleagues to be even more efficient than they have been in the past. This we believe is the right recipe for continued success in this challenging environment. "

Second Quarter Financial and Operating Results- compared to prior year's second quarter:

Overall revenues increased quarter on quarter by 15% influenced by several factors including growth of Mobile subscribers by 12% in turn driving mobile revenue growth of 42% quarter on quarter. The Broadband segment also experienced revenue growth of 4% compared to prior quarter. This was offset by a decline in our fixed line business as a result of reduction in our Fixed to Mobile retail rates.

Overall **Gross Margin** improved by 16% due to the growth in our mobile and broadband subscriber base.

Total Operating expenses increased by 2% quarter on quarter mainly due to the increase in administration, marketing and selling expense. Advertising and marketing activities were geared towards driving sales on our MVP Data, XL and Talk EZ value plans. This increase was offset by cost containment measures launched in the previous fiscal year.

Investment in the renewal of spectrum licenses and programmed capital expenditure has resulted in additional **financing expenses** from related party loans relative to the prior period.

The **net loss attributable to shareholders** for the period was reduced to J\$612m.

Digicel (Jamaica) Limited litigation

Following a recent Supreme Court judgment on certain consolidated claims brought by Digicel related to interconnection charges between the two companies, LIME is pleased that it was successful in its defence related to the major portion of the sum claimed by Digicel in both actions. Both parties have filed appeals with the Court of Appeal of Jamaica.

Proposed Agreement to Merge Cable and Wireless Communications (CWC) and Columbus International Inc.

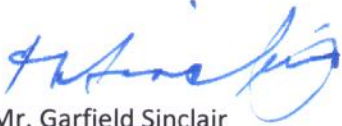
Cable and Wireless Communications Plc (CWC) announced on November 6, 2014, that it has reached a conditional agreement to acquire Columbus International Inc. The proposed acquisition, valued at US\$3.025bn will enable the combined company to significantly accelerate their growth strategy, improve service delivery to customers in the region, offer customers a comprehensive portfolio of high-quality products and services, and strengthen their position against larger competitors. The increased scale and capabilities of the combined company will provide the technical platform and financial capacity to help enable CWC to drive greater innovation and expand its geographic footprint.

Columbus International Inc. is a privately held diversified telecommunications company based in Barbados. The Company provides digital cable television, broadband Internet and digital landline telephony in Trinidad, Jamaica, Barbados, Grenada, St. Vincent & the Grenadines, St. Lucia and Curacao under the brand name Flow and in Antigua under the brand name Karib Cable. Columbus also provides next generation connectivity and IT solutions, managed networking and cloud-based services under the brand Columbus Business Solutions. Through its subsidiary, Columbus Networks, the Company provides capacity and IP services, corporate data solutions and data centre hosting throughout 42 countries in the greater Caribbean, Central American and Andean region. Through its fully protected, ringed submarine fibre optic network spanning more than 42,300 km and its 38,000 km terrestrial fibre and coaxial network, Columbus' 3,150 plus professionals provide advanced telecom services to a diverse residential and corporate client base of over 700,000 customers.

Closing of the transaction is conditional upon the satisfaction of certain conditions precedent specified in the transaction documents.

We would like to take the opportunity to thank all our customers and other stakeholders for their unwavering support and confidence in our Company. We also thank our directors, management and colleagues for their continued dedication and commitment.

On behalf of the Board



Mr. Garfield Sinclair
Director



Dr. Carolyn Hayle
Director

Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Income Statement
For the period ended September 30, 2014

	3 months to Sept 30, 2014 \$m	3 months to Sept 30, 2013 \$m	6 months to Sept 30, 2014 \$m	6 months to Sept 30, 2013 \$m
Revenue	5,088	4,438	9,900	8,786
Operating costs before depreciation and amortisation	(4,181)	(3,973)	(8,245)	(8,247)
Depreciation	(342)	(326)	(680)	(660)
Amortisation	(162)	(96)	(330)	(199)
Gain on disposal	-	-	-	-
Other operating income	-	11	-	141
Operating profit/(loss) before exceptional items	403	54	645	(179)
Operating exceptional items	-	-	-	(5)
Operating profit/(loss) after exceptional items	403	54	645	(184)
Finance income	18	19	35	41
Finance expense	(1,020)	(658)	(1,982)	(1,249)
Loss before income tax	(599)	(585)	(1,302)	(1,392)
Income tax expense	(13)	(19)	(22)	(38)
Loss for the period	(612)	(604)	(1,324)	(1,430)
Loss per share (cents per share)	(3.6)	(3.6)	(7.9)	(8.5)
Reconciliation of Operating Profit to EBITDA				
Operating profit/(loss) before exceptional items	403	54	645	(179)
Add back: Depreciation and amortisation	504	422	1,010	859
Less: Gain on disposals and other operating income	-	(11)	-	(141)
EBITDA	907	465	1,655	539

The notes on pages 7 to 9 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Statement of Comprehensive Income
For the period ended September 30, 2014

	3 months to Sept 30, 2014 \$m	3 months to Sept 30, 2013 \$m	6 months to Sept 30, 2014 \$m	6 months to Sept 30, 2013 \$m
Loss for the period	(612)	(604)	(1,324)	(1,430)
Other comprehensive (loss)/income for the period comprised:				
Items that will not be reclassified to profit or loss:				
Actuarial losses in the value of defined benefit retirement plans	-	(20)	-	(20)
Exchange differences on translation of foreign operations	32	15	46	48
Other comprehensive income/(loss) for the period	32	(5)	46	28
Total comprehensive loss for the period	(580)	(609)	(1,278)	(1,402)

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Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Statement of Financial Position
As at September 30, 2014

	Sept 30, 2014	March 31, 2014	Sept 30, 2013
	Sm	Sm	Sm
Assets			
Non-current assets			
Intangible assets	978	1,104	659
Property, plant and equipment	12,294	10,905	9,990
Loan receivable	724	724	724
Prepayments	1,534	1,534	595
Retirement benefits assets	2,120	2,088	2,770
	17,650	16,355	14,738
Current assets			
Trade and other receivables	8,124	6,361	7,469
Inventories	425	316	332
Cash and cash equivalents	435	504	644
Deferred expenditure	91	76	29
	9,075	7,257	8,474
Total assets	26,725	23,612	23,212
Liabilities			
Current liabilities			
Trade and other payables	8,103	9,681	7,722
Borrowings	231	415	63
Provisions	288	794	275
	8,622	10,890	8,060
Non-current liabilities			
Deferred income	213	223	234
Borrowings	301	308	291
Provisions	1,314	1,254	1,214
Due to related parties	41,379	34,763	34,499
	43,207	36,548	36,238
Net liabilities	(25,104)	(23,826)	(21,086)
Equity			
Capital and reserves attributable to the stockholders			
Share capital	16,817	16,817	16,817
Reserves	(41,921)	(40,643)	(37,903)
Total equity	(25,104)	(23,826)	(21,086)

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Mr. Garfield Sinclair
 Director


Dr. Carolyn Hayle
 Director

Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Statement of Changes in Equity
For the six months ended September 30, 2014

	Share Capital \$m	Foreign currency translation \$m	Share-based payment reserve \$m	Employee benefits reserve \$m	Accumulated deficit \$m	Total equity \$m
Balance at April 1, 2013	16,817	367	21	1,833	(38,722)	(19,684)
Loss for the period	-	-	-	-	(1,430)	(1,430)
Net actuarial loss recognised	-	-	-	-	(20)	(20)
Exchange differences on translation of foreign operations	-	48	-	-	-	48
Total comprehensive income/(loss) for the period	-	48	-	-	(1,450)	(1,402)
Balances at September 30, 2013	16,817	415	21	1,833	(40,172)	(21,086)
Balances at April 1, 2014	16,817	477	21	1,392	(42,533)	(23,826)
Loss for the period	-	-	-	-	(1,324)	(1,324)
Exchange differences on translation of foreign operations	-	46	-	-	-	46
Total comprehensive income/(loss) for the period	-	46	-	-	(1,324)	(1,278)
Balances at September 30, 2014	16,817	523	21	1,392	(43,857)	(25,104)

Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Statement of Cash Flows
For the six months ended September 30, 2014

	Sept 30, 2014 \$m	Sept 30, 2013 \$m
Loss for the period	(1,324)	(1,430)
Adjustments for:		
Tax expense	22	38
Depreciation	680	660
Amortisation	330	199
Unrealised translation losses on loan	14	10
Gain on disposal of property, plant and equipment	-	(131)
Interest income	(35)	(41)
Interest expense	1,968	1,235
Site restoration provision	49	299
Employee benefits	(32)	(40)
Operating cash flows before working capital changes	1,672	799
Changes in working capital		
(Decrease) in provisions	(446)	(2,457)
(Increase) in inventories	(109)	(123)
(Increase) in trade and other receivables	(1,192)	(2,561)
(Increase)/Decrease in related companies' balances	(2,040)	84
(Decrease)/Increase in trade and other payables	(259)	458
Cash used in operations	(2,374)	(3,800)

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Cable & Wireless Jamaica Limited
Condensed Consolidated Interim Statement of Cash Flows
For the six months ended September 30, 2014

	Sept 30, 2014 \$m	Sept 30, 2013 \$m
Cash flows from operating activities		
Cash used in operations	(2,374)	(3,800)
Income taxes paid	(73)	(40)
Net cash used in operating activities	(2,447)	(3,840)
Cash flows from investing activities		
Finance income	35	41
Proceeds on disposal of property, plant and equipment	700	284
Deferred income	(10)	(10)
Purchase of property, plant and equipment	(2,850)	(573)
Proceeds from finance leases	-	24
Net cash used in investing activities	(2,125)	(234)
Net cash flow before financing activities	(4,572)	(4,074)
Cash flows from financing activities		
(Payments)/proceeds from borrowings	(191)	3
Interest costs	(1,968)	(1,235)
Due to related parties	6,616	5,097
Net cash from financing activities	4,457	3,865
Net (decrease) in cash and cash equivalents	(115)	(209)
Cash and cash equivalents at beginning of period	504	761
Exchange losses on cash and cash equivalents	46	49
CASH AND CASH EQUIVALENTS AT END OF PERIOD	435	601
Cash and cash equivalents		
Comprise of:		
Cash and cash equivalents	435	644
Borrowings - bank overdraft	-	(43)
	435	601

The notes on pages 7 to 9 are an integral part of these condensed consolidated interim financial statements.

Cable & Wireless Jamaica Limited
Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2014

1. Reporting entity

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 condensed consolidated interim financial statements of Cable & Wireless Jamaica Limited as at and for the six months ended ended September 30, 2014 comprises the Company and its subsidiaries (together referred to as “the Group”). The consolidated financial statements of the Group as at and for the year ended March 31, 2014 are available upon request from the Company’s registered office.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended March 31, 2014.

3. Basis of preparation

These condensed consolidated interim financial statements are presented in Jamaica dollars (J\$), which is the functional currency of the Company.

4. Significant accounting policies and principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at, and for the year ended March 31, 2014, with the exception of new and revised accounting standards and interpretations effective from April 1, 2014 and the specific requirements of IAS 34, *Interim Financial Reporting*.

Income tax expense in the interim period is based on our best estimate of the weighted average annual income tax rate expected for the full financial year.

(a) Seasonality and cyclicity

There is no significant seasonality or cyclicity affecting the interim results of the operations.

(b) Use of estimates and judgements

The preparation of the financial statements to conform to International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expense for the period 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 were the same as those that applied to the consolidated financial statements as at and for the year ended March 31, 2014.

(c) 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.

Cable & Wireless Jamaica Limited
Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2014

4. Provisions (continued)

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.

Site restoration:

The Group has contractual obligations to dismantle and restore leased 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 to adjust for the risks specific to the obligation.

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

(d) Employee benefits

Employee benefits, comprising pensions and other post-employment assets and obligations included in these interim 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 at year end, and the financial statements reflect the Company's post-employment benefits, assets and obligations as computed by the actuary.

5. Related parties

The nature of the related party transactions of the Group has not changed from those described in the Group's consolidated financial statements for the year ended March 31, 2014. The balances due to related parties are as outlined below:

Due to related parties:	Sept 30, 2014	March 31, 2014	Sept 30, 2013
	\$m	\$m	\$m
Cable & Wireless Jamaica Finance (Cayman) Limited			
Principal	36,282	31,604	32,049
Accrued interest	1,718	3,159	1,130
	38,000	34,763	33,179

This represents the amount drawn on a \$35 billion revolving facility with Cable & Wireless Jamaica Finance (Cayman) Limited. The loan has no fixed repayment term. 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'). The interest rate is reviewed semi-annually on May 11 and November 11. The rate is currently 10.02853% per annum.

Cable & Wireless Jamaica Limited
Notes to the Condensed Consolidated Interim Financial Statements
September 30, 2014

6. Operating costs

Detailed below are the key expense items charged in arriving at our operating profit. Outpayments are paid to other operators when our customers call customers connected to a different network. Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

	6 months to Sept 30, 2014			6 months to Sept 30, 2013		
	Pre - exceptional \$m	Exceptional items \$m	Total \$m	Pre - exceptional \$m	Exceptional items \$m	Total \$m
Outpayments and direct costs	2,795	-	2,795	2,856	-	2,856
Employee and other staff expenses	1,543	-	1,543	1,888	5	1,893
Administrative, marketing and selling expenses	3,907	-	3,907	3,503	-	3,503
Operating costs before depreciation and amortisation	8,245	-	8,245	8,247	5	8,252
Depreciation of property, plant and equipment	680	-	680	660	-	660
Amortisation of intangible assets	330	-	330	199	-	199
Operating costs	9,255	-	9,255	9,106	5	9,111

7. Loss per stock unit

The calculation of loss per stock unit is based on 16,817,439,740 (March 31, 2014 and September 30, 2013: 16,817,439,740) issued and fully paid ordinary stock units.

8. Subsequent events

Cable and Wireless Communications Plc (CWC) announced on November 6, 2014, that it has reached a conditional agreement to acquire Columbus International Inc. The proposed acquisition, valued at US\$3.025bn will enable the combined company to significantly accelerate their growth strategy, improve service delivery to customers in the region, offer customers a comprehensive portfolio of high-quality products and services, and strengthen their position against larger competitors. The increased scale and capabilities of the combined company will provide the technical platform and financial capacity to help enable CWC to drive greater innovation and expand its geographic footprint.

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