

Cable & Wireless Jamaica Limited
Unaudited Condensed Consolidated Interim Financial Information
For The Three Months Ended March 31, 2017

Kingston, Jamaica, April 10, 2017, The Board of Directors of Cable & Wireless Jamaica Limited (the "Company") hereby releases the unaudited condensed consolidated interim results of the Company, Jamaica Digiport International Limited, Digital Media & Entertainment Limited and other subsidiaries (collectively referred to as the "Group"), for the three months ended March 31, 2017.

Operating and financial highlights - compared to prior year:

- Total revenue up 10%
- Mobile subscriber base up 8%
- Mobile revenue up 17%
- Broadband revenue up 2%

Garfield Sinclair, CEO of Cable & Wireless Jamaica Limited, commenting on the results for the period, said:

"I'm pleased to report on the three months ended March 31, 2017. Revenues were up 10% year-on-year, primarily driven by 17% growth in Mobile revenues. Mobile revenues for the period comprised 53% of total revenues, up from 49% and 39% for the same periods in 2016 and 2015, respectively. This growth in our Mobile business both in revenues and revenue share reflects the continuing customer migration from Fixed to Mobile voice and data services, further evidenced by our 8% year-on-year increase in total Mobile subscribers; a 19% year-on-year increase in Mobile data subscribers; and a 39% year-on-year increase in Mobile data revenues. Our compelling Mobile voice and data propositions continue to yield year-over-year market share gains in both subscribers and value.

Broadband revenues increased by 2%, as we continued our positive churn reduction performance compared to the prior year with churn moving from 1.7% to 1.5% for the quarter. Our Fixed Voice service yielded flat year-over-year results with our International business up 63% and the structurally declining National business down 19%. Our highly successful broadband expansion program that will see an additional 220 communities across 13 parishes or approximately 60,000 homes benefitting from access to high speed internet capacity and ultimately IPTV continues to deliver subscriber growth.

The C&W Business ("B2B") segment had a flat revenue performance compared to the comparative prior year period despite continued growth in data transport services. This performance was impacted by a slower order period right after the Christmas holiday break. However, the transition away from non-recurring equipment sales revenue to a more managed services monthly recurring revenue model, continued to yield much lower churn and sets up the unit for strong future revenue growth.

Our operating model continues to demonstrate great resilience, thanks to our dedicated staff, loyal customer base and our simplified suite of value-packed products and services. We appreciate the support we continue to receive from all of our stakeholders as we focus on providing customers with the best value for money; our employees the best place to work; and our country with the best infrastructure in the region".

Financial and Operating Results - compared to the prior year:

Revenues increased by J\$564m or 10% year-on-year, primarily driven by 8% growth in Mobile subscribers, which in turn drove Mobile revenue growth of 17%.

Operating Costs before Depreciation and Amortisation increased by J\$1,190m or 36% year-on-year, largely due to a 46% increase in outpayments and direct costs and a 30% net increase in employee, administration, marketing and selling expenses, driven by higher management and royalty fees.

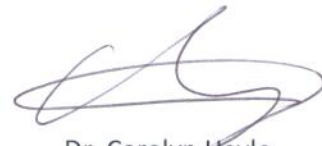
Operating Profit decreased by J\$1,682m or 66% year-on-year, primarily due to the reversal in the prior year 2015/16 impairment charge of \$3,404m. The rationale for the reversal of this prior year charge is due to a change in strategy to continue to utilize the existing Company assets over an extended period rather than booking an impairment charge. Management has decided due to the assets future economic value to the Company to accelerate the depreciation of the Network assets over a 4 year period.

The **net loss attributable to shareholders** for the period was J\$533m.

On behalf of the Board



Mr. John L. M. Bell
Director



Dr. Carolyn Hayle
Director

Cable & Wireless Jamaica Limited
Condensed consolidated interim income statement
For the period ended March 31, 2017

	Notes	Unaudited	
		Three months ended March 31, 2017 \$m	Three months ended March 31, 2016 \$m
Revenue		6,375	5,811
Operating costs before depreciation and amortisation	6	(4,504)	(3,314)
Depreciation		(730)	(1,247)
Amortisation		(265)	(333)
Impairment reversal, restructuring and other operating items, net		3	1,644
Operating profit		879	2,561
Finance income		15	94
Finance expense		(1,315)	(838)
(Loss)/profit before income tax		(421)	1,817
Income tax expense		(112)	(8)
(Loss)/profit for the period		(533)	1,809
(Loss)/earnings per stock unit (cents per stock unit)	7	(3.2)	10.8

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 loss
For the period ended March 31, 2017

	Unaudited	
	Three months ended March 31, 2017 \$m	Three months ended March 31, 2016 \$m
(Loss)/profit for the period	(533)	1,809
Other comprehensive (loss)/income for the period:		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(5)	14
Total comprehensive (loss)/income for the period	(538)	1,823

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 financial position
As at March 31, 2017

	Notes	Unaudited March 31, 2017 \$m	Audited December 31, 2016 \$m
Assets			
Non-current assets			
Intangible assets		5,376	5,614
Property, plant and equipment		19,930	20,086
Other receivables		1,168	1,518
Retirement benefits assets		2,159	2,106
		28,633	29,324
Current assets			
Trade and other receivables	5	8,076	7,700
Inventories		669	645
Cash and cash equivalents		473	1,451
		9,218	9,796
Total assets		37,851	39,120
Liabilities			
Current liabilities			
Trade and other payables	5	7,493	8,832
Current portion of long term liabilities		327	512
		7,820	9,344
Non-current liabilities			
Trade and other payables		200	196
Long term liabilities		2,335	2,587
Provisions		1,567	1,533
Due to related parties	5	56,357	55,350
		60,459	59,666
Net liabilities		(30,428)	(29,890)
Capital and reserves attributable to the stockholders			
Share capital		16,817	16,817
Reserves		(47,245)	(46,707)
Net deficit		(30,428)	(29,890)

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


Mr. John Bell
Director


Dr. Carolyn Hayle
Director

Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of changes in equity
For the period ended March 31, 2017

	Share capital \$m	Foreign currency translation \$m	Share-based payment reserve \$m	Employee benefits reserve \$m	Accumulated deficit \$m	Net deficit \$m
Balances at December 31, 2015	16,817	583	21	1,242	(52,033)	(33,370)
Profit for the period	-	-	-	-	1,809	1,809
Net actuarial gains recognised	-	-	-	-	3,409	3,409
Exchange differences on translation of foreign operations	-	14	-	-	-	14
Total comprehensive income for the period	-	14	-	-	5,218	5,232
Transfers to accumulated deficit	-	-	-	1,044	(1,044)	-
Balances at March 31, 2016	16,817	597	21	2,286	(47,859)	(28,138)
Balance at December 31, 2016	16,817	675	21	1,404	(48,807)	(29,890)
Loss for the period	-	-	-	-	(533)	(533)
Exchange differences on translation of foreign operations	-	(5)	-	-	-	(5)
Total comprehensive loss for the period	-	(5)	-	-	(533)	(538)
Balances at March 31, 2017	16,817	670	21	1,404	(49,340)	(30,428)

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 cash flows
For the period ended March 31, 2017

	Unaudited	
	Three months ended March 31, 2017 \$m	Three months ended March 31, 2016 \$m
(Loss)/profit for the period	(533)	1,809
Adjustments for:		
Tax expense	112	8
Depreciation	730	1,247
Amortisation	265	333
Impairment reversal on property, plant and equipment	-	(3,404)
Pension refund	-	1,889
Gain on disposal of property, plant and equipment	(3)	(6)
Finance income	(15)	(94)
Finance expense	1,281	838
Site restoration provision	34	(31)
Employee benefits	(48)	(25)
Operating cash flows before working capital changes	1,823	2,564
Changes in working capital		
Increase/(decrease) in provisions	34	(807)
Increase in inventories	(24)	(123)
(Increase)/decrease in trade and other receivables	(965)	2,963
(Increase)/decrease in related parties' balances	(698)	173
Decrease in trade and other payables	(48)	(3,831)
Cash generated from operations	122	939

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Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of cash flows
For the period ended March 31, 2017

	Unaudited	
	Three months ended March 31, 2017	Three months ended March 31, 2016
	\$m	\$m
Net cash generated from operations	122	939
Cash flows from investing activities		
Finance income	15	94
Deferred income	(1,026)	803
Proceeds from sale of property, plant and equipment	3	-
Purchase of licence	-	1,253
Purchase of property, plant and equipment	(600)	(2,959)
Net cash used in investing activities	(1,608)	(809)
Net cash flow before financing activities	(1,486)	130
Cash flows from financing activities		
Borrowings, net	451	124
Finance costs	(950)	(1,127)
Due to related parties	1,007	869
Net cash from/(used in) financing activities	508	(134)
Net decrease in cash and cash equivalents	(978)	(4)
Cash and cash equivalents at beginning of period	1,451	485
Cash and cash equivalents at end of period	473	481

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
For the period ended March 31, 2017

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 three months ended March 31, 2017 comprise those of the Company and its subsidiaries (together referred to as the “Group”). The consolidated financial statements of the Group as at, and for the period ended December 31, 2016 are available upon request from the Company’s registered office.

2. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). They do not include all of the information required for complete annual financial statements. The interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the period ended December 31, 2016, which were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. 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.

Statutory accounts for the period ended December 31, 2016 have been reported on by the Group’s auditors.

The Directors have made an assessment of the Group’s ability to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Unless otherwise stated, all figures are reported in Jamaica dollars (\$) and are rounded to the nearest million.

3. 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 for the period ended December 31, 2016. On January 1, 2017, the Group adopted certain new and revised accounting standards and interpretations as detailed in the consolidated financial statements for the period ended December 31, 2016 to comply with the specific requirements of IFRS. None of these had a material impact on the Group’s consolidated results, financial position or cash flows.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
For the period ended March 31, 2017

4. Critical accounting estimates and judgements

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended December 31, 2016.

Certain prior period amounts have been reclassified to conform to the current period presentation.

5. Related party transactions

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 period ended December 31, 2016. The balances due from and to related parties are as outlined below:

	Unaudited March 31, 2017 \$m	Audited December 31, 2016 \$m
Trade and other receivables:		
Due from related parties	2,893	3,482
Trade and other payables:		
Due to related parties	247	1,534
Cable & Wireless Jamaica Finance (Cayman) Limited		
<i>Long term</i>		
Principal	55,760	51,924
Accrued interest	597	3,426
	56,357	55,350

The amount due from related parties relate to non-interest bearing receivables from other subsidiaries of CWC Group and our affiliates.

The amount due to related parties represents balances with other CWC Group companies, principally for telecommunications traffic and services provided under a Support Services Agreement.

The amount due to Cable & Wireless Jamaica Finance (Cayman) Limited represents the amount drawn down on a long-term revolving facility, with a credit limit of \$60 billion. The loan has no fixed repayment term. Interest is charged at 279 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 was 8.61844% per annum as at March 31, 2017.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
For the period ended March 31, 2017

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 other networks. Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

	Unaudited	
	Three months ended March 31, 2017	Three months ended March 31, 2016
	\$m	\$m
Outpayments and direct costs	1,812	1,240
Employee and other staff expenses	312	593
Administrative, marketing and selling expenses	2,380	1,481
Operating costs before depreciation and amortisation	4,504	3,314
Depreciation of property, plant and equipment	730	1,247
Amortisation of intangible assets	265	333
Operating costs	5,499	4,894

7. Loss per stock unit

The calculation of loss per stock unit is based on 16,817,439,740 (March 31, 2016: 16,817,439,740) issued and fully paid ordinary stock units.

CABLE AND WIRELESS JAMAICA LIMITED
QUARTERLY REPORT
AS AT 31 MARCH 2017

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% HOLDING
CWC CALA HOLDINGS LIMITED	12,971,777,982	77.13
KELFENORA LIMITED	818,523,212	4.87
CARL MARKS AND COMPANY INC.	156,889,759	0.93
SAGICOR POOLED EQUITY FUND	131,923,428	0.78
TRADING A/C - NATIONAL INSURANCE FUND	96,273,768	0.57
MAYBERRY WEST INDIES LIMITED	94,800,880	0.56
JCS D TRUSTEE SERVICES LTD.-SIGMA OPTIMA	84,527,398	0.50
AUSTIN BROWN/SHERON DIXON-BROWN	68,334,220	0.41
PETER FORDE/PATRICIA FORDE	60,117,493	0.36
URSUS CORPORATION LTD	50,000,000	0.30
TOTAL	14,533,168,140	86.12

DIRECTORS' HOLDINGS

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BELL, JOHN	Nil		
HAYLE, CAROLYN	37,005		
KERR-JARRETT, MARK NEWTON	Nil		
SINCLAIR, GARFIELD HUGH	Nil	PLATOON LIMITED	4,021,000

SENIOR MANAGEMENT HOLDINGS

SENIOR MANAGERS AND CONNECTED PARTIES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BROWN, WALTER	2,174		
CAMERON, ROCHELLE CHERISA BUNMI	39,800		
CLEVERLY, IAN	Nil		
HARRIOTT, SUZETTE	Nil		
PAUL, RAJESH	Nil	RAJESH PAUL/ RIMJHIM PAUL	4,113,392
PRICE, STEPHEN PATRICK DAVID	Nil	STEPHEN PATRICK PRICE/GRACE IMANI DUNCAN	139,596
REDWOOD, CARLO	Nil		
THOMPSON, RONNIE	2,174		
WALLACE, KAYON	Nil		
WHITE, DONOVAN	Nil		
TOTAL NUMBER OF SHAREHOLDERS - 24,237			