

Cable & Wireless Jamaica Limited
Unaudited Condensed Consolidated Interim Financial Information
For The Six Months Ended June 30, 2017

Kingston, Jamaica, August 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, the "Group") for the six months ended June 30, 2017.

Operating and financial highlights - compared to prior year comparative period:

- Total revenue up 11%
- Mobile subscriber base up 5%
- Mobile revenue up 22% on a rebased basis
- Broadband revenues up 5%

Stephen Price, Managing Director of Cable & Wireless Jamaica Limited, commenting on the results for the period, said:

"The results for the six months ended June 30, 2017 recorded an improved performance on overall revenues. Compared to the same period last year, revenues grew by 11%, driven by the increase in Mobile revenues by 22% year-on-year on a rebased basis. As more subscribers join our wireless network, we continue to satisfy their demand for Mobile data. Year-on-year, our Mobile subscriber base has increased 5% and our Mobile data subscriber base is up 13%, which in turn has resulted in an increase in our share of the Mobile market. Mobile data adoption is on the rise and consumption patterns are changing, as such our aim is to give customers the control they want, to consume data in whatever forms they choose. We are able to offer flexibility and value through our custom-packages, and in ensuring our customers' satisfaction, we continue to benchmark our service against international standards.

Broadband revenues grew by 5% year-on-year as our effort to expand into rural Jamaica continued. Our Broadband expansion into rural Jamaica utilizing the existing the copper network will see an additional 70,000 homes benefitting from access to high speed internet as we provision our ports for multiple services. Through Broadband expansion, we have been able to stem the rate of decline in our National Fixed Voice business.

The C&W Business ("B2B") segment recorded a 9% increase in revenues when matched to the comparative period in the prior year. The expanding Small Medium Enterprise (SME) sector continue to drive this uptick in our revenues as we are now able to expand our coverage and reach through Authorized Third-Party Sellers. Through our recently launched Partner Channel, more SMEs across the island can now conveniently access our business suite of services through a number of locations islandwide.

Without our dedicated staff, loyal customer base and a value-rich portfolio of products and services, this mid-year performance would not have been possible. A heart-felt thank you to all. We remain committed to responding to the needs of all our stakeholders through our approach of collaborative leadership".

Financial and Operating Results - compared to the prior year:

Revenues increased by J\$1,359m or 11% year-on-year, primarily driven by Mobile revenue growth of 22% on a rebased basis due to a 5% increase in Mobile subscribers.

Operating Costs before Depreciation and Amortisation increased by J\$926m or 12% year-on-year, largely due to a 17% increase in outpayments and direct costs, primarily due to an increase in interconnect costs associated, in part, with an increase in mobile and international fixed line activity and a 9% net increase in employee, administration, marketing and selling expenses, driven by higher management and royalty fees.

Operating Profit decreased by J\$748m or 23% year-on-year, primarily due to the net effect of (i) the prior period reversal of an impairment charge of J\$3,404m, due to a change in strategy related to the utilization of the assets that were originally impaired, (ii) the increase in revenue and (iii) the increase in operating costs.

Loss for the period was J\$311m, compared to earnings of J\$1,114m for the period ended June 30, 2016. However, profit for the three months ended June 30, 2017 was J\$222m, compared to a loss of J\$695m for the three months ended June 30, 2016.

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 June 30, 2017

	Notes	Unaudited		Unaudited	
		Three months ended June 30, 2017 \$m	Three months ended June 30, 2016 \$m	Six months ended June 30, 2017 \$m	Six months ended June 30, 2016 \$m
Revenue		6,838	6,043	13,213	11,854
Operating costs before depreciation and amortisation	6	(4,242)	(4,506)	(8,746)	(7,820)
Depreciation		(739)	(637)	(1,469)	(1,884)
Amortisation		(247)	(267)	(512)	(600)
Impairment reversal, restructuring and other operating items, net		(19)	24	(16)	1,668
Operating profit		1,591	657	2,470	3,218
Finance income		13	16	28	110
Finance expense		(1,381)	(1,359)	(2,696)	(2,197)
(Loss)/profit before income tax		222	(686)	(199)	1,131
Income tax expense		-	(9)	(112)	(17)
(Loss)/profit for the period		222	(695)	(311)	1,114
(Loss)/earnings per stock unit (cents per stock unit)	7	1.3	(4.1)	(1.8)	6.6

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)/income
 For the period ended June 30, 2017

	Unaudited		Unaudited	
	Three months ended June 30, 2017 Sm	Three months ended June 30, 2016 Sm	Six months ended June 30, 2017 Sm	Six months ended June 30, 2016 Sm
(Loss)/profit for the period	222	(695)	(311)	1,114
Other comprehensive (loss)/income for the period:				
Items that will not be reclassified to profit or loss:				
Net actuarial gains recognised	-	3,409	-	3,409
Exchange differences on translation of foreign operations	(19)	12	(7)	26
Total comprehensive (loss)/income for the period	203	2,726	(318)	4,549

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 June 30, 2017

	Notes	Unaudited June 30, 2017 \$m	Audited December 31, 2016 \$m
Assets			
Non-current assets			
Intangible assets		5,208	5,614
Property, plant and equipment		20,859	20,086
Other receivables		1,507	1,518
Retirement benefits assets		2,211	2,106
		29,785	29,324
Current assets			
Trade and other receivables	5	9,322	7,700
Inventories		644	645
Cash and cash equivalents		663	1,451
		10,629	9,796
Total assets		40,414	39,120
Liabilities			
Current liabilities			
Trade and other payables	5	9,338	8,832
Current portion of long term liabilities		325	512
		9,663	9,344
Non-current liabilities			
Trade and other payables		211	196
Long term liabilities		2,334	2,587
Provisions		1,601	1,533
Due to related parties	5	56,813	55,350
		60,959	59,666
Net liabilities		(30,208)	(29,890)
Capital and reserves attributable to the stockholders			
Share capital		16,817	16,817
Reserves		(47,025)	(46,707)
Net deficit		(30,208)	(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 June 30, 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	-	-	-	-	1,114	1,114
Net actuarial gains recognised	-	-	-	-	3,409	3,409
Exchange differences on translation of foreign operations	-	26	-	-	-	26
Total comprehensive income for the period	-	26	-	-	4,523	4,549
Transfers to accumulated deficit	-	-	-	1,044	(1,044)	-
Balances at June 30, 2016	16,817	609	21	2,286	(48,554)	(28,821)
Balance at December 31, 2016	16,817	675	21	1,404	(48,807)	(29,890)
Loss for the period	-	-	-	-	(311)	(311)
Exchange differences on translation of foreign operations	-	(7)	-	-	-	(7)
Total comprehensive loss for the period	-	(7)	-	-	(311)	(318)
Balances at June 30, 2017	16,817	668	21	1,404	(49,118)	(30,208)

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 June 30, 2017

	Unaudited	
	Six months ended June 30, 2017 \$m	Six months ended June 30, 2016 \$m
(Loss)/profit for the period	(311)	1,114
Adjustments for:		
Tax expense	112	17
Depreciation	1,469	1,884
Amortisation	512	600
Impairment reversal on property, plant and equipment	-	(3,404)
Pension	-	1,889
Gain on disposal of property, plant and equipment	(4)	(30)
Finance income	(28)	(110)
Finance expense	2,628	2,197
Site restoration provision	68	-
Employee benefits	(97)	(74)
Operating cash flows before working capital changes	4,349	4,083
Changes in working capital		
Increase/(decrease) in provisions	68	(1,059)
Decrease in inventories	1	466
(Increase)/decrease in trade and other receivables	(1,939)	2,556
Increase in amounts due from related parties	(487)	(320)
Increase/(decrease) in trade and other payables	1,324	(3,616)
Cash generated from operations	3,316	2,110

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Cable & Wireless Jamaica Limited
Condensed consolidated interim statement of cash flows
For the period ended June 30, 2017

	Unaudited	
	Six months ended June 30, 2017 \$m	Six months ended June 30, 2016 \$m
Net cash generated from operations	3,316	2,110
Cash flows from investing activities		
Finance income	28	110
Deferred income	(945)	800
Proceeds from sale of property, plant and equipment	4	24
Purchase of licence	-	1,253
Purchase of property, plant and equipment	(2,830)	(5,010)
Net cash used in investing activities	(3,743)	(2,823)
Net cash flow before financing activities	(427)	(713)
Cash flows from financing activities		
Borrowings, net	399	141
Finance costs	(2,223)	(2,383)
Due to related parties	1,463	3,172
Net cash from/(used in) financing activities	(361)	930
Net (decrease)/increase in cash and cash equivalents	(788)	217
Cash and cash equivalents at beginning of period	1,451	485
Cash and cash equivalents at end of period	663	702

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 June 30, 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 Company is a 77% owned subsidiary of CWC CALA Holdings Limited, incorporated in Barbados. The parent company is Cable & Wireless Communications Limited (“CWC”) and the ultimate parent company is Liberty Global plc, both incorporated in England. Another subsidiary of CWC holds an additional 5% of the issued ordinary stock units of the Company.

The condensed consolidated interim financial statements of Cable & Wireless Jamaica Limited as at, and for the six months ended June 30, 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 unaudited condensed consolidated 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 June 30, 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 condensed consolidated 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 June 30, 2017 \$m	Audited December 31, 2016 \$m
Trade and other receivables:		
Due from related parties	3,165	3,482
Trade and other payables:		
Due to related parties	731	1,534
Cable & Wireless Jamaica Finance (Cayman) Limited		
<i>Long term</i>		
Principal	55,803	51,924
Accrued interest	1,010	3,426
	56,813	55,350

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

The amount due to related parties represents balances with other subsidiaries of CWC, 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 9.19% per annum as at June 30, 2017.

Cable & Wireless Jamaica Limited
Notes to the condensed consolidated interim financial statements
For the period ended June 30, 2017

6. Operating costs

Detailed below are the key expense items charged in arriving at our operating profit. Outpayments are generally related to interconnection payments, which are paid to other operators when our customers calls terminate on their networks.

	Unaudited		Unaudited	
	Three months ended June 30, 2017 \$m	Three months ended June 30, 2016 \$m	Six months ended June 30, 2017 \$m	Six months ended June 30, 2016 \$m
Outpayments and direct costs	1,849	1,896	3,661	3,136
Employee and other staff expenses	310	726	622	1,319
Administrative, marketing and selling expenses	2,083	1,884	4,463	3,365
Operating costs before depreciation and amortisation	4,242	4,506	8,746	7,820
Depreciation of property, plant and equipment	739	637	1,469	1,884
Amortisation of intangible assets	247	267	512	600
Impairment reversal, restructuring and other operating items, net	19	(24)	16	(1,668)
Operating costs	5,247	5,386	10,743	8,636

7. (Loss)/earnings per stock unit

The calculation of (loss)/earnings per stock unit is based on 16,817,439,740 (June 30, 2016: 16,817,439,740) issued and fully paid ordinary stock units.

CABLE AND WIRELESS JAMAICA LIMITED
QUARTERLY REPORT
AS AT 30 JUNE 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
JCSD TRUSTEE SERVICES LTD.-SIGMA OPTIMA	84,527,398	0.50
AUSTIN BROWN/SHERON DIXON-BROWN	72,196,285	0.43
PETER FORDE/PATRICIA FORDE	60,117,493	0.36
URSUS CORPORATION LTD	50,000,000	0.30
TOTAL	14,537,030,205	86.14

DIRECTORS' HOLDINGS

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BELL, JOHN	Nil		
HAYLE, CAROLYN	37,005		
KAUSHAL, RUCHI	Nil		
KERR-JARRETT, MARK NEWTON	Nil		
PRICE, STEPHEN PATRICK DAVID	Nil	STEPHEN PATRICK PRICE/GRACE IMANI DUNCAN	139,596
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	3,372,481
REDWOOD, CARLO	Nil		
THOMPSON, RONNIE	Nil		
WALLACE, KAYON	Nil		
WHITE, DONOVAN	Nil		
TOTAL NUMBER OF SHAREHOLDERS - 24,251			