Cable & Wireless Jamaica Limited
Consolidated Financial Statements
For the three months ended June 30, 2006

The Board of Directors of Cable & Wireless, Jamaica Limited releases the unaudited consolidated results of the Company, Jamaica Digiport International (JDI), and other subsidiaries, (collectively referred to as the Group), for the three months ended June 30, 2006.

Net profits attributable to stockholders for the quarter of $365M was lower compared to the previous year's net profits of $609M. The decline was primarily due to a one time gross margin benefit totaling $190M in 2005 and lower fixed line revenues due to a reduction in total fixed line subscribers compared to the previous year. These declines were partially offset by combined increases in mobile and internet revenues of 30% compared to the previous year.

Revenue for the quarter ended June 30, 2006 increased $305M or 5% to $5,982M compared to $5,677M in the previous year primarily due to gains in usage revenue from our wholesale, and mobile offerings and continued acquisition of ADSL and VoIP subscribers which resulted in increased Internet revenues. These were partially offset by declines in fixed voice revenues primarily due to a decrease in fixed line rental revenue. For the quarter, Internet revenues continue to experience significant growth with the Company's average monthly ADSL subscriber base increasing 325% over the closing subscriber base at June 30, 2005. This increase was partially offset by 44% compression in average product yields as the Company has continued its commitment to drive broadband penetration by making Internet access more affordable.

Mobile revenue increased by 22% over the same period last year and was slightly ahead of the prior quarter. Our mobile offering, anchored by our Anyone plan, continued to perform well in the first quarter (despite the economically depressed retail market) as a result of growth in customer numbers and more than average revenue per user generated by our prepaid mobile subscribers compared to the previous year. For the quarter, we realized an increase of 126% in total monthly minutes of use on our GSM network when compared to the same period last year. This increase has resulted in a significant increase in our off-net calling volume that has resulted in a 106% increase in outpayments.

Also, during the quarter the Group continued to focus on extracting value from employed assets and as a result launched its new prepaid Homefone service in June 2006 to address customers' requests to have greater control over their telecommunication spend and to offer service to credit challenged customers. The Group also launched JusTalk, a new International calling card designed to provide affordable long distance calling to Jamaicans. These two recent launches reflect the Company's stated intention to revitalize the fixed line business. Both have been positively received into the market and management expects them to contribute to reversing the recent trends of falling subscriber numbers and to provide a positive contribution to revenue and gross margin during the current fiscal year.

Gross margin of $3,812M reflects a decrease of 6% or $243M compared to prior year due to higher mobile outpayment costs as a result of increased minutes of use as discussed above and an increased proportion of wholesale revenue generated from increased international minutes terminated on behalf of third party carriers. The declines were partially offset by increasing contributions from the internet service offerings. It should be noted that despite the current competitive pressures, the Group continues to increase its gross margin contribution from its Internet offering quarter over quarter.

Total operating expenses (excluding depreciation) have decreased by $37M or 5% to $2,240M from $2,277M for the same period last year. This was driven primarily by 3% decreases in administrative and selling expenses, offset by higher marketing investment in the mobile business and the revitalization of the fixed voice product offerings. For the quarter, employee expenses of $908M decreased by $8M or 1% from $917M in the same period last year. During the quarter, the Group reflected an increase in pension credit over the same period last year of $14M. Staff costs have been contained despite high inflation, largely due to increased automation that has resulted in higher productivity within key areas of the organization. The Group will continue to identify opportunities to automate and reengineer processes to reduce expense-to-revenue ratios.

In addition, the Group's continued investment in mobile cell sites and a more extensive broadband infrastructure has also contributed to increased costs to support these new structures.

Operating profit of $818M declined by 27% or $302M compared to the previous year, largely as a result of the one time gross margin benefit discussed above. Excluding the one time benefit, the decline in Operating profit, compared to previous year is 12%. Net financing costs which consist primarily of interest costs incurred by the Group increased by $92M due to increase in interest costs associated with cell site retirement obligations and related party debt. Profit before taxes declined by 42% compared to the same period last year, primarily due to the declines in gross margin and increases in financing costs.

Net profit attributable to stockholders of $365M for the year declined 40% when compared to the same period last year. This has yielded earnings per share of 2.17 cents compared to 3.62 cents for the same period last year.

These Unaudited Consolidated Financial Statements have been prepared in accordance with and comply with standards issued by the International Accounting Standard Board. As the Company's core operations are centered on the provision of integrated telecommunication solutions in all of its distribution channels across its entire product offering, it is management's view that any financial presentation highlighting a subset of its product offering does not truly reflect a business segment as defined by IAS 14.

On behalf of the Board

Andrew Cocking Director	Patrick Rousseau, O.J Director

August 10, 2006

Group Income Statement
Quarter Ended June 30, 2006
$000's

	3 Months to June 30, 2005	12 Months to Mar 31, 2006	3 Months to June 30, 2006
Revenue	5,676,892	22,534,979	5,982,430
Outpayments	1,343,564	5,834,698	1,540,861
Other costs of sales	278,419	1,288,613	629,649
Total Cost of Sales	**1,621,983**	**7,123,311**	**2,170,510**
Gross Margin	**4,054,909**	**15,411,668**	**3,811,920**
Employee Expenses	917,218	3,228,384	909,158
Administrative, marketing, and selling expenses	1,359,549	5,588,137	1,331,281
Depreciation	657,717	2,744,190	753,123
Total Operating Expenses	**2,934,484**	**11,560,711**	**2,993,562**
Operating profit	**1,120,425**	**3,850,957**	**818,358**
Net Finance Costs	176,609	696,036	261,790
Other	10,870	175,812	17,862
Total other expenses	**187,479**	**871,848**	**279,652**
Profit before taxation	**932,946**	**2,979,109**	**538,706**
Taxation	323,714	833,881	173,733
Net (loss)/profit attributable to stockholders	**609,232**	**2,145,228**	**364,973**
Earning per stock unit	**3.62**	**12.75**	**2.17**

Group Balance Sheet
As at Quarter ended June 30, 2006
$000's

	Jun 30, 2005	Mar 31, 2006	Jun 30, 2006
Property Plant & Equipment	27,180,835	26,777,618	26,593,900
Intangible asset	603,393	1,007,070	1,024,791
Deferred Expenditure	28,210	45,235	45,765
Employee benefits assets	2,733,630	3,649,000	3,747,000
Total Non-Current Assets	**30,546,067**	**31,478,923**	**31,411,456**
Cash & cash equivalents	1,667,955	1,799,510	1,839,877
Accounts receivable	3,984,445	3,423,550	3,715,246
Taxation recoverable	-	73,572	72,262
Prepaid expenses	550,049	491,622	697,577
Due from related companies	253,849	288,746	267,154
Inventories	207,365	423,288	331,713
Current portion of deferred expenditure	138,244	108,321	112,071
Total current assets	**6,801,908**	**6,608,609**	**7,035,899**
TOTAL ASSETS	**37,347,975**	**38,087,532**	**38,447,354**
Share Capital	16,817,440	16,817,440	16,817,440
Reserves	874,067	2,498,166	2,564,833
Accumulated (deficit)/profit	2,086,327	1,014,145	1,316,839
TOTAL EQUITY	**19,777,833**	**20,329,751**	**20,699,112**
Trade and other accounts payables	6,084,623	5,155,118	5,024,161
Provisions	-	263,625	175,735
Current portion of loans	367,136	385,727	369,755
Taxation	185,648	-	-
Due to related companies	119,560	30,081	50,771
Total current liabilities	**6,756,967**	**5,834,551**	**5,620,422**
Loans	566,655	219,501	194,189
Due to ultimate parent company	6,325,709	6,764,838	6,767,718
Deferred tax liability	2,445,772	3,197,097	3,370,840
Provisions	354,503	531,705	549,262
Employee benefits obligation	1,120,536	1,210,089	1,245,810
Total non-current liabilities	**10,813,175**	**11,923,230**	**12,127,819**
TOTAL LIABILITIES	**17,570,142**	**17,757,781**	**17,748,242**
TOTAL EQUITY & LIABILITIES	**37,347,975**	**38,087,532**	**38,447,354**

Group Statement of Changes in Shareholders' Equity
Quarter ended June 30, 2006
$000's

	Stated capital/Share capital	Reserves	Accumulated profit	Total equity
Balance at April 1, 2005	**16,817,440**	**870,425**	**1,477,095**	**19,164,960**
Profit attributable to stockholders	-	-	609,232	609,232
Translation adjustment on consolidation	-	3,642	-	3,642
Balance at June 30 2005	**16,817,440**	**874,067**	**2,086,327**	**19,777,834**
Balance at January 1, 2006	**16,817,440**	**870,425**	**1,477,095**	**19,164,960**
Profit attributable to stockholders	-	-	2,145,228	2,145,228
Dividends	-	-	(1,009,046)	(1,009,046)
Transfer from capital reserves	-	(833,534)	833,534	-
Transfer to employee benefit reserve		2,432,666	(2,432,666)	
Unrealised translation adjustment on consolidation	-	28,609	-	28,609
Balance at March 31, 2006	**16,817,440**	**2,498,166**	**1,014,145**	**20,329,751**
Balance at April 1, 2006	**16,817,440**	**2,498,166**	**1,014,145**	**20,329,751**
Net profit after tax for the period	-	-	364,973	364,973
Transfer to employee benefit reserves	-	62,279	(62,279)	-
Unrealised translation adjustment on consolidation	-	4,388		4,388
Balance at June 30, 2006	**16,817,440**	**2,564,833**	**1,316,839**	**20,699,112**

Group Statement of Cashflows
Quarter Ended 30 June 2006
$000's

	3 Months to Jun 30, 2005*	12 Months to Mar 31, 2006	3 Months to Jun 30, 2006
Net Profit/(loss) attributable to stockholders	609,232	2,145,228	364,973
Adjustments for :			
Unrealised translation losses on	4,885	42,507	(8,649)
Employee benefits, net	(65,183)	(891,000)	(62,279)
Depreciation and amortisation	657,717	2,744,190	753,123
Amortisation of deferred expenditure	27,213	136,016	24,570
Deferred Taxation	80,929	832,254	173,733
Loss on disposal of property, plant & equipment and intangible assets	(6,232)	601,276	8,020
Gain on disposal of investment	-	-	-
Interest earned	(14,469)	(78,205)	(17,838)
Income tax expenses	(39,676)	1,627	-
Interest expense	277,624	1,018,425	274,154
Provisions	5,355	182,157	17,557
Cash generated before changes in working capital	**1,537,394**	**6,734,475**	**1,527,364**
Accounts receivable	(224,668)	338,008	(291,696)
Prepaid expenses	(360,009)	(301,552)	(205,955)
Due from related companies	(131,334)	(166,231)	21,592
Inventories	163,288	(52,635)	91,575
Trade and other accounts payable	(113,222)	(956,425)	(130,957)
Provisions	0	196,433	(87,890)
Due to related companies	110,492	21,013	20,690
Cash generated from operations	**981,941**	**5,813,086**	**944,724**
Income tax paid	-	(300,523)	-
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**981,941**	**5,512,563**	**944,724**
CASH FLOWS FROM INVESTING ACTIVITIES			
Unrealised translation adjustment on	3,642	28,609	4,388
Acquisition of property, plant and equipment and intangible	(201,290)	(2,966,435)	(586,048)
Proceeds from disposals of property, plant & equipment and intangible assets	10,870	81,574	-
Interest received	14,469	76,394	19,549
Proceeds from disposal of investments	-	-	-
Deferred expenditure incurred	(43,000)	(138,905)	(20,289)
NET CASH USED BY INVESTING ACTIVITIES	**(215,309)**	**(2,918,763)**	**(582,400)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in loans	-	(366,186)	(41,284)
Dividends paid	-	(1,009,046)	-
Interest paid	(172,177)	(931,688)	(26,903)
Due to ultimate parent company	(707,074)	(267,945)	(253,769)
NET CASH USED BY FINANCING ACTIVITIES	**(879,251)**	**(2,574,865)**	**(321,956)**
Net increase/(decrease) in cash and cash equilavents	**(112,619)**	**18,935**	**40,367**
Cash and cash equivalents at beginning of year	1,780,575	1,780,575	1,799,510
CASH AND CASH EQUIVALENTS AT END OF year	**1,667,956**	**1,799,510**	**1,839,877**
Comprised of:			
Cash and bank balances	1,667,956	1,799,510	1,839,877
Bank overdraft	-	-	-
	1,667,956	**1,799,510**	**1,839,877**

*** Restated**