



**CABLE BAHAMAS LTD.**  
**2014 SECOND QUARTER REPORT**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As of June 30, 2014 | (Expressed in B\$000, Unaudited)

	JUN 30, 2014	DEC 31, 2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 52,743	\$ 9,307
Accounts receivable, net	12,215	13,130
Prepaid expenses and deposits	6,056	2,754
Inventory	6,315	4,803
Other receivables	4,344	3,172
Total current assets	<u>81,673</u>	<u>33,166</u>
<b>NON-CURRENT ASSETS:</b>		
Investment	4,350	3,850
Property, plant and equipment	238,956	230,952
Deferred Tax Asset	8,749	8,749
Goodwill	33,573	33,573
Intangible assets	32,185	33,330
Total non-current assets	<u>317,813</u>	<u>310,454</u>
<b>TOTAL</b>	<b>\$ 399,486</b>	<b>\$ 343,620</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable & accrued liabilities	\$ 28,881	\$ 24,774
Deferred income	1,582	2,846
Dividends payable	1,329	610
Short Term Notes	8,037	14,273
Current portion of other liabilities	876	876
Current portion of long-term debt	2,107	3,066
Total current liabilities	<u>42,812</u>	<u>46,445</u>
<b>NON-CURRENT LIABILITIES:</b>		
Subscriber deposits	6,601	6,545
Other Liabilities	3,372	3,575
Deferred Tax Liability	9,398	9,398
Long-term debt	102,427	101,345
Preferred shares	127,810	73,310
Total non-current liabilities	<u>249,608</u>	<u>194,173</u>
Total liabilities	<u>292,420</u>	<u>240,618</u>
<b>EQUITY:</b>		
Ordinary share capital	13,609	13,609
Retained earnings	93,457	89,393
Total equity	<u>107,066</u>	<u>103,002</u>
<b>TOTAL</b>	<b>\$ 399,486</b>	<b>\$ 343,620</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the period ended June 30, 2014 with comparatives for June 30, 2013 | (Expressed in B\$000, unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30 2014	JUNE 30 2013	JUNE 30 2014	JUNE 30 2013
REVENUE	\$37,228	\$27,825	\$74,652	\$56,159
OPERATING EXPENSES	(23,377)	(16,214)	(46,693)	(32,461)
	<u>13,851</u>	<u>11,611</u>	<u>27,959</u>	<u>23,698</u>
Depreciation and amortization	(7,650)	(5,045)	(15,186)	(10,117)
OPERATING INCOME	6,201	6,566	12,773	13,581
Acquisition Related Cost	-	(1,230)	-	(1,683)
Interest expense	(1,516)	(315)	(3,019)	(642)
Dividends on preferred shares	(1,611)	(1,150)	(2,968)	(2,300)
NET INCOME AND COMPREHENSIVE INCOME	<u>\$3,074</u>	<u>\$3,871</u>	<u>\$6,786</u>	<u>\$8,956</u>
BASIC EARNINGS PER SHARE	<u>\$0.23</u>	<u>\$0.28</u>	<u>\$0.50</u>	<u>\$0.66</u>
DILUTED EARNINGS PER SHARE	<u>\$0.24</u>	<u>\$0.28</u>	<u>\$0.49</u>	<u>\$0.66</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period ended June 30, 2014  
 (Expressed in B\$000, unaudited)

	ORDINARY SHARE CAPITAL	RETAINED EARNINGS	TOTAL
<b>Balance at December 31, 2013</b>	13,609	\$89,393	\$103,002
Net income	-	6,786	6,786
Dividends paid on ordinary shares	-	(2,722)	(2,722)
<b>Balance at June 30, 2014</b>	<b>\$13,609</b>	<b>\$93,457</b>	<b>\$107,066</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended June 30, 2014 with comparatives for June 30, 2013 | (Expressed in B\$000, unaudited)

	SIX MONTHS ENDED	
	JUN 30, 2014	JUN 30, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 6,786	\$ 8,956
Adjustments for:		
Depreciation and amortization	15,186	10,117
Interest expense	3,019	642
Dividends on preferred shares	2,968	2,300
Operating cash flow before working capital changes	27,959	22,015
Increase in accounts receivable, net	(256)	(6,510)
Increase in prepaid expenses and deposits	(3,302)	(3,700)
Increase in inventory	(1,512)	(111)
Increase in accounts payable & accrued liabilities	4,107	9,311
(Decrease) Increase in deferred income	(1,264)	111
Increase in subscriber deposits	56	12
Net cash from operating activities	<u>25,788</u>	<u>21,128</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to investments	(500)	(3,811)
Additions to property, plant and equipment	(21,672)	(9,719)
Additions to intangible assets	(373)	-
Net cash used in investing activities	<u>(22,545)</u>	<u>(13,530)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt (net)	(6,317)	(3,063)
Interest paid on long term debt	(3,019)	(642)
Preferred shares issuance	54,500	-
Dividends paid on preferred shares	(2,249)	(2,300)
Dividends paid on ordinary shares	(2,722)	(2,719)
Net cash used in financing activities	<u>40,193</u>	<u>(8,724)</u>
NET INCREASE IN CASH	43,436	(1,126)
CASH, BEGINNING OF PERIOD	9,307	8,676
CASH, END OF PERIOD	<u>\$52,743</u>	<u>\$7,550</u>

**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These consolidated interim condensed financial statements are prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies used in the preparation of these interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2013.