



# CABLE BAHAMAS LTD.

## 2016 THIRD QUARTER REPORT

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### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2016 | (Expressed in B\$000, unaudited)

|  | SEP 30, 2016      | DEC 31, 2015      |
|--|-------------------|-------------------|
| <b>ASSETS</b>                          |                   |                   |
| <b>CURRENT ASSETS:</b>                 |                   |                   |
| Cash and cash equivalents              | \$ 83,518         | \$ 63,001         |
| Trade receivables, net                 | 13,820            | 15,854            |
| Prepaid expenses and deposits          | 5,318             | 3,522             |
| Inventory                              | 10,860            | 11,594            |
| Other receivables                      | 14,067            | 9,985             |
| Total current assets                   | 127,583           | 103,956           |
| <b>NON-CURRENT ASSETS:</b>             |                   |                   |
| Investment in Dais                     | 5,087             | 4,172             |
| Property, plant and equipment          | 354,059           | 300,628           |
| Deferred tax asset                     | 31,485            | 31,485            |
| Goodwill                               | 13,074            | 13,074            |
| Intangible assets                      | 95,024            | 29,952            |
| Total non-current assets               | 498,729           | 379,311           |
| <b>TOTAL</b>                           | <b>\$ 626,312</b> | <b>\$ 483,267</b> |
| <b>LIABILITIES AND EQUITY</b>          |                   |                   |
| <b>CURRENT LIABILITIES:</b>            |                   |                   |
| Accounts payable & accrued liabilities | \$ 57,284         | \$ 39,060         |
| Deferred income                        | 1,794             | 1,896             |
| Dividends payable                      | 6,168             | 2,714             |
| Current portion of other liabilities   | 1,594             | 1,462             |
| Current portion of long-term debt      | 1,600             | 11,424            |
| Total current liabilities              | 68,440            | 56,556            |
| <b>NON-CURRENT LIABILITIES:</b>        |                   |                   |
| Subscriber deposits                    | 7,686             | 7,499             |
| Other liabilities                      | 24,227            | 10,946            |
| Deferred tax liability                 | 31,485            | 31,485            |
| Long-term debt                         | 97,889            | 88,065            |
| Preferred shares                       | 232,235           | 202,810           |
| Total non-current liabilities          | 393,522           | 340,805           |
| Total liabilities                      | 461,962           | 397,361           |
| <b>EQUITY:</b>                         |                   |                   |
| Ordinary share capital                 | 30,354            | 13,578            |
| Retained earnings                      | 69,631            | 72,328            |
| Non-controlling interest               | 64,365            | -                 |
| Total equity                           | 164,350           | 85,906            |
| <b>TOTAL</b>                           | <b>\$ 626,312</b> | <b>\$ 483,267</b> |

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended September 30, 2016 with comparatives for September 30, 2015 | (Expressed in B\$000, unaudited)

|  | THREE MONTHS ENDED |                 | NINE MONTHS ENDED |                |
|--|--------------------|-----------------|-------------------|----------------|
|  | SEP 30 2016        | SEP 30 2015     | SEP 30 2016       | SEP 30 2015    |
| REVENUE  | \$44,748           | \$40,905        | \$132,702         | \$123,948      |
| OPERATING EXPENSES   | (34,849)           | (27,970)        | (93,379)          | (80,816)       |
| Depreciation and amortization  | 9,899              | 12,935          | 39,323            | 43,132         |
| OPERATING INCOME   | 231                | 2,866           | 11,549            | 15,819         |
| Gain on joint venture  | -                  | -               | 15                | -              |
| Loss on disposal of assets   | (39)               | -               | (54)              | -              |
| Interest expense   | (862)              | (1,135)         | (3,609)           | (3,207)        |
| Dividends on preferred shares  | (3,454)            | (2,318)         | (9,125)           | (7,078)        |
| <b>NET AND COMPREHENSIVE (LOSS) INCOME</b>                               | <b>\$(4,124)</b>   | <b>\$(587)</b>  | <b>\$(1,224)</b>  | <b>\$5,534</b> |
| Net loss attributable to non-controlling interests                       | \$(2,669)          | \$ -            | \$(2,669)         | \$ -           |
| Net and comprehensive (loss) income attributable to owners of the parent | \$(1,455)          | \$(587)         | \$1,445           | \$5,534        |
| <b>BASIC EARNINGS PER SHARE</b>  | <b>\$(0.09)</b>    | <b>\$(0.01)</b> | <b>\$(0.03)</b>   | <b>\$0.14</b>  |
| <b>DILUTED EARNINGS PER SHARE</b>  | <b>\$(0.09)</b>    | <b>\$(0.01)</b> | <b>\$(0.03)</b>   | <b>\$0.14</b>  |

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended September 30, 2016  
(Expressed in B\$000, unaudited)

|                                   | ORDINARY SHARE CAPITAL | RETAINED EARNINGS | NON-CONTROLLING INTEREST | TOTAL     |
|-----------------------------------|------------------------|-------------------|--------------------------|-----------|
| Balance at December 31, 2015      | \$13,578               | \$72,328          | \$ -                     | \$85,906  |
| Net income (loss)                 | -                      | 1,445             | (2,669)                  | (1,224)   |
| Dividends paid on ordinary shares | -                      | (4,142)           | -                        | (4,142)   |
| Issuance of ordinary shares       | 16,776                 | -                 | 67,034                   | 83,810    |
| Balance at September 30, 2016     | \$30,354               | \$69,631          | \$64,365                 | \$164,350 |

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended September 30, 2016 with comparatives for September 30, 2015 | (Expressed in B\$000, unaudited)

|   | NINE MONTHS ENDED |                 |
|---|-------------------|-----------------|
|   | SEP 30, 2016      | SEP 30, 2015    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |                   |                 |
| Net (loss) income                                     | \$ (1,224)        | \$ 5,534        |
| Adjustments for:                                      |                   |                 |
| Depreciation and amortization                         | 27,774            | 27,313          |
| Interest expense                                      | 3,609             | 3,207           |
| Dividends on preferred shares                         | 9,125             | 7,078           |
| Gain on joint venture                                 | (15)              | -               |
| Loss on disposal of assets                            | 54                | -               |
| Operating cash flow before working capital changes    | 39,323            | 43,132          |
| Increase in trade and other receivables, net          | (2,048)           | (5,867)         |
| Increase in prepaid expenses and deposits             | (1,796)           | (2,421)         |
| Decrease (increase) in inventory                      | 734               | (1,769)         |
| Increase in accounts payable & accrued liabilities    | 18,224            | 3,193           |
| Decrease in deferred income                           | (102)             | (267)           |
| Increase in subscriber deposits                       | 187               | 347             |
| Net cash from operating activities                    | 54,522            | 36,348          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |                   |                 |
| Additions to investments                              | (915)             | -               |
| Additions to property, plant and equipment            | (78,950)          | (55,303)        |
| Additions to intangible assets                        | (67,366)          | (1,479)         |
| Net cash used in investing activities                 | (147,231)         | (56,782)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>           |                   |                 |
| Repayment of long-term debt (net)                     | -                 | (6,670)         |
| Capital lease obligation & other liabilities          | 13,413            | 4,536           |
| Interest paid on long-term debt                       | (3,609)           | (3,207)         |
| Issuance of ordinary shares                           | 83,810            | -               |
| Issuance of preference shares                         | 42,735            | 75,000          |
| Redemption of preferred shares                        | (13,310)          | -               |
| Dividends paid on preferred shares                    | (5,671)           | (2,528)         |
| Dividends paid on ordinary shares                     | (4,142)           | (5,702)         |
| Issuance of share-based option                        | -                 | 200             |
| Shares repurchased and cancelled                      | -                 | (215)           |
| Net cash from financing activities                    | 113,226           | 61,414          |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>      | <b>20,517</b>     | <b>40,980</b>   |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b> | <b>63,001</b>     | <b>30,740</b>   |
| <b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>       | <b>\$83,518</b>   | <b>\$71,720</b> |

### 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, 2015. These statements also follows the guidelines of IFRS 10, Consolidated Financial Statements and incorporates the financial statements of the 48.25% owned subsidiary NewCo2015 Limited, which was incorporated July 1, 2016, under the laws of The Commonwealth of The Bahamas for the purpose of providing wireless services throughout The Bahamas. Cable Bahamas Ltd has board and management control and as such all startup costs included in NewCo2015 Limited financial statements are included in these consolidated interim financial statements.