

May 10, 2010 For Immediate Release

Cable Bahamas Ltd. today announced its financial results for the Quarter ended March 31, 2010.

Cable Bahamas Ltd. Consolidated Statement of Comprehensive Income and Retained Earnings Three Months ended March 31, 2010 with comparative figures for 2009					
(B\$000 except for per share amounts)					
	March 31 2010		March 31 2009		
Revenue	\$	22,075	Ş	21,088	
Operating Expenses		(11,952)		(9,863)	
		10,123		11,225	
Depreciation and amortization		(3,681)		(3,193)	
Operating income		6,442		8,032	
Interest expense		(604)		(117)	
Dividends on preferred shares		(1,163)		(463)	
Net income and comprehensive income		4,675		7,452	
Dividends paid on ordinary shares		(1,093)		(1,376)	
Shares purchased and cancelled		(103)		-	
Retained earnings beginning of period		111,804		89,026	
Retained earnings end of period	5	115,283	S	95,102	
Net income per ordinary shares	5	0.34	ş	0.38	

Summary of 2010 First Quarter Financial Results

On the heels of our 2009 results, year-over-year revenue growth in the first quarter of 2010 remained strong and was in line with expectations. Despite the continuing challenging economic environment, total revenue for the quarter reached \$22.1 million, up 4.7% over the 2009 results. Cable television revenue led the way reaching \$11.8 million, with Internet and Data revenues reaching \$6.9 million and \$3.4 million respectively. All service offerings showed continued growth or recovery in the first quarter, led by our Internet segment which posted year-over-year growth of 5.5%, followed by Oceans Digital TV services, which posted a significant recovery and grew by 5.3% over the 2009 results.

Earnings before interest taxes depreciation and amortization (EBITDA) for the quarter was \$10.1 million and although down from the previous year results by \$1.1 million or 9.8%, were in line with our 2010 expectations. The year-over-year decrease in EBITDA was largely due to an increase in total operating expenses which reached \$11.9 million for the current quarter compared to \$9.9 million for the same period in 2009, an increase of 21.2%. In anticipation of new opportunities, we increased staffing in key areas and are well on the way with initiatives designed to improve our processes and strengthen our competitive position in the marketplace. We realize that preparation is the key to success and as a result of our planned investment expenditures in this first quarter; benefits are expected in the near future. Our corporate policy

to closely manage operating expenditures and investing wisely remains in place; however we are faced with increased costs as a direct result of the liberalisation of the telecommunications industry. It was anticipated in our 2010 plans that these industry changes would contribute to year-over-year increases in regulatory and related fees. These costs accounted for over 17% of total operating expenses in this first quarter compared to 9% in 2009.

As a direct result of the financing arrangements relating to the Columbus transaction, our borrowing and preferred dividends costs have both increased year-over-year. Accordingly, net income for the quarter of \$4.7 million was down \$2.8 million or 37.3% compared to the first quarter of 2009. However, based on its confidence that the Company will continue to post strong operating results into the future, the board of directors approved an increase in the Company's annualized dividend to shareholders from \$0.28 per share to \$0.32 per share, a 14.2% increase. In addition, the Company intends to continue with its normal course issuer bid which has been in place for the past three years; and during the first quarter of 2010, just over \$112k was utilized for this purpose.

In executing our 2010 plans to take advantage of new opportunities, we initiated a number of pertinent strategies including a digitization and network infrastructure upgrade program. We are optimistic that this initiative will contribute to and improve our financial results as additional and more advanced services are introduced. In addition, it is the Company's desire to be in a position to offer new converged voice services before the end of the fiscal year, once it has met all regulatory requirements. With the requisite support of our regulators, and the rights we hold under our new license, received in October of 2009, Cable Bahamas is positioned to improve customer choices, service offerings and its financial metrics.

Cable Bahamas Ltd. is a public company with the majority of its shares owned by approximately 2,000 Bahamian shareholders and the Government of The Bahamas. The Company's 400 plus full time and contracted employees provide world-class cable television services on 16 islands, international data communications, web hosting, business continuity and broadband Internet services in The Bahamas. In October 2009, Cable Bahamas received a 15 year license from the Utilities Regulation and Competition Authority (URCA) that allows the Company to provide any type of network or carriage communications services inclusive of video, data and voice services in accordance with certain conditions. The Company intends to take full advantage of all opportunities available to it under its new license.

For further information contact:

Barry Williams - Senior Vice-President of Finance

Phone: (242) 356-8986 Fax: (242) 356-8985

E-mail: <u>barryw@cablebahamas.com</u> Web: www.cablebahamas.com