



CABLE BAHAMAS LTD.

18 MONTH PERIOD ENDED JUNE 30, 2017 REPORT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2017 | (Expressed in B\$000, unaudited)

	JUN 30, 2017	DEC 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 55,915	\$ 63,001
Trade receivables, net	18,335	15,854
Prepaid expenses and deposits	9,051	3,522
Inventory	18,457	11,594
Other receivables	7,202	9,985
Total current assets	108,960	103,956
NON-CURRENT ASSETS:		
Investment in Dais	6,094	4,172
Property, plant and equipment	412,595	300,628
Deferred tax asset	33,184	31,485
Goodwill	13,074	13,074
Intangible assets	95,778	29,952
Total non-current assets	560,725	379,311
TOTAL	\$ 669,685	\$ 483,267
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable & accrued liabilities	\$ 69,122	\$ 39,060
Deferred income	3,112	1,896
Dividends payable	2,696	2,714
Current portion of other liabilities	11,679	1,462
Current portion of long-term debt	-	11,424
Total current liabilities	86,609	56,556
NON-CURRENT LIABILITIES:		
Subscriber deposits	7,875	7,499
Other liabilities	37,723	10,946
Deferred tax liability	33,184	31,485
Long-term debt	154,821	88,065
Preferred shares	232,235	202,810
Total non-current liabilities	465,838	340,805
Total liabilities	552,447	397,361
EQUITY:		
Ordinary share capital	30,367	13,578
Retained earnings	45,445	72,328
Non-controlling interest	41,426	-
Total equity	117,238	85,906
TOTAL	\$ 669,685	\$ 483,267

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended June 30, 2017 with comparatives for December 31, 2015 | (Expressed in B\$000, unaudited)

	THREE MONTHS ENDED		EIGHTEEN MONTHS ENDED	TWELVE MONTHS ENDED
	JUN 30 2017	JUN 30 2016	JUN 30 2017	DEC 31 2015
REVENUE	\$50,239	\$44,274	\$281,968	\$165,678
OPERATING EXPENSES	(48,770)	(29,535)	(232,335)	(113,930)
	1,469	14,739	49,633	51,748
Depreciation and amortization	(13,669)	(8,959)	(67,175)	(30,154)
OPERATING INCOME	(12,200)	5,780	(17,542)	21,594
Gain (loss) on joint venture	(69)	-	22	(58)
Loss on disposal of assets	(58)	(15)	(5,909)	(68)
Interest expense	(2,386)	(1,559)	(8,446)	(4,404)
Federal tax expense	(10)	-	(10)	-
Goodwill impairment	-	-	-	(20,499)
Dividends on preferred shares	(3,574)	(2,836)	(19,842)	(10,936)
NET AND COMPREHENSIVE (LOSS) INCOME	\$(18,297)	\$1,370	\$(51,727)	\$(14,371)
Net loss attributable to non-controlling interests	\$(9,718)	\$ -	\$(28,741)	\$ -
Net and comprehensive (loss) income attributable to owners of the parent	\$(8,579)	\$1,370	\$(22,986)	\$(14,371)
BASIC EARNINGS PER SHARE	\$(0.20)	\$0.03	\$(0.54)	\$(0.35)
DILUTED EARNINGS PER SHARE	\$(0.20)	\$0.04	\$(0.53)	\$(0.31)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended June 30, 2017 | (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 loss	-	(22,986)	-	(22,986)
Dividends paid on ordinary shares	-	(4,142)	-	(4,142)
Issuance of ordinary shares	16,789	-	-	16,789
Shares repurchased and cancelled	-	245	-	245
Non-controlling interest	-	-	41,426	41,426
Balance at June 30, 2017	\$30,367	\$45,445	\$41,426	\$117,238

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended June 30, 2017 with comparatives for December 31, 2015 | (Expressed in B\$000, unaudited)

	EIGHTEEN MONTHS ENDED JUN 30 2017	TWELVE MONTHS ENDED DEC 31 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (51,727)	\$ (14,371)
Adjustments for:		
Depreciation and amortization	67,175	30,154
Interest expense	8,446	4,404
Dividends on preferred shares	19,842	10,936
Goodwill impairment	-	20,499
Amortization of issuance costs	240	-
Gain on joint venture	(22)	58
Loss on disposal of assets	5,909	68
Amortization of IRU	(979)	(158)
Operating cash flow before working capital changes	48,884	51,590
Decrease (increase) in trade and other receivables, net	302	(7,375)
Increase in prepaid expenses and deposits	(5,529)	(301)
Increase in inventory	(6,863)	(2,539)
Increase in accounts payable & accrued liabilities	30,044	7,395
Increase (decrease) in deferred income	1,215	(164)
Increase in subscriber deposits	376	606
Net cash from operating activities	68,429	49,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investments	(1,900)	-
Additions to property, plant and equipment	(175,497)	(70,968)
Additions to intangible assets	(75,396)	(1,464)
Proceeds from disposal of assets	17	3
Net cash used in investing activities	(252,776)	(72,429)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt (net)	(1,600)	(5,126)
Payment of transaction costs	(1,201)	-
Repayment of mortgage	(247)	-
Increase in capital lease obligation	33,103	8,447
Capital lease principal repayments	(1,692)	-
Deferred IRU	6,809	-
Issuance of notes payable	57,892	-
Interest paid on long-term debt	(8,446)	(4,404)
Issuance of ordinary shares	86,957	-
Issuance of preference shares	42,735	75,000
Redemption of preferred shares	(13,310)	-
Dividends paid on preferred shares	(19,842)	(10,877)
Dividends paid on ordinary shares	(4,142)	(7,617)
Issuance of share based option	245	270
Shares repurchased and cancelled	-	(215)
Net cash from financing activities	177,261	55,478
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,086)	32,261
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	63,001	30,740
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 55,915	\$ 63,001

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 follow the guidelines of IFRS 10, Consolidated Financial Statements and incorporate the financial statements of the 48.25% owned subsidiary Be Aliv 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 costs included in Be Aliv Limited financial statements are included in these consolidated interim financial statements and all intercompany transactions and balances are eliminated on consolidation. The Company has changed its year end from 31 December to 30 June to better reflect the seasonality of the business and allow for the company's year-end audit to be carried out during the slower summer months as opposed to the busy Christmas period. The accounts presented are for the eighteen month period commencing on 1 January 2016 and ending on 30 June 2017. Comparative figures are for the twelve months ended 31 December 2015. Because of the longer reporting period and seasonal nature of the business current period figures are not wholly comparable to prior period figures.