

**CHAIRMAN'S LETTER TO SHAREOWNERS**  
2012 FIRST QUARTER

**Dear Shareholders:**

Our Company has held strong this first quarter with impressive results. All of our resources are being fully utilised as we continue to plough through and maintain focus on our targeted objectives for 2012. With our integration of **Systems Resource Group Limited (SRG)**, the market entry of our **ReVoice** product, coupled with our sustained focus on the **RevTV** and **RevOn** products, we are exceeding the challenge and producing the results.

For the first quarter of 2012, revenue increased 23.5% to \$27.9 million compared with the same 3 month period in 2011. This first quarter results were due to consistent uptake of our **RevTV** product offerings; particularly our premium, pay-per-view services and set-top box leasing programme. **RevOn** Internet revenues grew 4.9% reaching \$7.5 million compared to the same period of March 31, 2011. Our Data sector also contributed positively to the overall revenue growth by 3.3%, up from \$3.5 million for the same period in 2011. Cumulatively these results highlight the strength and value of our products and services despite the current economic and competitive environment.

For the first three months of the year, operating expenses reached \$15.4 million, compared with \$12.5 million for the same period in 2011. Despite this increase, our earnings before interest, taxation, depreciation, and amortization (EBITDA) rose 21.8% to \$12.2 million as at March 31, up from \$10.0 million as at March 31, 2011. Net income showed significant growth with an increase year over year by \$1.7 million to \$6.3 million, a 37.4% increase. Earnings per share for the first three months of 2012 also increased to \$0.47 compared to \$0.25 over the same period in 2011, an increase of 88%. Dividend payment for the first quarter was \$1.1 million representing 17.1% of net income.

Cable 12 continues to broaden its local offerings by broadcasting live coverage of *The Bahamas Government Secondary High School Basketball Championships* in February and *The Bahamas National Tennis Open* in March. New seasons for *My Five Cents*,

*Student of Substance* and *The Political View*— which offered insight into the election season, aired during this period. Our channel again has proven to be the chosen medium for local producers; programmes such as *"Turquoise Morning"*, *"Journey To Wellness"*, and the *"Mega Ball Game Show"* have all become a part of our lineup of original Bahamian programming. During the lead up to the country's General Elections, our Cable 12 & NB12 staffs worked diligently to provide live coverage of the three major political campaigns from New Providence, Grand Bahama, Abaco, and Eleuthera. All these accomplishments are a very significant contribution to the expanding broadcasting efforts in the country and certainly to the growth of our community channel – Cable 12. Viewership numbers have increased 25% since we moved our signature programme *NB12* to seven days per week. The nightly newscast is gaining ground as a reputable and preferred source for news and information.

Our Company continued its community contributions in awarding funds to deserving Bahamian youth and community activities through the **Cable Bahamas Cares Foundation (CBCF)** with 14 grants awarded in this first quarter. Since its inception, the CBCF has granted total endowments of approaching \$2 million to over 400 organizations. CBCF grant recipients are featured on the *Cable Cares Show*, a 30-minute talk show, aired monthly. Recipients give their personal stories re-garding the use and benefits the grant awards have given them.

During this first quarter of 2012, Cable Bahamas remained on target, seeking out the best market opportunities and deploying various strategies to meet these targets head on.



Sincerely,  
**Philip Keeping, Chairman**  
June 6, 2012

**CABLE BAHAMAS LTD.**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE PERIOD ENDED MARCH 31, 2012 WITH COMPARATIVES FOR MARCH 31, 2011 / (EXPRESSED IN B\$000, UNAUDITED)

	THREE MONTHS ENDED	
	MAR 31 2012	MAR 31 2011
REVENUE	\$27,864	\$22,570
OPERATING EXPENSES	(15,641)	(12,539)
	12,223	10,031
Depreciation and amortization	(4,369)	(3,853)
OPERATING INCOME	7,854	6,178
Interest expense	(365)	(327)
Dividends on preferred shares	(1,150)	(1,237)
NET INCOME AND COMPREHENSIVE INCOME	\$6,339	\$4,614
BASIC AND DILUTED EARNINGS PER SHARE	\$0.47	\$0.25

**CABLE BAHAMAS LTD.**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED MARCH 31, 2012  
(EXPRESSED IN B\$000, UNAUDITED)

	ORDINARY SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TOTAL
<b>Balance at December 31, 2011</b>	13,593	-	64,041	\$77,634
Net income	-	-	6,339	6,339
Dividends paid on ordinary shares	-	-	(1,087)	(1,087)
<b>Balance at March 31, 2012</b>	\$13,593	\$ -	\$69,293	\$82,886

**CABLE BAHAMAS LTD.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED MARCH 31, 2012 WITH COMPARATIVES FOR MARCH 31, 2011 / (EXPRESSED IN B\$000, UNAUDITED)

	THREE MONTHS ENDED	
	MAR 31 2012	MAR 31 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 6,339	\$ 4,614
Adjustments for:		
Depreciation and amortization	4,369	3,853
Interest expense	365	327
Dividends on preferred shares	1,150	1,237
Operating cash flow before working capital changes	12,223	10,031
Increase in accounts receivable, net	(165)	(145)
Increase in prepaid expenses and deposits	(1,215)	(1,864)
Decrease (increase) in inventory	1,009	(245)
Increase in accounts payable and accrued liabilities	2,264	40
Decrease (increase) in deferred income	(27)	79
Increase (decrease) in subscriber deposits	256	(58)
Net cash from operating activities	14,345	7,838
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(5,856)	(5,191)
Additions to deferred expenses	(377)	(32)
Additions to investment in SRG	-	(76)
Repayment of long-term receivables	-	66
Issuance of long-term receivables	-	(89)
Net cash used in investing activities	(6,233)	(5,322)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(1,156)	(1,115)
Interest paid on long-term debt	(365)	(327)
Dividends paid on ordinary shares	(2,175)	(1,087)
Net cash used in financing activities	(3,696)	(2,529)
NET INCREASE (DECREASE) IN CASH	4,416	(13)
CASH, BEGINNING OF PERIOD	6,844	11,607
CASH, END OF PERIOD	\$ 11,260	\$ 11,594

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2012

(EXPRESSED IN B\$000, UNAUDITED)

	MAR 31 2012	MAR 31 2011
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 11,260	\$ 11,594
Accounts receivable, net	7,848	6,896
Prepaid expenses and deposits	2,101	3,496
Inventory	4,188	3,175
Other receivables	1,358	3,346
Total current assets	26,755	28,507
<b>NON-CURRENT ASSETS:</b>		
Investment	-	4,643
Property, plant and equipment	173,546	163,967
Intangible assets	19,963	4,843
Total non-current assets	193,509	173,453
<b>TOTAL</b>	<b>\$ 220,264</b>	<b>\$ 201,960</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable & accrued liabilities	\$ 18,915	\$ 17,241
Deferred income	1,728	1,369
Current portion of long-term debt	5,634	4,537
Current portion of preferred shares	-	5,000
Total current liabilities	26,277	28,147
<b>NON-CURRENT LIABILITIES:</b>		
Subscriber deposits	6,226	5,696
Long-term debt	44,875	43,448
Preferred shares	60,000	60,000
Total non-current liabilities	111,101	109,144
Total liabilities	137,378	137,291
<b>EQUITY:</b>		
Ordinary share capital	13,593	19,632
Treasury shares	-	(85,919)
Retained earnings	69,293	130,956
Total equity	82,886	64,669
<b>TOTAL</b>	<b>\$ 220,264</b>	<b>\$ 201,960</b>

## DIRECTORS

**Mr. Philip Keeping**  
Chairman

**Ms. Sandra Knowles**  
Director

**Mr. Frank Watson**  
Director

**Mr. Gary Kain**  
Director

**Mr. Anthony Butler**  
Director

**Mr. Algernon Cargill**  
Director

**Mr. Troy D'Arville**  
Director

**Mr. Franklyn Butler II**  
Director

## OFFICERS

**Mr. Anthony Butler**  
President and CEO

**Mr. Barry Williams**  
Senior Vice President of Finance

**Mr. John Gomez**  
Vice President of Engineering

**Mr. Blaine Schafer**  
Vice President of ITS Operations

SHARE REGISTRAR  
AND TRANSFER AGENT

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## 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, 2011.



cablebahamas

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# REVOICE

The  
clearest phone  
technology in  
the business.



cablebahamas

technology  unleashed