Unaudited Interim Condensed Consolidated Financial Statements

Columbus International Inc.

As at 30 September 2015 and 31 December 2014 and
for the three and nine months ended 30 September 2015 and 2014

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Note to the reader

On 31 March 2015, the Company disposed of the shares of ARCOS-1 USA Inc., A.SUR NET Inc., Columbus Networks USA, Inc., Columbus Networks Services Inc., and Columbus Networks Puerto Rico Inc. (collectively "Carve Out") to a related party. See Note 3 of the period ended 30 September 2015 interim condensed consolidated financial statements for further details. The Group interim condensed consolidated financial statements for the nine month period ended 30 September 2015 includes Carve Out revenue and expenses for the period from 1 January 2015 to 31 March 2015 as well as for the nine months ended 30 September 2014. As a result of the disposal, the company has prepared the following table which outlines the revenue and EBITDA on a comparable basis.

	Columbus Consolidated As presented						Columbus Consolidated Carve Out removed from all periods					
	Three Months			**Nine Months**			**Three Months**			**Nine Months**		
	2015 (US $000)	**2014 (US $000)**		**2015 (US $000)**	**2014 (US $000)**		**2015 (US $000)**	**2014 (US $000)**		**2015 (US $000)**	**2014 (US $000)**	
REVENUE	152,996	156,357	*-2%*	466,045	440,757	*6%*	152,996	145,797	*5%*	455,906	406,579	*12%*
EBITDA [1]	74,113	68,294	*9%*	203,686	191,020	*7%*	74,113	66,545	*11%*	206,077	185,002	*11%*

Revenue for the nine month period ended 30 September 2015 was adjusted to exclude Carve Out amounts of $10,139. Revenue for the three and nine month period ended 30 September 2014 was adjusted to exclude Carve Out amounts of $10,560 and $34,178, respectively.

EBITDA for the nine month period ended 30 September 2015 was increased to include negative Carve Out EBITDA of $2,391. EBITDA for the three and nine month period ended 30 September 2014 was adjusted to exclude Carve Out EBITDA of $1,749 and $6,018, respectively.

(1) Non-IFRS Measures
In this Note to Reader, we present EBITDA, which is a financial measure not recognized under IFRS. We define EBITDA for any period to be our consolidated profit/(loss) for the period, plus financing costs, income tax expense (recovery), depreciation, amortization and other expenses (including expenses related to foreign currency translation adjustments, our equity incentive plan and other exceptional or non-recurring items). We believe that EBITDA provides meaningful additional information to the financial statement readers because it is commonly reported and widely accepted by analysts and investors as a base for comparing a company's underlying profitability with other companies in the industry. Readers should not construe EBITDA as an alternative to operating profit or loss or cash flows from operating activities determined in accordance with IFRS. EBITDA is not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same.

Columbus International Inc.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2015 (US $000)	31 December 2014 (US $000)
ASSETS			
Current			
Cash		**29,678**	43,978
Accounts receivable, trade		**90,897**	118,389
Accounts receivable, other		**1,007**	3,178
Accounts receivable, taxes		**435**	—
Amounts due from related parties	**7**	**36,097**	—
Inventory		**4,943**	5,293
Prepayments		**18,992**	17,091
Total current assets		**182,049**	187,929
Investments and other assets		**6,735**	8,828
Property, plant and equipment		**1,035,824**	1,138,327
Non-current assets held for sale	**5**	**5,820**	—
Intangible assets		**167,755**	184,116
Goodwill		**190,886**	202,300
Embedded derivative		**8,784**	12,968
Deferred income tax asset		**16,013**	27,618
Total assets		**1,613,866**	1,762,086
LIABILITIES AND EQUITY			
LIABILITIES			
Current			
Operating facilities	**7, 8**	**36,550**	—
Accounts payable and accrued liabilities		**144,933**	165,494
Income taxes payable		**8,291**	6,025
Amounts due to related parties		**34,163**	11,695
Current portion of deferred revenue		**32,891**	37,987
Total current liabilities		**256,828**	221,201
Interest-bearing loans and borrowings		**1,235,127**	1,233,140
Deferred revenue, net of current portion		**266,505**	324,086
Deferred income tax liability		**74,046**	98,984
Other long-term liabilities		**10,930**	39,413
Total liabilities		**1,843,436**	1,916,824
EQUITY			
Issued capital	**11**	**365,879**	335,241
Foreign currency translation adjustment		**(102,958)**	(83,355)
Accumulated deficit		**(492,491)**	(406,624)
Total equity		**(229,570)**	(154,738)
		1,613,866	1,762,086

The accompanying notes are an integral part of these financial statements

Columbus International Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended 30 September 2015 and 2014
(Unaudited)

		Three Months		Nine Months	
		2015	**2014**	**2015**	**2014**
	Notes	**(US $000)**	**(US $000)**	**(US $000)**	**(US $000)**
Revenue		**152,996**	156,357	**466,045**	440,757
Operating costs		**78,883**	88,063	**262,359**	249,737
		74,113	68,294	**203,686**	191,020
Balancing payment to related party	**16**	—	—	**8,000**	—
		74,113	68,294	**195,686**	191,020
Amortization		**29,207**	26,203	**87,232**	77,888
Operating income		**44,906**	42,091	**108,454**	113,132
Other expenses					
Financing costs	**12**	**32,831**	25,601	**75,269**	145,670
Other non-operating expenses	**13**	**62,801**	12,617	**113,560**	35,663
		95,632	38,218	**188,829**	181,333
(Loss) income before income taxes		**(50,726)**	3,873	**(80,375)**	(68,201)
Income tax (recovery) expense	**9**	**(2,087)**	7,219	**5,492**	15,942
Loss for the period		**(48,639)**	(3,346)	**(85,867)**	(84,143)
Other comprehensive loss for the period					
Other comprehensive income to be reclassified to profit or loss:					
Foreign currency translation adjustments		**(12,423)**	(901)	**(19,603)**	(18,971)
Total comprehensive loss for the period		**(61,062)**	(4,247)	**(105,470)**	(103,114)

The accompanying notes are an integral part of these financial statements

Columbus International Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Issued capital (US $000)	Accumulated deficit (US $000)	Foreign currency translation (US $000)	Total equity (US $000)
At 1 January 2015		**335,241**	**(406,624)**	**(83,355)**	**(154,738)**
Loss for the period		—	**(85,867)**	—	**(85,867)**
Other comprehensive loss		—	—	**(19,603)**	**(19,603)**
Total comprehensive loss		—	**(85,867)**	**(19,603)**	**(105,470)**
Issued capital	**11**	**29,638**	—	—	**29,638**
Forgiveness of shareholder loan	**11**	**1,000**	—	—	**1,000**
		30,638	**(85,867)**	**(19,603)**	**(74,832)**
At 30 September 2015		**365,879**	**(492,491)**	**(102,958)**	**(229,570)**
At 1 January 2014	**17**	326,617	(205,766)	(43,994)	76,857
Loss for the period		—	(84,143)	—	(84,143)
Other comprehensive loss		—	—	(18,971)	(18,971)
Total comprehensive loss		—	(84,143)	(18,971)	(103,114)
Dividend		—	(94,938)	—	(94,938)
Forgiveness of shareholder loan		2,000	—	—	2,000
Conversion of preferred shares		6,624	—	—	6,624
		8,624	(179,081)	(18,971)	(189,428)
At 30 September 2014		335,241	(384,847)	(62,965)	(112,571)

The accompanying notes are an integral part of these financial statements

Columbus International Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the three and nine months ended 30 September 2015 and 2014
(Unaudited)

	Notes	Three Months 2015 (US $000)	Three Months 2014 (US $000)	Nine Months 2015 (US $000)	Nine Months 2014 (US $000)
OPERATING ACTIVITIES					
(Loss) income before income taxes		**(50,726)**	3,873	**(80,375)**	(68,201)
Adjustments for:					
Amortization of property, plant and equipment		**24,300**	23,169	**72,222**	67,037
Amortization of intangible assets		**4,907**	3,034	**15,010**	10,851
Amortization of debt issue costs, discounts and premiums, net		**676**	521	**2,029**	15,734
Long-term employee benefits	**10**	**1,187**	11,555	**20,792**	17,920
Fair value adjustment of embedded derivative		**9,243**	2,461	**4,185**	(6,676)
Gain on disposal of subsidiaries	**3**	—	—	**(7,430)**	—
Gain on disposal of investment in associate		—	(3,715)	—	(3,715)
Loss on disposal and retirement of property, plant and equipment		**30,314**	—	**30,314**	651
Non-cash balancing payment to related party	**16**	**-**	—	**8,000**	—
(Decrease) increase in integration provision		**(5,336)**	—	**9,608**	—
Other non-cash adjustments		**-**	45	**1,000**	1,549
Change in deferred revenue		**(6,632)**	(6,371)	**(19,924)**	(18,789)
Current income tax expense		**(6,261)**	(5,778)	**(15,643)**	(18,157)
		1,672	28,794	**39,788**	(1,796)
Change in non-cash operating working capital		**(2,089)**	(29,318)	**(26,697)**	(15,476)
Cash (used in) provided by operating activities		**(417)**	(524)	**13,091**	(17,272)
FINANCING ACTIVITIES					
Proceeds from interest-bearing loans and borrowings		—	—	—	1,250,000
Repayment of interest-bearing loans and borrowings		—	—	—	(852,000)
Proceeds from operating facilities	**8**	**24,050**	—	**71,550**	—
Repayment of operating facilities	**8**	—	—	**(35,000)**	—
Issue costs related to interest-bearing loans and borrowings		—	(1,507)	**(42)**	(21,902)
Proceeds from issuance of share capital	**11**	—	—	**29,638**	—
Dividends paid		—	—	—	(94,938)
Decrease in other long-term liabilities		**(7,784)**	(285)	**(17,003)**	(4,997)
Cash provided by (used in) financing activities		**16,266**	(1,792)	**49,143**	276,163
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	**4**	**(51,665)**	(43,801)	**(132,891)**	(128,237)
Purchase of intangible assets	**6**	**(1,757)**	(3,119)	**(4,509)**	(7,291)
Disposal of property, plant and equipment	**4**	**331**	245	**1,025**	600
Change in investments and other assets		**181**	(739)	**769**	(620)
Disposal (acquisition) of subsidiaries	**3**	—	194	**53,452**	(146,139)
Cash used in investing activities		**(52,910)**	(47,220)	**(82,154)**	(281,687)
Adjustment for change in foreign exchange		**4,336**	(602)	**5,620**	406
Net change in cash during the period		**(32,725)**	(50,139)	**(14,300)**	(22,390)
Cash, beginning of period		**62,403**	77,134	**43,978**	49,386
Cash, end of period		**29,678**	26,996	**29,678**	26,996

The accompanying notes are an integral part of these financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2015
(Unaudited)
In thousands except for per share amounts

1. COMPANY PROFILE

Reporting Entity

Columbus International Inc. ("CII" or the "Company") is a company registered in Barbados. The Company was incorporated on 13 October 2004 as Ironbound Holdings (Barbados) Limited, then amended on 19 October 2005 to Columbus International Inc. under the Companies Act of Barbados. The Company's shares are privately held. Effective 31 March 2015, the Company was acquired by Sable Holding Limited (incorporated in England and Wales), a wholly owned subsidiary of Cable & Wireless Communications Plc ("CWC"). CWC is the ultimate parent company.

The unaudited interim condensed consolidated financial statements for the three and nine months ended 30 September 2015 (the "interim financial statements") comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is a diversified Caribbean communications company whose core operating business is providing cable television services, high speed internet access, digital phone and internet infrastructure services and development of an undersea fibre optic cable network ("Network") as well as the sale and lease of the telecom capacity provided by the Network.

The interim financial statements were authorized for issue in accordance with a resolution of the Directors.

Basis of Presentation

The interim financial statements for the nine months ended 30 September 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The Directors have made an assessment of the Group's ability to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Unless otherwise stated, all figures are reported in US dollars and are rounded to the nearest thousand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

The accounting policies applied by the Group in the interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2014. On 1 January 2015, no new or revised accounting standards and interpretations were adopted that had a material impact on the Group's consolidated results, financial position or cash flows.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Estimates

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

3. DISPOSAL OF SUBSIDIARIES

On 31 March 2015, the Company disposed of the shares of ARCOS-1 USA Inc., A.SUR NET Inc., Columbus Networks USA, Inc., Columbus Networks Services Inc., and Columbus Networks Puerto Rico Inc. to a related party for proceeds of $74,250 consisting of cash of $55,688 and a note receivable of $18,562. The Company recorded a gain of $7,430 in the consolidated statement of loss and comprehensive loss. See Note 21 of the year ended 31 December 2014 audited financial statements.

The major classes of assets and liabilities disposed of at 31 March 2015 are as follows:

	(US $000)
Cash	2,236
Accounts receivable, trade	2,220
Accounts receivable, other	59
Income taxes recoverable	843
Prepayments and other current assets	3,434
Other assets	1,323
Property, plant and equipment	112,323
Intangible assets	5,741
Deferred income tax asset	18,998
Total assets	**147,177**
Accounts payable and accrued liabilities	15,279
Deferred revenue	42,753
Other liabilities	145
Deferred income tax liability	22,180
Total liabilities	**80,357**
Net assets	**66,820**
Gain on disposal	7,430
Total proceeds	**74,250**
Note receivable from Columbus New Cayman Limited *[Note 7]*	(18,562)
Cash received	55,688
Less: cash balances in disposed subsidiaries	(2,236)
Net cash proceeds	**53,452**

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4. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2015, the Group acquired property, plant and equipment at a cost of $132,891 (nine months ended 30 September 2014 – $128,237).

During the nine months ended 30 September 2015, the Group disposed of property, plant and equipment of $1,025 (nine months ended 30 September 2014 – $600). In addition, during the nine months ended 30 September 2015, the Group retired assets of $30,249. There was no retirement of assets or impairment charge recorded during the first nine months of 2014.

5. NON-CURRENT ASSETS HELD FOR SALE

On 31 March 2015, the Group reclassified property, plant and equipment of $5,820 to non-current assets held for sale. The non-current assets held for sale relate to the Barbados fiber network assets that are being divested as a condition imposed by the Barbados Fair Trading Commission as a result of the acquisition of the Company by Sable Holding Limited.

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill is tested for impairment annually (at 30 November) and when circumstances indicate the carrying value may be impaired. The Company's impairment test for goodwill and intangible assets with indefinite lives is based on value in use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount of the different cash generating units were discussed in the annual statements for the year ended 31 December 2014.

The Group considers internal and external factors when reviewing for indications of impairment. As at 30 September 2015, the Company did not exhibit any indications of impairment. As a result, management has not performed an impairment test as at 30 September 2015.

During the nine months ended 30 September 2015, the Group has purchased intangible assets at a cost of $4,509 (nine months ended 30 September 2014 – $7,291).

During the nine months ended 30 September 2015, as a result of foreign currency translation, goodwill was reduced by $11,414.

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7. AMOUNTS DUE FROM (TO) RELATED PARTIES

The following table outlines the balances due from (to) related parties:

	30 September 2015 (US $000)
Due from Columbus New Cayman Limited group	17,535
Note receivable from Columbus New Cayman Limited *[Note 3]*	18,562
	36,097
Operating facility repayable to Sable Holding Limited *[Note 8]*	(24,650)
Term loan facility repayable to Cable & Wireless (Barbados) Limited *[Note 8]*	(11,900)
	(36,550)
Due to Cable & Wireless Communications group	(34,163)

During the nine month period ended, the Company forgave $1,000 of a shareholder loan. The expense was recorded as long-term employee compensation *[Note 11]*.

8. OPERATING FACILITIES

At 31 March 2015, the Company established an operating facility of $75,000 with its immediate parent, Sable Holding Limited, of which $24,650 is drawn down. The operating facility is unsecured, bears interest at LIBOR + 425bps, and is due on demand.

At 9 June 2015, a subsidiary of the Company established a revolving term loan facility of BBD50,000 (US$25,000) with Cable & Wireless (Barbados) Limited, of which BBD23,800 (US$11,900) is drawn down. The operating facility is unsecured, bears interest at the Barbados T-bill rate + 272bps, and is due on demand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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9. INCOME TAX

The major components of income tax expense in the interim consolidated income statement are comprised of the following:

	Nine months ended 30 September	
	2015 (US $000)	**2014 (US $000)**
Current income tax	15,643	18,157
Deferred income tax expense relating to original and reversal of temporary differences	(10,151)	(2,215)
Income tax expense	5,492	15,942

The Group's overall tax provision is based on the statutory tax rates applicable to the income earned in the various jurisdictions which range from 2.5% to 33%. The Company's statutory tax rate for 2014 and 2015 was 2.5%. The Group's effective tax rate is greater than the Company's statutory tax rate as certain entities earn income that is subject to a higher tax rate. Furthermore several entities have incurred losses for which no deferred tax asset has been recorded. The effects of these differences results in a higher consolidated tax expense relative to the overall income of the Group in the reporting periods.

10. SHARE-BASED PAYMENTS

Concurrent with the acquisition of the Company by CWC, the Company cancelled all of the outstanding options in the equity incentive plan and replaced it with a combination of an alternative plan with CWC and cash payments to the unit holders.

CWC awarded restricted shares to senior management and selected other employees of the Group, primarily as a retention tool. These restricted shares vest over three years from grant date. The individuals must hold share options converted from the Columbus EIP scheme at an equivalent of three times salary over the same three year period. If the amount of share options drop below the three times salary requirement, the restricted shares are forfeited.

During the nine month period ended 30 September 2015, payments of $49,638 were made to unit holders with proceeds from the issuance of shares and through use of the operating facility *[Note 8]*.

The carrying amount of the liability as at 30 September 2015 is $2,185 (30 September 2014 – $28,023). A total of $20,792 was recorded as compensation expense for the nine months ended 30 September 2015 (nine months ended 30 September 2014 – $17,920).

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11. ISSUED CAPITAL

Authorized
Unlimited number of common shares without nominal or par value.

	(000s)	(US $000)
Ordinary shares		
Issued and fully paid		
At 1 January 2015	261,409	335,241
Issued on 31 March 2015 for cash	4,198	29,638
Forgiveness of shareholder loan	1,000	1,000
At 30 September 2015	266,607	365,879

During the nine month period ended, the Company forgave $1,000 of a shareholder loan. The expense was recorded as long-term employee compensation *[Note 7]*.

12. FINANCING COSTS

	Nine months ended 30 September	
	2015 (US $000)	2014 (US $000)
Interest expense	69,772	74,339
Breakage fees and make-whole payments	—	62,009
Amortization of debt issue costs	2,367	19,251
Amortization of premium	—	(3,289)
Amortization of bifurcated derivative	(342)	(228)
Fair value of embedded derivative	4,185	(6,676)
Preferred share dividends	—	91
Other financing charges	172	173
	76,154	145,670
Interest income	(885)	—
	75,269	145,670

During the nine months ended 30 September 2014, the Company repaid the $640,000 senior secured notes as well as the $212,000 outstanding on the $225,000 senior guaranteed unsecured notes facilities in full.

The Company incurred $19,165 of debt issue costs related to the borrowings and expensed $14,508 related to unamortized debt issue costs and unamortized premiums associated with the previous debt. The Company also incurred $62,009 related to breakage fees and make-whole payment associated with the repayment of the two facilities, which has also been expensed.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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13. OTHER NON-OPERATING EXPENSES

	Nine months ended 30 September	
	2015 (US $000)	**2014 (US $000)**
Long-term employee compensation and dividend equivalent rights,	20,792	24,982
Restructuring and staff redundancy costs (a)	18,944	1,461
Loss on disposal and retirement of property, plant and equipment	30,314	651
Foreign exchange losses	2,043	5,033
Gain on disposal of subsidiaries *[Note 3]*	(7,430)	—
Gain on disposal of investment in associate	—	(3,715)
Acquisition related costs	2,644	5,633
Legal settlement (b)	10,450	—
Non-recurring bad debt expense (c)	29,761	—
Other non-recurring or non-operating expenses	6,042	1,618
	113,560	35,663

(a) Included in restructuring and staff redundancy costs are integration costs associated with the acquisition of the Company by CWC.

(b) On 8 May 2015, a subsidiary of the Company received an unfavorable ruling relating to the acquisition of Techvision and has been ordered to pay the majority of the purchase price holdback, a disputed non-competition payment and other amounts (including costs) totaling $10,450 within 30 days of the date of the ruling. The payment was made on 8 June 2015.

(c) During the nine month period ended, as a result of the acquisition by CWC, certain fair value adjustments and accounting policy alignments resulted in an increase in the allowance for doubtful accounts and an increase to other bad debt expense of $29,761.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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14. SEGMENTED INFORMATION

The Group currently manages its business under two operating segments: Columbus Networks and Flow. For purposes of this segment note, Flow includes the Karib Cable markets. Within Columbus Networks, management has shown separately the revenue generated from Wholesale and C&W Business Solutions (CBS). Within Flow, management has shown separately Consumer and CBS.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Nine months ended
30 September 2015

	Columbus Networks		Flow		Eliminations and adjustments	Total
	Wholesale (US $000)	CBS (US $000)	Consumer (US $000)	CBS (US $000)	(US $000)	(US $000)
Revenue						
External	124,659	58,788	202,130	80,468	—	466,045
Intercompany	319	1,116	—	6,846	(8,281)	—
Total revenue	125,330	59,552	202,130	87,314	(8,281)	466,045

	Columbus Networks (US $000)	Flow (US $000)	Eliminations and adjustments (US $000)	Total (US $000)
Income (loss) (a)	5,681	3,519	(95,067)	(85,867)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Nine months ended
30 September 2014

	Columbus Networks		Flow		Eliminations and adjustments	Total
	Wholesale (US $000)	CBS (US $000)	Consumer (US $000)	CBS (US $000)	(US $000)	(US $000)
Revenue						
External	129,050	51,218	188,555	71,934	—	440,757
Intercompany	319	203	—	6,147	(6,669)	—
Total revenue	129,369	51,421	188,555	78,081	(6,669)	440,757

	Columbus Networks (US $000)	Flow (US $000)	Eliminations and adjustments (US $000)	Total (US $000)
Income (loss) (a)	43,926	44,305	(172,374)	(84,143)

a) The income (loss) for each operating segment does not include financing costs which are presented under eliminations and adjustments. Total financing costs for the nine months ended 30 September 2015 were $75,269 (nine months ended 30 September 2014 – $145,670).

The following table presents the total assets and the total liabilities of the Group's operating segments as at 30 September 2015 and 31 December 2014:

Segment assets	Columbus Networks (US $000)	Flow (US $000)	Eliminations and adjustments (US $000)	Total (US $000)
At 30 September 2015	770,428	871,794	(28,356)	1,613,866
At 31 December 2014	965,901	830,134	(33,949)	1,762,086
Segment liabilities				
At 30 September 2015	510,623	805,083	527,730	1,843,436
At 31 December 2014	664,801	780,028	471,995	1,916,824

15. FINANCIAL INSTRUMENTS

The following table sets out the classification used by the Group to fair value its financial instruments as at 30 September 2015:

		Carrying amount (US $000)	Fair value (US $000)
Financial instruments at fair value through profit and loss			
Embedded derivative	Level 2	8,784	8,784
Other long-term liabilities	Level 3	10,930	10,930
Interest-bearing loans and borrowings			
Operating facility	Level 3	36,550	36,550
Senior notes	Level 2	1,250,000	1,280,048

Valuation methods and assumptions
The Group's policy on the various methods used to calculate the respective fair values is detailed in the 31 December 2014 financial statements. Key inputs for the valuation of the embedded derivative included: Mean reversion parameter as at 30 September 2015 was 0.701%, the volatility parameter using market data as at the valuation date was estimated to be 0.883%, and the credit spread was implied to be approximately 5.18%.

During the period ended 30 September 2015 there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

16. BALANCING PAYMENT

The balancing payment relates to amounts due to CWC under terms of a strategic alliance in respect of international wholesale capacity entered into on 13 May 2013. There was no balancing payment recorded for the last two quarters.

17. REVISED PRIOR PERIOD AMOUNTS

During a review conducted in conjunction with the acquisition of the Company by CWC, the Group identified and corrected errors related to earlier periods in respect of the application of its interest capitalization policy and to the provision for bad debts. The Group determined that it should have capitalized financing costs to property, plant and equipment and intangible assets. As a result, the Group had understated the property, plant and equipment and intangible assets reported on its balance sheets and overstated financing costs, partially offset by amortization expense, for each period subsequent to the commencement of constructing the qualifying assets. In addition the Group should have allowed for uncollectible customer receivables and as a result, accounts receivable were overstated and operating costs were understated since 2012. Although these errors were immaterial to the prior annual reporting periods affected, the impact of the adjustments on the individual line items might be considered material if adjusted in an interim period. Accordingly, the Group has revised the interim condensed consolidated statement of changes in equity to reflect the appropriate opening balance.

18. EVENTS AFTER THE BALANCE SHEET DATE

On 16 November 2015 a joint announcement made by Cable & Wireless Communications Plc and Liberty Global plc was released in relation to a recommended offer made by Liberty Global plc for the entire issued and to be issued share capital of Cable & Wireless Communications Plc.