Consolidated Financial Statements
December 31, 2016

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FORWARD-LOOKING STATEMENTS

Certain statements in this annual report constitute forward-looking statements. To the extent that statements in this annual report are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In particular, statements under *Description of Business* (including, but not limited to, *Competition, Regulatory Matters* and *Legal Proceedings*) and *Management's Discussion and Analysis of Financial Condition and Results of Operations* may contain forward-looking statements, including statements regarding our business, product and finance strategies in 2017, our property, equipment and intangible asset additions in 2017, subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, liquidity and other information and statements that are not historical fact.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. In evaluating these statements, you should consider the risks and uncertainties in the following list, and those described herein, as some of but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and business conditions and industry trends in the countries in which we operate;
- the competitive environment in the industries in the countries in which we operate, including competitor responses to our products and services;
- fluctuations in currency exchange rates and interest rates;
- instability in global financial markets, including sovereign debt issues and related fiscal reforms;
- consumer disposable income and spending levels, including the availability and amount of individual consumer debt;
- changes in consumer television viewing preferences and habits;
- consumer acceptance of our existing service offerings, including our cable television, broadband internet, fixed-line telephony, mobile and business service offerings, and of new technology, programming alternatives and other products and services that we may offer in the future;
- our ability to manage rapid technological changes;
- our ability to maintain or increase the number of subscriptions to our cable television, broadband internet, fixed-line telephony and mobile service offerings and our average revenue per household;
- our ability to provide satisfactory customer service, including support for new and evolving products and services;
- our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers;
- the impact of our future financial performance, or market conditions generally, on the availability, terms and deployment of capital;
- changes in, or failure or inability to comply with, government regulations in the countries in which we operate and adverse outcomes from regulatory proceedings;
- government intervention that requires opening our broadband distribution networks to competitors;
- our ability to obtain regulatory approval and satisfy other conditions necessary to close acquisitions and dispositions, and the impact of conditions imposed by competition and other regulatory authorities in connection with acquisitions;
- our ability to successfully acquire new businesses and, if acquired, to integrate, realize anticipated efficiencies from and implement our business plan with respect to the businesses we have acquired or that we may acquire;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.K. or in other countries in which we operate;
- changes in laws and government regulations that may impact the availability and cost of capital and the derivative instruments that hedge certain of our financial risks;

- the ability of suppliers and vendors to timely deliver quality products, equipment, software, services and access;
- the availability of attractive programming for our video services and the costs associated with such programming, including retransmission and copyright fees payable to public and private broadcasters;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our ability to adequately forecast and plan future network requirements, including the costs and benefits associated with our network extension programs;
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- the leakage of sensitive customer data;
- the outcome of any pending or threatened litigation;
- the loss of key employees and the availability of qualified personnel;
- changes in the nature of key strategic relationships with partners and joint venturers; and
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, malicious human acts, natural disasters, pandemics and other similar events.

The broadband distribution and mobile service industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this annual report are subject to a significant degree of risk. These forward-looking statements and the above-described risks, uncertainties and other factors speak only as of the date of this annual report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statement.

DESCRIPTION OF OUR BUSINESS

*In this section, unless the context otherwise requires, the terms "we," "our," "our company" and "us" may refer, as the context requires, to Cable & Wireless Communications Limited (**CWC**) or collectively to CWC and its subsidiaries. CWC is a wholly-owned subsidiary of Liberty Global plc (**Liberty Global**). Unless otherwise indicated, operational and statistical data, including subscriber statistics, are as of December 31, 2016. Certain competitive and market information contained in this section has been derived from several sources, including information from third-party sources such as Dataxis as of September 30, 2016.*

Overview

We are a leading television and broadband company with operations predominantly in the Caribbean and Latin America. The communications and entertainment services that we deliver to our residential and business customers over our networks include video, broadband internet, telephony and mobile services. In most of our operating footprint, we offer a "triple play" of bundled services of digital video, internet and telephony in one subscription. Where we deem advantageous, we are enhancing this offer by offering mobile services for a "quad play," or fixed-mobile convergence service. Available service offerings depend on the bandwidth capacity of a particular system and whether it has been upgraded for two-way communications.

We own extensive sub-sea and terrestrial fiber optic cable networks that connect over 30 markets throughout the Caribbean and parts of Latin America. Our networks include long-haul terrestrial backbone and metro fiber networks that provide access to major commercial areas, wireless carrier cell sites and customers in key markets throughout our operating footprint.

We operate the largest fixed network capable of delivering video services in each of Jamaica, Barbados, Trinidad and Tobago and a number of other Caribbean markets, in terms of video subscribers. We also operate the largest telephony network, in terms of fixed-line telephony subscribers, in each of Panama, Jamaica, Barbados, the Bahamas and in almost all of the other Caribbean countries where we provide retail services.

We provide residential and business-to-business (B2B) services in 18 countries in the Caribbean and parts of Latin America and the Seychelles, while we provide B2B only services in certain other countries in Latin America and the Caribbean and wholesale services over our sub-sea and terrestrial networks that connect over 30 markets in the region.

During 2016, we continued improvements to our network, building or upgrading approximately 200,000 homes across our footprint, namely in Panama. We anticipate expanding our network new build and upgrade program in 2017 with 250,000 homes targeted, most of which are upgrades.

We have made strategic acquisitions that deliver the scale that allows us to innovate and deliver quality services, content and products to our customers, namely the acquisition of Columbus International Inc. (**Columbus**) on March 31, 2015. Additionally, on May 16, 2016, we were acquired by Liberty Global and attributed to Liberty Global's LiLAC Group. "Cable & Wireless" is a well-recognized and respected brand that has been in use for more than 70 years. CWC's leading brands include Flow in the Caribbean, BTC in the Bahamas, Mas Movil in Panama, C&W Business and C&W Networks.

Our operations are provided through various consolidated subsidiaries, including the following significant subsidiaries where we own less than 100%: Cable & Wireless Panama, SA (a 49.0%-owned entity that owns most of our operations in Panama); the Bahamas Telecommunications Company Limited (a 49.0%-owned entity that owns all of our operations in the Bahamas); Cable & Wireless Jamaica Limited (an 82.0%-owned entity that owns the majority of our operations in Jamaica); and Cable & Wireless Barbados Limited (an 81.1%-owned entity that owns the majority of our operations in Barbados).

The following tables present certain operating data as of December 31, 2016, with respect to our networks. The tables reflect 100% of the data applicable to each of our subsidiaries, regardless of our ownership percentage. Percentages are rounded to the nearest whole number. Subscriber information is subject to adjustment until we have completed our review of such information and determined that it is presented in accordance with Liberty Global policies.

Consolidated Operating Data – December 31, 2016

	Homes passed (1)	Two-way homes passed (2)	Customer relationships (3)	Total RGUs (4)	Video: Basic video subscribers (5)	Video: Enhanced video subscribers (6)	Video: DTH subscribers (7)	Video: Total video	Internet subscribers (8)	Telephony subscribers (9)	Mobile subscribers (10)
Panama	527,800	416,300	336,000	453,400	—	42,800	39,700	82,500	95,700	275,200	1,736,300
Jamaica	424,300	424,300	295,900	496,000	—	102,500	—	102,500	172,300	221,200	944,800
Trinidad and Tobago	310,500	310,500	166,400	271,400	—	117,200	—	117,200	123,500	30,700	—
Barbados	121,800	121,800	92,200	162,500	—	18,400	—	18,400	62,500	81,600	131,500
Bahamas	155,000	155,000	55,200	83,100	—	1,600	—	1,600	26,400	55,100	315,200
Other	354,300	334,500	211,800	317,400	10,100	73,400	—	83,500	122,300	111,600	399,000
Total	1,893,700	1,762,400	1,157,500	1,783,800	10,100	355,900	39,700	405,700	602,700	775,400	3,526,800

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(1) Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant, except for direct-to-home (**DTH**) satellite providers homes. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results. We exclude DTH homes from Homes Passed.

(2) Two-way Homes Passed are Homes Passed by those sections of our networks that are technologically capable of providing two-way services, including video, internet and telephony services.

(3) Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as RGUs (revenue generating units), without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Customer Relationships. We exclude mobile-only customers from Customer Relationships.

(4) RGU is separately a Basic Video Subscriber, Enhanced Video Subscriber, DTH Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in one of our markets subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, DTH, Internet and Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g., a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. RGUs in the table do not include subscriptions to mobile services: our RGU counts exclude our separately reported postpaid and prepaid mobile subscribers.

(5) Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. We count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs. We exclude DTH Subscribers from Basic Video Subscribers.

(6) Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers. We exclude DTH Subscribers from Enhanced Video Subscribers.

(7) DTH Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video programming broadcast directly via a geosynchronous satellite.

(8) Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks. Our Internet Subscribers do not include customers that receive services from dial-up connections.

(9) Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks. Telephony Subscribers exclude mobile telephony subscribers.

(10) Mobile Subscriber is an active subscriber identification module (**SIM**) card in service rather than services provided. For example, if a Mobile Subscriber has both a data and voice plan on a smartphone this would equate to one Mobile Subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two Mobile Subscribers. Customers who do not pay a recurring monthly fee are excluded from our Mobile Subscriber counts after periods of inactivity ranging from 30 to 90 days, based on industry standards within the respective country.

Most of our broadband communications subsidiaries provide telephony, broadband internet, data, video or other business services. We generally do not count customers of business services as customers or RGUs for external reporting purposes.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability from country to country in (1) the nature and pricing of products and services, (2) the distribution platform, (3) billing systems, (4) bad debt collection experience and (5) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.

Network & Product Penetration Data (%) – December 31, 2016

	Panama	Jamaica	Trinidad & Tobago	Barbados	Bahamas	Other
Network data:						
Two-way homes passed percentage (1)	79	100	100	100	100	93
Homes passed percentage – Cable (2)	42	64	100	—	—	52
Homes passed percentage – FTTx (2)	—	—	—	100	17	5
Homes passed percentage – (V)DSL (2)	58	36	—	—	83	43
Product penetration:						
Cable television penetration (3)	8	24	38	15	1	24
Enhanced video penetration (4)	100	100	100	100	100	88
Broadband internet penetration (5)	23	41	40	51	17	37
Fixed-line telephony penetration (5)	66	52	10	67	36	33
Double-play penetration (6)	17	37	33	46	44	41
Triple-play penetration (6)	9	15	15	15	3	4

(1) Percentage of total homes passed that are two-way homes passed.

(2) Percentage of total homes passed served by a cable, fiber-to-the-home/-cabinet/-building/-node (referred to herein as **FTTx**) or digital subscriber line (**DSL**) network."(V)DSL" refers to both our DSL and very high-speed DSL technology (**VDSL**) networks.

(3) Percentage of total homes passed that subscribe to cable television services (Basic Video or Enhanced Video).

(4) Percentage of cable television subscribers (Basic Video and Enhanced Video Subscribers) that are Enhanced Video Subscribers.

(5) Percentage of two-way homes passed that subscribe to broadband internet or fixed-line telephony services, as applicable.

(6) Percentage of total customers that subscribe to two services (double-play customers) or three services (triple-play customers) offered by our operations (video, broadband internet and fixed-line telephony).

Video, Broadband Internet & Fixed-Line Telephony and Mobile Services – December 31, 2016

	Panama	Jamaica	Trinidad & Tobago	Barbados	Bahamas	Other
Video services:						
Network System [1]	(V)DSL/ HFC	(V)DSL/ HFC	HFC	(V)DSL/ FTTx	(V)DSL/ FTTx	HFC/ (V) DSL/ FTTx
Broadband internet service:						
Maximum download speed offered (Mbps)	300	100	240[3]	1,000	100	480[4]
Mobile systems:						
Number of Mobile SIM cards (in 000's) [2]	1,736	945		132	315	399
Prepaid	1,566	922		102	282	343
Postpaid	170	23		30	33	56

(1) These are the primary systems used for delivery of services in the countries indicated. "HFC" refers to hybrid fiber coaxial cable networks.

(2) Represents the number of active SIM cards in service. See note 10 to the above table captioned "Consolidated Operating Data."

(3) Speeds of up to 1 Gbps are available in limited areas.

(4) The majority of the "Other" operations offer speeds of up to 100 Mbps.

Products and Services

We offer our customers a comprehensive set of converged mobile, fixed-line telephony, broadband and video services. In the table below, we identify the services we offer in each of the countries in the Caribbean and Latin American where we have operations.

	Mobile	Internet	Video(1)	Telephony
Panama	X	X	X	X
Jamaica	X	X	X	X
Trinidad and Tobago		X	X	X
Barbados	X	X	X	X
The Bahamas	X	X	X	X
Anguilla	X	X	X	X
Antigua & Barbuda	X	X	X	X
British Virgin Islands	X	X		X
Cayman Islands	X	X	X	X
Curaçao		X	X	X
Dominica	X	X		X
Grenada	X	X	X	X
Montserrat	X	X		X
Seychelles	X	X	X	X
St Kitts & Nevis	X	X		X
St Lucia	X	X	X	X
St Vincent & the Grenadines	X	X	X	X
Turks & Caicos	X	X	X	X

(1) In certain markets, our video services are offered through DTH and fiber-to-the-home and DSL networks.

We believe that our ability to offer our customers greater choice and selections in bundling their services enhances the attractiveness of our service offerings, improves customer retention, minimizes churn and increases overall customer lifetime value.

Residential Services

Mobile Services. We offer mobile services throughout most of our operating footprint. We are a mobile network provider in Panama and most of our Caribbean markets, including the Bahamas and Jamaica. As a mobile network provider, we are able to offer a full range of voice and data services, including value-added services such as short message service (**SMS**), mobile internet and email access. Where available, our mobile services allow us to provide an extensive converged product offering, bundled with video, internet and fixed-line telephony, allowing our customers connectivity in and out of the home. We hold spectrum licenses as mobile network provider, with terms ranging from 10 to 15 years.

Subscribers to our mobile services pay varying monthly fees depending on whether the mobile service is bundled with one of our other services or includes mobile data services over their phones, tablets or laptops. Our mobile services are available on a postpaid or prepaid basis, with most customers purchasing a prepaid plan. We offer our customers the option to purchase mobile handsets with purchase terms typically related to whether the customer selects a prepaid or postpaid plan. Customers selecting a prepaid plan or service pay in advance for a pre-determined amount of airtime or data and generally do not enter into a minimum contract term. Customers subscribing to a postpaid plan generally enter into contracts ranging from 12 to 24 months. The long-term contracts are often taken with a subsidized mobile handset. For each SIM card, we typically charge a one-time activation fee to our prepaid customers. Calls within and out of network incur a separate charge if not covered within a prepaid plan or under a postpaid monthly service plan. Our mobile services include voice, SMS and internet access.

Telephony Services. We are the incumbent fixed-line telephony service provider in many of our Caribbean markets and in certain markets we are the sole fixed-line provider. We offer multi-feature telephony service over our various fixed networks, including cable, DSL, FTTx and copper networks. Depending on location, these services are provided via either circuit-switched telephony or voice-over-internet-protocol (**VoIP**) technology. As the need arises, we are replacing obsolete switches with VoIP technology and older copper networks with modern fiber optics, as we continue to develop and invest in new technologies that will enhance our customers' experiences. These digital telephony services range from usage-based to unlimited international, local and domestic services.

Video Services. We offer video services in most of our residential markets, including Trinidad and Tobago, Jamaica, Panama, Barbados and the Bahamas. To meet the demands of our customers, we have enhanced our video services with next generation, market leading digital television platforms that enable our customers to control when and where they watch their programming. These advanced services are delivered over our FTTx, very high-speed DSL technology (VDSL) and hybrid fiber coaxial cable networks and include an advanced electronic programming guide, digital video recorders (DVR) and video-on-demand VoD. In certain of our markets, customers can pause their programming while the live broadcast is in progress.

In most of our markets, customers have access to VoD, which offers thousands of movies and other video content, including kids, documentaries, adult, sports and television series, as well as music channels. Our VoD service is generally available on a transaction basis, with certain VoD content available only through premium packages for an additional monthly charge. Customers who subscribe to our video service receive a VoD enabled set-top box without an additional monthly charge. We tailor our VoD services to the specific market based on available content, consumer preferences and competitive offers. We continue to develop our VoD services to provide a growing collection of programming from local and international suppliers, including Scripps, Viacom, Discovery and Turner Broadcasting, among others.

In several of our Caribbean markets, we offer a comprehensive internet streaming video service (marketed as "Flow ToGo") that allows our video customers to stream over 50 real-time video channels anywhere they have a broadband connection in and out of the home and on multiple devices.

All of our operations with video services offer multiple tiers of digital video programming and audio services starting with a basic video service. All digital video services are encrypted and require a set-top box provided by us. Subscribers to our basic video service pay a fixed monthly fee and generally receive at least 70 video channels, including a limited number of high definition (**HD**) channels, and several digital and analog radio channels. This service includes VoD access and an electronic programming guide. We also offer a variety of premium channel packages, including HD channels, to meet the special interests of our subscribers. For an additional monthly charge, a subscriber may upgrade to one of our extended digital tier services and receive an increased number of video and radio channels, which include channels in the basic tier of service and additional HD channels. Digital subscribers may also subscribe to one or more packages of premium channels for an additional monthly charge. In markets where our analog service is available, subscribers to that service typically receive fewer channels than subscribers to our basic video service, with the number of channels dependent on their location. Subscribers to our digital services in each case receive the channels available through our analog service.

We tailor our video services in each country of operation based on the programing preferences, culture, demographics and local regulatory requirements. Our channel offerings include general entertainment, sports, movies, documentaries, life styles, news, adult, children, ethnic and foreign channels. In all of our broadband operations, we continue to upgrade our systems to expand our digital services and encourage our analog subscribers to convert to a digital or premium digital service. Discounts to our monthly service fees generally are available to any subscriber who selects a bundled service of at least any two of the following: video, internet, fixed-line telephony and mobile.

Internet Services. Our customers are increasingly using online communications. To support our customers' expectations for seamless connectivity, we are expanding our networks to make ultrafast broadband available to more people. This includes investment in the convergence of our fixed and mobile data systems and making wireless systems available in the home. In 2016,

we improved the connectivity of over 200,000 homes in Panama and other markets through network extensions and upgrade projects. In 2017, we intend to improve connectivity to approximately 250,000 homes through network extensions and upgrades, including migrating customers from legacy copper networks to cable or fiber networks. We plan to launch the Connect Box, a next generation WiFi and telephony gateway that enables us to maximize the impact of our ultrafast broadband networks by providing reliable wireless connectivity anywhere in the home, to our markets beginning in 2017. The Connect Box has an automatic WiFi optimization function, which selects the best possible wireless frequency at any given time. This gateway can be self-installed and allows customers to customize their home WiFi service.

The internet speeds we offer are one of our differentiators, as customers spend more time streaming video and other bandwidth-heavy services on multiple devices. As a result, we are continuing to invest in additional bandwidth and technologies to increase internet speeds throughout our footprint. In 2016, we increased our broadband internet speeds in our footprint following the deployment of FTTx in Barbados and upgrades to our networks in Panama and Jamaica. We plan to continue the upgrade and expansion of our fixed networks so that we can deploy high-speed internet service to additional customers in the coming years.

Our residential subscribers access the internet via DSL over our fixed-line telephony networks or via cable modems connected to their internet capable devices, including personal computers, or, soon to be available in 2017, wirelessly via the Connect Box. In each of our markets, we offer multiple tiers of internet service. The speed of service depends on location and the tier of service selected by our subscriber. For example, our tiers of service range from 4 Mbps to 300 Mbps in Panama and from 20 Mbps to 100 Mbps in Jamaica and several of our other Caribbean markets. Higher speeds are available in certain other markets, including up to 1 Gbps in Barbados and in limited areas of Trinidad and Tobago.

Our internet service generally includes email, address book and parental controls with value-added services available for additional incremental charges. Our value-added services include security measures and online storage. Mobile broadband internet services are also available through our mobile services described above. Subscribers to our internet service pay a monthly fee based on the tier of service selected. In addition to the monthly fee, customers pay an activation service fee upon subscribing to an internet service. This one-time fee may be waived for promotional reasons. We determine pricing for each different tier of internet service through an analysis of speed, market conditions and other factors.

Business Services

We are one of the largest business service providers in our markets, and business services represent a significant portion of our revenue. We offer connectivity and wholesale solutions to carriers and businesses throughout the Caribbean and in parts of Latin America via our sub-sea and terrestrial fiber optic cable networks. Our systems include long-haul terrestrial backbone and metro fiber networks that provide access to major commercial zones, wireless carrier cell sites and customers in key markets within our operating footprint. Our networks deliver critical infrastructure for the transit of growing traffic from businesses, governments and other telecommunications operators across the region, particularly to the high-traffic destination of the United States.

Below is a map of our sub-sea fiber network.

With over 48,000 km of fiber optic cable, and a current capacity of 2.0 Tbps (terabytes per second), we are able to carry large volumes of voice and data traffic on behalf of our customers, businesses and carriers. Our networks also allow us to provide point-to-point, clear channel wholesale broadband capacity services, superior switching and routing capabilities and local network services to telecommunications carriers, internet service providers (**ISPs**) and large corporations. In case of outages on portions of the cable systems, our network provides inbuilt resiliency due to the capability of re-routing traffic. CWC is highly regarded for its wholesale services. In 2016, we were recognized for our innovation and excellence in wholesale services at the 2016 Global Carrier Awards where we received the Best Caribbean Wholesale Carrier Award for the fourth consecutive year. At the 2016 MEF Excellence Awards, we received the Wholesale Service Provider of the Year Award and the Service Innovation of the Year Award.

Our business operations focus on sales to small, medium and international companies and governmental agencies. Within the business community, we target specific industry segments, such as financial institutions, the hospitality sector, healthcare facilities, education institutions and government offices. We offer tailored solutions that combine our standard services with value added features, such as dedicated customer care and enhanced service performance monitoring. Our business products and services include voice, broadband, enterprise-grade connectivity, data center, hosting and managed solutions, as well as IT solutions. We also offer a range of data, voice and internet services to carriers, ISPs and mobile operators. Our extensive fiber optic cable networks allow us to deliver redundant, end-to-end connectivity. It also allows us to provide business customers our services over dedicated fiber lines and local networks; thereby, seamlessly connecting businesses anywhere in the region.

Our business services fall into five broad categories:

- VoIP and circuit-switch telephony, hosted private branch exchange solutions and conferencing options;
- data services for internet access, virtual private networks and high capacity point-to-point services;
- wireless services for mobile voice and data, as well as WiFi networks;
- video programming packages and select channel lineups for targeted industries; and
- value added services, including webhosting, managed security systems and storage and cloud enabled software.

We offer a comprehensive range of information and communication technology solutions to businesses and governmental agencies, including a full suite of cloud-based services, as well as commercial grade triple-play services. Our telephony and telecommunication services include flexible call handling, teleconferencing, voice mail and other premium calling features, as well as security, surveillance and backup services. We believe that the extensive reach of our network and assets and our comprehensive set of capabilities means that we are well-positioned to meet the needs of high-value business and government

customers that are increasingly searching for a single provider to manage their ever more complex communications, connectivity and information technology needs.

We work with businesses to customize their IT services based on the needs of the business. For these tailored services we enter into individual long-term agreements. We also have agreements to provide our services to our business customers over dedicated fiber lines and third-party fiber networks. Our intermediate to long-term strategy is to enhance our capabilities and offerings in the business sector so we become a preferred provider in the business market. To execute this strategy successfully, customer care is a key driver.

Technology

In many of our markets, including Panama, Jamaica and Trinidad and Tobago, our video, broadband internet and fixed-line telephony services are transmitted over a hybrid fiber coaxial cable network. This network is composed primarily of fiber networks that are connected to the home over the last few hundred meters by coaxial cable. In several of our Caribbean markets, our services are transmitted over a fixed network consisting of FTTx, VDSL or copper lines. Approximately 93% of our network allows for two-way communications and is flexible enough to support our current services as well as new services.

We closely monitor our network capacity and customer usage. We continue to take actions and explore improvements to our technologies that will increase our capacity and enhance our customer's connected entertainment experience. These actions include:

- recapturing bandwidth and optimizing our networks by:
    - increasing the number of nodes in our markets;
    - increasing the bandwidth of our hybrid fiber coaxial cable networks;
    - converting analog channels to digital;
    - bonding additional DOCSIS 3.0 channels;
    - deploying VDSL over our fixed telephony network;
    - replacing copper lines with modern optic fibers; and
    - using digital compression technologies.
- freeing spectrum for high-speed internet, VoD and other services by encouraging customers to move from analog to digital services;
- increasing the efficiency of our networks by moving headend functions (encoding, transcoding and multiplexing) to cloud storage systems;
- enhancing our network to accommodate further business services;
- using wireless technologies to extend our services outside of the home;
- offering remote access to our video services through laptops, smart phones and tablets;
- expanding the availability of next generation decoder boxes (such as Horizon TV) and related products and developing and introducing online media sharing and streaming or cloud-based video; and
- testing new technologies.

We deliver high-speed data and fixed-line telephony over our broadband network in most of our markets over our various fixed networks, including cable, FTTx and copper networks. These networks are further connected via our sub-sea and terrestrial fiber optic cable network that provide connectivity within and outside the region.

Supply Sources

Content

With telecommunication companies increasingly offering similar services, content is one of the deciding factors for customers in selecting a video services provider. Therefore, in addition to providing services that allow our customers to view programming when and where they want, we are investing in content that customers want. Our content strategy is based on:

- proposition (exceeding our customers' entertainment desires and expectations);
- product (delivering the best content available);

- procurement (investment in the best brands, shows and sports); and
- partnering (strategic alignment, acquisitions and growth opportunities).

We license almost all of our programming and on-demand offerings from content providers and third-party rights holders, including broadcasters and cable programming networks. For such licenses, we generally pay a monthly fee on a per channel or per subscriber basis, with minimum pay guarantees in certain cases. We generally enter into long-term programming licenses with volume discounts and marketing support. For on-demand programming and streaming services, we generally enter into shorter-term agreements. For our distribution agreements, we seek to include the rights to offer the licensed programming to our customers through multiple delivery platforms and through our apps for smart phones and tablets.

In seeking licenses for content, our primary focus is on partnering with leading international providers, such as Disney, Time Warner (including HBO), Fox, the BBC and Discovery. We also seek to carry in each of our markets key public and private broadcasters and in some markets we acquire local premium programing through select relationships. For our VoD services, we license a variety of programming, including box sets of television series, movies, music, kids and documentaries.

Exclusive content is another element of our content strategy. For example, we operate the leading Caribbean sports network Flow Sports, which provides exclusive full coverage of the English Premier League and other leading sporting events.

Customer Premises Equipment

We purchase each type of customer premises equipment from a number of different suppliers. Customer premises equipment includes set-top boxes, modems, WiFi routers, DVRs, tuners and similar devices. For each type of equipment, we retain specialists to provide customer support. For our broadband services, we use a variety of suppliers for our network equipment and the various services we offer. Similarly, we use a variety of suppliers for mobile handsets to offer our customers mobile services.

Software Licenses

We license software products, including email and security software, and content, such as news feeds, from several suppliers for our internet services. The agreements for these products require us to pay a per subscriber fee for software licenses and a share of advertising revenue for content licenses. For our mobile network operations and our fixed-line telephony services, we license software products, such as voicemail, text messaging and caller ID, from a variety of suppliers. For these licenses we seek to enter into long-term contracts, which generally require us to pay based on usage of the services.

Regulatory Matters

Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the countries in which we operate, and the scope of regulation varies from country to country. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and type of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

The video, broadband and telephony services provided by CWC are subject to regulation and enforcement by various governmental entities in each of the jurisdictions where such services are provided. The scope and reach of these regulations are distinct in each market. Generally, we provide services in accordance with licenses and concessions granted by national authorities pursuant to national telecommunication legislation and associated regulations. Certain of these regulatory requirements are summarized below.

As the incumbent telecommunications provider in many of its jurisdictions, we are subject to significant regulatory oversight with respect to the provision of fixed-line and mobile telephony services. Generally, in these markets, we operate under a government issued license or concession that enables it to own and operate its telecommunication networks, including the establishment of wireless networks and the use of spectrum. These licenses and concessions are typically non-exclusive and have renewable multi-year terms that include competitive, qualitative and rate regulation. Licenses and concessions are scheduled to expire over the next two years in Jamaica, Cayman Islands and Barbados.

Rate regulation of our telephony services typically includes price caps that set the maximum rates we may charge to customers, or legislation that requires consent from a regulator prior to any price increases. In addition, all regulators determine and set the rates that may be charged by all telephony operators, including CWC, for interconnect charges, access charges between operators

for calls originating on one network that are completed through connections with one or more networks of other providers, and charges for network unbundling services. In addition, in certain markets, regulators set, or are seeking to set, mobile roaming rates.

In recent years, a number of markets in which we operate have demonstrated an increased interest in regulating various aspects of broadband internet services due to the increasing importance and availability of high speed broadband. As broadband internet access has become a national priority for many of our markets, national regulators have demonstrated an increased focus on the issues of network resilience, broadband affordability and penetration, quality of services and consumer rights. Certain regulators are also seeking to mandate third-party access to our network infrastructure, including dark fibre and landing stations, as well as to regulate wholesale services and prices.

As an example, the Eastern Caribbean Telecommunications Authority (**ECTEL**), the regulatory body for telecommunications in five Eastern Caribbean States (Commonwealth of Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent and the Grenadines), has adopted an Electronic Communications Bill that may have a material adverse impact on our operations in the ECTEL member states. The proposed Electronic Communications Bill includes provisions relating to:

- net neutrality principles mandating equal access to all content and applications regardless of the source and without favoring, degrading, interrupting, intercepting, blocking access or throttling speeds;
- subscription television rate regulation;
- regulations implementing market dominance rules;
- network unbundling at regulated rates; and
- mandated unbundled access to all landing station network elements at cost-based rates.

We currently cannot determine the impact these provisions will have on our operations because national regulators are required to conduct extensive market reviews before adopting specific measures. Moreover, while we expect the legislation will be enacted during 2017, the bill will not become law in any individual ECTEL state until implementing legislation has been adopted by that state. As such, the timing and ultimate effect of the bill is unclear.

In Panama, as a result of a public consultation process, we expect the regulator to issue new guidelines for the Internet Public Service, establishing new quality goals for this service.

In addition to rate regulation, several markets in which we operate have imposed, or are considering imposing, regulation designed to further encourage competition, including introducing requirements related to unbundling, network access to third parties, and local number portability (**LNP**). LNP has been implemented in Panama, the Cayman Islands and Jamaica and is currently being contemplated or implemented in other jurisdictions, including Barbados, the Bahamas and Trinidad and Tobago.

The pay television service provided in certain of our markets is subject to, among other things, subscriber privacy regulations and must-carry and retransmission consent rights of broadcast stations.

We are subject to universal service obligations in a number of markets. These obligations vary in specificity and extent, but they are generally related to ensuring widespread geographic coverage of networks and that the populations of our individual markets have access to basic telecommunication services at minimum quality standards. In a number of cases, we are required to support universal access/service goals through contributions to universal service funds or participate in universal service related projects.

In addition to the industry-specific regimes discussed above, our operating companies must comply with both specific and general legislation concerning, among other matters, data retention, consumer protection and electronic commerce. These operating companies are also subject to national level regulations on competition and on consumer protection.

The acquisition of CWC by Liberty Global in May 2016 triggered regulatory approval requirements in certain jurisdictions in which we operate. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Jamaica, Trinidad and Tobago, the Seychelles and the Cayman Islands, have not completed their review of the acquisition or granted their approval. While we expect to receive all outstanding approvals, such approvals may include binding conditions or requirements that could have an adverse impact on our operations and financial condition.

In connection with our acquisition of Columbus in March 2015, certain conditions were included in the regulatory approval of the transaction from the Telecommunications Authority of Trinidad and Tobago (**TATT**), including the requirement that we dispose of our 49% shareholding in the Telecommunications Services of Trinidad and Tobago Limited (**TSTT**) by a certain date,

which was recently extended to June 30, 2017. We cannot predict when, or if, we will be able to dispose of this investment at an acceptable price. As such, no assurance can be given that we will be able to recover the carrying value of our investment in TSTT.

Competition

We operate in an emerging region of the world, where market penetration of telecommunication services such as broadband and mobile data is lower than in more developed markets. Generally, our markets are at a nascent stage of the global shift to a "data-centric" world. Although there has been strong growth in data consumption in our key markets, data consumption in our operating regions still lags significantly when compared to international benchmarks. We believe that we have the opportunity to capitalize upon this underlying growth trend in the majority of our markets, and benefit from increasing penetration of our data services, as well as economic growth, in all of our markets.

However, technological advances and product innovations have increased and are likely to continue to increase giving customers several options for the provision of their telecommunications services. Our customers want access to high quality telecommunication services that allow for seamless connectivity. Accordingly, our ability to offer converged services (video, internet, fixed telephony and mobile) is a key component of our strategy. In many of our markets, we compete with companies that are established in one or more communication products and services. Consequently, our businesses face significant competition. In all markets, we seek to differentiate our telecommunication services by focusing on customer service, competitive pricing and offering quality high-speed internet.

Video Distribution

Our video services compete primarily with traditional free-to-air (**FTA**) broadcast television services, DTH satellite service providers and other fixed-line telecommunications carriers and broadband providers, including incumbent telephony operations offering (1) DTH satellite services, (2) internet protocol television (**IPTV**) over broadband internet connections using asymmetric DSL or VDSL or an enhancement to VDSL called "vectoring", (3) IPTV over FTTx networks, or (4) long-term evolution (**LTE**) mobile services. Many of these competitors have a national footprint and offer features, pricing and video services individually and in bundles comparable to what we offer. In certain markets, we also compete with other cable providers who have overbuilt portions of our systems.

Over-the-top video content (**OTT**) aggregators utilizing our or our competitors' high-speed internet connections are also a significant competitive factor as are other video service providers that overlap our service areas. The OTT video aggregators (such as HBO Go, Amazon Prime and Netflix) offer VoD service for television series and movies, catch-up television and linear channels from broadcasters. In some cases, these OTT services are provided free-of-charge. The content library of such services is offered on an unlimited basis for a monthly fee. Typically these services are available on multiple devices in and out of the home. To enhance our competitive position, we provide our subscribers with TV everywhere products and premium OTT video services. Our businesses also compete to varying degrees with other sources of information and entertainment, such as online entertainment, newspapers, magazines, books, live entertainment/concerts and sporting events.

We believe that our deep-fiber access, where available, provides us with several competitive advantages. For instance, our cable networks allow us to concurrently deliver internet access, together with real-time television and VoD content, without impairing our high-speed internet service. In addition, our cable infrastructure in most of our footprint allows us to provide triple-play bundled services of broadband internet, television and fixed-line telephony services without relying on a third-party service provider or network. Where mobile is available, our mobile networks, together with our fixed fiber-rich networks, allow us to provide a comprehensive set of converged mobile and fixed-line services. Our capacity is designed to support peak consumer demand. In serving the business market, many aspects of the network can be leveraged at very low incremental costs given that business demand peaks at a time when consumer demand is low, and peaks at lower levels than consumer demand. In response to the continued growth in OTT viewing, we have launched a number of innovative video services, including Flow ToGo in several of our markets.

Our ability to continue to attract and retain customers depends on our continued ability to acquire appealing content and services on acceptable terms and to have such content available on multiple devices and outside the home. Some competitors have obtained long-term exclusive contracts for certain sports programs, which limits the opportunities for other providers to offer such programs. Other competitors also have obtained long-term exclusive contracts for programs, but our operations have limited access to certain of such programming through select contracts with those companies. If exclusive content offerings increase through other providers, programming options could be a deciding factor for subscribers on selecting a video service.

Our primary competition in the provision of video services, depending on the market, is from traditional FTA broadcasters, DTH, other pay television providers using fiber technology or cable operators whose networks overlap our systems. OTT viewing is also a significant competitive factor. To enhance our video offerings, we are developing cloud-based, next generation user

interfaces based on advanced technologies. This is demonstrated by our recent launch of an advanced set-top box in most of our markets. Our competitors, however, are also improving their video services with interactive services and wireless connectivity. Many of our competitors offer competitively-priced packages of video content and, in some cases, offer double- and triple-play packages.

In this competitive environment, we enhance our offers with advanced digital services, such as DVR functionality, HD channels, VoD and multiscreen services. In addition, we offer attractive content packages tailored to the particular market and discounts for bundled services. To improve the quality of the programming in our packages, our operations periodically modify their digital channel offerings. Where mobile is available, we are focusing on our converged service offerings at attractive prices. We use these services, as well as bundles of our fixed-line services, as a means of driving video and other products where convenience and price can be leveraged across the portfolio of services.

We compete with a variety of pay TV service providers in our various markets. Several of these competitors offer double-play and triple-play packages. Fixed-mobile convergence services are not yet a significant factor in most of our residential markets. In Panama, we compete primarily with Cable Onda S.A. (**Cable Onda**), which offers video, internet and fixed-line telephony over its cable network. The DTH services of Claro Americas in several of the regions in which we operate, including Claro Panama, all subsidiaries of América Móvil, S.A.B. de C.V. (**Claro**) are also a competitive factor. In several of our other markets, including Jamaica, Trinidad and Tobago and Barbados, we are the largest or one of the largest video service providers. In these markets, our primary competition is from DTH providers, such as DirecTV, and operators of IPTV services over VDSL and FTTx, such as Digicel Group Ltd. (**Digicel**). To compete effectively, CWC invests in leading mobile and fixed networks, and in content, where the Premier League is a main attraction for Flow Sports.

Internet

With respect to broadband internet services and online content, our businesses face competition in a rapidly evolving marketplace from incumbent and non-incumbent telecommunications companies, mobile operators and cable-based ISPs, many of which have substantial resources. The internet services offered by these competitors include both fixed-line broadband internet services using cable, DSL or FTTx networks and wireless broadband internet services. These competitors have a range of product offerings with varying speeds and pricing, as well as interactive services, data and other non-video services offered to homes and businesses. With the demand for mobile internet services increasing, competition from wireless services using various advanced technologies is a competitive factor. In several of our markets, competitors offer high-speed mobile data via LTE wireless networks. In addition, other wireless technologies, such as WiFi, are available in almost all of our markets. In this intense competitive environment, speed and pricing are key drivers for customers.

Our strategy is speed leadership. Our focus is on increasing the maximum speed of our connections as well as offering varying tiers of service, prices and a variety of bundled product offerings and a range of value added services. We update our bundles and packages on an ongoing basis to meet the needs of our customers. Our top download speeds generally range from up to 100 Mbps to speeds of up to 350 Mbps. In Barbados, we also have speeds of up to 1 Gbps available and in Anguilla, we have speeds of up to 480 Mbps. In many of our markets, we offer the highest download speeds available via our cable and FTTx networks. The focus is on high-end internet products to safeguard our high-end customer base and allow us to become more aggressive at the low- and medium-end of the internet market. By fully utilizing the technical capabilities of DOCSIS 3.0 technology on our cable systems, we can compete with local FTTx initiatives and create a competitive advantage compared to DSL infrastructures and LTE initiatives on a national level. With the commercial deployment of our next generation gateways that will enable DOCSIS 3.1 on our cable networks, we plan to further increase our high-speed internet offers.

In several of our markets, we are the incumbent phone company offering broadband internet products using various DSL-based technologies. In these markets and our other Latin American markets, our key competition for internet services is from cable and IPTV operators and mobile data service providers. Wireless broadband services are a significant competitor with their high-speed mobile networks. To compete effectively, we are expanding our LTE service areas and increasing our download speeds. In most of our markets, we offer our internet service through bundled offerings that include video and fixed-line telephony. We also offer a wide range of mobile products either on a prepaid or postpaid basis.

We compete primarily with mobile broadband providers in the provision of internet services. Where we are the incumbent telecommunications provider, we also compete with cable operators, the largest of which is Cable Onda in Panama and Cable Bahamas in the Bahamas. To a lesser extent, we experience competition from Digicel in certain of its markets. To distinguish ourself from these competitors, we use our bundled offers with video and telephony to promote our broadband internet services.

Mobile and Telephony Services

Consumers are increasingly moving to mobile services. In most of our markets we are either the leading or one of the leading mobile providers. In the markets where we are one of the top mobile providers, we continue to seek additional bandwidth to deliver our wide range of services to our customers and increase our LTE services. In all of our markets competition is intense. We also offer various calling plans, such as unlimited network, national or international calling, unlimited off-peak calling and minute packages, including calls to fixed and mobile phones. In addition, we use our bundled offers with our video and ultra high-speed internet services to gain mobile subscribers. Our ability to offer fixed-mobile convergence services is a key driver. In several of our markets we provide converged services, including mobile, fixed-line, broadband and video. We are also exploring opportunities to offer mobile services in markets where we currently only deliver fixed products and mobility applications to our other services.

The market for fixed-line telephony services is mature in almost all of our markets. Changes in market share are driven by the combination of price and quality of services provided and the inclusion of telephony services in bundled offerings. In several of our markets, we are the incumbent telecommunications provider with long established customer relationships. In our other markets, our fixed-line telephony services compete against the incumbent telecommunications operator in the applicable market. In these markets, the incumbent operators have substantially more experience in providing fixed-line telephony and mobile services, greater resources to devote to the provision of fixed-line telephony services and long-standing customer relationships. In all of our markets, we also compete with other VoIP operators offering service across broadband lines. OTT telephony is also a competitive factor. In many countries, our businesses also face competition from other cable telephony providers, FTTx-based providers or other indirect access providers.

Competition in both the residential and business fixed-line telephony markets is extremely competitive due to market trends, the offering of carrier pre-select services, number portability, the replacement of fixed-line with mobile telephony and the growth of VoIP services, as well as continued deregulation of telephony markets and other regulatory action, such as general price competition. Carrier pre-select allows the end user to choose the voice services of operators other than the incumbent while using the incumbent's network. Our fixed-line telephony strategy is focused around value leadership, and we position our services as "anytime" or "any destination". Our portfolio of calling plans include a variety of innovative calling options designed to meet the needs of our subscribers. In many of our markets, we provide product innovation, such as telephone apps that allow customers to make and receive calls from their fixed-line call packages on smart phones. In addition, we offer varying plans to meet customer needs and, similar to our mobile services, we use our telephony bundle options with our digital video and internet services to help promote our telephony services and flat rate offers are standard.

With respect to mobile services, we face competition from Digicel in most of our residential markets and Movistar and Claro in Panama. In addition, in the Bahamas, where we had previously been the only provider of mobile services, competition has increased significantly due to the commercial launch of mobile services by a competitor during the fourth quarter of 2016. We also face competition in the provision of broadband services from Cable Onda in Panama, Digicel in our Caribbean markets and Cable Bahamas in the Bahamas. These companies all have competitive pricing on similar services. To attract and retain customers, we focus on providing quality services and premium content, as well as converged services where customers can access content in and out-of-the home.

Properties

We own our sub-sea network in the region, and our subsidiaries and affiliates own or lease the fixed assets necessary for the operation of their respective businesses, including office space, transponder space, headend facilities, rights of way, cable television and telecommunications distribution equipment, telecommunications switches, base stations, cell towers and customer premises equipment and other property necessary for their operations. The physical components of their broadband networks require maintenance and periodic upgrades to support the new services and products they introduce. Subject to these maintenance and upgrade activities, our management believes that our current facilities are suitable and adequate for our business operations for the foreseeable future.

Employees

As of December 31, 2016, we, including our consolidated subsidiaries, had an aggregate of approximately 7,600 full-time equivalent employees. We believe that relations with our employees are good.

Legal Proceedings

We are a party to various legal proceedings that arise in the normal course of our business. While the results of such normal course legal proceedings cannot be predicted with certainty, management believes that, based on our current knowledge, the ultimate resolution of these matters would not likely have a material adverse effect on our business, financial condition or results

of operations. However, in view of the inherent difficulty of predicting the outcome of legal matters, we cannot state with confidence what the eventual outcome of these pending matters will be, what the timing of the ultimate resolution of these matters will be or what the eventual loss, fines or penalties related to any such pending matter may be.

Independent Auditors' Report

The Board of Directors
Cable & Wireless Communications Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cable & Wireless Communications Limited and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016 and the related consolidated statements of operations, comprehensive income (loss), changes in owners' equity, and cash flows for the nine months ended December 31, 2016 and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Cable & Wireless Communications Limited and its subsidiaries as of December 31, 2016 and the results of their operations and their cash flows for the nine months ended December 31, 2016 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

The accompanying consolidated financial statements of Cable & Wireless Communications Limited and its subsidiaries as of March 31, 2016 and 2015 and for the years then ended were audited by other auditors whose report thereon dated April 12, 2017, expressed an unmodified opinion on those financial statements. The comparative period results of operations for the nine-month period ended December 31, 2015 included in note 29 was not audited, reviewed or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on it.

/s/ KPMG LLP

Denver, Colorado
April 12, 2017

Independent Auditors' Report

The Board of Directors
Cable & Wireless Communications Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cable & Wireless Communications Limited and its subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2016 and the related consolidated statements of operations, comprehensive income (loss), changes in owners' equity, and cash flows for the years ended March 31, 2016 and 2015 and the related notes 1 to 28 to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Cable & Wireless Communications Limited and its subsidiaries as of March 31, 2016 and the results of their operations and their cash flows for the years ended March 31, 2016 and 2015 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG LLP

London, United Kingdom
April 12, 2017

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2016 (a)	March 31, 2016 (b)
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 271.2	$ 167.5
Trade and other receivables (note 9)	544.0	501.7
Loans receivable – related-party (note 25)	86.2	86.2
Prepaid expenses	69.6	74.5
Inventory (note 10)	25.3	58.1
Other current assets (note 11)	54.9	25.1
Assets held for sale (note 12)	93.2	154.5
Total current assets	1,144.4	1,067.6
Noncurrent assets:		
Property and equipment, net (note 13)	2,776.8	2,756.3
Goodwill (note 13)	1,415.9	2,143.7
Intangible assets subject to amortization, net (note 13)	793.3	828.2
Other noncurrent assets (notes 9 and 11)	312.2	295.8
Total noncurrent assets	5,298.2	6,024.0
Total assets	6,442.6	7,091.6
LIABILITIES		
Current liabilities:		
Trade and other payables	$ 201.9	$ 230.9
Deferred revenue and advance payments	133.0	121.4
Current portion of debt and finance lease obligations (note 14)	100.8	87.4
Derivative instruments and other financial liabilities (notes 7 and 8)	15.5	279.0
Other accrued and current liabilities (note 15)	460.7	492.5
Total current liabilities	911.9	1,211.2
Noncurrent liabilities:		
Noncurrent debt and finance lease obligations (note 14)	3,447.7	2,941.0
Deferred tax liabilities (note 17)	230.0	278.1
Deferred revenue and advance payments	261.8	288.0
Derivative instruments and other financial liabilities (notes 7 and 8)	20.5	691.4
Other noncurrent liabilities (note 15)	164.8	278.9
Total noncurrent liabilities	4,124.8	4,477.4
Net assets	$ 1,405.9	$ 1,403.0
Commitments and contingencies (notes 4, 7, 14, 16, 17, 20 and 27)		
Owners' equity (note 18):		
Capital and reserves attributable to parent:		
Share capital	$ 0.1	$ 223.8
Share premium	453.4	260.3
Reserves	562.9	534.3
Total parent's equity	1,016.4	1,018.4
Noncontrolling interests	389.5	384.6
Total owners' equity	$ 1,405.9	$ 1,403.0

(a) As further described in note 1, CWC changed its fiscal year end from March 31 to December 31.

(b) As reclassified – see note 1.

The accompanying notes are an integral part of these consolidated financial statements.

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine months ended December 31, 2016 (a)	Year ended March 31, 2016 (b)	Year ended March 31, 2015 (b)
		in millions	
Revenue (notes 25 and 28)	$ 1,735.5	$ 2,389.6	$ 1,752.6
Operating costs and expenses (note 25):			
Employee and other staff expenses (notes 21 and 24)	273.3	368.4	340.7
Interconnect	154.0	231.3	208.3
Programming expenses	102.7	96.3	19.3
Network costs	99.9	154.2	133.5
Managed services costs	74.6	96.2	55.4
Equipment sales expenses	74.6	132.9	143.9
Other operating expenses (note 22)	398.5	462.7	434.3
Other operating income (note 23)	(42.1)	(5.6)	(38.1)
Depreciation and amortization (notes 8 and 13)	354.7	441.0	256.6
Impairment expense (recovery) (notes 8 and 13)	744.9	(70.3)	127.2
	2,235.1	1,907.1	1,681.1
Operating income (loss)	(499.6)	482.5	71.5
Financial income (expense) (note 19):			
Finance expense	(251.7)	(330.6)	(120.8)
Finance income	25.9	25.2	48.3
	(225.8)	(305.4)	(72.5)
Earnings (loss) before income taxes	(725.4)	177.1	(1.0)
Income tax expense (note 17)	(17.2)	(51.5)	(31.7)
Earnings (loss) from continuing operations	(742.6)	125.6	(32.7)
Discontinued operation (note 6):			
Earnings from discontinued operation, net of taxes	—	—	8.2
Gain on disposal of discontinued operation, net of taxes	—	—	346.0
	—	—	354.2
Net earnings (loss) for the period	(742.6)	125.6	321.5
Net earnings attributable to noncontrolling interests	(54.8)	(92.1)	(68.1)
Net earnings (loss) attributable to parent	$ (797.4)	$ 33.5	$ 253.4

(a) As further described in note 1, CWC changed its fiscal year end from March 31 to December 31.

(b) As reclassified – see note 1.

The accompanying notes are an integral part of these consolidated financial statements.

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Nine months ended December 31,	Year ended March 31,	
	2016 (a)	2016 (b)	2015 (b)
		in millions	
Earnings (loss) for the period	$ (742.6)	$ 125.6	$ 321.5
Other comprehensive income (loss):			
Items that will not be reclassified to earnings (loss) in subsequent periods:			
Actuarial losses in the value of defined benefit pension plans	(8.1)	(2.9)	(77.1)
Income tax related to items that will not be reclassified to earnings (loss) in subsequent periods	—	1.4	0.5
Total items that will not be reclassified to earnings (loss) in subsequent periods	(8.1)	(1.5)	(76.6)
Items that may be classified to earnings (loss) in subsequent periods:			
Foreign currency translation adjustments	(30.9)	(34.7)	(11.2)
Fair value movements in available-for-sale financial assets (note 8)	3.1	—	3.5
Foreign currency translation reserves recycled on disposal of operations	—	—	(94.2)
Foreign currency translation reserves recycled on held-for-sale associate	—	—	(31.0)
Income tax related to items that may be reclassified to earnings (loss) in subsequent periods	—	—	—
Total items that may be classified to earnings (loss) in subsequent periods	(27.8)	(34.7)	(132.9)
Other comprehensive loss	(35.9)	(36.2)	(209.5)
Comprehensive income (loss)	(778.5)	89.4	112.0
Comprehensive income attributable to noncontrolling interests	(57.0)	(99.1)	(69.4)
Comprehensive income (loss) attributable to parent	$ (835.5)	$ (9.7)	$ 42.6

(a) As further described in note 1, CWC changed its fiscal year end from March 31 to December 31.

(b) As reclassified – see note 1.

The accompanying notes are an integral part of these consolidated financial statements.

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY

	Share capital	Share premium	Foreign currency translation	Capital and other reserves	Accumulated deficit	Total parent's equity	Noncontrolling interests	Total owners' equity
					in millions			
Balance at April 1, 2014	$ 133.3	$ 96.6	$ 18.1	$ 3,286.6	$ (3,046.2)	$ 488.4	$ 349.5	$ 837.9
Earnings for the year	—	—	—	—	253.4	253.4	68.1	321.5
Other comprehensive loss	—	—	(138.5)	3.5	(75.8)	(210.8)	1.3	(209.5)
Put option arrangements	—	—	—	(879.1)	—	(879.1)	—	(879.1)
Issuance of ordinary shares	90.5	163.7	—	1,312.0	—	1,566.2	—	1,566.2
Transfer of BTC noncontrolling interest	—	—	—	—	(6.6)	(6.6)	6.6	—
Dividends paid (note 18)	—	—	—	—	(103.7)	(103.7)	(86.0)	(189.7)
Share-based compensation (note 24)	—	—	—	—	27.6	27.6	—	27.6
Balance at March 31, 2015	$ 223.8	$ 260.3	$ (120.4)	$ 3,723.0	$ (2,951.3)	$ 1,135.4	$ 339.5	$ 1,474.9
Balance at April 1, 2015	$ 223.8	$ 260.3	$ (120.4)	$ 3,723.0	$ (2,951.3)	$ 1,135.4	$ 339.5	$ 1,474.9
Earnings for the year	—	—	—	—	33.5	33.5	92.1	125.6
Other comprehensive loss	—	—	(37.4)	—	(5.8)	(43.2)	7.0	(36.2)
Dividends paid (note 19)	—	—	—	—	(115.6)	(115.6)	(54.0)	(169.6)
Share-based compensation (note 24)	—	—	—	—	8.3	8.3	—	8.3
Balance at March 31, 2016	$ 223.8	$ 260.3	$ (157.8)	$ 3,723.0	$ (3,030.9)	$ 1,018.4	$ 384.6	$ 1,403.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY – (Continued)

	Share capital	Share premium	Foreign currency translation reserve	Capital and other reserves	Accumulated deficit	Total parent's equity	Noncontrolling interests	Total owners' equity
	in millions							
Balance at April 1, 2016	$ 223.8	$ 260.3	$ (157.8)	$ 3,723.0	$ (3,030.9)	$ 1,018.4	$ 384.6	$ 1,403.0
Loss for the period	—	—	—	—	(797.4)	(797.4)	54.8	(742.6)
Other comprehensive loss	—	—	(33.7)	3.1	(7.5)	(38.1)	2.2	(35.9)
Settlement of Columbus Put Option (note 7)	—	—	—	775.7	206.8	982.5	—	982.5
Dividends paid (note 18)	—	—	—	—	(193.8)	(193.8)	(52.1)	(245.9)
Merger with LG Coral Mergerco and LGE Coral Mergerco (notes 1 and 18)	(221.6)	218.9	3.0	—	—	0.3	—	0.3
Exercise of share-based awards	—	—	—	—	11.9	11.9	—	11.9
Cancellation of treasury shares in connection with the Liberty Global Transaction (note 18)	(2.1)	(25.8)	—	—	31.0	3.1	—	3.1
Share-based compensation and other (note 24)	—	—	—	—	29.5	29.5	—	29.5
Balance at December 31, 2016 (a)	$ 0.1	$ 453.4	$ (188.5)	$ 4,501.8	$ (3,750.4)	$ 1,016.4	$ 389.5	$ 1,405.9

(a) As further described in note 1, CWC changed its fiscal year end from March 31 to December 31.

The accompanying notes are an integral part of these consolidated financial statements.

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended December 31, 2016 (a)	Year ended March 31, 2016 (b)	Year ended March 31, 2015 (b)
		in millions	
Cash flows from operating activities:			
Net earnings (loss)	$ (742.6)	$ 125.6	$ 321.5
Earnings from discontinued operations	—	—	354.2
Net earnings (loss) from continuing operations	(742.6)	125.6	(32.7)
Adjustments to reconcile net earnings (loss) from continuing operations before income taxes to net cash provided by operating activities:			
Income tax expense	17.2	51.5	31.7
Share-based compensation expense	28.7	14.5	6.7
Depreciation, amortization and impairment	1,099.6	370.7	383.8
Interest expense	208.2	230.6	84.3
Interest income	(9.9)	(13.8)	(4.3)
Realized and unrealized losses on derivative instruments	1.1	78.7	—
Foreign currency transaction gains, net	(14.9)	(11.4)	(40.0)
Losses on debt modification and extinguishment	42.4	21.3	36.5
Gain on disposal of property and equipment	(14.2)	(5.6)	—
Loss on disposal of property and equipment	0.5	1.3	0.9
Share of results of joint ventures and affiliates, net of tax	(1.1)	0.6	(12.8)
Other	(1.2)	0.1	(2.7)
	613.8	864.1	451.4
Changes in:			
Receivables and other operating assets	(40.7)	(102.4)	(60.6)
Payables and accruals	(117.5)	(230.3)	44.0
Cash provided by operating activities	455.6	531.4	434.8
Interest paid	(164.3)	(217.2)	(89.5)
Interest received	6.4	17.3	3.6
Income taxes paid	(56.6)	(74.5)	(51.8)
Net cash provided by operating activities of discontinued operation	—	—	1.0
Net cash provided by operating activities	241.1	257.0	298.1
Cash flows from investing activities:			
Capital expenditures	(363.1)	(528.5)	(453.2)
Repayments from (loans to) affiliates and other related parties	(54.4)	4.0	(55.7)
Sale of available-for-sale investments	20.4	—	—
Cash paid in connection with acquisitions, net of cash acquired	—	—	(676.5)
Net cash received upon disposition of discontinued operations, net of disposal costs	—	—	403.0
Cash received in connection with disposal of subsidiaries, net of cash disposed	—	—	15.9
Other investing activities	8.3	7.6	0.3
Net cash used by investing activities of discontinued operations	—	—	(3.9)
Net cash used by investing activities	$ (388.8)	$ (516.9)	$ (770.1)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)

	Nine months ended December 31,	Year ended March 31,	
	2016 (a)	2016 (b)	2015 (b)
		in millions	
Cash flows from financing activities:			
Borrowings of debt	$ 1,711.2	$ 1,199.4	$ 900.0
Repayments of debt and finance lease obligations	(1,182.4)	(933.0)	(176.3)
Dividends paid to shareholders	(193.8)	(115.6)	(103.7)
Dividends paid to noncontrolling interests	(52.1)	(54.0)	(86.0)
Payment of financing costs and debt premiums	(31.8)	(73.0)	(39.0)
Proceeds from exercise of share-based awards	11.9	—	—
Change in cash collateral	(7.6)	0.7	(4.3)
Proceeds from issuance of shares	—	—	176.3
Other financing activities	(2.9)	(0.4)	—
Net cash provided by financing activities	252.5	24.1	667.0
Effect of exchange rate changes on cash	(1.1)	1.0	(1.1)
Net increase (decrease) in cash and cash equivalents:			
Continuing operations	103.7	(234.8)	196.8
Discontinued operations	—	—	(2.9)
Net increase (decrease) in cash and cash equivalents:	103.7	(234.8)	193.9
Cash and cash equivalents:			
Beginning of period	167.5	402.3	208.4
End of period	$ 271.2	$ 167.5	$ 402.3

(a) As further described in note 1, CWC changed its fiscal year end from March 31 to December 31.

(b) As reclassified – see note 1.

The accompanying notes are an integral part of these consolidated financial statements.

(1) Basis of Presentation

Reporting entity

On May 16, 2016, pursuant to a scheme of arrangement and following shareholder approvals, a subsidiary of Liberty Global plc (**Liberty Global**) acquired Cable & Wireless Communications Limited (**CWC Limited**), formerly known as Cable & Wireless Plc, for shares of Liberty Global (the **Liberty Global Transaction**). For additional information regarding the Liberty Global Transaction, see note 18.

Effective December 30, 2016, CWC Limited, LGE Coral Mergerco B.V. (**LGE Coral Mergerco**) and LG Coral Mergerco Limited (**LG Coral Mergerco**), each a subsidiary of Liberty Global, completed a cross-border merger, with LG Coral Mergerco as the surviving entity (the **Merger**). LG Coral Mergerco immediately changed its name to Cable & Wireless Communications Limited (**CWC**). For further information, see note 18.

CWC is a provider of mobile, broadband internet, fixed-line telephony and video services to residential and business customers and managed services to business and government customers, primarily in the Caribbean and Latin America. CWC is a wholly-owned subsidiary of LGE Coral Holdco Limited (**LGE Coral Holdco**), a subsidiary of Liberty Global. In these notes, the terms "CWC," "we," "our," "our company" and "us" may refer, as the context requires, to CWC or collectively to CWC and its subsidiaries.

CWC is incorporated and domiciled in the United Kingdom (**U.K.**). The address of our registered office is Griffin House, 161 Hammersmith Road, London W6 8BS.

Basis of presentation

In connection with the Liberty Global Transaction, effective December 31, 2016 we changed our fiscal year end from March 31 to December 31 to coincide with Liberty Global's fiscal year end.

Our annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB-IFRS**), on a historical cost basis except for liabilities for cash-settled share-based payment arrangements, derivative instruments and assets held-for-sale, which are measured at fair value. Certain noncurrent assets and disposal groups are stated at the lower of their carrying amount and fair value less costs to sell.

Prior to the closing of our acquisition of Columbus International Inc. and its subsidiaries (collectively, **Columbus**) on March 31, 2015 and prior to the Liberty Global Transaction, certain then United States (**U.S.**) licensed entities (the **U.S. Carve-out Entities**) of Columbus and CWC, respectively, were transferred to newly incorporated special purpose entities outside of Columbus and CWC (collectively, "**Columbus New Cayman**"). The Columbus New Cayman entities were respectively owned by entities controlled by persons who were directors and shareholders of Columbus through March 31, 2015 and CWC through May 16, 2016. For additional information, see note 25. Subsequent to December 31, 2016, the U.S. Carve-out Entities were acquired by subsidiaries of CWC. For additional information, see note 30.

Our directors have prepared the accounts on a going concern basis.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of December 31, 2016.

Reclassifications

In connection with the Liberty Global Transaction, we revised the presentation of our consolidated financial statements to align with the presentation policies of Liberty Global. Accordingly, certain prior period amounts have been reclassified to conform with the current period presentation. Both the previously reported and revised presentation are in accordance with IASB-IFRS and the reclassifications had no impact on our net earnings (loss), net cash flows, net assets or total assets as previously reported. The impact the reclassifications had on certain revenue and other amounts are described further below.

The following table summarizes the reclassifications to our consolidated statement of financial position at March 31, 2016:

	March 31, 2016		
	As previously reported	Reclass adjustments	As reclassified
		in millions	
ASSETS			
Current assets:			
Cash and cash equivalents	$ 167.5	$ —	$ 167.5
Trade and other receivables	631.8	(130.1)	501.7
Loans receivable – related-party	55.7	30.5	86.2
Prepaid expenses	—	74.5	74.5
Inventory	58.1	—	58.1
Other current assets	—	25.1	25.1
Assets held for sale	154.5	—	154.5
Total current assets	1,067.6	—	1,067.6
Noncurrent assets:			
Property and equipment, net	2,756.3	—	2,756.3
Goodwill	—	2,143.7	2,143.7
Intangible assets subject to amortization, net	2,971.9	(2,143.7)	828.2
Available-for-sale financial assets	57.1	(57.1)	—
Other receivables	143.1	(143.1)	—
Deferred tax assets	35.8	(35.8)	—
Retired benefit assets	28.0	(28.0)	—
Financial assets at fair value through profit and loss	30.9	(30.9)	—
Investments in joint ventures and associates	0.9	(0.9)	—
Other noncurrent assets	—	295.8	295.8
Total noncurrent assets	6,024.0	—	6,024.0
Total assets	$ 7,091.6	$ —	$ 7,091.6

	March 31, 2016		
	As previously reported	Reclass adjustments	As reclassified
		in millions	
LIABILITIES			
Current liabilities:			
Trade and other payables	$ 696.3	$ (465.4)	$ 230.9
Deferred revenue and advance payments	—	121.4	121.4
Derivative instruments and other financial liabilities	279.0	—	279.0
Current portion of debt and finance lease obligations	87.4	—	87.4
Provisions	61.3	(61.3)	—
Current tax liabilities	87.2	(87.2)	—
Other accrued and current liabilities	—	492.5	492.5
Total current liabilities	1,211.2	—	1,211.2
Noncurrent liabilities:			
Trade and other payables	315.2	(315.2)	—
Noncurrent debt and finance lease obligations	2,941.0	—	2,941.0
Deferred tax liabilities	278.1	—	278.1
Deferred revenue and advance payments	—	288.0	288.0
Derivative instruments and other financial liabilities	691.4	—	691.4
Provisions	66.6	(66.6)	—
Retirement benefit obligations	185.1	(185.1)	—
Other noncurrent liabilities	—	278.9	278.9
Total noncurrent liabilities	4,477.4	—	4,477.4
Net assets	$ 1,403.0	$ —	$ 1,403.0
Owners' equity			
Capital and reserves attributable to parent:			
Share capital	$ 223.8	$ —	$ 223.8
Share premium	260.3	—	260.3
Reserves	534.3	—	534.3
Total parent's equity	1,018.4	—	1,018.4
Noncontrolling interests	384.6	—	384.6
Total equity	$ 1,403.0	$ —	$ 1,403.0

The following tables summarize the reclassifications to our consolidated statements of operations for the years ended March 31, 2016 and 2015:

	Year ended March 31, 2016		
	As previously reported	Reclass adjustments	As reclassified
		in millions	
Revenue (a)	$ 2,378.8	$ 10.8	$ 2,389.6
Operating costs and expenses:			
Operating costs before depreciation, amortization and impairment	1,495.9	(1,495.9)	—
Employee and staff expenses	—	368.4	368.4
Interconnect	—	231.3	231.3
Programming expenses	—	96.3	96.3
Network costs	—	154.2	154.2
Managed services costs	—	96.2	96.2
Equipment sales expenses	—	132.9	132.9
Other operating expenses	33.4	429.3	462.7
Other operating income	(13.5)	7.9	(5.6)
Depreciation and amortization	—	441.0	441.0
Impairment recovery	—	(70.3)	(70.3)
Depreciation and impairment	260.3	(260.3)	—
Amortization	110.4	(110.4)	—
Share of results of joint ventures and associates	0.6	(0.6)	—
	1,887.1	20.0	1,907.1
Operating income	491.7	(9.2)	482.5
Financial income (expense) (b):			
Finance expense	(347.4)	16.8	(330.6)
Finance income	32.8	(7.6)	25.2
	(314.6)	9.2	(305.4)
Earnings before income taxes	177.1	—	177.1
Income tax expense	(51.5)	—	(51.5)
Net earnings	$ 125.6	$ —	$ 125.6

(a) Represents the net effect of (i) an increase of $6.7 million related to the reclassification of certain revenue-based telecommunications taxes from contra-revenue to operating costs and expenses, (ii) an increase of $8.6 million related to the reclassification of management fees charged to the U.S. Carve-out Entities from a contra-expense in operating costs and expenses to other revenue and (iii) a decrease of $4.5 million associated with the reclassification of interest charged on late payments to interest income.

(b) The $9.2 million net reclassifications between operating income and financial income (expense) include (i) $4.5 million associated with the reclassification of interest charged on late payments to interest income, (ii) $2.9 million associated with the reclassification of foreign currency translation effects (**FX**) gains to finance income and (iii) $1.8 million associated with the reclassification of certain expenses from finance expense to managed services costs.

	Year ended March 31, 2015		
	As previously reported	Reclass adjustments	As reclassified
		in millions	
Revenue	$ 1,752.6	$ —	$ 1,752.6
Operating costs and expenses:			
Operating costs before depreciation, amortization and impairment	1,271.6	(1,271.6)	—
Employee and staff expenses	—	340.7	340.7
Interconnect	—	208.3	208.3
Programming expenses	—	19.3	19.3
Network costs	—	133.5	133.5
Managed services costs	—	55.4	55.4
Equipment sales expenses	—	143.9	143.9
Other operating expenses	61.7	372.6	434.3
Other operating income	(41.7)	3.6	(38.1)
Depreciation and amortization	—	256.6	256.6
Impairment expense	—	127.2	127.2
Depreciation and impairment	336.6	(336.6)	—
Amortization	47.2	(47.2)	—
Share of results of joint ventures and associates	(12.8)	12.8	—
	1,662.6	18.5	1,681.1
Operating income	90.0	(18.5)	71.5
Financial income (expense) (a):			
Finance expense	(120.8)	—	(120.8)
Finance income	25.8	22.5	48.3
Other income	4.0	(4.0)	—
	(91.0)	18.5	(72.5)
Loss before income taxes	(1.0)	—	(1.0)
Income tax expense	(31.7)	—	(31.7)
Loss from continuing operations	$ (32.7)	$ —	$ (32.7)

(a) The reclassification from operating income to financial income (expense) represents FX gains.

The following table summarizes the reclassifications to our consolidated statements of cash flows for the years ended March 31, 2016 and 2015:

	Year ended March 31, 2016			Year ended March 31, 2015		
	As previously reported	Reclass adjustments (a)	As reclassified	As previously reported	Reclass adjustments (a)	As reclassified
	in millions					
Net cash provided by operating activities	$ 466.7	$ (210.1)	$ 256.6	$ 379.7	$ (81.6)	$ 298.1
Net cash used by investing activities	(509.1)	(7.8)	(516.9)	(766.5)	(3.6)	(770.1)
Net cash provided (used) by financing activities	(193.4)	217.9	24.5	581.8	85.2	667.0
Effect of exchange rate changes on cash	1.0	—	1.0	(1.1)	—	(1.1)
Net increase (decrease) in cash and cash equivalents	$ (234.8)	$ —	$ (234.8)	$ 193.9	$ —	$ 193.9

(a) Adjustments primarily relate to the reclassification of cash interest paid on our third-party debt from financing to operating activities and cash interest received on cash from investing to operating activities.

CWC Director approval

These consolidated financial statements were authorized for issue by management on April 12, 2017 and reflect our consideration of the accounting and disclosure implications of subsequent events through such date.

(2) Accounting Changes and Recent Pronouncements

First-time Application of Accounting Standards

The application of the following accounting standards did not have a material impact on our consolidated financial statements:

Standard/ Interpretation	Title	Applicable for fiscal years beginning on or after
IAS 1 (amendments)	Disclosure Initiative	January 1, 2016
IAS 16 / IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016
Annual improvements	Annual Improvements to IFRSs 2012–2014 Cycle	January 1, 2016

New Accounting Standards, Not Yet Effective

Except for the following accounting standards, there were no additional standards and interpretations issued by the International Accounting Standards Board (**IASB**) that are not yet effective for the current reporting period that we see as relevant for our company. We have not early adopted the accounting standards that are relevant for us.

Standard/ Interpretation	Title	Applicable for fiscal years beginning on or after
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions	January 1, 2018 (a)
IFRS 9	Financial Instruments	January 1, 2018 (b)
IFRS 15	Revenue from Contracts with Customers	January 1, 2018 (c)
IFRS 15 (amendments)	Clarifications to IFRS 15 Revenue from Contracts with Customers	January 1, 2018 (c)
IFRS 16	Leases	January 1, 2019 (d)
IAS 7 (amendments)	Disclosure Initiative	January 1, 2017 (e)
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017 (e)

(a) In June 2016, the IASB issued amendments to IFRS 2, *Share-based Payments* (**IFRS 2**), which includes new requirements for (i) the accounting of share-based payment transactions with a net settlement feature for withholding tax obligations, (ii) consideration of vesting conditions on the measurement of a cash-settled share based payment transaction and (iii) the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from a cash-settled to equity-settled award. These amendments are effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. We are currently evaluating the effect that these amendments to IFRS 2 will have on our consolidated financial statements and related disclosures.

(b) In July 2014, the IASB issued IFRS 9, *Financial Instruments* (**IFRS 9**), which introduces an approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model in which they are managed, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities, especially with regard to managing non-financial risks. This new standard is effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. We are currently evaluating the effect that IFRS 9 will have on our consolidated financial statements and related disclosures.

(c) In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* (**IFRS 15**), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. IFRS 15 will replace existing revenue recognition guidance in IASB-IFRS when it becomes effective for annual and interim reporting periods beginning on or after January 1, 2018. This new standard permits the use of either the retrospective or cumulative effect transition method. We will adopt IFRS 15 effective January 1, 2018 using the cumulative effect transition method. While we are continuing to evaluate the effect that IFRS 15 will have on our consolidated financial statements, we have identified a number of our current revenue recognition policies and disclosures that will be impacted by IFRS 15, including the accounting for (i) time-limited discounts and free periods provided to our customers, (ii) certain up-front fees charged to our customers and (iii) subsidized handset plans. These impacts are discussed below:

- When we enter into contracts to provide services to our customers, we often provide time-limited discounts or free service periods. Under current accounting rules, we recognize revenue net of discounts during the promotional periods and do not recognize any revenue during free service periods. Under IFRS 15, revenue recognition will be accelerated for these contracts as the impact of the discount or free service period will be recognized uniformly over the total contractual period.

- When we enter into contracts to provide services to our customers, we often charge installation or other up-front fees. Under current accounting rules, installation fees related to services provided over our fiber are recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs.

Under IFRS 15, these fees will generally be deferred and recognized as revenue over the contractual period, or longer if the up-front fee results in a material renewal right.

- IFRS 15 will require the identification of deliverables in contracts with customers that qualify as performance obligations. The transaction price receivable from customers will be allocated between our performance obligations under contracts on a relative stand-alone selling price basis. Currently, we offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime. This limitation will no longer be applied under IFRS 15. The primary impact on revenue reporting will be that when we sell subsidized handsets together with airtime services to customers, revenue allocated to handsets and recognized when control of the device passes to the customer will increase and revenue recognized as services are delivered will reduce.

- IFRS 15 will require costs incurred to fulfill a customer contract involving the sale of an asset to be recognized only when those costs (i) relate directly to a contract or to an anticipated contract that can be specifically identified, (ii) generate or enhance resources that will be used in satisfying performance obligations in the future and (iii) are expected to be recovered. Currently, we recognize costs related to mobile handset sales as incurred and we do not expect the adoption of IFRS 15 to have a material impact on our recognition of these costs.

IFRS 15 will also impact our accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under our current policy, these costs are expensed as incurred unless the costs are in the scope of another accounting topic that allows for capitalization. Under IFRS 15, the upfront costs that are currently expensed as incurred will be recognized as assets and amortized over a period that is consistent with the transfer to the customers of the goods or services to which the assets relate, which we have generally interpreted to be the expected customer life. The impact of the accounting change for these costs will be dependent on numerous factors, including the number of new subscriber contracts added in any given period, but we expect the adoption of this accounting change will initially result in the deferral of a significant amount of operating and selling costs.

The ultimate impact of adopting IFRS 15 for both revenue recognition and costs to obtain and fulfill contracts will depend on the promotions and offers in place during the period leading up to and after the adoption of IFRS 15.

(d) In January 2016, the IASB issued IFRS 16, *Leases* (**IFRS 16**), which supersedes IAS 17 *Leases* (**IAS 17**). IFRS 16 will result in lessees recognizing lease assets and lease liabilities on the statement of financial position, with lease assets to reflect the right-of-use and corresponding lease liabilities reflecting the present value of the lease payments. IFRS 16 will also result in additional disclosures about leasing arrangements and eliminate the classification of leases as either operating leases or finance leases for a lessee. IFRS 16 requires lessees and lessors to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach also includes a number of optional practical expedients an entity may elect to apply. IFRS 16 also replaces the straight-line operating lease expense for those lessees applying IAS 17 with a depreciation charge for the lease asset and an interest expense on the lease liability. This change aligns the lease expense treatment for all leases. The new standard is effective for annual reporting periods beginning on or after January 1, 2019, while early adoption is permitted if IFRS 15 is applied. Although we are currently evaluating the effect that IFRS 16 will have on our consolidated financial statements, we expect the adoption of this standard will increase the number of leases included in our consolidated statement of financial position.

(e) We evaluated the impact of applying these accounting standards on our consolidated financial statements and do not believe the impact of the adoption of these standards to be material.

(3) Summary of Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with IASB-IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, allowances for uncollectible accounts, programming expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, useful lives of long-lived assets, share-based compensation and actuarial liabilities associated with certain benefit plans. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

Principles of Consolidation

The accompanying consolidated financial statements include our accounts and the accounts of all voting interest entities where we exercise a controlling financial interest through the ownership of a direct or indirect controlling voting interest. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in special purpose entities that we do not control are accounted for using the equity method.

The following list of subsidiaries only includes those companies whose results or financial position principally affect our consolidated financial statements at December 31, 2016.

Name of subsidiary	Ownership interest	Country of incorporation	Area of operation
The Bahamas Telecommunications Company Limited (**BTC**) (a)	49%	The Bahamas	The Bahamas
Cable & Wireless Jamaica Limited (**CW Jamaica**)	82%	Jamaica	Jamaica
Cable & Wireless Panama, SA (**CW Panama**) (b)	49%	Panama	Panama
Cable & Wireless (Barbados) Limited (**CW Barbados**)	81%	Barbados	Barbados
Cable & Wireless (Cayman Islands) Limited	100%	Cayman Islands	Cayman Islands
Cable and Wireless (West Indies) Limited	100%	England	Caribbean
Cable & Wireless Limited	100%	England	England
Sable International Finance Limited (**Sable**)	100%	Cayman	England
Cable and Wireless International Finance B.V.	100%	Netherlands	England
Columbus International Inc.	100%	Barbados	Caribbean/Latin America
Columbus Communications Trinidad Limited	100%	Trinidad and Tobago	Trinidad and Tobago
Columbus Communications Jamaica Limited	100%	Jamaica	Jamaica
Columbus Networks, Limited	100%	Barbados	Caribbean/Latin America
Coral-U.S. Co-Borrower LLC (**Coral-U.S.**)	100%	United States	United States

(a) We regard BTC as a subsidiary because we control the majority of the Board of Directors through a shareholders' agreement. On July 24, 2014, we transfered 2% of the share capital in BTC to the BTC Foundation, a charitable trust dedicated to investing in projects for the benefit of Bahamians. The remaining 49% non-controlling interest in BTC is held by The Bahamas government.

(b) We regard CW Panama as a subsidiary because we control the majority of the Board of Directors through a shareholders' agreement.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on hand and demand deposits, which have a maturity of three months or less at the time of acquisition. Cash and cash equivalents are measured at cost. The details of our cash and cash equivalents are set forth as follows:

	December 31, 2016	March 31, 2016
	in millions	
Cash at bank and in hand	$ 252.8	$ 2.1
Short-term bank deposits	18.4	165.4
Total	$ 271.2	$ 167.5

Restricted cash includes cash held in escrow and cash pledged as collateral. Restricted cash amounts that are required to be used to purchase noncurrent assets or repay noncurrent debt are classified as noncurrent assets. All other cash that is restricted to a specific use is classified as current or noncurrent based on the expected timing of the disbursement.

Trade Receivables

Our trade receivables are initially measured at fair value and subsequently reported at amortized cost, net of an allowance for impairment of trade receivables. The allowance for impairment of trade receivables is estimated based upon our assessment of anticipated loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is the price paid, less any rebates, trade discounts or subsidies. Cost is based on the first-in, first-out (FIFO) principle. For inventory held for sale, net realizable value is determined based on the estimated selling price, less costs to sell.

Investments

We make elections, on an investment-by-investment basis, as to whether we measure our investments at fair value. Such elections are generally irrevocable. For those investments over which we exercise significant influence, we elect the equity method of accounting.

Under the equity method of accounting, investments are recorded at cost and are subsequently increased or reduced to reflect the share of income or losses of the investee, with our recognition of losses generally limited to the extent of our investment in, and advances and commitments to, the investee. Intercompany profits on transactions with equity affiliates for which assets remain on our or our investee's balance sheet are eliminated to the extent of our ownership interest in the investee. All costs directly associated with the acquisition of an investment to be accounted for using the equity method are included in the carrying amount of the investment.

We continually review our equity method investments to determine whether a decline in fair value below the cost basis has occurred. The primary factors we consider in our determination are the operating performance and near-term prospects of the investee, changes in the stock price or valuation subsequent to the balance sheet date, and the impacts of exchange rates, if applicable. If the decline in fair value of an equity method investment is deemed impaired, the cost basis of the security is written down to fair value.

For additional information regarding our fair value measurements, see note 8.

Financial Instruments

Cash and cash equivalents, current trade and other receivables, other current assets, trade and other payables, other accrued and current liabilities are initially recognized at fair value and subsequently carried at amortized cost. Due to their relatively short maturities, the carrying values of these financial instruments approximate their respective fair value. The carrying amounts of trade

receivables with a remaining term of more than one year are included in noncurrent assets, and the carrying amounts of these receivables approximate their fair value.

The carrying amounts of trade receivables with a remaining term of more than one year, loans and other receivables are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

For information concerning how we arrive at certain of our fair value measurements, see note 8.

Fair value through profit or loss

Financial assets and liabilities recorded at fair value through profit or loss include financial assets and liabilities that are held-for-trading and those designated upon initial recognition. Financial assets and liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term or if designated as such by the company. These financial assets are initially recognized at fair value. Subsequent gains or losses related to changes in fair value are recognized in finance income or finance expense, respectively, in our statement of operations.

Debt

Debt is recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value of our debt is recognized in our consolidated statements of operations over the respective term of the borrowings using the effective interest method.

Derivative Instruments

All derivative instruments are recorded on the balance sheet at fair value. Although we enter into derivative instruments to manage foreign exchange and interest rate risks, we do not apply hedge accounting to any of our derivative instruments. Changes to the fair value of our derivative instruments are recognized in realized and unrealized gains or losses on derivative instruments within either finance expense or finance income in our consolidated statements of operations.

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity.

For information regarding our derivative instruments, including our policy for classifying cash flows related to derivative instruments in our consolidated statements of cash flows, see note 7.

Property and Equipment

Property and equipment are measured at initial cost less accumulated depreciation and any accumulated impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. We capitalize costs associated with the construction of new cable transmission and distribution facilities and the installation of new cable services. Capitalized construction and installation costs include materials, labor and other directly attributable construction and installation costs and the costs of dismantling and removing the items and restoring the site on which the assets are located. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities such as reconnecting customer locations where a drop already exists, disconnecting customer locations and repairing or maintaining drops, are expensed as incurred. Financing costs capitalized with respect to construction activities were not material during any of the periods presented.

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is computed on a straight-line basis over the estimated useful lives of each major component of an item of property and equipment. The cable distribution systems have estimated useful lives ranging from 3 to 30 years. Support equipment have estimated useful lives ranging from 3 to 40 years. Buildings (including leasehold improvements) have estimated useful lives up to 40 years. Customer premises equipment have estimated useful lives of 4 to 10 years. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date and may be adjusted based on management's expectations of future use.

Assets held under financing leases are amortized on a straight-line basis over the shorter of the lease term or estimated useful life of the asset.

Property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment exists when the carrying value exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses are reversed if the reasons for the impairment loss no longer exist or the impairment loss has decreased.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be achieved and when the cost can be measured reliably. The carrying amount of any replaced item is derecognized. All other expenditures for repairs and maintenance are expensed as incurred.

Gains and losses due to disposals are included in other operating income in our consolidated statements of operations.

Intangible Assets

Our primary intangible assets are goodwill, customer relationships, licensing and operating agreements, software costs and trade names. Goodwill and intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. Intangible assets with finite lives are amortized over their respective estimated useful lives on a straight-line basis and reviewed for impairment when circumstances warrant. Each reporting period, we evaluate the estimated useful lives of our intangible assets that are subject to amortization to determine whether events or circumstances warrant revised estimates of useful lives.

Goodwill represents the excess purchase price over the fair value of the identifiable net assets acquired. Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the related business combination. For each cash-generating unit, if the recoverable amount (i.e. the higher of fair value less costs to sell or value in use) of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets pro-rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Customer relationships and trade names are recognized at their fair values in connection with business combinations and are amortized over their estimated useful lives ranging from 4 to 20 years.

Costs associated with maintaining computer software are expensed as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by us for which it is probable that the expected future economic benefits attributable to the assets would flow to our company beyond one year are recognized as intangible assets. Capitalized internal-use software costs include only external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote time to the project. Capitalization of these costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Capitalized internal-use software costs are amortized on a straight-line basis over their applicable expected useful lives, which are approximately three years. Where no internal-use intangible asset can be recognized, development expenditures are expensed as incurred.

Subsequent expenditures related to intangible assets are capitalized only when the expenditures increase the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated brands, are expensed as incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to us. Property and equipment acquired by way of a finance lease are initially stated at an amount equal to the lower of their fair value or the present value of the minimum lease payments at inception of the lease. The leased asset is subsequently depreciated over the shorter of its estimated useful life or the lease term and is subject to impairment assessments as a component of the applicable cash-generating unit. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in debt with the interest element of the lease payment charged to our consolidated statements of operations over the lease period. All

other leases are classified as operating leases with payments being recognized in our consolidated statements of operations on a straight-line basis over the term of the lease.

Provisions

Provisions represent liabilities for which the timing of settlement and/or amount are uncertain. A provision is recognized when (i) a present legal or constructive obligation as a result of a past event exists, (ii) it is probable that an outflow of resources will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation.

For additional information on our provisions, see note 16.

Employee Benefit Plans

Certain of our subsidiaries maintain various employee defined benefit plans. Defined benefit pension plan costs are determined using actuarial methods and are accounted for using the projected unit credit method, which incorporates management's best estimates of future salary levels, other cost escalations, retirement ages of employees, and other actuarial factors. Our net obligation in respect of defined benefit pension plans represents the fair value of the plan assets, less the present value of the defined benefit obligations. Defined benefit obligations for each plan are calculated annually by independent qualified actuaries. Defined benefit assets are only recognized to the extent they are deemed recoverable.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in full in the period in which they arise through the statement of comprehensive income together with returns on plan assets, excluding net interest that is recorded in our consolidated statement of operations. These remeasurements are not subsequently reclassified to profit or loss.

Other movements in the net pension deficit or surplus are recognized in other operating expenses in our consolidated statement of operations. These generally comprise current and past service costs, including those arising from settlements and curtailments, and net interest amounts representing the change in the present value of plan obligations and plan assets resulting from the unwinding of discounts.

Certain of our subsidiaries participate in externally managed defined contribution pension plans. A defined contribution plan is a pension plan under which we have no further obligation once the fixed defined contribution has been paid to the third-party administrator of the plan. Contributions under our defined contribution pension plan are recognized as incurred in other operating expenses in our consolidated statement of operations.

For additional information on our employee benefit plans, see note 20.

Foreign Currency Translation and Transactions

The presentation currency of our company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary and equity method investee. Assets and liabilities of foreign subsidiaries (including intercompany balances for which settlement is not anticipated in the foreseeable future) are translated at the spot rate in effect at the applicable reporting date. With the exception of certain material transactions, the amounts reported in our consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded in foreign currency translation reserve in our consolidated statements of changes in owners' equity. With the exception of certain material transactions, the cash flows from our operations in foreign countries are translated at the average rate for the applicable period in our consolidated statements of cash flows. The impacts of material transactions generally are recorded at the applicable spot rates in our consolidated statements of operations and cash flows. The effect of exchange rates on cash balances held in foreign currencies are separately reported in our consolidated statements of cash flows.

Transactions denominated in currencies other than our or our subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in our consolidated statements of financial position related to these non-functional currency transactions result in transaction gains and losses that are reflected in our consolidated statements of operations as unrealized (based on the applicable period end exchange rates) or realized upon settlement of the transactions.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

Service Revenue — Cable Networks. We recognize revenue from the provision of video, broadband internet and fixed-line telephony services over our cable network to customers in the period the related services are provided. Installation revenue (including reconnect fees) related to services provided over our cable network is generally recognized as revenue in the period during which the installation occurs.

Sale of Multiple Products and Services. We sell video, broadband internet, fixed-line telephony and, in most of our markets, mobile services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Revenue from bundled packages generally is allocated proportionally to the individual services based on the relative standalone price for each respective service.

Mobile Revenue — General. Consideration from mobile contracts is allocated to the airtime service element and the handset service element based on the relative standalone prices of each element. The amount of consideration allocated to the handset is limited to the amount that is not contingent upon the delivery of future airtime services. Certain of our operations that provide mobile services offer handsets under a subsidized contract model, whereby upfront revenue recognition is limited to the upfront cash collected from the customer as the remaining monthly fees to be received from the customer, including fees that may be associated with the handset, are contingent upon delivering future airtime services.

Mobile Revenue — Airtime Services. We recognize revenue from mobile services in the period the related services are provided. Revenue from pre-pay customers is recorded as deferred revenue prior to the commencement of services and revenue is recognized as the services are rendered or usage rights expire.

Mobile Revenue — Handset Revenue. Arrangement consideration allocated to handsets is recognized as revenue when the goods have been delivered and title has passed. Our assessment of collectibility is based principally on internal and external credit assessments as well as historical collection information for similar customers. To the extent that collectibility of installment payments from the customer is not reasonably assured upon delivery of the handset, handset revenue is not recognized until collectibility is reasonably assured.

*Business-to-Business (***B2B***) Revenue.* We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

Promotional Discounts. For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognized only to the extent of the discounted fees charged to the subscriber, if any.

Subscriber Advance Payments and Deposits. Payments received in advance for the services we provide are deferred and recognized as revenue when the associated services are provided.

*Sales, Use and Other Value-Added Taxes (***VAT***).* Revenue is recorded net of applicable sales, use and other value-added taxes.

Income Taxes

The income taxes of CWC and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities at undiscounted values. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted as of the statement of financial position date.

Generally, deferred taxes are recognized for any temporary differences between the tax base and the IASB-IFRS base, except in situations where goodwill is not recognized for tax purposes.

Deferred tax assets are recognized for deductible temporary differences and tax loss and interest carryforwards, if it is probable that future taxable earnings will be available against which the unused tax losses or temporary differences can be utilized. However,

deferred tax assets are not recognized if the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting earnings nor taxable earnings.

The recoverability of the carrying value of deferred taxes is determined based on management's estimates of future taxable earnings. If it is no longer probable that enough future taxable earnings will be available against which the unused tax losses or temporary differences can be used, an impairment in a corresponding amount is recognized on the deferred tax assets.

Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted as of the balance sheet date. Deferred taxes are not discounted.

If the changes in the value of assets or liabilities are recognized in a separate component of equity, the change of value of the corresponding deferred tax assets and liabilities are also recognized in this separate component of equity (instead of income tax expense).

Deferred tax assets and liabilities are offset in our consolidated balance sheets if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

For additional information concerning our income taxes, see note 17.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

(4) Financial Risk Management

Overview

We have exposure to the following risks that arise from our financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Our exposure to each of these risks, the policies and procedures that we use to manage these risks and our approach to capital management are discussed below.

Credit Risk

Credit risk is the risk that we would experience financial loss if our customers or the counterparties to our financial instruments and cash investments were to default on their obligations to us.

We manage the credit risks associated with our trade receivables by performing credit verifications, following established dunning procedures and engaging collection agencies. We also manage this risk by disconnecting services to customers whose accounts are delinquent. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries. For information concerning the aging of our trade receivables, see note 9.

We manage the credit risks associated with our financial instruments, cash investments and debt facilities primarily through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. Most of our cash currently is invested in either (i) AAA credit rated money market funds, including funds that invest in government obligations, or (ii) overnight deposits with banks. To date, neither the access to nor the value of our cash and cash equivalent balances have been adversely impacted by liquidity problems of financial institutions.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable

to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations and financial condition. In this regard, (i) the financial failure of any of our counterparties could reduce amounts available under committed credit facilities and adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

Our maximum exposure to credit risk is represented by the carrying amounts of our financial assets. We do not believe there is any significant credit risk associated with these financial instruments.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash and cash equivalents, our primary sources of liquidity are cash provided by operations and access to the available borrowing capacity of our various debt facilities. For additional information related to our debt, see note 14.

Our liquidity is generally used to fund (i) corporate general and administrative expenses, (ii) interest payments on the CWC Notes and CWC Credit Facilities (each as defined and described in note 14), (iii) satisfy obligations under our employee benefit plans, (iv) the satisfaction of contingent liabilities, (v) acquisitions, (vi) other investment opportunities or (vii) income tax payments.

Our most significant financial obligations relate to our debt obligations, which are described in note 14. The terms of certain of our debt contain various restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments. As of December 31, 2016, Columbus was restricted from incurring additional financial indebtedness.

Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that our sources of liquidity will be sufficient to fund our currently anticipated working capital needs, capital expenditures and other liquidity requirements during the next 12 months, although no assurance can be given that this will be the case. In this regard, it is not possible to predict how economic conditions, sovereign debt concerns and/or any adverse regulatory developments could impact the credit markets we access and, accordingly, our future liquidity and financial position. In addition, sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

We use budgeting and cash flow forecasting tools to ensure that we will have sufficient resources to timely meet our liquidity requirements. We also maintain a liquidity reserve to provide for unanticipated cash outflows.

The following table provides the timing of expected cash payments based on the contractually agreed upon terms for our financial liabilities as of December 31, 2016. The amounts are based on interest rates, interest payment dates and contractual maturities in effect as of December 31, 2016, as applicable. These amounts are presented for illustrative purposes only and will likely differ from the actual payments required in future periods.

	Payments due during the year ending December 31:						
	2017	2018	2019	2020	2021	Thereafter	Total
				in millions			
Debt:							
Principal	$ 95.7	$ 54.7	$ 227.6	$ 38.3	$ 1,284.0	$ 1,892.7	$ 3,593.0
Interest	237.7	235.8	233.3	215.9	165.6	114.7	1,203.0
Derivative instruments:							
Interest-related (a)	23.7	22.1	22.0	18.7	18.6	18.6	123.7
Principal-related (b)	—	—	13.2	—	—	—	13.2
Finance lease obligations:							
Principal	5.1	9.7	0.7	—	—	—	15.5
Interest	0.5	0.2	—	—	—	—	0.7
Trade and other payables	201.9	—	—	—	—	—	201.9
Current tax liabilities	62.7	—	—	—	—	—	62.7
Provisions (c)	15.9	—	—	—	—	35.2	51.1
Other accrued and current liabilities	322.8	—	—	—	—	—	322.8
Total	$ 966.0	$ 322.5	$ 496.8	$ 272.9	$ 1,468.2	$ 2,061.2	$ 5,587.6

(a) Includes the interest-related cash flows of our cross-currency and interest rate swap contracts.

(b) Includes the principal-related cash flows of our cross-currency swap contracts.

(c) The amounts included in periods later than 2021 represent payments associated with our network-related asset retirement obligations.

The following table provides the timing of expected cash payments based on the contractually agreed upon terms for our financial liabilities as of March 31, 2016. The amounts are based on interest rates, interest payment dates and contractual maturities in effect as of March 31, 2016, as applicable. These amounts are presented for illustrative purposes only and will likely differ from the actual payments required in future periods.

	Payments due during the year ending March 31:						
	2017	2018	2019	2020	2021	Thereafter	Total
				in millions			
Debt principal	$ 80.8	$ 57.5	$ 251.3	$ 616.8	$ 1,281.7	$ 783.4	$ 3,071.5
Debt interest	235.2	222.5	212.4	201.5	146.4	57.6	1,075.6
Trade and other payables	230.9	—	—	—	—	—	230.9
Current tax liabilities	87.2	—	—	—	—	—	87.2
Provisions	61.3	19.1	—	—	—	47.5	127.9
Other accrued and current liabilities	319.1	27.2	—	—	—	—	346.3
Total	$ 1,014.5	$ 326.3	$ 463.7	$ 818.3	$ 1,428.1	$ 888.5	$ 4,939.4

Market Risk

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our related-party borrowing and investment activities, which include fixed-rate and variable-rate investments and borrowings by our subsidiaries. Our primary exposure to variable-rate debt is through the LIBOR-indexed CWC Credit Facilities, as defined and further described in note 14.

Assuming no change in the amounts outstanding, and without giving effect to any other variables, a hypothetical 50 basis point (0.50%) increase (decrease) in our weighted average variable interest rate would increase (decrease) our annual consolidated interest expense and cash outflows by approximately $5.8 million.

Foreign Currency Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our or our subsidiaries' respective functional currencies (non-functional currency risk), such as equipment purchases, programming and indefeasible rights of use contracts, notes payable and notes receivable (including intercompany amounts). Changes in exchange rates with respect to amounts recorded in our consolidated statements of financial position related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. Generally, we will consider hedging non-functional currency risks when the risks arise from agreements with third parties that involve the future payment or receipt of cash or other monetary items to the extent that we can reasonably predict the timing and amount of such payments or receipts and the payments or receipts are not otherwise hedged. In this regard, we have not hedged any non-functional currency risks related to our revenue, operating costs and expenses and/or property and equipment additions as of December 31, 2016.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our presentation currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in foreign currency translation as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency risk during the nine months ended December 31, 2016 was to the Jamaican dollar, Trinidad and Tobago dollar and Colombian peso, as 8.3%, 6.9% and 1.2% of our U.S. dollar revenue during the period was derived from subsidiaries whose functional currencies are the Jamaican dollar, Trinidad and Tobago dollar and Colombian peso, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for the Seychelles rupee and various other local currencies in the Caribbean and Latin America. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars.

(5) Acquisitions

On March 31, 2015, we purchased 100% of the issued and outstanding shares of Columbus (the **Columbus Acquisition**) for $2.1 billion and assumed existing Columbus debt, including (i) the Columbus Senior Notes (as defined and described in note 14) and (ii) certain term loans, which were subsequently refinanced in connection with the Liberty Global Transaction, as further described in note 14.

The fair value of the consideration provided in connection with the Columbus Acquisition was comprised of the following (in millions):

Ordinary common shares of CWC (a)	$ 1,287.0
Cash	708.0
Put option (b)	103.0
Replacement share option awards (c)	23.0
Vendor taxes (d)	6.0
	$ 2,127.0

(a) Represents 1,557,529,605 ordinary common shares of $0.05 each issued to CVBI Holdings (Barbados) Inc, Clearwater Holdings (Barbados) Limited, Columbus Holding LLC and Brendan Paddick (collectively, the "**Principal Vendors**") in proportion to their Columbus shareholding. The fair value of these shares included a discount for lack of marketability.

(b) The Principal Vendors entered into lock-up and put option arrangements in respect of the issued ordinary common shares in connection with the Columbus Acquisition. Under these arrangements each holder could require us to reacquire certain of the shares in four tranches between 2016 and 2019 at a strike price of $0.7349 per share. The fair value of the put option was recognized in capital and other reserves in our consolidated statements of changes in owners' equity. The put option meets the definition of an equity instrument, accordingly, it is revalued to fair value at each reporting date. The financial liability (repurchase option) in connection with the put option was valued on initial recognition using the present value technique of the future liability. For additional information, see note 7.

(c) The Columbus employee incentive share option plan was cancelled, with certain employees of Columbus rolling over their options into an equivalent CWC share option plan. As set out in IFRS 3, *Business Combinations* (**IFRS 3**), the fair value of these replacement awards attributable to the pre-acquisition service period is reflected as part of the consideration paid for Columbus.

(d) As a consequence of the Columbus Acquisition, a deemed disposal of the shares of Columbus Dominicana S.A. was triggered giving rise to a potential capital gains tax liability of $5 million under Dominican Republic tax law. In addition, an indirect ownership transfer was triggered under Panamanian tax law for Columbus Networks S. de R.L, Telecommunications Corporativas Panamenas S.A., Columbus Networks de Panama SRL and Columbus Networks Maritima S. de R.L. giving rise to a tax liability of $1 million. As set out in IFRS 3, the fair value of these liabilities, which are paid on behalf of the seller, increased the consideration paid for Columbus.

We have accounted for the Columbus Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Columbus based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for Columbus at the March 31, 2015 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Cash and cash equivalents	$ 80.0
Other current assets	123.0
Assets held at fair value	14.0
Property and equipment, net	1,134.0
Goodwill (a)	2,077.0
Intangible assets subject to amortization (b)	723.0
Deferred income tax assets	28.0
Assets held for sale	6.0
Accounts payable and accrued liabilities	(275.0)
Debt	(1,233.0)
Deferred income tax liabilities	(265.0)
Other noncurrent liabilities	(285.0)
Total purchase price	$ 2,127.0

(a) The goodwill recognized in connection with the Columbus Acquisition is primarily attributable to synergies arising from the acquisition and an assembled workforce, which are not separately recognized as they did not meet the recognition criteria of IAS 38, *Intangible Assets* (**IAS 38**).

(b) Amount includes intangible assets primarily related to customer contracts and relationships.

On September 12, 2014, CW Panama agreed to acquire Panama-based Grupo Sonitel for $36 million, plus contingent consideration of up to an additional $5 million. Grupo Sonitel operates (i) SSA Sistemas, which provides end-to-end managed information technology solutions and telecommunication services to the government and business customers in Panama, as well as in El Salvador, Nicaragua and Peru, and (ii) Sonset, which provides information technology solutions and services to small and medium enterprise customers in Panama.

We have accounted for the acquisition of Grupo Sonitel using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of Grupo Sonitel based on assessments of their respective fair values, and the excess of the purchase price over the fair values of these identifiable net assets was allocated to goodwill. A summary of the purchase price and opening balance sheet for Grupo Sonitel at the September 12, 2014 acquisition date is presented in the following table. The opening balance sheet presented below reflects our final purchase price allocation (in millions):

Property and equipment, net	$ 2.0
Goodwill (a)	17.0
Intangible assets subject to amortization (b)	14.0
Other assets	6.0
Total purchase price	$ 39.0

(a) The goodwill recognized in connection with the acquisition of Grupo Sonitel is primarily attributable to synergies arising from the acquisition and an assembled workforce, which are not separately recognized as they did not meet the recognition criteria of IAS 38.

(b) Represents intangible assets related to customer contracts and relationships.

Pro Forma Information

The following unaudited pro forma consolidated operating results for the year ended March 31, 2015 (in millions) give effect to (i) the Columbus Acquisition and (ii) the acquisition of Grupo Sonitel, as if they had been completed as of April 1, 2014. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if these transactions had occurred on such date. The pro forma adjustments are based on certain assumptions that we believe are reasonable.

Revenue	$ 2,404.6
Net earnings	$ 283.5

Our consolidated statement of operations for the year ended March 31, 2015 includes revenue and net earnings of $44 million and $2 million, respectively, attributable to Grupo Sonitel.

(6) Discontinued Operation and Disposal

Discontinued operation

On May 15, 2014, CWC shareholders approved the sale of Compagnie Monégasque de Communication SAM (**CMC**) to a private investment company. CMC was the holding company for our 55% stake in Monaco Telecom SAM (**Monaco Telecom**). The sale of CMC was completed on May 20, 2014 for total consideration of $453.6 million.

The results of Monaco Telecom, which is classified as a discontinued operation in our consolidated statement of operations for the year ended March 31, 2015, are as follows (in millions):

Revenue	$ 29.2
Expenses	(20.3)
Earnings before income taxes	8.9
Income tax expense	(0.7)
Earnings from discontinued operations, net of taxes	8.2
Gain on disposal of discontinued operations, net of taxes	346.0
	354.2
Disposal costs	(8.5)
	$ 345.7

Disposal

During the year ended March 31, 2015, we divested of our 32.577% shareholding in Solomon Telekom Company Limited (**Soltel**) to the Solomon Islands National Provident Fund Board for total cash proceeds of approximately $16.5 million. The transaction resulted in a gain on disposal of $4 million. This divestment marked our exit from the South Pacific region as interests in Vanuatu and Fiji were previously sold.

The Soltel business did not constitute a discontinued operation in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, due to its size.

(7) Derivative Instruments and Financial Liabilities

Derivative Instruments

In general, we seek to enter into derivative instruments to protect against (i) increases in the interest rates on our variable-rate debt and (ii) foreign currency movements with respect to borrowings that are denominated in a currency other than our functional currency. In this regard, we have entered into various derivative instruments to manage interest rate exposure and foreign currency exposure with respect to the U.S. dollar, the British pound sterling (**£**) and the Jamaican dollar (**JMD**). Hedge accounting is not applied to our cross-currency and interest rate swaps. Accordingly, changes in the fair values of our derivative instruments are recorded in realized and unrealized losses on derivative instruments within finance expense or finance income in our consolidated statements of operations.

The following table provides details of the fair values of our derivative instrument assets and liabilities:

	December 31, 2016			March 31, 2016		
	Current	Noncurrent (a)	Total	Current	Noncurrent (a)	Total
	in millions					
Assets:						
Cross-currency and interest rate derivative contracts	$ —	$ 19.1	$ 19.1	$ —	$ —	$ —
Embedded derivatives:						
Columbus Senior Notes redemption option	—	35.6	35.6	—	26.8	26.8
Sable Senior Notes redemption option	—	13.0	13.0	—	4.1	4.1
	$ —	$ 67.7	$ 67.7	$ —	$ 30.9	$ 30.9
Liabilities:						
Cross-currency and interest rate derivative contracts (b)	$ 15.5	$ 20.5	$ 36.0	$ —	$ —	$ —
Columbus Put Option (c)	—	—	—	279.0	691.4	970.4
	$ 15.5	$ 20.5	$ 36.0	$ 279.0	$ 691.4	$ 970.4

(a) Our noncurrent derivative assets are included in other noncurrent assets in our consolidated statements of financial position.

(b) We consider credit risk in our fair value assessments. As of December 31, 2016, (i) the fair values of our cross-currency and interest rate derivative contracts that represented assets have been reduced by credit risk valuation adjustments aggregating $0.7 million and (ii) the fair values of our cross-currency and interest rate derivative contracts that represented liabilities have been reduced by credit risk valuation adjustments aggregating $2.9 million. The adjustments to our derivative assets relate to the credit risk associated with counterparty nonperformance, and the adjustments to our derivative liabilities relate to credit risk associated with our own nonperformance. In all cases, the adjustments take into account offsetting liability or asset positions within a given contract. Our determination of credit risk valuation adjustments generally is based on our and our counterparties' credit risks, as observed in the credit default swap market and market quotations for certain of our subsidiaries' debt instruments, as applicable. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in a net gain of $2.2 million during the nine months ended December 31, 2016. This amount is included in realized and unrealized losses on derivative instruments within finance expense in our consolidated statements of operations. For further information regarding our fair value measurements, see note 8.

(c) The Columbus Put Option is defined and described below.

The details of our realized and unrealized losses on derivative instruments, included in finance expense in our consolidated statements of operations, are as follows:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
	in millions		
Cross-currency and interest rate derivative contracts	$ (6.6)	$ —	$ —
Embedded derivatives	17.6	12.6	—
Columbus Put Option	(12.1)	(91.3)	—
Total	$ (1.1)	$ (78.7)	$ —

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our consolidated statements of cash flows based on the objective of the derivative instrument and the classification of the applicable underlying cash flows. For derivative contracts that are terminated prior to maturity, the cash paid or received upon termination that relates to future periods is classified as a financing activity. Our cash outflows related to derivative instruments during the nine months ended December 31, 2016 were $8.3 million and are classified as operating activities in our consolidated statements of cash flows. We had no cash inflow or outflow activity related to derivative instruments during the years ended March 31, 2016 and 2015.

Counterparty Credit Risk

We are exposed to the risk that the counterparties to our derivative instruments will default on their obligations to us. We manage these credit risks through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. In this regard, credit risk associated with our derivative instruments is spread across a relatively broad counterparty base of banks and financial institutions. Collateral has not been posted by either party under the derivative instruments of our subsidiary borrowing groups. At December 31, 2016, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of $11.6 million.

We have entered into derivative instruments under master agreements with each counterparty that contain master netting arrangements that are applicable in the event of early termination by either party to such derivative instrument. The master netting arrangements under each of these master agreements are limited to the derivative instruments governed by the relevant master agreement within each individual borrowing group and are independent of similar arrangements of our other subsidiary borrowing groups.

Under our derivative contracts, it is generally only the non-defaulting party that has a contractual option to exercise early termination rights upon the default of the other counterparty and to set off other liabilities against sums due upon such termination. However, in an insolvency of a derivative counterparty, under the laws of certain jurisdictions, the defaulting counterparty or its insolvency representatives may be able to compel the termination of one or more derivative contracts and trigger early termination payment liabilities payable by us, reflecting any mark-to-market value of the contracts for the counterparty. Alternatively, or in addition, the insolvency laws of certain jurisdictions may require the mandatory set off of amounts due under such derivative contracts against present and future liabilities owed to us under other contracts between us and the relevant counterparty. Accordingly, it is possible that we may be subject to obligations to make payments, or may have present or future liabilities owed to us partially or fully discharged by set off as a result of such obligations, in the event of the insolvency of a derivative counterparty, even though it is the counterparty that is in default and not us. To the extent that we are required to make such payments, our ability to do so will depend on our liquidity and capital resources at the time. In an insolvency of a defaulting counterparty, we will be an unsecured creditor in respect of any amount owed to us by the defaulting counterparty, except to the extent of the value of any collateral we have obtained from that counterparty.

In addition, where a counterparty is in financial difficulty, under the laws of certain jurisdictions, the relevant regulators may be able to (i) compel the termination of one or more derivative instruments, determine the settlement amount and/or compel, without any payment, the partial or full discharge of liabilities arising from such early termination that are payable by the relevant counterparty or (ii) transfer the derivative instruments to an alternative counterparty.

Cross-currency and Interest Rate Derivative Contracts

Cross-currency Swaps:

The terms of our outstanding cross-currency swap contracts at December 31, 2016, which are held by our wholly-owned subsidiary, Sable, are as follows:

Final maturity date	Notional amount due from counterparty		Notional amount due to counterparty		Interest rate due from counterparty	Interest rate due to counterparty
	in millions					
December 2022	$	108.3	JMD	13,817.5	—%	8.75%
March 2019	£	146.7	$	194.3	8.63%	9.79%

Interest Rate Swaps:

The terms of our outstanding interest rate swap contracts at December 31, 2016, which are held by Sable, are as follows:

Final maturity date	Notional amount	Interest rate due from counterparty	Interest rate due to counterparty
	in millions		
December 2017 (a)	$ 1,100.0	1 mo. LIBOR + 4.75%	3 mo. LIBOR + 4.68%
December 2022	$ 1,100.0	3 mo. LIBOR	1.84%

(a) Represents interest rate swap contracts in which the receivable portion of the contract has an interest rate floor.

Embedded Derivatives

The redemption term pursuant to the Columbus Senior Notes and Sable Senior Notes (each as defined and described in note 14) represent embedded derivative instruments, which require bifurcation from the applicable debt instrument. Each of the bifurcated amounts are carried at fair value in our consolidated statements of financial position. Any gain or loss associated with the recurring valuation of these embedded derivatives is recorded in realized and unrealized gains or losses on derivative instruments in our consolidated statements of operations.

Financial Liabilities

As part of the Columbus Acquisition, the Principal Vendors entered into lock-up and put option arrangements in respect of their issued consideration shares until 2019 (the **Columbus Put Option**). Our liability for the Columbus Put Option was valued on initial recognition using the present value technique of the future liability. In connection with the Liberty Global Transaction, the Columbus Put Option was settled through the issuance of Liberty Global and LiLAC shares (each as further described in note 18) and reflected as a capital contribution from our parent company.

Reconciliations of the movements of the Columbus Put Option, held at amortized cost, are as follows:

	December 31,	March 31,	
	2016	2016	2015
		in millions	
Balance at beginning of period	$ 970.4	$ 879.1	$ —
Recognition of put option liability	—	—	879.1
Equity settlement	(982.5)	—	—
Accretion of Columbus Put Option	12.1	91.3	—
Balance at end of period	$ —	$ 970.4	$ 879.1

(8) Fair Value Measurements

We measure (i) certain of our investments and (ii) our derivative instruments at fair value. The reported fair values of these investments and derivative instruments as of December 31, 2016 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities. In the case of the investments that we measure at fair value, the values we realize upon disposition will be dependent upon, among other factors, market conditions and the forecasted financial performance of the investees at the time of any such disposition. With respect to our derivative instruments, we expect that the values realized generally will be based on market conditions at the time of settlement, which may occur at the maturity of the derivative instrument or at the time of the repayment or refinancing of the underlying debt instrument.

We disclose fair value measurements according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are

unobservable inputs for the asset or liability. We record transfers of assets or liabilities into or out of Levels 1, 2 or 3 at the beginning of the quarter during which the transfer occurred. During the nine months ended December 31, 2016, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates. In the normal course of business, we receive market value assessments from the counterparties to our derivative contracts. Although we compare these assessments to our internal valuations and investigate unexpected differences, we do not otherwise rely on counterparty quotes to determine the fair values of our derivative instruments. The midpoints of applicable bid and ask ranges generally are used as inputs for our internal valuations.

In order to manage our interest rate and foreign currency exchange risk, we have entered into various derivative instruments, as further described in note 7. The recurring fair value measurements of these instruments are determined using discounted cash flow models. With the exception of the inputs for the U.S. dollar to Jamaican dollar cross-currency swaps (the **Sable Currency Swaps**), most of the inputs to these discounted cash flow models consist of, or are derived from, observable Level 2 data for substantially the full term of these instruments. This observable data includes most interest rate futures and swap rates, which are retrieved or derived from available market data. Although we may extrapolate or interpolate this data, we do not otherwise alter this data in performing our valuations. We incorporate a credit risk valuation adjustment in our fair value measurements to estimate the impact of both our own nonperformance risk and the nonperformance risk of our counterparties. Our and our counterparties' credit spreads represent our most significant Level 3 inputs and these inputs are used to derive the credit risk valuation adjustments with respect to these instruments. As we would not expect changes in our or our counterparties' credit spreads to have a significant impact on the valuations of these instruments, we have determined that these valuations (other than the Sable Currency Swaps) fall under Level 2 of the fair value hierarchy. Due to the lack of Level 2 inputs for the Sable Currency Swaps valuation, we believe this valuation falls under Level 3 of the fair value hierarchy. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 7.

We have bifurcated an embedded derivative associated with certain redemption terms of our Columbus Senior Notes and Sable Senior Notes (each as defined and described in note 14). The recurring fair value measurements of these embedded derivatives are determined using observable Level 2 data applying a binomial tree/lattice approach based on the Hull-White single factor interest rate term structure model. Under this approach, an interest rate lattice is constructed according to a given short-rate volatility and mean reversion constant as implied by the market at each valuation date.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of cash-generating units, customer relationship intangible assets and property and equipment. The valuation of cash-generating units is based at least in part on discounted cash flow analyses. Inputs for our weighted average cost of capital and discount rate calculations are derived from third-party pricing services. Forecasts of future cash flows are, in part, based on our assumptions, which are consistent with a market participant's approach. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer, contributory asset charges, and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During the nine months ended December 31, 2016, we (i) performed a nonrecurring valuation for the purpose of determining the fair value of our investment in Telecommunications Services of Trinidad and Tobago Limited (**TSTT**) and (ii) recorded an impairment of $4.0 million related to certain sub-sea cable system assets, in connection with the fair value established in negotiations to sell these assets to an unrelated third-party. During the year ended March 31, 2016, we finalized our nonrecurring valuation for the purpose of determining the acquisition accounting for the Columbus Acquisition.

The fair values of financial assets and liabilities, together with the carrying amounts shown in our consolidated statements of financial position, are as follows:

		December 31, 2016		March 31, 2016	
	Level	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
		in millions			
Assets carried at fair value:					
Held-for-sale investment in TSTT (note 12)	3	$ 93.2	$ 93.2	$ 128.3	$ 128.3
Derivative instruments (a)	2	19.1	19.1	—	—
Embedded derivatives (b):					
Columbus Senior Notes redemption option	2	35.6	35.6	26.8	26.8
Sable Senior Notes redemption option	3	13.0	13.0	4.1	4.1
Government bonds	1	32.3	32.3	57.1	57.1
Total assets carried at fair value		$ 193.2	$ 193.2	$ 216.3	$ 216.3
Assets carried at cost or amortized cost:					
Trade and other receivables		$ 546.9	$ 546.9	$ 505.6	$ 505.6
Cash and cash equivalents		271.2	271.2	167.5	167.5
Loan receivable – related-party		142.9	142.9	86.2	86.2
Other current and noncurrent financial assets		39.7	39.7	55.2	55.2
Restricted cash		28.2	28.2	20.6	20.6
Total assets carried at cost or amortized cost		$ 1,028.9	$ 1,028.9	$ 835.1	$ 835.1
Liabilities carried at fair value:					
Derivative instruments (a)	2	$ 36.0	$ 36.0	$ —	$ —
Liabilities carried at cost or amortized cost:					
Debt obligations		$ 3,533.0	$ 3,747.5	$ 3,028.4	$ 3,207.0
Accounts payable and other liabilities (including related-party)		246.8	246.8	276.4	276.4
Accrued liabilities (including related-party)		625.6	625.6	764.7	764.7
Columbus Put Option	2	—	—	970.4	970.4
Finance lease obligations		15.5	15.5	—	—
Total liabilities carried at cost or amortized cost		$ 4,420.9	$ 4,635.4	$ 5,039.9	$ 5,218.5

(a) These amounts represent our cross-currency and interest rate swaps.

(b) These amounts represent embedded derivative instruments associated with the Columbus Senior Notes and the Sable Senior Notes, respectively (each as defined and described in note 14).

Pre-tax amounts recognized in our consolidated statements of operations for the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015 related to our financial assets and liabilities are as follows:

	Finance income	Finance expense	Other statement of operations effects (a)	Impact on earnings (loss) before income taxes
		in millions		
Nine months ended December 31, 2016:				
Derivative assets carried at fair value through our consolidated statement of operations	$ —	$ —	$ (11.0)	$ (11.0)
Assets carried at cost or amortized cost:				
Trade receivables (b)	—	—	35.9	35.9
Loan receivable	(8.0)	—	—	(8.0)
Cash and cash equivalents	(1.9)	—	—	(1.9)
Liabilities carried at fair value	—	8.8	—	8.8
Liabilities carried at cost or amortized cost	—	199.4	12.1	211.5
	$ (9.9)	$ 208.2	$ 37.0	$ 235.3
Year ended March 31, 2016:				
Derivative assets carried at fair value through our consolidated statement of operations	$ —	$ —	$ (12.6)	$ (12.6)
Assets carried at cost or amortized cost:				
Trade receivables (b)	—	—	25.2	25.2
Loan receivable	(11.3)	—	—	(11.3)
Cash and cash equivalents	(2.5)	—	—	(2.5)
Liabilities carried at fair value	—	17.4	—	17.4
Liabilities carried at cost or amortized cost	—	213.2	91.3	304.5
	$ (13.8)	$ 230.6	$ 103.9	$ 320.7
Year ended March 31, 2015:				
Assets carried at cost or amortized cost:				
Trade receivables (b)	$ —	$ —	$ 19.7	$ 19.7
Loan receivable	(1.0)	—	—	(1.0)
Cash and cash equivalents	(3.3)	—	—	(3.3)
Liabilities carried at fair value	—	9.3	—	9.3
Liabilities carried at cost or amortized cost	—	75.0	—	75.0
	$ (4.3)	$ 84.3	$ 19.7	$ 99.7

(a) Except as noted in (b) below, amounts are included in realized and unrealized losses on derivative instruments within finance expense in our consolidated statements of operations.

(b) The other statement of operations effects for trade receivables represent provisions for impairment of trade receivables and are included in other operating expenses in our consolidated statements of operations.

A reconciliation of the movements in the valuation basis of our financial instruments measured at fair value is as follows:

	Available-for-sale financial assets	Financial assets at fair value through earnings (loss) for the period	Financial liabilities at fair value through earning (loss) for the period	Total
	in millions			
Balance at April 1, 2016	$ 57.1	$ 30.9	$ —	$ 88.0
Sale of available-for-sale investment	(23.3)	—	—	(23.3)
Novation of interest rate swap	—	—	(18.6)	(18.6)
Fair value gain (loss)	—	36.8	(25.7)	11.1
Fair value gain recognized in other comprehensive loss	3.1	—	—	3.1
Cash payments	—	—	8.3	8.3
Foreign currency translation adjustments	(4.6)	—	—	(4.6)
Balance at December 31, 2016	$ 32.3	$ 67.7	$ (36.0)	$ 64.0

	Available-for-sale financial assets	Financial assets at fair value through earnings (loss) for the period	Financial liabilities at fair value through earning (loss) for the period	Total
	in millions			
Balance at April 1, 2015	$ 58.7	$ 14.1	$ —	$ 72.8
Additions	—	4.2	—	4.2
Sale of available-for-sale investment	0.7	—	—	0.7
Fair value gain	—	12.6	—	12.6
Foreign currency translation adjustments	(2.3)	—	—	(2.3)
Balance at March 31, 2016	$ 57.1	$ 30.9	$ —	$ 88.0

(9) Trade and Other Receivables

The details of our trade and other receivables, net, are set forth below:

	December 31, 2016	March 31, 2016 (a)
	in millions	
Current trade and other receivables:		
Trade receivables – gross (b)	$ 439.8	$ 425.1
Allowance for impairment of trade receivables	(81.1)	(81.2)
Trade receivables, net	358.7	343.9
Other receivables (note 25) (c)	115.1	79.3
Unbilled revenue	69.2	77.6
Amounts receivable from joint ventures and associates	1.0	0.9
Total current trade and other receivables, net	544.0	501.7
Noncurrent – trade and other receivables	2.9	3.9
Total trade and other receivables	$ 546.9	$ 505.6

(a) As reclassified – see note 1.

(b) Includes $58.1 million and $49.3 million, respectively, due from various departments within a single government entity.

(c) Other receivables primarily include amounts due from Columbus New Cayman and VAT receivables.

The detailed aging of current trade receivables and related impairment amounts as of December 31, 2016 and March 31, 2016 is set forth below:

	December 31, 2016		March 31, 2016	
	Gross trade receivables	Allowance for impairment	Gross trade receivables	Allowance for impairment
	in millions			
Days past due:				
Current	$ 22.7	$ —	$ —	$ —
1 - 30	119.3	(2.0)	132.8	—
31 - 60	47.8	(2.1)	62.2	(0.2)
61 - 90	33.4	(3.5)	43.9	(0.7)
Over 90	216.6	(73.5)	186.2	(80.3)
Total	$ 439.8	$ (81.1)	$ 425.1	$ (81.2)

At December 31, 2016, a total of $223.8 million was past due but not impaired.

Based on historic default rates, we believe that no impairment allowance is necessary in respect of trade and other receivables not past due. Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have lengthy settlement periods. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

The following table shows the development of the allowance for impairment of trade receivables:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
	in millions		
Allowance at beginning of period	$ 81.2	$ 69.7	$ 78.0
Reclassification from held-for-sale	—	0.9	1.9
Business disposals	—	—	(6.8)
Provisions for impairment of receivables	35.9	25.2	19.7
Write-off of receivables	(35.2)	(14.4)	(22.4)
Foreign currency translation	(0.8)	(0.2)	(0.7)
Allowance at end of period	$ 81.1	$ 81.2	$ 69.7

When a trade receivable is uncollectible, it is written off against the allowance account. Provisions for impairment of trade receivables are included in other operating expenses in our consolidated statements of operations.

(10) Inventory

Our inventory is primarily composed of mobile handsets and equipment. Inventory is not pledged as security or collateral against any of our borrowings. The cost of inventory held for sale that was expensed during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015 was $90.3 million, $138.8 million and $148.0 million, respectively.

(11) Other Assets

The details of our other current assets are set forth as follows:

	December 31, 2016	March 31, 2016
	in millions	
Restricted cash (a)	$ 25.5	$ 4.5
Income taxes receivable	11.0	7.4
Accrued other income	4.8	6.5
Other current assets	13.6	6.7
Total	$ 54.9	$ 25.1

(a) Restricted cash primarily includes funding for seniority provisions in Panama and cash collateral related to certain loans in Barbados.

The details of our other noncurrent assets are set forth as follows:

	December 31, 2016	March 31, 2016
	in millions	
Prepaid expenses (a)	$ 125.7	$ 117.3
Derivative instruments (note 7)	67.7	30.9
Loans receivable – related-party (note 25)	54.4	—
Available-for-sale financial assets (b) (note 8)	32.3	57.1
Retirement benefit plan assets (note 20)	16.3	28.0
Deferred income taxes (note 17)	2.1	35.8
Restricted cash (c)	2.7	16.1
Other noncurrent assets	11.0	10.6
Total	$ 312.2	$ 295.8

(a) Amounts include $101.9 million in prepaid mobile spectrum, which we do not currently have the right to use.

(b) Amounts relate to U.K. Government Gilts, which are held as security against certain noncurrent employee benefit plan liabilities. For additional information, see note 20.

(c) Restricted cash represents funding for seniority provisions in Panama.

(12) Assets Held for Sale

Assets held for sale include (i) our investment in TSTT and (ii) property and equipment primarily related to the Barbados fiber network, which is being divested as part of the regulatory approval from the Barbados Fair Trading Commission.

In connection with our acquisition of Columbus in March 2015, certain conditions were included in the regulatory approval of the transaction from the Telecommunications Authority of Trinidad and Tobago, including the requirement that we dispose of our investment in TSTT by a certain date, which was recently extended to June 30, 2017. We cannot predict when, or if, we will be able to dispose of this investment at an acceptable price. As such, no assurance can be given that we will be able to recover the carrying value of our investment in TSTT.

The details of our assets held for sale are as follows:

	December 31, 2016	March 31, 2016
	in millions	
Investment in TSTT (a)	$ 93.2	$ 128.3
Property and equipment (b)	—	26.2
Total	$ 93.2	$ 154.5

(a) Represents our 49% interest in TSTT. During the nine months ended December 31, 2016, we recorded an impairment charge of $35.1 million to reduce the carrying value of the investment in TSTT to $93.2 million. The fair value determination that supported this impairment charge was made using discounted cash flows and precedent transactions methodologies. The key assumptions used in determining the market value of the equity of TSTT were its historical earnings (based on audited financial statements for fiscal years 2016, 2015 and 2014), 5-year projections and industry specific information, including comparable transaction multiples for the telecom industry. The significant rates used in the estimations of value are as follows:

Discount rate range	9.5% - 10.5%
Terminal growth rate range	1.0% - 2.5%
Multiple range (1)	2.6x - 7.0x

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(1) Represents multiples based on comparable transactions applied to last twelve months EBITDA.

(b) These assets were transferred to property and equipment during the nine months ended December 31, 2016 as they no longer meet the criteria for assets held for sale.

(13) Long-lived Assets

Property and Equipment, Net

Changes during the nine months ended December 31, 2016 in the carrying amounts of our property and equipment, net, are as follows:

	Distribution systems	Support equipment, buildings and land	Customer premises equipment	Other (a)	Total
			in millions		
Cost (b):					
April 1, 2016	$ 5,410.8	$ 488.3	$ —	$ 269.9	$ 6,169.0
Additions	45.9	6.2	25.2	243.5	320.8
Retirements and disposals	(59.9)	(5.0)	—	(0.5)	(65.4)
Transfers between categories (c)	(493.2)	482.9	240.8	(230.5)	—
Transfers from (to) intangible assets	(69.3)	—	—	(17.8)	(87.1)
Transfers from (to) other assets (d)	(74.4)	5.4	133.3	23.5	87.8
Foreign currency translation and other	(11.5)	(10.0)	(1.9)	(1.8)	(25.2)
December 31, 2016	$ 4,748.4	$ 967.8	$ 397.4	$ 286.3	$ 6,399.9
Accumulated depreciation (b):					
April 1, 2016	$ 3,196.9	$ 215.8	$ —	$ —	$ 3,412.7
Depreciation	215.8	36.1	25.4	0.2	277.5
Impairment	4.0	—	—	—	4.0
Retirements and disposals	(40.1)	(2.0)	—	—	(42.1)
Transfers between categories	(446.0)	352.4	93.6	—	—
Transfers from (to) intangible assets	(63.4)	—	—	—	(63.4)
Transfers from (to) other assets (d)	(73.4)	0.6	105.8	—	33.0
Foreign currency translation and other	8.8	(6.0)	(1.4)	—	1.4
December 31, 2016	$ 2,802.6	$ 596.9	$ 223.4	$ 0.2	$ 3,623.1
Property and equipment, net:					
December 31, 2016	$ 1,945.8	$ 370.9	$ 174.0	$ 286.1	$ 2,776.8

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(a) Primarily includes equipment held for use and assets under construction.

(b) In connection with the Liberty Global Transaction, we changed our property and equipment categories to conform with Liberty Global's presentation.

(c) Amounts include transfers from assets under construction for certain assets put into service during the current period and transfers related to new asset categories established in connection with the Liberty Global Transaction.

(d) Amounts primarily include (i) transfers of customer premises equipment from inventory and (ii) the reclassification of our Barbados fiber network from assets held for sale.

During the nine months ended December 31, 2016, we recorded non-cash increases to our property and equipment related to assets acquired under finance leases of $19.4 million.

Changes during the year ended March 31, 2016 in the carrying amounts of our property and equipment, net, are as follows:

	Plant and equipment	Land and buildings	Assets under construction	Total
	in millions			
Cost (a):				
April 1, 2015	$ 5,128.0	$ 485.8	$ 298.4	$ 5,912.2
Additions	141.7	3.1	359.4	504.2
Retirements and disposals	(142.3)	(1.0)	—	(143.3)
Transfers between categories	341.9	6.5	(348.4)	—
Transfers from (to) intangible assets	(5.7)	1.6	(39.0)	(43.1)
Foreign currency translation and other	(52.8)	(7.7)	(0.5)	(61.0)
March 31, 2016	$ 5,410.8	$ 488.3	$ 269.9	$ 6,169.0
Accumulated depreciation (a):				
April 1, 2015	$ 3,109.7	$ 222.7	$ 0.4	$ 3,332.8
Depreciation	315.1	18.8	—	333.9
Impairment	(52.0)	(21.6)	—	(73.6)
Retirements and disposals	(135.9)	—	—	(135.9)
Transfers to intangible assets	(6.9)	(0.1)	(0.4)	(7.4)
Foreign currency translation and other	(33.1)	(4.0)	—	(37.1)
March 31, 2016	$ 3,196.9	$ 215.8	$ —	$ 3,412.7
Property and equipment, net:				
March 31, 2016	$ 2,213.9	$ 272.5	$ 269.9	$ 2,756.3

(a) Amounts do not reflect categories as presented for the nine months ended December 31, 2016 due to system limitations making it impracticable to accurately reflect movements for such categories for the year ended March 31, 2016.

During the year ended March 31, 2016, we recorded no non-cash increases to our property and equipment related to assets acquired under finance leases.

Intangible Assets Subject to Amortization, Net

Changes during the nine months ended December 31, 2016 in the carrying amounts of our finite-lived intangible assets are as follows:

	Customer relationships	Software	Licensing and operating agreements	Other (a)	Total
			in millions		
Cost:					
April 1, 2016	$ 640.6	$ 364.0	$ 113.2	$ 89.1	$ 1,206.9
Additions	—	30.0	1.2	—	31.2
Retirements and disposals	(7.4)	(1.0)	—	(5.8)	(14.2)
Transfers between categories	17.3	(1.6)	(15.0)	(0.7)	—
Transfers from property and equipment	—	85.9	(0.4)	1.6	87.1
Foreign currency translation and other	45.0	(2.2)	9.7	(2.0)	50.5
December 31, 2016	$ 695.5	$ 475.1	$ 108.7	$ 82.2	$ 1,361.5
Accumulated amortization:					
April 1, 2016	$ 57.1	$ 273.5	$ 39.9	$ 8.2	$ 378.7
Amortization	23.6	36.6	9.7	7.3	77.2
Retirements and disposals	(7.4)	(0.3)	—	(5.8)	(13.5)
Transfers between categories	19.4	(3.5)	(15.0)	(0.9)	—
Transfers from property and equipment	—	62.8	0.6	—	63.4
Foreign currency translation and other	49.9	(1.9)	12.8	1.6	62.4
December 31, 2016	$ 142.6	$ 367.2	$ 48.0	$ 10.4	$ 568.2
Intangible assets subject to amortization, net:					
December 31, 2016	$ 552.9	$ 107.9	$ 60.7	$ 71.8	$ 793.3

(a) Primarily includes brand names.

Changes in the carrying amounts of our finite-lived intangible assets during the year ended March 31, 2016 are as follows:

	Customer relationships	Software	Licensing and operating agreements	Other (a)	Total
			in millions		
Cost:					
April 1, 2015	$ 645.4	$ 324.5	$ 93.4	$ 89.1	$ 1,152.4
Additions	—	30.3	—	—	30.3
Retirements and disposals	(4.3)	(3.1)	—	—	(7.4)
Transfers from property and equipment	—	16.1	27.0	—	43.1
Foreign currency translation and other	(0.5)	(3.8)	(7.2)	—	(11.5)
March 31, 2016	$ 640.6	$ 364.0	$ 113.2	$ 89.1	$ 1,206.9
Accumulated amortization:					
April 1, 2015	$ 7.5	$ 243.1	$ 28.0	$ 0.3	$ 278.9
Amortization	53.8	33.5	11.9	7.9	107.1
Retirements and disposals	(4.3)	(3.1)	—	—	(7.4)
Transfers from property and equipment	—	2.6	4.8	—	7.4
Foreign currency translation and other	0.1	(2.6)	(4.8)	—	(7.3)
March 31, 2016	$ 57.1	$ 273.5	$ 39.9	$ 8.2	$ 378.7
Intangible assets subject to amortization, net:					
March 31, 2016	$ 583.5	$ 90.5	$ 73.3	$ 80.9	$ 828.2

(a) Primarily includes brand names.

Goodwill

Goodwill is allocated to our cash-generating units, as defined and further described below, as follows:

Cash-generating unit	Reportable segment	Nine months ended December 31, 2016	Year ended March 31, 2016
		in millions	
Networks	Networks and LatAm	$ 729.0	$ 844.9
Trinidad and Tobago	Caribbean	161.7	759.5
Jamaica	Caribbean	162.9	173.8
Curacao	Caribbean	97.0	97.0
		1,150.6	1,875.2
Other		265.3	268.5
		$ 1,415.9	$ 2,143.7

Changes in the carrying amount of our goodwill are set forth below:

	Nine months ended December 31, 2016	Year ended March 31, 2016
	in millions	
Balance at beginning of period	$ 2,143.7	$ 2,159.6
Impairment	(705.7)	(3.3)
Foreign currency translation adjustments	(22.1)	(12.6)
Balance at end of period	$ 1,415.9	$ 2,143.7

Impairment

We perform annual impairment reviews of the carrying value of goodwill in each of the reportable segments in which we operate. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash inflows, known as cash-generating units. We have principally determined our cash-generating units to be the country in which the business operates with the exception of those segments that have discrete service lines and cash inflows, which are monitored by management on that basis.

We performed our annual impairment review effective October 1, 2016. In performing the review, the recoverable amounts of the cash-generating unit was determined based on the fair value less costs of disposal, estimated using the business enterprise value of the respective cash-generating unit. The fair value measurement was categorized as Level 3 fair value based on the inputs in the valuation technique used. The business enterprise value for each cash-generating unit was estimated using discounting cash flows, which used discount rates dependent on the weighted average cost of capital of the respective cash-generating unit. In connection with our annual impairment analysis, we impaired the value of goodwill in our Trinidad and Tobago and Networks cash-generating units by $586.7 million and $115.9 million, respectively.

The key assumptions used in the impairment review and the estimated recoverable amount of the cash-generating unit over its carrying value are as follows:

	Networks	Trinidad & Tobago	Jamaica	Curacao
Key assumptions:				
Discount rate	11.0%	11.0%	12.0%	8.5%
Income tax rate	23.2%	25.0%	25.0%	22.0%
Long-term growth rate	3.00%	3.48%	3.28%	2.97%
Capitalization multiple	12.5x	13.3x	11.5x	18.1x
Change required for carrying amount to equal recoverable amount (in millions)	N.A	N.A	$1,572.1	$92.1

The cash flow projections included specific estimates for 10 years and a long-term growth rate thereafter. The terminal growth rate reflects a normalized level based on the tenth year in the model, consistent with the assumptions that a market participant would make.

Our impairment review results of the recoverable amounts of our cash-generating units are sensitive to a number of assumptions, including those key assumptions noted in the table above. We do not believe a reasonably possible change, in isolation, of any of the key assumptions would cause the carrying values of the cash-generating units not deemed impaired to exceed their respective business enterprise value.

If, among other factors, (i) our enterprise value or Liberty Global's equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that further impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment expense is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Depreciation expense	$ 277.5	$ 333.9	$ 209.4
Amortization expense	77.2	107.1	47.2
Total depreciation and amortization	354.7	441.0	256.6
Impairment expense (recovery)	744.9	(70.3)	127.2
Total depreciation, amortization and impairment	$ 1,099.6	$ 370.7	$ 383.8

(14) Debt and Finance Lease Obligations

The U.S. dollar equivalents of the components of our consolidated third-party debt are as follows:

	December 31, 2016		Estimated fair value (c)		Principal amount	
	Weighted average interest rate (a)	Unused borrowing capacity (b)	December 31, 2016	March 31, 2016	December 31, 2016	March 31, 2016
				in millions		
CWC Notes	7.31%	$ —	$ 2,319.6	$ 2,322.0	$ 2,181.1	$ 2,207.1
CWC Credit Facilities	5.11%	756.5	1,427.9	885.0	1,411.9	865.2
Total debt before unamortized premiums, discounts and deferred financing costs	6.45%	$ 756.5	$ 3,747.5	$ 3,207.0	$ 3,593.0	$ 3,072.3

The following table provides a reconciliation of total debt before unamortized premiums, discounts and deferred financing costs to total debt and finance lease obligations:

	December 31, 2016	March 31, 2016
	in millions	
Total debt before unamortized premiums, discounts and deferred financing costs	$ 3,593.0	$ 3,072.3
Unamortized discounts, net of premiums	(30.9)	(17.5)
Unamortized deferred financing costs	(29.1)	(26.4)
Total carrying amount of debt	3,533.0	3,028.4
Finance lease obligations	15.5	—
Total debt and finance lease obligations	3,548.5	3,028.4
Current maturities of debt and finance lease obligations	(100.8)	(87.4)
Long-term debt and finance lease obligations	$ 3,447.7	$ 2,941.0

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(a) Represents the weighted average interest rate in effect at December 31, 2016 for all borrowings outstanding pursuant to each debt instrument, including any applicable margin. The interest rates presented represent stated rates and do not include the impact of derivative instruments, deferred financing costs, original issue premiums or discounts and commitment fees, all of which affect our overall cost of borrowing. Including the effects of derivative instruments, original issue premiums or discounts and commitment fees, but excluding the impact of financing costs, our weighted average interest rate on our aggregate variable- and fixed-rate indebtedness was 7.0% at December 31, 2016. For information regarding our derivative instruments, see note 7.

(b) Unused borrowing capacity under the CWC Credit Facilities of $756.5 million includes $625.0 million under the CWC Revolving Credit Facility (as defined and described below), which represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to this borrowing At December 31, 2016, based on the applicable leverage and other financial covenants, which take into account the £100.0 million ($123.5 million) letters of credit associated with the CWSF (as defined and described in note 20), $612.5 million of unused borrowing capacity was available to be borrowed under the CWC Credit Facilities. When the relevant December 31, 2016 compliance reporting requirements have been completed, and assuming no changes from December 31, 2016 borrowing levels, we anticipate that $612.5 million of unused borrowing capacity under the CWC Credit Facilities will continue to be available to be borrowed.

(c) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information regarding fair value hierarchies, see note 8.

General Information

Our "borrowing groups" include the respective restricted parent and subsidiary entities within CWC and Columbus and entities holding certain of our CWC Regional Facilities, as defined and described below. At December 31, 2016, all of our outstanding debt had been incurred by two of our primary borrowing groups.

Credit Facilities. Each of our borrowing groups has entered into one or more credit facility agreements with certain financial institutions. Each of these credit facilities contain certain covenants, the more notable of which are as follows:

- Our credit facilities contain certain consolidated gross or net leverage ratios, as specified in the relevant credit facility, which are required to be complied with on an incurrence and/or maintenance basis;
- Our credit facilities contain certain restrictions which, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to their direct and/or indirect parent companies (and indirectly to CWC or Liberty Global) through dividends, loans or other distributions, subject to compliance with applicable covenants;
- Our credit facilities require that certain members of the relevant borrowing group guarantee the payment of all sums payable under the relevant credit facility and such group members are required to grant first-ranking security over their shares or, in certain borrowing groups, over substantially all of their assets to secure the payment of all sums payable thereunder;
- In addition to certain mandatory prepayment events, the instructing group of lenders under the relevant credit facility may cancel the commitments thereunder and declare the loans thereunder due and payable after the applicable notice period following the occurrence of a change of control (as specified in the relevant credit facility);
- Our credit facilities contain certain customary events of default, the occurrence of which, subject to certain exceptions and materiality qualifications, would allow the instructing group of lenders to (i) cancel the total commitments, (ii) accelerate all outstanding loans and terminate their commitments thereunder and/or (iii) declare that all or part of the loans be payable on demand;
- Our credit facilities require members of the relevant borrowing group to observe certain affirmative and negative undertakings and covenants, which are subject to certain materiality qualifications and other customary and agreed exceptions; and
- In addition to customary default provisions, our credit facilities generally include certain cross-default and cross-acceleration provisions with respect to other indebtedness of members of the relevant borrowing group, subject to agreed minimum thresholds and other customary and agreed exceptions.

Senior Notes. CWC and Columbus have issued senior notes. In general, our senior notes (i) are senior obligations of each respective issuer within the relevant borrowing group that rank equally with all of the existing and future senior debt of such issuer and are senior to all existing and future subordinated debt of each respective issuer within the relevant borrowing group and (ii) contain, in most instances, certain guarantees from other members of the relevant borrowing group (as specified in the applicable indenture). In addition, the indentures governing our senior notes contain certain covenants, the more notable of which are as follows:

- Our notes contain certain customary incurrence-based covenants. In addition, our notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of the issuer or certain subsidiaries, over agreed minimum thresholds (as specified under the applicable indenture), is an event of default under the respective notes;
- Our notes contain certain restrictions that, among other things, restrict the ability of the members of the relevant borrowing group to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over their assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to its direct and/or indirect parent companies (and indirectly to CWC or Liberty Global) through dividends, loans or other distributions, subject to compliance with applicable covenants; and
- If the relevant issuer or certain of its subsidiaries (as specified in the applicable indenture) sell certain assets, such issuer must offer to repurchase the applicable notes at par, or if a change of control (as specified in the applicable indenture) occurs, such issuer must offer to repurchase all of the relevant notes at a redemption price of 101%.

As of December 31, 2016, Columbus was restricted from incurring additional financial indebtedness.

CWC Notes

The details of our outstanding notes as of December 31, 2016 are summarized in the following table:

CWC Notes	Maturity	Interest rate	Outstanding principal amount: Borrowing currency	Outstanding principal amount: U.S. $ equivalent	Estimated fair value	Carrying value
				in millions		
Columbus Senior Notes (a)	March 30, 2021	7.375%	$ 1,250.0	$ 1,250.0	$ 1,332.8	$ 1,237.4
Sable Senior Notes (b)	August 1, 2022	6.875%	$ 750.0	750.0	783.7	727.9
CWC Senior Notes (c)	March 25, 2019	8.625%	£ 146.7	181.1	203.1	181.1
Total				$ 2,181.1	$ 2,319.6	$ 2,146.4

(a) The Columbus Senior Notes were issued by Columbus. The Columbus Senior Notes include certain redemption terms that represent an embedded derivative. We have bifurcated the embedded derivative from the Columbus Senior Notes and recorded the liability associated with the redemption features at fair value in our consolidated statements of financial position. For additional information on the embedded derivative, see note 7.

(b) The Sable Senior Notes were issued by Sable.

(c) The CWC Senior Notes, which are non-callable, were issued by Cable & Wireless International Finance B.V., a wholly-owned subsidiary of CWC.

Upon a change in control, we are required to make an offer to each holder of the Columbus Senior Notes to purchase such notes at a price equal to 101% of the principal amount plus accrued and unpaid interest. In connection with the Liberty Global Transaction, on May 23, 2016, we provided such notice of a change in control and offered to purchase for cash any and all outstanding Columbus Senior Notes from each registered holder of the Columbus Senior Notes (the **Offer**). None of the Columbus Senior Notes were redeemed during the Offer period, which expired on June 20, 2016.

Subject to the circumstances described below, the Columbus Senior Notes are non-callable until March 30, 2018 and the Sable Senior Notes are non-callable until August 1, 2018. At any time prior to March 30, 2018, in the case of the Columbus Senior Notes

and August 1, 2018, in the case of the Sable Senior Notes, Columbus and Sable may redeem some or all of the applicable notes by paying a "make-whole" premium, which is generally based on the present value of all scheduled interest payments until March 30, 2018 or August 1, 2018 (as applicable) using the discount rate (as specified in the applicable indenture) as of the redemption date, plus 50 basis points, and in the case of the Sable Senior Notes is subject to a minimum 1% of the principal amount outstanding at any redemption date prior to August 1, 2018.

Columbus and Sable (as applicable) may redeem some or all of the Columbus Senior Notes and Sable Senior Notes, respectively, at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest and additional amounts (as specified in the applicable indenture), if any, to the redemption date, as set forth below:

	Redemption price	
	Columbus Senior Notes	Sable Senior Notes
12-month period commencing	March 30	August 1
2018	103.688%	105.156%
2019	101.844%	103.438%
2020	100.000%	101.719%
2021 and thereafter	N.A.	100.000%

CWC Credit Facilities

The CWC Credit Facilities are the senior secured credit facilities of certain of our subsidiaries. The details of our borrowings under the CWC Credit Facilities as of December 31, 2016 are summarized in the following table:

CWC Credit Facility	Maturity	Interest rate	Facility amount (in borrowing currency)	Outstanding principal amount	Unused borrowing capacity (a)	Carrying value (b)
				in millions		
CWC Term Loans	December 31, 2022	LIBOR + 4.75% (c)	$ 1,100.0	$ 1,100.0	$ —	$ 1,075.6
CWC Revolving Credit Facility	July 31, 2021	LIBOR + 3.50% (d)	$ 625.0	—	625.0	—
CWC Regional Facilities (e)	various dates ranging from 2017 to 2038	3.65% (f)	$ 443.4	311.9	131.5	311.0
Total				$ 1,411.9	$ 756.5	$ 1,386.6

(a) Unused borrowing capacity under the CWC Credit Facilities of $756.5 million includes $625.0 million under the CWC Revolving Credit Facility, which represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to this borrowing. At December 31, 2016, based on the applicable leverage and other financial covenants, $612.5 million of unused borrowing capacity was available to be borrowed under the CWC Revolving Credit Facility. When the relevant December 31, 2016 compliance reporting requirements have been completed, and assuming no changes from December 31, 2016 borrowing levels, we anticipate that our availability under the CWC Revolving Credit Facility will remain limited to $612.5 million.

(b) Amounts are net of discounts and deferred financing costs, where applicable.

(c) The CWC Term Loans are subject to a LIBOR floor of 0.75%.

(d) The CWC Revolving Credit Facility has a fee on unused commitments of 0.5% per year.

(e) Represents certain amounts borrowed by CW Panama, BTC and CW Jamaica, each a subsidiary of CWC (collectively, the **CWC Regional Facilities**).

(f) Represents a blended weighted average rate for all CWC Regional Facilities.

2016 Financing Transactions. On May 17, 2016, Sable and Coral-US acceded as borrowers and assumed obligations under the credit agreement dated May 16, 2016 (the **CWC Credit Agreement**), pursuant to which (i) Coral-US entered into the CWC Term Loans and (ii) Sable and Coral-US entered into the CWC Revolving Credit Facility.

A portion of the proceeds from the CWC Term Loans and amounts drawn under the CWC Revolving Credit Facility were used to (i) repay amounts outstanding under the then existing revolving credit facility, (ii) redeem certain senior secured notes issued by Sable and (iii) finance the special dividend payable to CWC shareholders in connection with the Liberty Global Transaction, as further described in note 18. In connection with these transactions, we recognized a loss on debt extinguishment of $41.8 million. This loss includes (a) the write-off of $24.3 million of unamortized deferred financing costs and (b) the payment of $17.5 million of redemption premium.

In October 2016, Sable and Coral-US entered into an agreement with additional lenders under the CWC Credit Agreement increasing the aggregate commitments under the CWC Revolving Credit Facility from $570 million to $625 million. Other than with respect to the increase in aggregate commitments, the terms of the CWC Revolving Credit Facility were not modified.

In November 2016, Sable and Coral-US entered into a new $300.0 million term loan facility (the **Term B-1B Loan Facility**) in accordance with the terms of the CWC Credit Agreement. The loan under the Term B-1B Loan Facility constitutes an increase to the existing Term B-1 Loan under (and as defined in) the CWC Credit Agreement. The Term B-1B Loan Facility matures on December 31, 2022 and bears interest at a rate of LIBOR plus 4.75%, subject to a LIBOR floor of 0.75%. The net proceeds from the Term B-1B Loan Facility were used to prepay amounts outstanding under the CWC Revolving Credit Facility and for general corporate purposes.

Maturities of Debt and Finance Lease Obligations

The U.S. dollar equivalents of the maturities of our debt, including amounts representing interest payments, as of December 31, 2016 are presented below (in millions):

Year ending December 31:	
2017	$ 333.4
2018	290.5
2019	460.9
2020	254.2
2021	1,449.6
Thereafter	2,007.4
Total debt maturities	4,796.0
Unamortized discount, net of premiums	(30.9)
Unamortized deferred financing costs	(29.1)
Amounts representing interest	(1,203.0)
Total	$ 3,533.0
Current portion	$ 95.7
Noncurrent portion	$ 3,437.3

The U.S. dollar equivalents of the maturities of our finance lease obligations as of December 31, 2016 are presented below (in millions):

Year ending December 31:	
2017	$ 5.6
2018	9.9
2019	0.7
Thereafter	—
Total maturities	16.2
Amounts representing interest	(0.7)
Total	$ 15.5
Current portion	$ 5.1
Noncurrent portion	$ 10.4

(15) Other Liabilities

The details of our other accrued and current liabilities are set forth as follows:

	December 31, 2016	March 31, 2016
	in millions	
Accrued and other operating liabilities	$ 223.0	$ 242.8
Current tax liabilities	62.7	87.2
Accrued interest payable	59.2	18.4
Accrued capital expenditures	58.8	56.0
Payroll and employee benefits (note 21)	41.0	20.3
Provisions (note 16)	15.9	61.3
Accrued share-based compensation	0.1	6.5
Total	$ 460.7	$ 492.5

The details of our other noncurrent liabilities are set forth as follows:

	December 31, 2016	March 31, 2016
	in millions	
Retirement benefit obligations (note 20)	$ 129.6	$ 185.1
Provisions (note 16)	35.2	66.6
Accrued capital expenditures	—	19.3
Other accrued noncurrent liabilities	—	7.9
Total	$ 164.8	$ 278.9

(16) Provisions

A summary of changes in our provisions for liabilities and charges during the nine months ended December 31, 2016 and years ended March 31, 2016 and 2015 is set forth in the tables below:

	Restructuring	Network and asset retirement obligations	Legal and other	Total
	in millions			
April 1, 2016	$ 22.8	$ 47.9	$ 57.2	$ 127.9
Additional provisions	17.1	1.4	7.0	25.5
Amounts used	(18.6)	(1.0)	(9.2)	(28.8)
Unused amounts released	(18.0)	(12.3)	(27.8)	(58.1)
Transfers	—	—	(14.7)	(14.7)
Foreign currency translation adjustments and other	—	(0.8)	0.1	(0.7)
December 31, 2016	$ 3.3	$ 35.2	$ 12.6	$ 51.1
Current portion	$ 3.3	$ —	$ 12.6	$ 15.9
Noncurrent portion	—	35.2	—	35.2
	$ 3.3	$ 35.2	$ 12.6	$ 51.1

	Restructuring	Network and asset retirement obligations	Legal and other	Total
	in millions			
April 1, 2015	$ 96.9	$ 51.6	$ 90.9	$ 239.4
Additional provisions	7.1	2.0	38.2	47.3
Amounts used	(65.8)	(5.5)	(66.5)	(137.8)
Unused amounts released	(16.8)	—	(5.6)	(22.4)
Effect of discounting	—	2.5	—	2.5
Transfers	1.8	(2.0)	0.2	—
Foreign currency translation adjustments and other	(0.4)	(0.7)	—	(1.1)
March 31, 2016	$ 22.8	$ 47.9	$ 57.2	$ 127.9
Current portion	$ 20.6	$ 0.4	$ 40.3	$ 61.3
Noncurrent portion	2.2	47.5	16.9	66.6
	$ 22.8	$ 47.9	$ 57.2	$ 127.9

	Restructuring	Network and asset retirement obligations	Legal and other	Total
		in millions		
April 1, 2014	$ 66.5	$ 29.9	$ 86.8	$ 183.2
Acquisitions	—	—	33.1	33.1
Business disposals	(0.6)	(2.2)	(11.0)	(13.8)
Additional provisions	78.0	21.9	22.0	121.9
Amounts used	(46.8)	(0.2)	(25.5)	(72.5)
Unused amounts released	—	—	(14.4)	(14.4)
Effect of discounting	—	2.8	—	2.8
Foreign currency translation adjustments and other	(0.2)	(0.6)	(0.1)	(0.9)
March 31, 2015	$ 96.9	$ 51.6	$ 90.9	$ 239.4

Our restructuring charges during nine months ended December 31, 2016 include employee severance and termination costs related to reorganization and integration activities, primarily associated with the integration of Columbus.

Our network obligations include costs associated with redundant leased network capacity, including break fees in certain network contracts. Cash outflows associated with network obligations are expected to occur over the shorter of the period to exit and the lease contract life.

Our legal and other provisions include amounts relating to specific legal claims against our company and certain employee benefits and sales taxes. The timing of the utilization of the provision is uncertain and is largely outside our control, including matters that are contingent upon litigation. During 2015, we received an unfavorable ruling associated with pre-acquisition legal risks of Columbus and were ordered to pay the majority of the Columbus purchase price hold back, a disputed non-competition payment and other amounts (including costs) of approximately $11.0 million in aggregate, substantially all of which was paid during the year ended March 31, 2016.

(17) Income Taxes

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in the U.K. We have accounted for the effect of these taxes based on what we believe is reasonably expected to apply to us and our subsidiaries based on tax laws currently in effect and reasonable interpretations of these laws. Because some jurisdictions do not have systems of taxation that are as well established as the system of income taxation used in the U.K. or tax regimes used in other major industrialized countries, it may be difficult to anticipate how other jurisdictions will tax our and our subsidiaries' current and future operations. The income taxes of CWC and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law.

The combined details of our current and deferred income tax benefit (expense) that are included in our consolidated statements of operations are as follows:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Current tax expense	$ 23.7	$ 44.6	$ 36.4
Deferred tax expense (benefit)	(6.5)	6.9	(4.7)
Total income tax expense	$ 17.2	$ 51.5	$ 31.7

Income tax expense attributable to our earnings (loss) before income taxes differs from the amounts computed by applying the U.K. tax rate as a result of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
	in millions		
Income tax charge at U.K. statutory tax rate (a)	$ (145.1)	$ 35.4	$ (0.2)
Goodwill impairment	141.2	—	—
Adjustments relating to prior years	(49.3)	(33.9)	10.0
Effect of changes in unrecognized deferred tax assets	36.1	46.5	17.0
Non-deductible or non-taxable interest and other expenses	3.4	26.0	8.0
Effect of withholding tax and intra-group dividends	9.3	2.0	16.0
International rate differences (b)	8.4	(24.5)	(17.6)
Other	13.2	—	(1.5)
Total income tax expense	$ 17.2	$ 51.5	$ 31.7

(a) The applicable statutory tax rate in the U.K. is 20% for the nine months ended December 31, 2016 and 20% and 21% for the years ended March 31, 2016 and 2015, respectively.

(b) Amounts reflect adjustments (either an increase or a decrease) to “expected” tax benefit (loss) for statutory rates in jurisdictions in which we operate outside of the U.K.

During 2015, the U.K. enacted legislation that will change the corporate income tax rate from the current rate of 20.0% to 19.0% in April 2017 and 18.0% in April 2020. During the third quarter of 2016, the U.K. enacted legislation that will further reduce the corporate income tax rate in April 2020 from 18.0% to 17.0%. Due to our unrecognized deferred tax assets in the U.K., these U.K. statutory rate changes are not expected to significantly impact our deferred income taxes.

The details of our deferred tax balances at December 31, 2016 and our deferred tax expense for the nine months ended December 31, 2016 are as follows:

	December 31, 2016		Nine months ended December 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Foreign currency translation adjustments	Recognition in statement of operations
	in millions			
Net operating loss and other carryforwards	$ 14.1	$ —	$ (1.1)	$ 4.4
Property and equipment	10.2	110.2	—	(45.1)
Intangible assets	6.0	135.9	(1.9)	(22.8)
Investments	—	0.8	—	0.3
Receivables	4.0	—	—	0.9
Accrued interest	—	3.3	—	13.7
Other	16.1	28.1	(4.9)	42.1
Net assets with liabilities within same jurisdiction	(48.3)	(48.3)	—	—
Total	$ 2.1	$ 230.0	$ (7.9)	$ (6.5)

The details of our deferred tax balances at March 31, 2016 and our deferred tax expense for the year ended March 31, 2016 are as follows:

	March 31, 2016		Year ended March 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Foreign currency translation adjustments	Recognition in statement of operations
	in millions			
Net operating loss and other carryforwards	$ 17.4	$ —	$ —	$ 4.0
Property and equipment	9.7	154.8	(1.3)	7.0
Intangible assets	9.9	164.5	(1.2)	(0.2)
Investments	—	0.5	—	—
Receivables	4.9	—	—	—
Accrued interest	10.4	—	—	—
Other	49.1	23.9	0.5	(3.9)
Net assets with liabilities within same jurisdiction	(65.6)	(65.6)	—	—
Total	$ 35.8	$ 278.1	$ (2.0)	$ 6.9

Deferred tax assets have not been recognized in respect of the following temporary differences:

	December 31, 2016	March 31, 2016
	in millions	
Net operating loss and other carryforwards	$ 7,391.3	$ 7,960.0
Capital allowances available on noncurrent assets	148.8	150.0
Pensions	141.1	186.0
Other	48.6	133.0
	$ 7,729.8	$ 8,429.0

The significant components of our net operating loss and other carryforwards and related tax assets at December 31, 2016 are as follows:

Jurisdiction	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
Barbados	$ 33.8	$ 8.5	2017 - 2023
Trinidad and Tobago	14.0	3.5	Indefinite
All other countries	11.7	2.1	Various
Total	$ 59.5	$ 14.1	

We and our subsidiaries file consolidated and standalone income tax returns in various jurisdictions. In the normal course of business, our income tax filings are subject to review by various taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the tax authorities are statutorily prohibited from adjusting the company's tax computations.

(18) Owners' Equity

Effective December 30, 2016, the Merger was completed in accordance with the laws of England and Wales and the Netherlands. In accordance with the Merger agreement, LG Coral Mergerco issued 44,332 fully-paid shares in consideration for the transfer of the assets and liabilities of CWC Limited and LGE Coral Mergerco. As a result of the Merger, CWC Limited and LGE Coral Mergerco ceased to exist and all of the existing issued share capital of each entity was cancelled.

In connection with the Liberty Global Transaction, CWC Limited was delisted from the London Stock Exchange, all issued and outstanding CWC Limited shares (including all shares then held in treasury) were cancelled and CWC Limited became a private, wholly-owned subsidiary of Liberty Global.

Under the terms of the Liberty Global Transaction, CWC Limited shareholders received, in the aggregate: 31,607,008 Class A Liberty Global Shares, 77,379,774 Class C Liberty Global Shares, 3,648,513 Class A LiLAC Shares and 8,939,316 Class C LiLAC Shares. Further, CWC Limited shareholders received a special dividend in the amount of £0.03 ($0.04 at the transaction date) per CWC Limited share paid pursuant to the scheme of arrangement based on 4,433,222,313 outstanding shares of CWC Limited on May 16, 2016. The special dividend was in lieu of any previously-announced CWC Limited dividend.

At December 31, 2016, we had 44,333 authorized and allotted ordinary shares at a nominal value of £1.00. Each share is full voting and had dividend and capital distribution rights. Our fully paid share capital as of December 31, 2016 is as follows:

	Number of shares		Nominal value		Value
					in millions
CWC Limited ordinary shares:					
Balance at April 1, 2015	4,475,953,616	$	0.05	$	223.8
Balance at March 31, 2016	4,475,953,616	$	0.05	$	223.8
Treasury shares cancelled	(42,731,303)	$	0.05		(2.1)
Ordinary shares exchanged in connection with the Liberty Global Transaction	(4,433,222,313)	$	0.05		(221.7)
Balance at May 16, 2016	—			$	—
CWC ordinary shares:					
Balance at April 1, 2016	—	£	—	$	—
Issuance of ordinary shares – incorporation of LG Coral Mergerco	1	£	1.00		—
Issuance of ordinary shares in connection with the Merger	44,332	£	1.00		0.1
Balance at December 31, 2016	44,333			$	0.1

Dividends

During the nine months ended December 31, 2016, no dividends were declared or paid other than the $193.8 million special dividend associated with the Liberty Global Transaction. On August 7, 2015, we paid the final dividend of $115.6 million (2.67 cents per share) for the year ended March 31, 2015.

In addition, CW Panama and BTC declared and paid dividends in aggregate of $52.1 million, $54.0 million and $86.0 million during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively. For additional information, see note 26.

Exercise of share-based awards

During the nine months ended December 31, 2016, our employee share ownership trust was dissolved, from which we received a distribution of remaining cash reserves of $11.9 million.

Foreign currency translation reserve

The foreign currency translation reserve primarily contains exchange rate differences related to the translation of financial statements of our subsidiaries that do not have the U.S. dollar as their functional currency.

Capital and other reserves

At December 31, 2016, capital and other reserves is comprised of the following:

	December 31, 2016	March 31, 2016
	in millions	
Capital reserve	$ 986.8	$ 986.8
Other reserves:		
De-merger reserve (a)	2,288.6	2,288.6
Merger relief reserve (b)	1,208.8	1,208.8
Fair value reserve	22.9	19.8
Transactions with noncontrolling interests	(5.3)	(5.3)
Put option arrangements	—	(775.7)
	3,515.0	2,736.2
Total	$ 4,501.8	$ 3,723.0

(a) Represents reserves created on demerger of the legacy Cable and Wireless Limited business in 2010.

(b) Represents a reserve related to the statutory relief from recognizing share premium when issuing equity shares in order to acquire the legal entity shares of another company when certain conditions are met. The merger reserve was formed in connection with the Columbus Acquisition on March 31, 2015 when we acquired 100% of the issued share capital of Columbus for consideration that included the issuance of shares.

(19) Finance Expense and Finance Income

Finance expense is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Interest expense on third-party debt	$ 195.3	$ 207.9	$ 74.2
Realized and unrealized losses on derivative instruments (note 7)	1.1	78.7	—
Losses on debt extinguishment (note 14)	42.4	21.3	36.5
Amortization of deferred financing costs and accretion of discounts (note 13)	7.5	14.9	6.4
Other financial expense items	5.4	7.8	3.7
Total	$ 251.7	$ 330.6	$ 120.8

Finance income is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Foreign currency transaction gains	$ 14.9	$ 11.4	$ 40.0
Interest on related-party loans receivable (note 25)	4.6	5.0	0.9
Interest on related-party loans receivable (note 25)	2.3	—	—
Interest on cash and bank deposits	1.9	2.5	3.3
Other financial income items	2.2	6.3	4.1
Total	$ 25.9	$ 25.2	$ 48.3

(20) Employee Benefit Plans

We operate pension plans for our current and former U.K. and overseas employees. These plans include both defined benefit plans, where retirement benefits are based on employees' remuneration and length of service, and defined contribution plans, where retirement benefits reflect the accumulated value of agreed contributions paid by, and in respect of, employees. Contributions to the defined benefit plans are made in accordance with the recommendations of independent actuaries who value the plans.

*Cable & Wireless Superannuation Fund (**CWSF**)*

The CWSF provides defined benefit and defined contribution arrangements for current and former employees of CWC. The CWSF has been closed to new defined benefit members since 1998 and was closed to future accrual of benefits effective from March 31, 2016.

Regulatory framework and governance

U.K. regulations govern (i) the nature of the relationship between CWC and the CWSF Board of Trustees (the **Trustees**) and (ii) the trustee-administered funds in which the assets of the CWSF are held. Responsibility for the governance of the CWSF, including investment decisions and contribution schedules, lies with the Trustees who must consult with the company on such matters. In accordance with the CWSF's governing documents, the Trustees must be composed of representatives of the company, plan participants and an independent trustee.

The weighted average duration of the total expected benefit payments from the CWSF is 15 years, and the weighted average duration of the expected uninsured benefit payments from the CWSF is 20 years.

We made contributions of $44.3 million, $48.8 million and $51.4 million during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively, to the CWSF.

We are party to a contingent funding agreement (the **Contingent Funding Arrangement**) with the Trustees, under which the Trustees can call for a letter of credit or cash escrow in certain circumstances, such as a breach of certain financial covenants, the incurrence of secured debt above an agreed level or the failure to maintain available commitments of at least $150 million under the CWC Revolving Credit Facility. Our acquisition of Columbus constituted a "change of control" under the Contingent Funding Arrangement and, therefore, the Trustees have the right to drawdown on the £100.0 million ($123.5 million) letters of credit that were put in place in connection with the acquisition of Columbus pursuant to the terms of the Contingent Funding Arrangement. Based on the pending outcome of the triennial actuarial valuation as of March 31, 2016, which is expected to be completed during the second quarter of 2017, our contributions necessary to fund the CWSF by April 2019 are currently expected to range from nil to $28.4 million per year during 2017, 2018 and 2019. We are currently in negotiations with the Trustees with respect to the future funding requirements of the CWSF and the outstanding letters of credit with a view to addressing the remaining deficit through future contributions over a period of time similar in structure to prior triennial period contribution schedules. No assurance can be given as to the outcome of such negotiations.

Minimum funding requirement

The deficit recovery funding plan agreed with the Trustees as part of the March 2013 actuarial valuation constitutes a minimum funding requirement. An adjustment to the deficit in the CWSF to account for the minimum funding requirement has been calculated in accordance with IFRIC 14, *The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adjustment to the deficit, which is recorded in other comprehensive loss, was $10.1 million, $54.3 million and $21.4 million during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively.

Asset-liability matching

During 2008, the Trustees agreed an insurance buy-in of the U.K. pensioner liabilities with Prudential Insurance. The buy-in involved the purchase of a bulk annuity policy by the CWSF under which Prudential Insurance assumed responsibility for the benefits payable to the CWSF's U.K. pensioners. In December 2011, a further 233 pensioners, having commenced with pensions in payment since the original annuity, were brought within the bulk annuity policy. These pensioner liabilities and the matching annuity policy remain within the CWSF. At December 31, 2016 and March 31, 2016, approximately 60% and 63%, respectively, of the liabilities in the CWSF are matched by the annuity policy asset, which reduces the funding risk for the company.

U.K. unfunded pension arrangements

We operate unfunded defined benefit arrangements in the U.K. that primarily relate to pension provisions for former Directors and other senior employees in respect of their earnings in excess of the previous Inland Revenue salary cap. These arrangements are governed by individual trust deeds. One arrangement incorporates a covenant requiring us to hold security against the value of the liabilities. The security is in the form of U.K. Government Gilts, which are included in other noncurrent assets on our consolidated statements of financial position as available-for-sale financial assets.

The weighted average duration of the expected benefit payments from the unfunded arrangements is 15 years.

Overseas schemes

We operate other defined benefit pension schemes in Jamaica and Barbados, which are governed by local pension laws and regulations. These defined benefit schemes are closed to new entrants and, in Jamaica, existing participants do not accrue any additional benefits.

The Jamaican scheme owns an insurance policy, which matches in full the value of the defined benefit liabilities.

When defined benefit funds have an IAS 19, *Employee Benefits,* (**IAS 19**) surplus, they are recorded at the lower of that surplus and the future economic benefits available in the form of a cash refund or a reduction in future contributions. Any adjustment to the surplus (net of interest), referred to as an asset ceiling adjustment, is recorded in other comprehensive income. During the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, we recorded asset ceiling adjustments related to the Jamaican scheme of $2.9 million, nil and $26.0 million, respectively. The maximum economic benefit was determined by reference to the reductions in future contributions available to the company.

Based on December 31, 2016 exchange rates and information available as of that date, contributions to the overseas defined benefit pension schemes in 2017 are expected to aggregate $3.6 million.

Merchant Navy Officers Pension Fund

While we have ceased participation in the Merchant Navy Officers Pension Fund (**MNOPF**), we may be liable for contributions to fund a portion of any funding deficits of the MNOPF that may occur in the future. At December 31, 2016, our scheduled payments to the MNOPF are estimated to be approximately $1.2 million in aggregate through September 2020 relating to past actuarial valuations of the MNOPF. To the extent that there is an actuarially determined funding deficit of the MNOPF in the future, we may be required to fund a portion of such deficit.

IAS 19 Employee Benefits Valuation – CWSF and other schemes

The IAS 19 valuations of our major defined benefit pension schemes have been updated to December 31, 2016 by independent actuaries who prepared the valuation for the CWSF and the U.K. unfunded arrangements and reviewed the IAS 19 valuations prepared for the Jamaica overseas scheme. The IAS 19 valuation of our Barbados overseas scheme was also prepared by independent actuaries.

Our plan assets are composed of the following:

	December 31, 2016		March 31, 2016	
	CWSF	Overseas schemes	CWSF	Overseas schemes
	in millions			
Annuity policies	$ 1,007.0	$ 106.3	$ 1,100.4	$ 96.0
Equities – quoted	364.6	46.7	323.5	45.0
Bonds and gilts – quoted	280.7	31.0	247.0	36.0
Property	0.9	44.1	1.0	42.0
Cash and swaps	12.8	13.7	20.2	22.0
Total	$ 1,666.0	$ 241.8	$ 1,692.1	$ 241.0

The primary financial assumptions applied in the valuations and analysis of our schemes' assets are as follows:

	December 31, 2016			March 31, 2016		
	CWSF	U.K. unfunded arrangements	Overseas schemes (a)	CWSF	U.K. unfunded arrangements	Overseas schemes (a)
	%					
Significant actuarial assumptions:						
RPI inflation rate	3.25	3.25	5.00	2.90	2.90	4.70
Discount rate	2.55	2.55	8.60	3.40	3.40	8.60
Discount rate – CWSF uninsured liability	2.60	—	—	3.50	—	—
Other actuarial assumptions:						
CPI inflation rate	2.25	2.25	—	1.90	1.90	—
Salary/wage increase	—	—	5.70	3.50	—	5.30
Pension increase (b)	2.0 - 3.1	—	2.7	1.8 - 2.9	—	2.7

(a) Represents the weighted average of the assumptions used for the respective schemes.

(b) The rate is primarily associated with the RPI inflation rate before and after expected retirement.

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice. The assumptions regarding SAPS 2 current mortality rates in retirement for the CWSF and U.K. unfunded schemes were set having regard to the actual experience of the CWSF's pensioners and dependents. In addition, allowance was made for future mortality improvements in line with the 2015 Continuous Mortality Investigation core projections, subject to a long-term rate of improvement of 1.5% per annum. Based on these assumptions, the life expectancies of pensioners aged 60 are as follows:

	On December 31,		
	2016	2026	2036
	years		
Male pensioners and dependents	28.7	29.8	31.0
Female pensioners	28.8	30.0	31.2
Female dependents	29.1	30.4	31.6

Risk

Through our defined benefit pension plans, we are exposed to a number of risks, the most significant of which are detailed below. The net pension liability can be significantly influenced by short-term market factors.

The calculation of the net surplus or deficit of the respective plans depends on factors which are beyond our control, principally (i) the value at the balance sheet date of equity shares in which the respective scheme has invested and (ii) long-term interest rates, which are used to discount future liabilities. The funding of the respective schemes is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisors, including:

- Investment returns: Our net pension assets (liabilities) and contribution requirements are heavily dependent upon the return on the invested assets;
- Longevity: The cost to the company of the pensions promised to members is dependent upon the expected term of these payments. To the extent that members live longer than expected this will increase the cost of these arrangements; and
- Inflation rate risk: In the U.K., the pension promises are primarily linked to inflation. Accordingly, higher inflation will lead to higher pension liabilities.

The above risks have been mitigated for a large proportion of the CWSF and all of the Jamaican scheme's liabilities through the purchase of insurance policies, the payments from which exactly match the promises made to employees. Remaining investment risks in the CWSF have also been mitigated to a certain extent by diversification of the return-seeking assets.

In addition, the defined benefit obligations as measured under IAS 19 are linked to yields on AA rated corporate bonds; however, the majority of our arrangements invest in a number of other assets, which generally move in a different manner from these bonds. Accordingly, changes in market conditions may lead to volatility in the net pension liability, actuarial gains or losses in other comprehensive income (loss), and, to a lesser extent, in the IAS 19 pension expense in our consolidated statements of operations.

Sensitivity analysis

The following table summarizes the impact a 0.25% increase or decrease in the applicable actuarial assumed rate would have on the valuation of our pension schemes:

	0.25% Increase	0.25% Decrease
	in millions	
CWSF and U.K. unfunded arrangements		
Discount rate:		
Effect on defined benefit obligation	$ (63.0)	$ 67.0
Effect on defined benefit obligation, net of bulk annuity	$ (35.0)	$ 38.0
Inflation (and related increases):		
Effect on defined benefit obligation	$ 40.0	$ (40.0)
Effect on defined benefit obligation, net of bulk annuity	$ 24.0	$ (24.0)
Life expectancy:		
Effect on defined benefit obligation	$ 74.0	$ (74.0)
Effect on defined benefit obligation, net of bulk annuity	$ 23.0	$ (23.0)
Overseas schemes		
Discount rate – effect on defined benefit obligation	$ (3.7)	$ 4.0

The sensitivity analysis is based on a standalone change in each assumption while holding all other assumptions constant. As reflected above, the impact on the net pension liability is significantly reduced for the CWSF scheme as a result of the annuity insurance policies we hold.

The methods used to prepare the sensitivity analysis did not change compared to the prior period.

Using the projected unit credit method for the valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the scheme approach retirement.

Pension plan assets and liabilities

The assets and liabilities of our defined benefit pension schemes are as follows:

	December 31, 2016				March 31, 2016			
	CWSF	U.K. unfunded arrangements	Overseas schemes	Total	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions							
Fair value of plan assets	$ 1,666.0	$ —	$ 241.8	$ 1,907.8	$ 1,692.1	$ —	$ 241.0	$ 1,933.1
Present value of funded obligations	(1,675.7)	—	(228.4)	(1,904.1)	(1,737.3)	—	(219.0)	(1,956.3)
Excess of assets (liabilities) of funded obligations	(9.7)	—	13.4	3.7	(45.2)	—	22.0	(23.2)
Present value of unfunded obligations	—	(41.7)	—	(41.7)	—	(44.0)	—	(44.0)
Impact of minimum funding requirement	(72.4)	—	—	(72.4)	(91.0)	—	—	(91.0)
Effect of asset ceiling	—	—	(2.9)	(2.9)	—	—	—	—
Net surplus (deficit) (a)	$ (82.1)	$ (41.7)	$ 10.5	$ (113.3)	$ (136.2)	$ (44.0)	$ 22.0	$ (158.2)
Pension plans in deficit	$ (82.1)	$ (41.7)	$ (5.8)	$ (129.6)	$ (136.2)	$ (44.0)	$ (6.0)	$ (186.2)
Pension plans in surplus	—	—	16.3	16.3	—	—	28.0	28.0
Net surplus (deficit)	$ (82.1)	$ (41.7)	$ 10.5	$ (113.3)	$ (136.2)	$ (44.0)	$ 22.0	$ (158.2)

(a) Includes $30.0 million and $30.0 million at December 31, 2016 and March 31, 2016, respectively, to cover the cost of pension entitlements for former directors of the company.

The costs associated with our pension schemes recognized in our consolidated statements of operations are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Nine months ended December 31, 2016:				
Current service cost	$ —	$ —	$ (0.9)	$ (0.9)
Interest credit (charge) on net assets/liabilities	(2.3)	(1.1)	1.5	(1.9)
Administrative expenses	(0.9)	—	—	(0.9)
Total net charge	$ (3.2)	$ (1.1)	$ 0.6	$ (3.7)
Year ended March 31, 2016:				
Current service cost	$ (0.5)	$ —	$ (1.0)	$ (1.5)
Past service cost	—	—	(16.0)	(16.0)
Interest credit (charge) on net assets/liabilities	(3.8)	(1.5)	1.0	(4.3)
Administrative expenses	(1.6)	—	—	(1.6)
Total net charge	$ (5.9)	$ (1.5)	$ (16.0)	$ (23.4)
Year ended March 31, 2015:				
Current service cost	$ (0.5)	$ —	$ (2.0)	$ (2.5)
Past service cost	(0.1)	—	—	(0.1)
Interest credit (charge) on net assets/liabilities	(5.0)	(1.9)	2.0	(4.9)
Administrative expenses	(1.8)	—	—	(1.8)
Total net charge	$ (7.4)	$ (1.9)	$ —	$ (9.3)

Changes in our net pension asset (liability), after application of asset limit, are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	$ (147.9)	$ (48.4)	$ 17.6	$ (178.7)
Effect of foreign exchange rate fluctuations	13.3	4.9	(1.1)	17.1
Net expense recognized in the consolidated statement of operations	(7.4)	(2.0)	0.1	(9.3)
Net expense recognized on the consolidated statement of comprehensive income	(68.1)	(4.4)	(4.6)	(77.1)
Contributions paid by employer	52.0	1.9	2.0	55.9
Balance at March 31, 2015	$ (158.1)	$ (48.0)	$ 14.0	$ (192.1)
Balance at April 1, 2015	$ (158.1)	$ (48.0)	$ 14.0	$ (192.1)
Effect of foreign exchange rate fluctuations	5.2	2.3	(1.1)	6.4
Net expense recognized in the consolidated statement of operations	(6.2)	(1.5)	(15.8)	(23.5)
Net credit (expense) recognized on the consolidated statement of comprehensive income	(27.0)	1.4	22.7	(2.9)
Contributions paid by employer	49.9	1.8	2.2	53.9
Balance at March 31, 2016	$ (136.2)	$ (44.0)	$ 22.0	$ (158.2)
Balance at April 1, 2016	$ (136.2)	$ (44.0)	$ 22.0	$ (158.2)
Effect of foreign exchange rate fluctuations	14.1	5.9	(12.3)	7.7
Net credit (expense) recognized in the consolidated statement of operations	(3.2)	(1.1)	0.6	(3.7)
Net expense recognized on the consolidated statement of comprehensive income	(1.1)	(3.7)	(3.3)	(8.1)
Contributions paid by employer	44.3	1.2	3.5	49.0
Balance at December 31, 2016	$ (82.1)	$ (41.7)	$ 10.5	$ (113.3)

Changes in the present value of our defined benefit pension obligations are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
	in millions			
Balance at April 1, 2014	$ (1,942.7)	$ (48.4)	$ (185.0)	$ (2,176.1)
Current service cost	(0.5)	—	(2.0)	(2.5)
Interest expense on pension obligations	(79.6)	(1.9)	(13.0)	(94.5)
Actuarial losses from changes in financial assumptions	(241.2)	—	(11.0)	(252.2)
Actuarial experience gains (losses)	20.9	(4.5)	(2.0)	14.4
Benefits paid	93.6	1.9	20.0	115.5
Foreign exchange translation differences	202.3	5.0	5.0	212.3
Balance at March 31, 2015	$ (1,947.2)	$ (47.9)	$ (188.0)	$ (2,183.1)
Balance at April 1, 2015	$ (1,947.2)	$ (47.9)	$ (188.0)	$ (2,183.1)
Current service cost	(0.5)	—	(1.0)	(1.5)
Interest expense on pension obligations	(59.5)	(1.5)	(12.0)	(73.0)
Actuarial gains (losses) from changes in financial assumptions	62.5	1.2	(8.0)	55.7
Actuarial experience gains (losses)	22.2	—	(9.0)	13.2
Employee contributions	—	—	(1.0)	(1.0)
Employer disbursements	—	—	5.0	5.0
Past service costs	—	—	(16.0)	(16.0)
Benefits paid	87.5	1.8	6.0	95.3
Foreign exchange translation differences	97.7	2.5	5.0	105.2
Balance at March 31, 2016	$ (1,737.3)	$ (43.9)	$ (219.0)	$ (2,000.2)
Balance at April 1, 2016	$ (1,737.3)	$ (43.9)	$ (219.0)	$ (2,000.2)
Current service cost	—	—	(0.9)	(0.9)
Interest expense on pension obligations	(40.5)	(1.1)	(10.9)	(52.5)
Actuarial gains from changes in demographic assumptions	70.8	2.4	—	73.2
Actuarial losses from changes in financial assumptions	(286.2)	(7.8)	—	(294.0)
Actuarial experience gains (losses)	28.8	1.7	(15.0)	15.5
Employee contributions	—	—	(1.2)	(1.2)
Benefits paid	59.9	1.2	10.6	71.7
Foreign exchange translation differences	228.8	5.8	8.0	242.6
Balance at December 31, 2016	$ (1,675.7)	$ (41.7)	$ (228.4)	$ (1,945.8)

Changes in the fair value of defined benefit assets are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
		in millions		
Balance at April 1, 2014	$ 1,817.3	$ —	$ 224.0	$ 2,041.3
Interest income on plan assets	75.6	—	17.0	92.6
Return on invested plan assets, excluding interest income	68.8	—	(4.0)	64.8
Actuarial gains from changes in financial assumptions on insured asset	114.9	—	11.0	125.9
Actuarial experience gains (losses)	(12.4)	—	4.0	(8.4)
Employer contributions	51.4	1.9	2.0	55.3
Administrative expenses	(1.8)	—	—	(1.8)
Benefits paid	(93.6)	(1.9)	(20.0)	(115.5)
Foreign exchange translation differences	(190.1)	—	(6.0)	(196.1)
Balance at March 31, 2015	$ 1,830.1	$ —	$ 228.0	$ 2,058.1
Balance at April 1, 2015	$ 1,830.1	$ —	$ 228.0	$ 2,058.1
Interest income on plan assets	57.1	—	16.0	73.1
Return on invested plan assets, excluding interest income	(18.6)	—	12.0	(6.6)
Actuarial losses from changes in financial assumptions on insured asset	(28.2)	—	—	(28.2)
Actuarial experience losses	(12.3)	—	—	(12.3)
Employee contributions	—	—	1.0	1.0
Employer contributions	48.8	1.8	2.0	52.6
Employer disbursements	—	—	(5.0)	(5.0)
Administrative expenses	(1.6)	—	—	(1.6)
Benefits paid	(87.5)	(1.8)	(6.0)	(95.3)
Foreign exchange translation differences	(95.7)	—	(7.0)	(102.7)
Balance at March 31, 2016	$ 1,692.1	$ —	$ 241.0	$ 1,933.1
Balance at April 1, 2016	$ 1,692.1	$ —	$ 241.0	$ 1,933.1
Interest income on plan assets	40.4	—	12.4	52.8
Return on invested plan assets, excluding interest income	107.3	—	14.5	121.8
Actuarial losses from changes in demographic assumptions on insured asset	(53.2)	—	—	(53.2)
Actuarial gains from changes in financial assumptions on insured asset	143.4	—	—	143.4
Actuarial experience losses	(22.0)	—	—	(22.0)
Employee contributions	—	—	1.2	1.2
Employer contributions	44.3	1.2	3.5	49.0
Administrative expenses	(0.9)	—	—	(0.9)
Benefits paid	(59.9)	(1.2)	(10.6)	(71.7)
Foreign exchange translation differences	(225.5)	—	(20.2)	(245.7)
Balance at December 31, 2016	$ 1,666.0	$ —	$ 241.8	$ 1,907.8

Changes in the fair value of our minimum funding requirement or asset ceiling are as follows:

	CWSF	U.K. unfunded arrangements	Overseas schemes	Total
		in millions		
Balance at April 1, 2014	$ (22.5)	$ —	$ (22.0)	$ (44.5)
Interest expense on minimum funding requirement/asset ceiling	(1.0)	—	(2.0)	(3.0)
Change in effect of minimum funding requirement/asset ceiling – losses	(21.4)	—	(3.0)	(24.4)
Foreign exchange translation differences	3.9	—	1.0	4.9
Balance at March 31, 2015	$ (41.0)	$ —	$ (26.0)	$ (67.0)
Balance at April 1, 2015	$ (41.0)	$ —	$ (26.0)	$ (67.0)
Interest expense on minimum funding requirement/asset ceiling	(1.4)	—	(4.0)	(5.4)
Change in effect of minimum funding requirement/asset ceiling – gains (losses)	(54.3)	—	29.0	(25.3)
Foreign exchange translation differences	5.7	—	1.0	6.7
Balance at March 31, 2016	$ (91.0)	$ —	$ —	$ (91.0)
Balance at April 1, 2016	$ (91.0)	$ —	$ —	$ (91.0)
Interest expense on minimum funding requirement/asset ceiling	(2.2)	—	—	(2.2)
Change in effect of minimum funding requirement/asset ceiling – losses	10.1	—	(2.9)	7.2
Foreign exchange translation differences	10.8	—	—	10.8
Balance at December 31, 2016	$ (72.3)	$ —	$ (2.9)	$ (75.2)

At December 31, 2016, the CWSF has an IAS 19 deficit of $82.1 million, as compared to a deficit of $136.2 million at March 31, 2016.

We have unfunded pension liabilities in the U.K. of $41.7 million and $44.0 million, respectively, at December 31, 2016 and March 31, 2016. In addition, the defined benefit schemes in Jamaica and Barbados have a net IAS 19 surplus of $10.5 million and $22.0 million, respectively.

(21) Employee and Other Staff Expenses

Our employee and other staff expenses is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Salaries and wages	$ 202.5	$ 290.6	$ 276.6
Share-based payments	28.7	14.5	6.7
Contract labor and other	16.9	19.8	18.7
Social security costs	12.9	12.6	13.3
Defined benefit pension plan costs	4.3	23.5	16.7
Defined contribution pension plan costs	5.2	5.3	6.5
Other costs	2.8	2.1	2.2
Total employee and other staff expenses of continuing operations (a)	273.3	368.4	340.7
Employee and other staff expenses of discontinued operation	—	—	4.4
Total	$ 273.3	$ 368.4	$ 345.1

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(a) Includes restructuring charges of $3.4 million, $6.2 million and $77.8 million during the nine months ended December 31, 2016 and years ended March 31, 2016 and 2015, respectively.

Remuneration for key management is included within employee and other staff expenses. Our key management represents those directors that have the authority and responsibility for managerial decisions affecting the future development and operations of our business. There have been no transactions with the key management personnel of CWC during the nine months ended December 31, 2016 or the years ended March 31, 2016 and 2015, other than remuneration paid for their services, as follows:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Salaries and other short-term employment benefits	$ 22.0	$ 6.5	$ 11.9
Post-employment benefits	0.1	0.5	0.6
Total directors' remuneration	22.1	7.0	12.5
Share-based compensation	4.6	3.5	2.2
Total key management remuneration	$ 26.7	$ 10.5	$ 14.7

(22) Other Operating Expense

Our other operating expense is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Property and utilities costs	$ 74.6	$ 106.3	$ 103.7
Consultancy costs	63.2	89.8	98.7
Direct acquisition costs (a)	53.2	32.2	54.3
Marketing and advertising expenses	51.9	67.6	68.0
Bad debt and collection expenses	42.2	25.2	19.7
License fees, duties, tariffs and other related expenses	21.5	23.3	26.6
Travel costs	18.3	11.8	10.5
Information technology costs	16.6	14.9	18.6
Integration costs	13.1	42.3	12.0
Office expenses	10.2	11.3	12.2
Other items	33.7	38.0	10.0
Total other operating expense of continuing operations	398.5	462.7	434.3
Other operating expense of discontinued operation	—	—	1.8
Total	$ 398.5	$ 462.7	$ 436.1

(a) Costs primarily relate to transaction fees and legal and regulatory advice in connection with the Liberty Global Transaction and Columbus Acquisition, as applicable.

(23) Other Operating Income

Our other operating income is composed of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Litigation provision releases	$ 26.7	$ —	$ —
Gains on disposal of property and equipment	14.2	5.6	—
Share of results of joint ventures and affiliates	1.1	(0.6)	12.8
Columbus balancing payment (a)	—	—	25.1
Other income	0.1	0.6	0.2
Total	$ 42.1	$ 5.6	$ 38.1

(a) Represents payments received in connection with a strategic alliance with Columbus prior to the Columbus Acquisition.

(24) Share-based Compensation

On May 16, 2016, there was a change of control due to the Liberty Global Transaction, which resulted in the accelerated vesting of certain of our outstanding awards under our restricted and performance share plans. On May 17, 2016, the outstanding awards were cancelled and replaced with grants of restricted share units (**RSU**s) under a Liberty Global employee incentive plan

(the **Incentive Plan**). During the nine months ended December 31, 2016, additional RSUs and stock appreciation rights (**SAR**s) were granted to certain of our employees under the Incentive Plan.

We recognized $28.7 million (which includes approximately $20.3 million of expense associated with the accelerated vesting on May 16, 2016), $14.5 million and $6.7 million of share-based compensation expense during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively, which is included in employee and other staff expenses in our consolidated statements of operations.

(25) Related-party Transactions

Our related-party transactions consist of the following:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
		in millions	
Revenue	$ 10.0	$ 12.8	$ 2.5
Operating costs	(3.3)	(2.5)	(2.1)
Included in total operating profit	6.7	10.3	0.4
Interest income	6.9	5.0	1.2
Included in loss for the period	$ 13.6	$ 15.3	$ 1.6

Revenue. These amounts represent (i) certain transactions with joint ventures and associates that arise in the normal course of business, which include fees for the use of our products and services, network and access charges, and (ii) management fees earned for services we provided to the U.S. Carve-out Entities to operate and manage their business under a management services agreement (**MSA**). The services that we provided to the U.S. Carve-out Entities were provided at the direction of, and subject to the ultimate control, direction and oversight of, the U.S. Carve-out Entities. For information on our acquisition of the U.S. Carve-out Entities subsequent to December 31, 2016, see note 30.

Prior to the closing of our acquisition of Columbus in March 2015, the U.S. Carve-out Entities were transferred to Columbus New Cayman.

Operating costs. These amounts represent fees associated with the use of joint ventures and associates products and services, network and access charges.

Interest income. Amounts represent interest income on the related-party loans receivable, as further described below.

The following table provides details of our related-party balances:

	December 31, 2016	March 31, 2016
	in millions	
Assets:		
Loans receivable (a)	$ 86.2	$ 86.2
Other current assets (b)	27.5	20.8
Interest receivable (c)	2.3	—
Total current assets	116.0	107.0
Noncurrent assets – note receivable (c)	54.4	—
Total assets	$ 170.4	$ 107.0
Liabilities:		
Trade and other payables (d)	$ 3.3	$ —
Deferred revenue and advance payments (e)	0.9	—
Total current liabilities	4.2	—
Other noncurrent liabilities (e)	7.0	—
Total liabilities	$ 11.2	$ —

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(a) Primarily represents notes receivable from Columbus New Cayman that bear interest at 8.0% per annum. As further discussed in note 30, we acquired the U.S. Carve-out Entities on April 1, 2017, at which time the notes receivable were settled for equity of the U.S. Carve-out Entities.

(b) Represents the net unpaid amount due to us pursuant to ordinary course transactions between us and (i) Columbus New Cayman, including fees charged by us to Columbus New Cayman under the MSA and (ii) a subsidiary of Liberty Global. These amounts are included in trade and other receivables in our consolidated statements of financial position.

(c) Represents accrued interest and the related note receivable, respectively, due from LGE Coral Holdco, primarily related to certain fees and taxes we paid on our parent company's behalf.

(d) Represents payables to LGE Coral Holdco.

(e) Represents deferred revenue associated with certain indefeasible rights of use (**IRU**s) arrangements with another subsidiary of Liberty Global.

(26) Noncontrolling Interests

The following tables summarize information relating to our subsidiaries that have significant noncontrolling interests:

	BTC	CW Panama	CW Jamaica	CW Barbados	Other	Total
			in millions, except percentages			
Noncontrolling interest percentage	51%	51%	18%	19%	20% - 30%	
Statements of financial position data:						
December 31, 2016						
Current assets	$ 110.4	$ 247.1	$ 77.1	$ 110.2	$ 27.7	$ 572.5
Noncurrent assets	425.3	667.5	241.9	145.6	130.9	1,611.2
Current liabilities	(118.0)	(245.8)	(72.8)	(135.0)	(33.2)	(604.8)
Noncurrent liabilities	(6.5)	(323.9)	(471.9)	(34.8)	(5.2)	(842.3)
Net assets	$ 411.2	$ 344.9	$ (225.7)	$ 86.0	$ 120.2	$ 736.6
Net assets attributable to noncontrolling interests	$ 209.7	$ 175.9	$ (40.6)	$ 16.3	$ 28.2	$ 389.5
March 31, 2016						
Current assets	$ 113.2	$ 231.3	$ 53.4	$ 73.0	$ 31.4	$ 502.3
Noncurrent assets	405.1	698.0	257.9	163.8	120.5	1,645.3
Current liabilities	(115.0)	(236.8)	(73.0)	(116.2)	(26.1)	(567.1)
Noncurrent liabilities	(6.2)	(334.0)	(470.7)	(47.2)	(7.8)	(865.9)
Net assets	$ 397.1	$ 358.5	$ (232.4)	$ 73.4	$ 118.0	$ 714.6
Net assets attributable to noncontrolling interests	$ 202.5	$ 182.8	$ (41.8)	$ 13.9	$ 27.2	$ 384.6
Statements of operations data:						
Nine months ended December 31, 2016:						
Revenue	$ 220.3	$ 478.4	$ 152.7	$ 94.3	$ 61.3	$ 1,007.0
Net earning (loss)	$ 39.7	$ 63.6	$ (6.5)	$ 14.0	$ 2.3	$ 113.1
Earnings (loss) attributable to noncontrolling interests	$ 20.2	$ 32.4	$ (1.2)	$ 2.6	$ 0.8	$ 54.8
Other comprehensive earnings attributable to NCI	$ 20.2	$ 32.4	$ 1.2	$ 2.4	$ 0.8	$ 57.0
Year ended March 31, 2016:						
Revenue	$ 328.9	$ 649.1	$ 199.0	$ 147.4	$ 84.7	$ 1,409.1
Net earning (loss)	$ 68.0	$ 86.4	$ (0.3)	$ 45.0	$ 18.5	$ 217.6
Earnings (loss) attributable to noncontrolling interests	$ 34.7	$ 44.1	$ (0.1)	$ 8.5	$ 4.9	$ 92.1
Other comprehensive earnings (loss) attributable to NCI	$ 34.7	$ 44.1	$ 7.7	$ 7.7	$ 4.9	$ 99.1
Year ended March 31, 2015:						
Revenue	$ 348.3	$ 636.1	$ 190.4	$ 154.2	$ 84.9	$ 1,413.9
Net earning (loss)	$ 52.8	$ 108.7	$ (66.5)	$ (19.7)	$ 6.9	$ 82.2
Earnings (loss) attributable to noncontrolling interests	$ 26.9	$ 55.4	$ (12.0)	$ (3.7)	$ 1.5	$ 68.1
Other comprehensive earnings (loss) attributable to NCI	$ 26.9	$ 55.4	$ (10.3)	$ (4.0)	$ 1.4	$ 69.4

	BTC	CW Panama	CW Jamaica	CW Barbados	Other	Total
			in millions, except percentages			
Statements of cash flows data:						
Nine months ended December 31, 2016:						
Cash flows from operating activities	$ 93.8	$ 161.1	$ 2.3	$ 26.7	$ 16.2	$ 300.1
Cash flows from investing activities	(57.4)	(76.8)	(44.7)	(6.2)	(4.1)	(189.2)
Cash flows from financing activities	(26.9)	(79.7)	48.1	4.3	(12.2)	(66.4)
Effect of exchange rate changes on cash	—	—	(0.2)	—	(0.5)	(0.7)
Net increase (decrease) in cash and cash equivalents	$ 9.5	$ 4.6	$ 5.5	$ 24.8	$ (0.6)	$ 43.8
Dividends paid to NCI	$ (12.6)	$ (39.5)	$ —	$ —	$ —	$ (52.1)
Year ended March 31, 2016:						
Cash flows from operating activities	$ 72.9	$ 183.5	$ 24.9	$ 41.8	$ 30.0	$ 353.1
Cash flows from investing activities	(75.2)	(100.7)	(66.9)	(15.6)	(15.2)	(273.6)
Cash flows from financing activities	(14.6)	(65.0)	39.4	(7.5)	(14.1)	(61.8)
Effect of exchange rate changes on cash	—	—	(0.1)	—	—	(0.1)
Net increase (decrease) in cash and cash equivalents	$ (16.9)	$ 17.8	$ (2.7)	$ 18.7	$ 0.7	$ 17.6
Dividends paid to NCI	$ (10.0)	$ (44.0)	$ —	$ —	$ —	$ (54.0)
Year ended March 31, 2015:						
Cash flows from operating activities	$ 106.6	$ 205.4	$ (15.1)	$ 62.7	$ 15.7	$ 375.3
Cash flows from investing activities	(74.2)	(123.8)	(63.1)	(47.1)	(7.3)	(315.5)
Cash flows from financing activities	(45.6)	(83.8)	80.2	(3.9)	(9.4)	(62.5)
Effect of exchange rate changes on cash	—	—	(0.2)	—	—	(0.2)
Net increase (decrease) in cash and cash equivalents	$ (13.2)	$ (2.2)	$ 1.8	$ 11.7	$ (1.0)	$ (2.9)
Dividends paid to NCI	$ (23.0)	$ (63.0)	$ —	$ —	$ —	$ (86.0)

(27) Commitments and Contingencies

Commitments

In the normal course of business, we have entered into agreements that commit our company to make cash payments in future periods with respect to network and connectivity commitments, purchases of customer premises equipment, programming contracts, non-cancelable operating leases and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of December 31, 2016:

	Payments due during:						
	2017	2018	2019	2020	2021	Thereafter	Total
				in millions			
Programming commitments	$ 69.6	$ 53.6	$ 14.8	$ 3.7	$ 2.0	$ 4.1	$ 147.8
Network and connectivity commitments	28.7	10.8	7.9	6.5	5.0	10.0	68.9
Purchase commitments	89.6	6.4	2.1	1.8	1.7	6.9	108.5
Operating leases	13.3	10.5	7.4	5.9	4.3	8.4	49.8
Other commitments	15.7	1.5	0.6	—	—	—	17.8
Total (a)	$ 216.9	$ 82.8	$ 32.8	$ 17.9	$ 13.0	$ 29.4	$ 392.8

(a) The commitments included in this table do not reflect any liabilities that are included in our December 31, 2016 consolidated statement of financial position.

Programming commitments consist of obligations associated with certain of our programming and sports rights contracts that are enforceable and legally binding on us as we have agreed to pay minimum fees without regard to (i) the actual number of subscribers to the programming services, (ii) whether we terminate service to a portion of our subscribers or dispose of a portion of our distribution systems or (iii) whether we discontinue our premium sports services. In addition, programming commitments do not include increases in future periods associated with contractual inflation or other price adjustments that are not fixed. Accordingly, the amounts reflected in the above table with respect to these contracts are significantly less than the amounts we expect to pay in these periods under these contracts. Historically, payments to programming vendors have represented a significant portion of our operating costs, and we expect that this will continue to be the case in future periods. Programming costs in our consolidated statements of operations include the amortization of certain programming rights in certain of our markets.

Network and connectivity commitments include our domestic network service agreements with certain other telecommunications companies. The amounts reflected in the above table with respect to these commitments represent fixed minimum amounts payable under these agreements and, therefore, may be less than the actual amounts we ultimately pay in these periods.

Purchase commitments include unconditional and legally binding obligations related to (i) the purchase of customer premises and other equipment and (ii) certain service-related commitments, including call center, information technology and maintenance services.

In addition to the commitments set forth in the table above, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, see note 7. For information regarding our defined benefit plans, see note 20.

Rental expense of our continuing operations under non-cancellable operating lease arrangements amounted to $38.8 million, $83.2 million and $39.4 million during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively. It is expected that in the normal course of business, finance leases that expire generally will be renewed or replaced by similar leases.

We have established various defined contribution benefit plans for our and our subsidiaries' employees. The aggregate expense of our continuing operations for matching contributions under the various defined contribution employee benefit plans was $5.2

million, $5.3 million and $6.5 million during the nine months ended December 31, 2016 and the years ended March 31, 2016 and 2015, respectively.

Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

At December 31, 2016, we have provided guarantees of $355.0 million, in aggregate, for financial obligations principally in respect of a number of business disposals, property and other leases, bank guarantees and letters of credit (primarily related to government contracts and bids), as well as guarantees and indemnities in relation to a number of business disposals. Generally, liability has been capped at no more than the value of the sales proceeds, although some uncapped indemnities have been given. In relation to the April 2013 disposal of our interests in operations primarily in the Maldives, the Channel Islands and Isle of Man, South Atlantic and Diego Garcia to Batelco International Group Holding Limited, we provided a guarantee for up to $300.0 million in respect of tax-related claims. This guarantee expires in April 2020. We also provided indemnities to the purchaser in respect of the May 2014 disposal of Monaco Telecom. We also give warranties and indemnities in relation to certain agreements including facility sharing agreements, certain of which do not contain liability caps.

In addition, we are a party to the Contingent Funding Agreement with the Trustees of the CWSF. The Trustees have the right to drawdown on the £100.0 million ($123.5 million) letters of credit that were put in place in connection with the acquisition of Columbus pursuant to the terms of the Contingent Funding Arrangement.

Legal and Regulatory Proceedings and Other Contingencies

COTT claim. In 2015, a claim was filed against a subsidiary of Columbus by the Copyright Music Organization of Trinidad and Tobago (**COTT**) for damages of copyright infringement related to musical works transmitted by the subsidiary. We have recorded a provision based on our best estimate of the potential liability associated with this claim. While we generally expect that the amounts required to satisfy this contingency will not materially differ from the estimated amount we have accrued, no assurance can be given that the resolution of the COTT claim will not result in a material impact on our results of operations, cash flows or financial position.

Regulatory. The Liberty Global Transaction triggered regulatory approval requirements in certain jurisdictions in which we operate. The regulatory authorities in certain of these jurisdictions, including the Bahamas, Jamaica, Trinidad and Tobago, Seychelles and Cayman Islands, have not completed their review of the Liberty Global Transaction or granted their approval. Such approvals may include binding conditions or requirements that could have an adverse impact on our operations and financial condition.

Other regulatory Issues. Video distribution, broadband internet, fixed-line telephony and mobile businesses are regulated in each of the countries in which we operate. The scope of regulation varies from country to country. Adverse regulatory developments could subject our businesses to a number of risks. Regulation, including conditions imposed on us by competition or other authorities as a requirement to close acquisitions or dispositions, could limit growth, revenue and the number and types of services offered and could lead to increased operating costs and property and equipment additions. In addition, regulation may restrict our operations and subject them to further competitive pressure, including pricing restrictions, interconnect and other access obligations, and restrictions or controls on content, including content provided by third parties. Failure to comply with current or future regulation could expose our businesses to various penalties.

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving VAT and wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming, copyright and channel carriage fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

(28) Segment Reporting

Generally, we identify our segments on a geographical basis and, in certain cases, on a product basis. Each country in which we operate is generally treated as an operating segment. The aggregation of operating segments into their reporting segments reflects (i) the similar economic and regulatory characteristics within each of those segments, (ii) the similar nature of its products and services and (iii) its customers. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet the above-described criteria for a reportable segment. We evaluate performance and make decisions about allocating resources to our operating segments based on financial measures such as revenue and Adjusted Segment EBITDA (as defined below). In addition, we review non-financial measures such as subscriber growth, as appropriate.

"**EBITDA**" is defined as profit before net financial expense, income taxes and depreciation, amortization and impairment. As we use the term, "**Adjusted Segment EBITDA**" is defined as EBITDA before share-based compensation, provisions and provision releases related to significant litigation and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration, (iv) restructuring provisions or provision releases and (v) share of results of joint ventures and associates. Our internal decision makers believe Adjusted Segment EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between segments and (c) identify strategies to improve operating performance in the different countries in which we operate. A reconciliation of total Adjusted Segment EBITDA to our earnings (loss) from continuing operations is presented below.

We have five reportable segments that provide mobile, fixed-line telephony, broadband internet, video and managed services to residential and business customers.

As of December 31, 2016, our reportable segments are as follows:

- The Caribbean
- Panama
- BTC
- Networks and LatAm
- Seychelles

Our reportable segments set forth above, other than Networks and LatAM, derive their revenue primarily from communications services, including mobile, fixed-line telephony, broadband internet, video and B2B services. Our Networks and LatAm segment primarily derives its revenue from broadband connectivity solutions to businesses and government institutions. At December 31, 2016, our operating segments provide broadband communications and other services in over 30 countries, primarily in the Caribbean and Latin America.

Performance Measures of Our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment's revenue:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016 (a)	2015 (a)
		in millions	
Caribbean	$ 799.4	$ 1,104.8	$ 696.0
Panama	478.4	649.1	636.1
BTC	220.4	328.9	348.3
Networks and LatAm	219.9	263.8	20.7
Seychelles	44.1	56.6	51.5
	1,762.2	2,403.2	1,752.6
Corporate and intersegment eliminations	(26.7)	(13.6)	—
Total	$ 1,735.5	$ 2,389.6	$ 1,752.6

(a) As reclassified – see note 1.

The amounts presented below represent 100% of each of our reportable segment's Adjusted Segment EBITDA:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016 (a)	2015 (a)
		in millions	
Caribbean	$ 276.9	$ 460.5	$ 234.2
Panama	188.8	248.8	240.9
BTC	67.4	121.2	122.0
Networks and LatAm	109.7	129.4	(2.0)
Seychelles	17.6	22.2	19.0
	660.4	982.1	614.1
Corporate and intersegment eliminations	(33.5)	(78.5)	(20.0)
Total	$ 626.9	$ 903.6	$ 594.1

(a) As reclassified – see note 1.

The following table provides a reconciliation of total Adjusted Segment EBITDA to loss for the period:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016 (a)	2015 (a)
		in millions	
Adjusted Segment EBITDA	$ 626.9	$ 903.6	$ 594.1
Share-based compensation	(28.7)	(14.5)	(6.7)
Depreciation, amortization and impairment	(1,099.6)	(370.7)	(383.8)
Included in other operating expense (income):			
Direct acquisition costs	(53.2)	(32.2)	(54.3)
Legal provisions releases	26.7	—	—
Restructuring and other operating items	13.5	(7.4)	(89.7)
Loss (gain) on disposal of property and equipment, net	13.7	4.3	(0.9)
Share of results of joint ventures and associates	1.1	(0.6)	12.8
Operating income (loss)	(499.6)	482.5	71.5
Interest expense	(208.2)	(230.6)	(84.3)
Realized and unrealized losses on derivative instruments	(1.1)	(78.7)	—
Foreign currency transaction gains	14.9	11.4	40.0
Losses on debt extinguishment	(42.4)	(21.3)	(36.5)
Interest income	9.9	13.8	4.3
Other income	1.1	—	4.0
Income tax expense	(17.2)	(51.5)	(31.7)
Earnings (loss) from continuing operations	$ (742.6)	$ 125.6	$ (32.7)

(a) As reclassified – see note 1.

Balance Sheet Data of our Reportable Segments

Selected balance sheet data of our reportable segments is set forth below:

	Long-lived assets		Total assets		Total liabilities	
	December 31, 2016	March 31, 2016	December 31, 2016	March 31, 2016	December 31, 2016	March 31, 2016
	in millions					
Caribbean	$ 2,225.2	$ 2,891.4	$ 2,668.4	$ 3,284.4	$ 478.5	$ 535.4
Panama	660.7	698.0	904.4	928.3	453.7	467.1
BTC	488.1	467.9	587.0	581.0	129.5	117.7
Networks and LatAm	1,693.1	1,870.6	1,877.9	2,020.8	459.2	489.1
Seychelles	50.4	49.0	67.4	68.8	19.2	22.3
Corporate	180.7	47.1	337.5	208.3	3,496.6	4,057.0
Total	$ 5,298.2	$ 6,024.0	$ 6,442.6	$ 7,091.6	$ 5,036.7	$ 5,688.6

Property, Equipment and Intangible Asset Additions of our Reportable Segments

The property, equipment and intangible asset additions of our reportable segments (including capital additions financed under finance lease arrangements) are presented below and reconciled to the capital expenditure amounts included in our consolidated statements of cash flows. For additional information concerning capital additions financed under finance lease arrangements, see note 13.

	Nine months ended December 31,	Year ended March 31,	
	2016	2016	2015
	in millions		
Caribbean	$ 132.0	$ 259.4	$ 205.0
Panama	68.5	90.4	127.5
BTC	78.8	91.6	67.6
Networks and LatAm	37.2	63.5	28.7
Seychelles	4.5	8.2	12.6
Corporate	31.0	21.4	28.4
Total property, equipment and intangible asset additions	352.0	534.5	469.8
Assets acquired under finance leases	(19.4)	—	—
Changes in current liabilities related to capital expenditures	30.5	(6.0)	(16.6)
Total capital expenditures	$ 363.1	$ 528.5	$ 453.2

Revenue by Major Category

Our revenue by major category is as follows:

	Nine months ended December 31,	Year ended March 31,
	2016	2016 (a)
	in millions	
Subscription revenue (b):		
Video	$ 128.4	$ 184.4
Broadband internet	156.5	215.2
Fixed-line telephony	95.0	139.2
Product subscription revenue	379.9	538.8
Mobile	513.5	701.2
Total subscription revenue	893.4	1,240.0
Other revenue (c)	842.1	1,149.6
Total	$ 1,735.5	$ 2,389.6

(a) As reclassified – see note 1.

(b) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(c) Other revenue includes, among other items, managed services, wholesale, interconnect and mobile handset sales revenue.

Revenue by major category for the year ended March 31, 2015 is not provided due to system limitations, which makes it impracticable to accurately reflect such categories on a comparable basis to the current period presentation.

Geographic Segments

The revenue of our geographic segments is set forth below:

	Nine months ended December 31,	Year ended March 31,	
	2016	2016 (a)	2015 (a)
		in millions	
Panama	$ 495.0	$ 673.2	$ 636.1
Jamaica	241.5	315.7	182.2
The Bahamas	219.7	328.9	348.3
Barbados	177.1	257.0	149.3
Trinidad and Tobago	124.3	173.8	—
Seychelles	44.1	56.5	51.5
All other countries	433.8	584.5	385.2
Total	$ 1,735.5	$ 2,389.6	$ 1,752.6

(a) As reclassified – see note 1.

(29) Comparative Period Results of Operations (Unaudited)

The following table presents our unaudited consolidated statement of operations for the nine months ended December 31, 2015, which is reclassified to match the current period presentation, as further described in note 1 (in millions):

Revenue	$ 1,782.1
Operating costs and expenses:	
Employee and other staff expenses	277.1
Interconnect	176.7
Network costs	125.5
Equipments sales expenses	106.2
Managed services costs	70.5
Programming expenses	70.7
Other operating expenses	395.0
Other operating income	(0.7)
Depreciation and amortization	303.5
Impairment expense	0.7
	1,525.2
Operating income	256.9
Financial income (expense):	
Finance expense	(281.1)
Finance income	8.9
	(272.2)
Loss before income taxes	(15.3)
Income tax expense	(34.9)
Net loss for the period	(50.2)
Net earnings attributable to noncontrolling interests	(57.2)
Net loss attributable to parent	$ (107.4)

The following table presents our unaudited consolidated statement of cash flows for the nine months ended December 31, 2015 (in millions):

Net loss	$ (50.2)
Adjustments to reconcile net loss before income taxes to net cash provided by operating activities:	
Income tax expense	34.9
Share-based compensation expense	8.0
Depreciation, amortization and impairment	304.2
Interest income	(8.9)
Interest expense	174.3
Realized and unrealized losses on derivative instruments	76.6
Foreign currency transaction losses	7.0
Losses on debt modification and extinguishment	23.2
Loss on disposal of property and equipment	0.7
Other	0.4
	570.2
Changes in:	
Receivables and other operating assets	(103.3)
Payables and accruals	(159.4)
Cash provided by operating activities	307.5
Interest paid	(100.7)
Interest received	5.4
Income taxes paid	(52.0)
Net cash provided by operating activities	160.2
Cash flows from investing activities:	
Capital expenditures	(425.3)
Other investing activities	9.6
Net cash used by investing activities	(415.7)
Cash flows from financing activities:	
Borrowings of debt	1,126.7
Repayments of debt and finance lease obligations	(876.3)
Dividends paid to shareholders	(115.6)
Dividends paid to noncontrolling interests	(47.3)
Payment of financing costs and debt premiums	(74.0)
Change in cash collateral	0.5
Net cash provided by financing activities	14.0
Effect of exchange rate changes on cash	(0.5)
Net decrease in cash and cash equivalents	(242.0)
Cash and cash equivalents:	
Beginning of period	402.3
End of period	$ 160.3

(30) Subsequent Events

On March 8, 2017, the U.S. Federal Communications Commission granted their approval for the acquisition of the U.S. Carve-out Entities by Liberty Global or a subsidiary of Liberty Global. On April 1, 2017, two subsidiaries of CWC each acquired 50 percent of the issued and outstanding share capital of the U.S. Carve-out Entities for an aggregate purchase price of $55.7 million.

On March 17, 2017, CW Panama issued $100.0 million of subordinated debt. The term loan bears interest at 4.5% per annum and matures in March 2021. The proceeds from the term loan will be used for general corporate purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis, which should be read in conjunction with our consolidated financial statements, is intended to assist in providing an understanding of our results of operations and financial condition and is organized as follows:

- *Forward-looking Statements.* This section provides a description of certain factors that could cause actual results or events to differ materially from anticipated results or events.
- *Overview.* This section provides a general description of our business and recent events.
- *Results of Operations.* This section provides an analysis of our results of operations for the nine months ended December 31, 2016 and 2015 and the years ended March 31, 2016 and 2015.
- *Liquidity and Capital Resources.* This section provides an analysis of our corporate and subsidiary liquidity, consolidated statements of cash flows and contractual commitments.

The capitalized terms used below have been defined in the notes to our consolidated financial statements. In the following text, the terms "we," "our," "our company" and "us" may refer, as the context requires, to CWC or collectively to CWC and its subsidiaries.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of December 31, 2016.

Overview

General

We are a subsidiary of Liberty Global that provides mobile, broadband internet, fixed-line telephony and video services to residential and business customers and managed services to business and government customers. We primarily operate in the Caribbean and Latin America, providing consumer, B2B and networks services across 18 countries. In addition, we deliver B2B and provide wholesale services over our sub-sea and terrestrial networks that connect over 30 markets across the region. Our primary markets include Panama, Jamaica, the Bahamas, Barbados and Trinidad and Tobago.

Operations

We focus on achieving organic revenue and customer growth in our broadband communications operations by developing and marketing bundled entertainment and communications services, and extending and upgrading the quality of our networks where appropriate. While we seek to obtain new customers, we also seek to maximize the average revenue we receive from each household by increasing the penetration of advanced services, composed of enhanced video, broadband internet, fixed-line telephony and mobile services, with existing customers through product bundling and upselling, or by migrating basic video customers to enhanced video services that include various incremental service offerings, such as premium subscription channels, high definition programming and subscription video-on-demand services. We plan to continue to employ this strategy to achieve organic revenue and subscriber growth.

Our services:

- *Mobile.* We are the leader in many of the mobile markets in which we operate. Through our newly upgraded network infrastructure we enable customers to enjoy leading, 'always on' mobile and mobile data services to make calls, send and/or receive messages, and access the internet.
- *Broadband Internet.* Our high-speed broadband internet service is the leader in most of the broadband markets that we serve. We deliver super-fast broadband internet to homes, workplaces and public spaces.
- *Fixed-line Telephony.* We are the leading fixed-line telephony service provider in substantially all of the markets in which we operate. Our mobile and fixed-line convergence capability gives us a strategic advantage, enabling us to provide customers with superior network quality experience.
- *Video.* We are the leader in many of the video markets in which we operate.
- *Business Solutions.* Our business solutions unit focuses on delivering a broad range of services to our business and government customers. These services include (i) installation of telecoms and IT systems, (ii) managing services on our customers' behalf, (iii) providing secure data storage services in a limited number of our markets and (iv) using telecoms

services to assist governments to improve efficiency and help lower their cost of delivering public services in areas such as healthcare, emergency services calling platforms, CCTV surveillance and online education.

- *Wholesale Solutions.* We own the most extensive sub-sea and terrestrial fiber optic cable network in the Caribbean and Latin America, spanning more than 42,000 kilometers across the region, which we use to serve our own customers and sell capacity and other services to third-party telecommunications operators.

At December 31, 2016, we (i) provided services to 3,526,800 mobile subscribers and (ii) owned and operated networks that passed 1,893,700 homes and served 1,783,800 revenue generating units (**RGU**s), consisting of 405,700 video subscribers, 602,700 broadband internet subscribers and 775,400 fixed-line telephony subscribers.

The following table provides details of our organic RGU and mobile subscriber changes for the years indicated:

	Nine months ended December 31, 2016	Year ended March 31, 2016
Organic RGU additions (losses):		
Video:		
Basic	(3,100)	(700)
Enhanced	(10,200)	(14,200)
Direct-to-home (**DTH**)	7,600	21,900
Total video	(5,700)	7,000
Broadband internet	6,500	48,300
Fixed-line telephony	1,500	16,700
Total organic RGU additions	2,300	72,000
Organic mobile subscriber additions (losses):		
Prepaid	10,500	(33,800)
Postpaid	600	20,300
Total organic mobile subscriber additions	11,100	(13,500)

Strategy and management focus

We strive to achieve organic revenue and customer growth in our operations by developing and marketing bundled entertainment and information and communications services, and extending and upgrading the quality of our networks where appropriate. As we use the term, organic growth excludes FX and the estimated impact of acquisitions. While we seek to increase our customer base, we also seek to maximize the average revenue we receive from each household by increasing the penetration of our digital video, broadband internet, fixed-line telephony and mobile services with existing customers through product bundling and upselling.

Competition and other external factors

We are experiencing significant competition from incumbent telecommunications operators, DTH operators and/or other providers in all of our markets. In the Bahamas, where we previously were the only provider of mobile services, competition has increased significantly due to the commercial launch of mobile services by a competitor during the quarter ended December 31, 2016. In addition, two new fixed-line competitors have entered the market in Trinidad and Tobago. In certain of our markets, we are also experiencing increased regulatory intervention that would, if implemented, facilitate increased competition. For additional information regarding the competition we face, see *Description of Our Business – Regulatory Matters* and *– Competition* included in this annual report. This significant competition, together with macroeconomic factors, has adversely impacted our revenue, RGUs and/or average monthly subscription revenue per average cable RGU or mobile subscriber, as applicable (**ARPU**), particularly in Barbados, the Bahamas and Trinidad and Tobago. For additional information regarding the revenue impact of changes in RGUs and ARPU, see *Results of Operations* below.

In early October 2016, our fixed-line and mobile networks in the Bahamas suffered extensive damage as a result of Hurricane Matthew. Although many of our customers experienced significant outages as a result of Hurricane Matthew, service to the majority of our fixed-line and mobile subscribers has now been restored. We estimate that Hurricane Matthew resulted in reductions to our

revenue and Adjusted Segment EBITDA in the Bahamas during the fourth quarter of 2016 of $2 million and $4 million, respectively. In addition, we estimate that property and equipment additions required to repair our fixed-line and mobile networks in the Bahamas will aggregate up to $40 million, of which $22 million was incurred during the fourth quarter of 2016. Although we expect the adverse impacts on our revenue and Adjusted Segment EBITDA from Hurricane Matthew to continue during 2017, we expect these impacts to progressively decline over the course of the year. Although we have property and business interruption insurance that we expect will cover a significant portion of our Hurricane Matthew losses, no assurance can be given as to the amount and timing of the insurance proceeds that we will ultimately recover.

In addition, our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S. and certain European countries, combined with weak growth and high unemployment, could potentially lead to fiscal reforms (including austerity measures), tax increases, sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our company.

In general, our ability to increase or maintain the fees we receive for our services is limited by competitive and, to a lesser degree, regulatory factors. The competition we face in our markets, as well as any decline in the economic environment, could adversely impact our ability to increase or maintain our revenue, RGUs, Adjusted Segment EBITDA or liquidity. We currently are unable to predict the extent of any of these potential adverse effects.

Results of Operations

General

The Columbus Acquisition impacts the comparability of our results of operations for the years ended March 31, 2016 and 2015. For further information regarding the Columbus Acquisition, see note 5 to our consolidated financial statements.

Changes in foreign currency exchange rates impact our reported operating results as certain of our subsidiaries have functional currencies other than the U.S. dollar. Our primary exposure to FX risk during the nine months ended December 31, 2016 was to the Jamaican dollar, Trinidad and Tobago dollar and Colombian peso as 8.3%, 6.9% and 1.2% of our reported revenue during the period was derived from subsidiaries whose functional currencies are the Jamaican dollar, Trinidad and Tobago dollar and Colombian peso, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for other local currencies the Caribbean and Latin America. The portions of the changes in the various components of our results of operations that are attributable to changes in FX are highlighted under *Results of Operations* below. For information concerning our foreign currency risks, see note 4 to our consolidated financial statements.

Most of our revenue is subject to VAT or similar revenue-based taxes. Any increases in these taxes could have an adverse impact on our ability to maintain or increase our revenue to the extent that we are unable to pass such tax increases on to our customers. In the case of revenue-based taxes for which we are the ultimate taxpayer, we will also experience increases in our operating expenses and corresponding declines in our Adjusted Segment EBITDA and Adjusted Segment EBITDA margin to the extent of any such tax increases.

We pay interconnection fees to other telephony providers when calls or text messages from our subscribers terminate on another network, and we receive similar fees from such providers when calls or text messages from their customers terminate on our networks or networks that we access through other arrangements. The amounts we charge and incur with respect to fixed-line telephony and mobile interconnection fees are subject to regulatory oversight. To the extent that regulatory authorities introduce fixed-line or mobile termination rate changes, we would experience prospective changes in our interconnect revenue and costs. The ultimate impact of any such changes in termination rates on our Adjusted Segment EBITDA would be dependent on the call or text messaging patterns that are subject to the changed termination rates.

Revenue

Revenue includes amounts earned from (i) subscribers to our broadband communications and other fixed-line services (collectively referred to herein as "**fixed-line subscription revenue**") and mobile services, (ii) broadband connectivity solutions provided to businesses and government institutions and (iii) B2B services, interconnect fees, installation fees and late fees. Consistent with the presentation of our revenue categories in note 28 to our consolidated financial statements, we use the term "subscription revenue" in the following discussion to refer to amounts received from subscribers for ongoing services, excluding installation fees and late fees. In the below table for the nine months ended December 31, 2016 and 2015, mobile subscription revenue excludes the related interconnect revenue.

Variances in the subscription revenue that we receive from our customers are a function of (i) changes in the number of RGUs or mobile subscribers outstanding during the period and (ii) changes in ARPU. Changes in ARPU can be attributable to (a) price increases, (b) changes in bundling or promotional discounts, (c) changes in the tier of services selected, (d) variances in subscriber usage patterns and (e) the overall mix of cable and mobile products within a segment during the period. In the following discussion, we provide the net impact of the above factors on the ARPU that is derived from our video, broadband internet, fixed-line telephony and mobile products.

Nine months ended December 31, 2016 compared to nine months ended December 31, 2015

The details of our revenue are as follows:

	Nine months ended December 31,		Decrease		Organic increase (decrease)
	2016	2015	$	%	%
	in millions				
Subscription revenue (a):					
Video	$ 128.4	$ 138.5	$ (10.1)	(7.3)	(4.2)
Broadband internet	156.5	159.3	(2.8)	(1.8)	0.9
Fixed-line telephony	95.0	104.9	(9.9)	(9.4)	(8.4)
Fixed-line subscription revenue	379.9	402.7	(22.8)	(5.7)	(3.3)
Mobile (b)	513.5	522.9	(9.4)	(1.8)	(0.7)
Total subscription revenue	893.4	925.6	(32.2)	(3.5)	(1.8)
Other revenue (b) (c)	842.1	856.5	(14.4)	(1.7)	(0.6)
Total	$ 1,735.5	$ 1,782.1	$ (46.6)	(2.6)	(1.2)

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(a) Subscription revenue includes amounts received from subscribers for ongoing services, excluding installation fees and late fees. Subscription revenue from subscribers who purchase bundled services at a discounted rate is generally allocated proportionally to each service based on the standalone price for each individual service. As a result, changes in the standalone pricing of our cable and mobile products or the composition of bundles can contribute to changes in our product revenue categories from period to period.

(b) Mobile subscription revenue excludes mobile interconnect revenue of $36.0 million and $37.9 million during the nine months ended December 31, 2016 and 2015, respectively. Mobile interconnect revenue and mobile handset sales are included in other revenue.

(c) Other revenue includes, among other items, managed services, wholesale, interconnect and mobile handset sales revenue.

Total revenue. Our consolidated revenue decreased $46.6 million during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. Excluding the effects of FX, our consolidated revenue decreased $21.9 million or 1.2%.

Subscription revenue. The details of the decrease in our consolidated subscription revenue during the nine months ended December 31, 2016, as compared to the corresponding period in 2015, are set forth below (in millions):

Increase (decrease) in fixed-line subscription revenue due to change in:	
Average number of RGUs	$ 5.6
ARPU	(18.8)
Total decrease in fixed-line subscription revenue	(13.2)
Decrease in mobile subscription revenue	(3.9)
Total organic decrease in subscription revenue	(17.1)
Impact of FX	(15.1)
Total	$ (32.2)

Excluding the effects of FX, our consolidated fixed-line subscription revenue decreased $13.2 million or 3.3% during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. This decrease is attributable to (i) a decrease from fixed-line telephony services of $8.8 million or 8.4%, attributable to the net impact of (a) lower ARPU from fixed-line telephony services and (b) an increase in the average number of fixed-line telephony RGUs, (ii) a decrease from video services of $5.7 million or 4.2%, attributable to (I) lower ARPU from video services and (II) a decrease in the average number of video RGUs and (iii) an increase from broadband internet services of $1.4 million or 0.9%, attributable to the net effect of (1) an increase in the average number of broadband internet RGUs and (2) lower ARPU from broadband internet services.

Excluding the effects of FX, our consolidated mobile subscription revenue decreased $3.9 million or 0.7% during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. This decrease is primarily due to the net effect of (i) a decline in ARPU, primarily in the Bahamas, and (ii) an increase in the average number of mobile customers.

Other revenue. Excluding the effects of FX, our consolidated other revenue decreased $4.9 million or 0.6% during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. This decrease is largely attributable to lower equipment subsidies. In addition, our other revenue was adversely impacted by the fact that, effective April 1, 2016, we began recognizing revenue on a cash, rather than accrual, basis with respect to two of our more significant B2B customers due primarily to unfavorable collection experience and unfavorable macroeconomic factors. These decreases were partially offset by increases in managed services revenue from information technology solutions and complex connectivity.

For information regarding the competitive environment in which we operate, see *Overview* above.

Operating Costs and Expenses

The details of our operating costs and expenses are as follows:

	Nine months ended December 31,		Increase (decrease)		Organic increase (decrease)
	2016	2015	$	%	%
	in millions				
Employee and other staff expenses (a)	$ 273.3	$ 277.1	$ (3.8)	(1.4)	(0.4)
Interconnect (b)	154.0	176.7	(22.7)	(12.8)	(9.6)
Programming expenses (c)	102.7	70.7	32.0	45.3	49.2
Network costs (d)	99.9	125.5	(25.6)	(20.4)	(19.3)
Managed services costs (e)	74.6	70.5	4.1	5.8	5.0
Equipment sales expenses (f)	74.6	106.2	(31.6)	(29.8)	(28.8)
Other operating expenses (g)	398.5	395.0	3.5	0.9	2.5
Total	$ 1,177.6	$ 1,221.7	$ (44.1)	(3.6)	(2.0)

(a) Excluding the effect of FX, our employee and other staff expenses decreased $1.0 million or 0.4%, primarily due to the net effect of (i) an increase in share-based compensation expense due to accelerated vesting of certain awards in connection with the Liberty Global Transaction, (ii) a decrease in staffing levels, primarily related to restructuring activities associated with the integration of Columbus, and (iii) a decrease in incentive compensation costs.

(b) Excluding the effect of FX, our interconnect costs decreased $17.0 million or 9.6%, primarily attributable to (i) lower interconnection rates and (ii) lower fixed-line usage.

(c) Excluding the effect of FX, our programming expenses increased $34.8 million or 49.2%, primarily attributable to (i) the amortization of Premier League sports rights, (ii) higher content costs, primarily due to a revised channel line up in the Caribbean, and (iii) the launch of video services in the Seychelles.

(d) Excluding the effect of FX, our network costs decreased $24.3 million or 19.3%, primarily attributable to higher discounts received.

(e) Excluding the effect of FX, our managed services costs increased $3.5 million or 5.0%, primarily attributable to an increase in service contracts.

(f) Excluding the effect of FX, our equipment sales expenses decreased $30.6 million or 28.8%, primarily attributable to lower mobile handset costs.

(g) Excluding the effect of FX, our other operating expenses increased $9.8 million or 2.5% primarily due to the net effect of (i) lower integration costs, primarily associated with the Columbus Acquisition, (ii) an increase in direct acquisition costs, primarily related to transaction fees and legal and regulatory advice in connection with the Liberty Global Transaction, (iii) an increase in bad debt expense and (iv) a net increase in other general and administrative expenses.

Other operating income

Other operating income increased $41.4 million during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. Excluding the effect of FX, our other operating income increased $41.9 million, primarily due to (i) an increase in connection with the release of certain litigation provisions and (ii) an increase in gains on sale of property and equipment.

Depreciation and amortization

Depreciation and amortization expense increased $51.2 million or 16.9% during the nine months ended December 31, 2016, as compared to the corresponding period in 2015. Excluding the effect of FX, depreciation and amortization expense increased $55.6 million or 18.3% primarily due to the net effect of (i) an increase associated with property, equipment and intangible asset additions and (ii) an increase associated with the acquisition of Columbus.

Impairment

Impairment expense increased $744.2 million during the nine months ended December 31, 2016, as compared to the corresponding period in 2015, primarily due to (i) goodwill impairment charges of $586.7 million and $115.9 million associated with our Trinidad and Tobago and Networks operations, respectively, and (ii) a $35.1 million charge related to the write-down of TSTT.

If, among other factors, (i) our enterprise value or Liberty Global's equity values were to decline significantly or (ii) the adverse impacts of economic, competitive, regulatory or other factors were to cause our results of operations or cash flows to be worse than anticipated, we could conclude in future periods that impairment charges are required in order to reduce the carrying values of our goodwill and, to a lesser extent, other long-lived assets. Any such impairment charges could be significant.

Financial income (expense)

Financial income (expense) primarily includes interest expense, interest income, realized and unrealized gains or losses on our derivative instruments and losses on debt extinguishment. As further described below, we recorded total financial expense, net, of $225.8 million and $272.2 million during the nine months ended December 31, 2016 and 2015, respectively.

Interest expense

Interest expense increased $33.9 million or 19.4% during the nine months ended December 31, 2016, as compared to the corresponding period in 2015, primarily due to higher average outstanding debt balances. For additional information regarding our outstanding indebtedness, see note 14 to our consolidated financial statements.

It is possible that the interest rates on (i) any new borrowings could be higher than the current interest rates on our existing indebtedness and (ii) our variable-rate indebtedness could increase in future periods. As further discussed in note 7 to our consolidated financial statements, we use derivative instruments to manage our interest rate risks.

Realized and unrealized losses on derivative instruments, net

Our realized and unrealized gains or losses on derivative instruments include (i) unrealized changes in the fair values of our derivative instruments that are non-cash in nature until such time as the derivative contracts are fully or partially settled and (ii) realized gains or losses upon the full or partial settlement of the derivative contracts. The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	Nine months ended December 31,	
	2016	**2015**
	in millions	
Cross-currency and interest rate derivative contracts (a)	$ (6.6)	$ —
Embedded derivatives	17.6	(9.0)
Accretion of Columbus Put Option	(12.1)	(67.6)
Total	$ (1.1)	$ (76.6)

(a) The loss during 2016 is attributable to losses associated with increases in market interest rates in the U.S. dollar market. The loss during the nine months ended December 31, 2016 includes a net gain of $2.2 million resulting from changes in our credit risk valuation adjustments.

For additional information concerning our derivative instruments, see note 7 to our consolidated financial statements.

Foreign currency transaction gains (losses), net

We recognized foreign currency transaction gains (losses), net, of $14.9 million and ($7.0 million) during the nine months ended December 31, 2016 and 2015, respectively. These amounts primarily relate to the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled.

Losses on debt extinguishment

We recognized losses of debt extinguishment of $42.4 million and $23.2 million during the nine months ended December 31, 2016 and 2015, respectively. The loss during 2016 includes (i) the write-off of $24.3 million of unamortized deferred financing costs and (ii) the payment of $18.1 million of redemption premiums. The loss during 2015 includes (a) the write-off of $17.3 million of unamortized deferred financing costs and (b) the write-off of $5.9 million of unamortized premium.

Interest income

We recognized interest income of $9.9 million and $8.9 million during the nine months ended December 31, 2016 and 2015, respectively. These amounts primarily relate to interest on our loans receivable and cash and cash equivalents.

Income tax expense

We recognized income tax expense of $17.2 million and $34.9 million during the nine months ended December 31, 2016 and 2015, respectively.

The income tax expense during 2016 differs from the expected income tax benefit of $145.1 million (based on the U.K. income tax rate of 20.0%), primarily due to the net negative impact of (i) non-deductible goodwill impairment charges, (ii) an increase in valuation allowances, (iii) certain permanent differences between the financial and tax accounting treatment of interest and other items, (iv) the tax effect of withholding tax and intra-group dividends and (v) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate. The net negative impact of these items was partially offset by the positive impact of adjustments related to prior periods.

For additional information regarding our income taxes, see note 17 to our consolidated financial statements.

Loss for the period

We reported a losses of $742.6 million and $50.2 million during the nine months ended December 31, 2016 and 2015, respectively.

Gains or losses associated with (i) changes in the fair values of derivative instruments, (ii) movements in foreign currency exchange rates and (iii) the disposition of assets are subject to a high degree of volatility and, as such, any gains from these sources do not represent a reliable source of income. In the absence of significant gains in the future from these sources or from other non-operating items, our ability to achieve earnings from continuing operations is largely dependent on our ability to increase our Adjusted Segment EBITDA to a level that more than offsets the aggregate amount of our (a) share-based compensation expense, (b) depreciation, amortization and impairment, (c) interest expense, (d) other financial income or expenses and (e) income tax benefit or expense.

Subject to the limitations included in our various debt instruments, we expect that Liberty Global will continue to cause our company to maintain our debt at current levels relative to our "EBITDA" metric specified by our debt agreements (**Covenant EBITDA**). As a result, we expect that we will continue to report significant levels of interest expense for the foreseeable future.

Earnings attributable to noncontrolling interests

We reported earnings attributable to noncontrolling interests of $54.8 million and $57.2 million during the nine months ended December 31, 2016 and 2015, respectively. Profit or loss attributable to noncontrolling interests includes the noncontrolling interests' share of the results of our operations, primarily in the Bahamas, Panama, Jamaica and Barbados.

Year ended March 31, 2016 compared to year ended March 31, 2015

Total revenue. Our consolidated revenue increased $637.0 million during the year ended March 31, 2016, as compared to the corresponding period in 2015. Excluding the effects of the Columbus Acquisition and FX, our consolidated revenue increased $7.9 million or 0.5%.

The details of our revenue are as follows:

	Year ended March 31,		Increase (decrease)		Organic increase (decrease)
	2016 (a)	2015 (a)	$	%	%
	in millions				
Video (b)	$ 198.9	$ 26.4	$ 172.5	653.4	21.0
Broadband internet (c)	305.9	172.0	133.9	77.8	2.4
Fixed-line telephony (d)	341.5	358.8	(17.3)	(4.8)	(5.2)
Mobile (e)	938.2	929.0	9.2	1.0	1.1
Other revenue (f)	605.1	266.4	338.7	127.1	2.5
Total	$ 2,389.6	$ 1,752.6	$ 637.0	36.3	0.5

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(a) The amounts included in the revenue categories do not conform to the current period presentation due to system limitations making it impracticable to accurately reflect such categories for the year ended March 31, 2015. Accordingly, both periods reflect balances based on our historical presentation for comparability and discussion purposes.

(b) Excluding the effects of the Columbus Acquisition and FX, our video subscription revenue increased $5.5 million or 21.0%, primarily attributable to (i) growth in our subscriber base in Panama related to DTH services and (ii) the launch of video services in the Seychelles during the year ended March 31, 2016.

(c) Excluding the effects of the Columbus Acquisition and FX, our broadband internet subscription revenue increased $4.1 million or 2.4%, primarily attributable to (i) higher ARPU, mainly in Jamaica and the Cayman Islands, and (ii) an increase in the average number of broadband subscribers.

(d) Excluding the effects of the Columbus Acquisition and FX, our fixed-line telephony subscription revenue decreased $18.8 million or 5.2%, primarily attributable to lower ARPU due to a change in RGU mix from fixed-line telephony to mobile and broadband based services, such as voice-over-internet-protocol.

(e) Excluding the effects of the Columbus Acquisition and FX, our mobile subscription revenue increased $10.5 million or 1.1%, primarily due to an increase in the average number of subscribers mainly due to the positive impact of (i) regulatory rate changes, (ii) the introduction of long-term evolution mobile services and (iii) various other network upgrades. These positive impacts were partially offset by the negative impact of rate reductions in the Bahamas in anticipation of the commercial launch of mobile services by a competitor, which occurred during the quarter ended December 31, 2016.

(f) Other revenue primarily includes, among other items, managed services and wholesale sales revenue. Excluding the effects of the Columbus Acquisition and FX, the increase in other revenue is primarily attributable to the acquisition of Grupo Sonitel. For additional information, see note 5 to our consolidated financial statements.

Operating Costs and Expenses

The details of our operating costs and expenses are as follows:

	Year ended March 31,		Increase (decrease)		Organic increase (decrease)
	2016	2015	$	%	%
	in millions				
Employee and other staff expenses (a)	$ 368.4	$ 340.7	$ 27.7	8.1	(17.6)
Interconnect (b)	231.3	208.3	23.0	11.0	(6.3)
Network costs (c)	154.2	133.5	20.7	15.5	(11.6)
Managed services costs (d)	96.2	55.4	40.8	73.6	1.7
Equipment sales expenses (e)	132.9	143.9	(11.0)	(7.6)	(5.8)
Programming expenses (f)	96.3	19.3	77.0	N.M.	25.1
Other operating expense (g)	462.7	434.3	28.4	6.5	(8.8)
Total	$ 1,542.0	$ 1,335.4	$ 206.6	15.5	(9.7)

N.M. — Not meaningful.

(a) Excluding the effects of the Columbus Acquisition and FX, our employee expenses decreased $60.1 million or 17.6%, primarily due to the net effect of (i) lower restructuring costs, (ii) an increase in share-based compensation expense and (iii) higher defined benefit pension plan costs.

(b) Excluding the effects of the Columbus Acquisition and FX, our interconnect costs decreased $24.8 million or 6.3%, primarily attributable to the net effect of (i) lower interconnection rates, (ii) lower fixed-line usage and (iii) an increase in mobile usage, primarily in Jamaica.

(c) Excluding the effects of the Columbus Acquisition and FX, our network costs decreased $15.6 million or 11.6%, primarily due to lower restructuring costs.

(d) Excluding the effects of the Columbus Acquisition and FX, our managed services costs increased $0.9 million or 1.7%.

(e) Excluding the effects of the Columbus Acquisition and FX, our equipment sales expenses decreased $8.2 million or 5.8%, primarily attributable to lower mobile handset costs.

(f) Excluding the effects of the Columbus Acquisition and FX, our programming expenses increased $16.2 million or 25.1%, primarily attributable to (i) growth in the number of video subscribers in Panama and (ii) the launch of video services in the Seychelles.

(g) Excluding the effects of the Columbus Acquisition and FX, our other operating costs decreased $38.3 million or 8.8%, primarily attributable to the net effect of (i) higher integration costs, primarily associated with the Columbus Acquisition, (ii) lower direct acquisition costs, primarily associated with the Columbus Acquisition, (iii) lower consultancy costs and marketing and advertising costs, primarily associated with synergies associated with the integration of Columbus and (iv) a net decrease in other general and administrative expenses.

Other operating income

Other operating income decreased $32.5 million during the year ended March 31, 2016, as compared to the corresponding period in 2015. Excluding the effects of the Columbus Acquisition and FX, our other operating income decreased $23.6 million or 62.3%, primarily attributable to (i) a decrease associated with balancing payments to Columbus prior to the Columbus Acquisition and (ii) a decrease in our share of results of joint ventures and associates.

Depreciation and amortization

Depreciation and amortization expense increased $184.4 million or 71.9% during the year ended March 31, 2016, as compared to the corresponding period in 2015. Excluding the effects of the Columbus Acquisition and FX, depreciation and amortization expense increased $26.7 million or 10.5% primarily due to an increase associated with property, equipment and intangible asset additions.

Impairment

We recorded a reversal of impairment expense of $70.3 million during the year ended March 31, 2016, compared to an impairment charge of $127.2 million during the corresponding period in 2015. The reversal of impairment expense in 2016 relates to the partial reversal of the impairment charge recorded in 2015 due to changes in the expected useful lives of the underlying assets.

Financial income (expense)

As further described below, we recorded total financial expense, net, of $305.4 million and $72.5 million during the years ended March 31, 2016 and 2015, respectively.

Interest expense

Interest expense increased $146.3 million or 173.5% during the year ended March 31, 2016, as compared to the corresponding period in 2015, primarily due to higher average outstanding debt balances. For additional information regarding our outstanding indebtedness, see note 14 to our consolidated financial statements.

Realized and unrealized losses on derivative instruments, net

The details of our realized and unrealized losses on derivative instruments, net, are as follows:

	Year ended March 31,	
	2016	**2015**
	in millions	
Embedded derivatives	$ 12.6	$ —
Accretion of Columbus Put Option	(91.3)	—
Total	$ (78.7)	$ —

For additional information concerning our derivative instruments, see note 7 to our consolidated financial statements.

Foreign currency transaction gains, net

We recognized foreign currency transaction gains, net, of $11.4 million and $40.0 million during the years ended March 31, 2016 and 2015, respectively. These amounts primarily relate to the remeasurement of monetary assets and liabilities that are denominated in currencies other than the underlying functional currency of the applicable entity. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled.

Losses on debt extinguishment

We recognized losses of debt extinguishment of $21.3 million and $36.5 million during the years ended March 31, 2016 and 2015, respectively. The loss during 2016 represents the write-off of $21.3 million of unamortized deferred financing costs. The loss during 2015 includes (a) backstop fees of $21.7 million and (b) the write-off of $14.8 million of unamortized deferred financing costs.

Interest income

We recognized interest income of $13.8 million and $4.3 million during the years ended March 31, 2016 and 2015, respectively. These amounts primarily relate to interest on our loans receivable and cash and cash equivalents.

Income tax expense

We recognized income tax expense of $51.5 million and $31.7 million during the years ended March 31, 2016 and 2015, respectively.

The income tax expense during 2016 differs from the expected income tax expense of $35.4 million (based on the U.K. income tax rate of 20.0%), primarily due to the net negative impact of (i) an increase in valuation allowances and (ii) certain permanent differences between the financial and tax accounting treatment of interest and other items. The net negative impact of these items was partially offset by the positive impact of (a) changes in adjustments related to prior periods and (b) statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate.

The income tax expense during 2015 differs from the expected income tax benefit of $0.2 million (based on the U.K. income tax rate of 21.0%), primarily due to the net negative impact of (i) an increase in valuation allowances, (ii) the tax effect of withholding tax and intra-group dividends, (iii) changes in adjustments related to prior periods and (iv) certain permanent differences between the financial and tax accounting treatment of interest and other items. The net negative impact of these items was partially offset by the positive impact of statutory tax rates in certain jurisdictions in which we operate that are different than the U.K. statutory income tax rate.

For additional information regarding our income taxes, see note 17 to our consolidated financial statements.

Earnings (loss) from continuing operations

We reported earnings (loss) from continuing operations of $125.6 million and ($32.7 million) during the years ended March 31, 2016 and 2015, respectively.

Discontinued operations

Our earnings from discontinued operations, net of taxes, of $8.2 million during year ended March 31, 2015 relates to the operations of CMC. In addition, we recognized an after-tax gain on the disposal of CMC of $346.0 million during 2015. For additional information, see note 6 to our consolidated financial statements.

Net earnings attributable to noncontrolling interests

We reported profit attributable to noncontrolling interests of $92.1 million and $68.1 million during the years ended March 31, 2016 and 2015, respectively.

Liquidity and Capital Resources

Sources and Uses of Cash

Cash and cash equivalents

We are a holding company that is dependent on the capital resources of our subsidiaries to satisfy our liquidity requirements at the corporate level. Our significant operating subsidiaries are included within one of our "borrowing groups." These borrowing groups include the respective restricted parent and subsidiary entities within CWC and Columbus and entities holding certain of our CWC Regional Facilities. Our borrowing groups accounted for all of our consolidated cash and cash equivalents at December 31, 2016. The terms of the instruments governing the indebtedness of these borrowing groups restrict our ability to access the liquidity of these subsidiaries. In addition, our ability to access the liquidity of these and other subsidiaries may be limited by tax and legal considerations, the presence of noncontrolling interests, foreign currency exchange restrictions and other factors.

At December 31, 2016, we had $271.2 million of consolidated cash and cash equivalents, of which $87.3 million was held by Columbus.

Liquidity of CWC

Our sources of liquidity at the parent level include dividend income received on our investments and, subject to certain tax and legal considerations, our unrestricted subsidiaries' cash and cash equivalents and investments.

The ongoing cash needs of CWC include (i) corporate general and administrative expenses and (ii) required funding of employee benefit plans. From time to time, CWC may also require cash in connection with (a) the funding of loans or distributions to LGE Coral Holdco (and ultimately to Liberty Global or other Liberty Global subsidiaries), (b) the satisfaction of contingent liabilities or (c) acquisitions and other investment opportunities. No assurance can be given that funding from Liberty Global or other Liberty Global subsidiaries, our subsidiaries or external sources would be available on favorable terms, or at all.

In addition, the amount of cash we receive from our subsidiaries to satisfy U.S. dollar-denominated liquidity requirements is impacted by fluctuations in exchange rates. In this regard, the strengthening (weakening) of the U.S. dollar against these currencies will result in decreases (increases) in the U.S. dollars received from the applicable subsidiaries to fund U.S. dollar-denominated liquidity requirements.

Liquidity of our subsidiaries

In addition to cash and cash equivalents, the primary sources of liquidity of our subsidiaries are cash provided by operations, in the case of Sable, any borrowing availability under the CWC Revolving Credit Facility and borrowings available under the CWC Regional Facilities. At December 31, 2016, we had aggregate borrowing capacity of $612.5 million available under the CWC Revolving Credit Facility. For information regarding limitations on the borrowing availability of the CWC Revolving Credit Facility, see note 14 to our consolidated financial statements.

The liquidity of our subsidiaries is generally used to fund capital expenditures, debt service requirements and other liquidity requirements that may arise from time to time. For additional information regarding our consolidated cash flows, see the discussion under *Consolidated Statements of Cash Flows* below. Our subsidiaries may also require funding in connection with (i) the repayment of outstanding debt, (ii) acquisitions and other investment opportunities or (iii) distributions or loans to CWC (and ultimately to Liberty Global or other Liberty Global subsidiaries). No assurance can be given that any external funding would be available to our subsidiaries on favorable terms, or at all.

Capitalization

At December 31, 2016, the outstanding principal amount of our consolidated debt, together with our finance lease obligations, aggregated $3,608.5 million, including $100.8 million that is classified as current in our consolidated statement of financial position and $3,176.7 million that is not due until 2021 or thereafter. Our debt and finance lease obligations are all held by our subsidiaries.

Our ability to service or refinance our debt and to maintain compliance with our leverage covenants is dependent primarily on our ability to maintain or increase our Covenant EBITDA and to achieve adequate returns on our property, equipment and intangible asset additions and acquisitions. Our ability to maintain or increase cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control. In addition, our ability to obtain additional debt financing is limited by the leverage covenants contained in our and our subsidiaries' various debt instruments. In this regard, if our Covenant EBITDA were to decline, we could be required to repay or limit our borrowings under the CWC Revolving Credit Facility in order to maintain compliance with applicable covenants. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment.

We believe that our cash and cash equivalents, the cash provided from the operations of our subsidiaries and any available borrowings under the CWC Revolving Credit Facility will be sufficient to fund our currently anticipated working capital needs, capital expenditures and debt service requirements during the next 12 months, although no assurance can be given that this will be the case. However, as our maturing debt grows in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete these refinancing transactions or otherwise extend our debt maturities. In this regard, it is not possible to predict how political and economic conditions, sovereign debt concerns or any adverse regulatory developments could impact the credit markets we access and, accordingly, our future liquidity and financial position. However, (i) the financial failure of any of our counterparties could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all. In addition, sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity.

Consolidated Statements of Cash Flows

Nine months ended December 31, 2016 compared to nine months ended December 31, 2015

Summary. Our consolidated statements of cash flows for the nine months ended December 31, 2016 and 2016 are summarized as follows:

	Nine months ended December 31,		
	2016	**2015**	**Change**
	in millions		
Net cash provided by operating activities	$ 241.1	$ 160.2	$ 80.9
Net cash used by investing activities	(388.8)	(415.7)	26.9
Net cash provided by financing activities	252.5	14.0	238.5
Effect of exchange rate changes on cash	(1.1)	(0.5)	(0.6)
Net increase (decrease) in cash and cash equivalents	$ 103.7	$ (242.0)	$ 345.7

Operating Activities. The increase in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in cash provided by our Adjusted Segment EBITDA and related working capital items, (ii) a decrease in cash provided due to higher payments of interest, (iii) a decrease in cash provided due to higher payments for taxes and (iv) a decrease in cash provided due to higher cash payments related to derivative instruments.

Investing Activities. The decrease in net cash used by our investing activities is primarily attributable to the net effect of (i) a decrease in cash used of $62.2 million related to lower capital expenditures, (ii) an increase in cash used of $54.4 million to fund advances to LGE Coral Holdco and (iii) a decrease in cash used of $20.4 million related to higher proceeds on available-for-sale investments.

The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under finance lease arrangements. Instead, these amounts are reflected as non-cash additions to our property, equipment and intangible assets when the underlying assets are delivered, and as repayments of debt when the principal is repaid. In this discussion, we refer to (i) our capital expenditures as reported in our consolidated statements of cash flows, which exclude amounts financed under finance lease arrangements, and (ii) our total property, equipment and intangible asset additions, which include our capital expenditures on an accrual basis and amounts financed under finance lease arrangements. For further details regarding our property, equipment and intangible asset additions and our debt, see notes 13 and 14, respectively, to our consolidated financial statements.

A reconciliation of our consolidated property, equipment and intangible asset additions to our consolidated capital expenditures as reported in our consolidated statements of cash flows is set forth below:

	Nine months ended December 31,	
	2016	**2015**
	in millions	
Property, equipment and intangible asset additions	$ 352.0	$ 398.9
Changes in liabilities related to capital expenditures (including related-party amounts)	30.5	26.4
Assets acquired under finance leases	(19.4)	—
Capital expenditures	$ 363.1	$ 425.3

The decrease in our property, equipment and intangible asset additions is largely due to timing of capital projects. During 2016 and 2015, our property, equipment and intangible asset additions represented 20.3% and 22.4% of our revenue, respectively.

We expect the percentage of revenue represented by our aggregate 2017 property, equipment and intangible asset additions to range from 21% to 23%. The actual amount of the 2017 property, equipment and intangible asset additions may vary from expected amounts for a variety of reasons, including (i) changes in (a) the competitive or regulatory environment, (b) business plans, (c) our expected future operating results or (d) foreign currency exchange rates and (ii) the availability of sufficient capital. Accordingly, no assurance can be given that our actual property, equipment and intangible asset additions will not vary materially from our expectations.

Financing Activities. The increase in net cash provided by our financing activities is primarily attributable to the net effect of (i) an increase in cash provided of $278.4 million related to higher net borrowings of debt, (ii) a decrease in cash provided of $78.2 million and $4.8 million, respectively, for dividends paid to shareholders and noncontrolling interests, (iii) an increase in cash provided of $42.2 million due to lower payments for financing costs and debt premiums, (iv) an increase in cash provided of $11.9 million due to proceeds received on the exercise of certain share-based awards and (v) a decrease in cash used of $8.1 million due to changes in cash collateral.

Year ended March 31, 2016 compared to year ended March 31, 2015

All of the cash flows discussed below are those of our continuing operations.

Summary. Our consolidated statements of cash flows for the years ended March 31, 2016 and 2015 are summarized as follows:

	Year ended March 31,		
	2016	2015	Change
	in millions		
Net cash provided by operating activities	$ 257.0	$ 297.1	$ (40.1)
Net cash used by investing activities	(516.9)	(766.2)	249.3
Net cash provided by financing activities	24.1	667.0	(642.9)
Effect of exchange rate changes on cash	1.0	(1.1)	2.1
Net decrease in cash and cash equivalents	$ (234.8)	$ 196.8	$ (431.6)

Operating Activities. The decrease in net cash provided by our operating activities is primarily attributable to the net effect of (i) an increase in cash provided by our Adjusted Segment EBITDA and related working capital items, (ii) a decrease in cash due to higher payments for interest, (iii) a decrease in cash due to higher payments for taxes and (iv) an increase in cash due to higher interest payments received.

Investing Activities. The decrease in net cash used by our investing activities is primarily attributable to (i) a decrease in cash used of $676.5 million related to lower cash paid in connection with acquisitions, (ii) an increase in cash used of $403.0 million related to lower cash received in connection with the sale of discontinued operations, (iii) an increase in cash used of $75.3 million related to higher capital expenditures, (iv) a decrease in cash used of $59.7 million related to lower advances to fund affiliates and (v) an increase in cash used of $15.9 million related to lower cash received on disposal of subsidiaries.

A reconciliation of our consolidated property, equipment and intangible asset additions to our consolidated capital expenditures as reported in our consolidated statements of cash flows is set forth below:

	Year ended March 31,	
	2016	2015
	in millions	
Property, equipment and intangible asset additions	$ 534.5	$ 469.8
Changes in liabilities related to capital expenditures (including related-party amounts)	(6.0)	(16.6)
Capital expenditures	$ 528.5	$ 453.2

The increase in our property, equipment and intangible asset additions is largely due to timing of capital projects. During 2016 and 2015, our property, equipment and intangible asset additions represented 22.4% and 26.8% of our revenue, respectively.

Financing Activities. The decrease in net cash provided by our financing activities is attributable to the net effect of (i) a decrease in cash provided of $457.3 million related to lower net borrowings of debt, (ii) a decrease in cash provided of $176.3 million due to lower proceeds received on the issuance of ordinary shares, (iii) a decrease in cash provided of $34.0 million due to higher payments for financing costs and debt premiums, (iv) an increase in cash provided of $32.0 million due to lower dividends paid to noncontrolling interests, (v) a decrease in cash provided of $11.9 million due to higher dividends paid to shareholders and (vi) an increase in cash provided of $5.0 million due to changes in cash collateral.

Projected Cash Flows Associated with Derivative Instruments

The following table provides information regarding the projected cash flows associated with our derivative instruments at December 31, 2016. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of December 31, 2016. These amounts are presented for illustrative purposes only and will likely differ from the actual cash paid or received in future periods. For additional information regarding our derivative instruments and our counterparty credit risk, see notes 4 and 7 to our consolidated financial statements.

	Receipts due during:						
	2017	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
				in millions			
Projected derivative cash payments, net:							
Interest-related (a)	$ 23.7	$ 22.1	$ 22.0	$ 18.7	$ 18.6	$ 18.6	$ 123.7
Principal-related (b)	—	—	13.2	—	—	—	13.2
Total	$ 23.7	$ 22.1	$ 35.2	$ 18.7	$ 18.6	$ 18.6	$ 136.9

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(a) Includes the interest-related cash flows of our cross-currency swap contracts.

(b) Includes the principal-related cash flows of our cross-currency swap contracts.

Debt Maturities and Contractual Commitments

For information concerning the maturities of our debt and other financial obligations as of December 31, 2016, see note 4 to our consolidated financial statements. For information concerning our contractual commitments as of December 31, 2016, see notes 4 and 27 to our consolidated financial statements.

In addition to the commitments set forth in notes 4 and 27 to our consolidated financial statements, we have significant commitments under (i) derivative instruments and (ii) defined benefit plans and similar agreements, pursuant to which we expect to make payments in future periods. For information regarding projected cash flows associated with derivative instruments, see *Projected Cash Flows Associated with Derivative Instruments* above. For information regarding our derivative instruments, including the net cash paid or received in connection with these instruments during the nine months ended December 31, 2016 and years ended March 31, 2016 and 2015, see note 7 to our consolidated financial statements.

Critical Accounting Policies

Our critical accounting policies include our policies with respect to:

- Impairment of property and equipment and intangible assets (including goodwill);
- Costs associated with construction and installation activities;
- Useful lives of long-lived assets;
- Fair value measurements; and
- Income tax accounting.

For additional information concerning these policies, see notes 3 and 8 to our consolidated financial statements.