Condensed Consolidated Financial Statements
September 30, 2017

CABLE & WIRELESS COMMUNICATIONS LIMITED
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CABLE & WIRELESS COMMUNICATIONS LIMITED

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CABLE & WIRELESS COMMUNICATIONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

	September 30, 2017	December 31, 2016
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 285.6	$ 271.2
Trade and other receivables, net (notes 6 and 19)	478.9	544.0
Loans receivable – related-party (note 19)	—	86.2
Prepaid expenses	54.8	69.6
Other current assets (notes 4, 7 and 19)	102.7	80.2
Assets held for sale (note 5)	93.2	93.2
Total current assets	1,015.2	1,144.4
Noncurrent assets:		
Property and equipment, net (note 8)	2,843.8	2,776.8
Goodwill (note 8)	1,434.9	1,415.9
Intangible assets subject to amortization, net (note 8)	693.5	793.3
Other noncurrent assets (notes 4 and 7)	338.8	312.2
Total noncurrent assets	5,311.0	5,298.2
Total assets	6,326.2	6,442.6
LIABILITIES		
Current liabilities:		
Trade and other payables (note 19)	198.4	201.9
Deferred revenue and advance payments (note 19)	141.4	133.0
Current portion of debt and finance lease obligations (note 9)	165.3	100.8
Other accrued and current liabilities (note 10)	408.9	476.2
Total current liabilities	914.0	911.9
Noncurrent liabilities:		
Noncurrent debt and finance lease obligations (note 9)	3,726.1	3,447.7
Deferred tax liabilities	189.9	230.0
Deferred revenue and advance payments (note 19)	282.9	261.8
Other noncurrent liabilities (note 10)	126.9	185.3
Total noncurrent liabilities	4,325.8	4,124.8
Net assets	$ 1,086.4	$ 1,405.9
Commitments and contingencies (notes 4, 9, 11 and 20)		
Owners' equity (note 13):		
Capital and reserves attributable to parent:		
Share capital	$ 0.1	$ 0.1
Share premium	453.4	453.4
Reserves	248.2	562.9
Total parent's equity	701.7	1,016.4
Noncontrolling interests	384.7	389.5
Total owners' equity	$ 1,086.4	$ 1,405.9

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Revenue (notes 19 and 21)	$ 579.8	$ 567.6	$ 1,740.0	$ 1,748.7
Operating costs and expenses (note 19):				
Employee and other staff expenses (note 16)	91.2	81.9	268.3	279.1
Interconnect costs	49.2	47.6	152.3	156.0
Network costs	41.8	37.8	128.9	98.2
Programming expenses	36.0	32.4	108.6	84.0
Equipment sales expenses	19.0	21.2	68.6	73.5
Managed services costs	23.1	23.8	65.6	68.7
Depreciation and amortization (note 8)	140.6	117.3	426.5	369.5
Impairment expense (recovery) (note 8)	11.7	39.1	13.7	(31.9)
Other operating expenses (note 17)	120.8	118.2	351.7	354.5
Other operating income (note 18)	(0.6)	(8.8)	(2.8)	(41.6)
	532.8	510.5	1,581.4	1,410.0
Operating income	47.0	57.1	158.6	338.7
Financial income (expense) (note 14):				
Finance expense	(243.7)	(64.0)	(414.0)	(269.8)
Finance income	13.5	14.8	64.4	38.5
	(230.2)	(49.2)	(349.6)	(231.3)
Earnings (loss) before income taxes	(183.2)	7.9	(191.0)	107.4
Income tax expense (note 12)	(9.6)	(26.3)	(23.7)	(55.2)
Net earnings (loss)	(192.8)	(18.4)	(214.7)	52.2
Net earnings attributable to noncontrolling interests	(10.3)	(17.1)	(30.2)	(74.0)
Net loss attributable to parent	$ (203.1)	$ (35.5)	$ (244.9)	$ (21.8)

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Net earnings (loss)	$ (192.8)	$ (18.4)	$ (214.7)	$ 52.2
Other comprehensive income (loss):				
Items that will not be reclassified to net earnings (loss) in subsequent periods:				
Actuarial gains (losses) in the value of defined benefit pension plans (note 15)	1.3	(4.1)	(40.5)	20.9
Income tax related to items that will not be reclassified to net earnings (loss) in subsequent periods	1.9	—	1.9	1.0
Total items that will not be reclassified to net earnings (loss) in subsequent periods	3.2	(4.1)	(38.6)	21.9
Items that may be classified to net earnings (loss) in subsequent periods:				
Foreign currency translation adjustments	(4.8)	(18.3)	(9.9)	(40.1)
Fair value movements in available-for-sale financial assets (note 5)	(0.1)	1.6	(0.1)	5.4
Total items that may be classified to net earnings (loss) in subsequent periods	(4.9)	(16.7)	(10.0)	(34.7)
Other comprehensive loss	(1.7)	(20.8)	(48.6)	(12.8)
Comprehensive income (loss)	(194.5)	(39.2)	(263.3)	39.4
Comprehensive income attributable to noncontrolling interests	(11.1)	(19.3)	(30.8)	(80.8)
Comprehensive loss attributable to parent	$ (205.6)	$ (58.5)	$ (294.1)	$ (41.4)

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY

(unaudited)

	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 January 1, 2016	$ 223.8	$ 260.3	$ (146.0)	$ 3,721.0	$ (3,198.0)	$ 861.1	$ 351.0	$ 1,212.1
Net earnings	—	—	—	—	(21.8)	(21.8)	74.0	52.2
Other comprehensive loss	—	—	(43.3)	5.4	18.3	(19.6)	6.8	(12.8)
Settlement of Columbus Put Option	—	—		775.7	206.8	982.5	—	982.5
Dividends	—	—	—	—	(193.8)	(193.8)	(51.8)	(245.6)
Exercise of share-based awards	—	—	—	—	11.9	11.9	—	11.9
Cancellation of treasury shares in connection with the Liberty Global Transaction	(2.1)	(25.8)	—	—	31.0	3.1	—	3.1
Share-based compensation and other	—	—	—	—	32.8	32.8	—	32.8
Balance at September 30, 2016	$ 221.7	$ 234.5	$ (189.3)	$ 4,502.1	$ (3,112.8)	$ 1,656.2	$ 380.0	$ 2,036.2
Balance at January 1, 2017	$ 0.1	$ 453.4	$ (188.5)	$ 4,501.8	$ (3,750.4)	$ 1,016.4	$ 389.5	$ 1,405.9
Net loss	—	—	—	—	(244.9)	(244.9)	30.2	(214.7)
Other comprehensive loss	—	—	(10.3)	(0.1)	(38.8)	(49.2)	0.6	(48.6)
C&W Barbados NCI Acquisition (note 13)	—	—	—	(21.0)	—	(21.0)	(18.6)	(39.6)
Dividends	—	—	—	—	—	—	(18.6)	(18.6)
Share-based compensation	—	—	—	—	6.2	6.2	—	6.2
Other	—	—	(0.8)	(0.4)	(4.6)	(5.8)	1.6	(4.2)
Balance at September 30, 2017	$ 0.1	$ 453.4	$ (199.6)	$ 4,480.3	$ (4,032.5)	$ 701.7	$ 384.7	$ 1,086.4

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

CABLE & WIRELESS COMMUNICATIONS LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine months ended September 30,	
	2017	**2016**
	in millions	
Cash flows from operating activities:		
Net earnings (loss)	$ (214.7)	$ 52.2
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Income tax expense	23.7	55.2
Share-based compensation expense	6.2	33.7
Depreciation, amortization and impairment	440.2	337.6
Interest expense	187.7	192.8
Interest income	(7.2)	(11.7)
Amortization of deferred financing costs and non-cash interest	7.7	6.8
Realized and unrealized losses (gains) on derivative instruments, net	(54.9)	28.4
Foreign currency transaction losses (gains), net	29.4	(25.2)
Losses on debt extinguishment	189.2	41.8
Gains on disposal of property and equipment	—	(13.7)
Losses on disposal of property and equipment	12.8	0.9
Other	(5.1)	(0.8)
	615.0	698.0
Changes in operating assets and liabilities	(151.1)	(229.5)
Cash provided by operating activities	463.9	468.5
Interest paid	(215.8)	(253.3)
Income taxes paid	(58.9)	(79.8)
Net cash provided by operating activities	189.2	135.4
Cash flows from investing activities:		
Capital expenditures	(288.9)	(343.1)
Sale of available-for-sale investments	—	19.9
Other investing activities	(7.8)	4.7
Net cash used by investing activities	(296.7)	(318.5)
Cash flows from financing activities:		
Borrowings of debt	1,637.1	1,356.6
Repayments of debt and finance lease obligations	(1,350.1)	(846.7)
Payment of financing costs	(102.9)	(25.4)
Cash payment related to C&W Barbados NCI Acquisition	(30.3)	—
Dividends paid to shareholders	—	(193.8)
Dividends paid to noncontrolling interests	(18.6)	(51.8)
Change in cash collateral	(11.1)	4.7
Proceeds on exercise of share-based awards	—	11.9
Other financing activities	(0.4)	(1.1)
Net cash provided by financing activities	123.7	254.4
Effect of exchange rate changes on cash	(1.8)	(0.9)
Net increase in cash and cash equivalents	14.4	70.4
Cash and cash equivalents:		
Beginning of period	271.2	160.3
End of period	$ 285.6	$ 230.7

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

(1) Basis of Presentation

Cable & Wireless Communications Limited (**C&W**) 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. C&W is a wholly-owned subsidiary of LGE Coral Holdco Limited (**LGE Coral Holdco**), a subsidiary of Liberty Global plc (**Liberty Global**). In these notes, the terms "C&W," "we," "our," "our company" and "us" may refer, as the context requires, to C&W or collectively to C&W and its subsidiaries.

We and certain other subsidiaries of Liberty Global comprise the "**LiLAC Group**" within the organization structure of Liberty Global. The primary Liberty Global subsidiaries that comprise the LiLAC Group include (i) LGE Coral Holdco and its subsidiaries, (ii) VTR Finance B.V. (**VTR Finance**) and its subsidiaries, including VTR.com SpA (**VTR**), (iii) Lila Chile Holding B.V., which is the parent entity of VTR Finance, and (iv) LiLAC Communications Inc. and its subsidiaries, which include Liberty Cablevision of Puerto Rico LLC (**Liberty Puerto Rico**), an entity in which Liberty Global owns a 60.0% interest.

C&W 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.

Our unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (**IAS**) 34, *Interim Financial Reporting* (**IAS 34**) and do not include all of the information required by International Financial Reporting Standards (**IFRS**) as promulgated by the International Accounting Standards Board (**IASB**) (**IASB-IFRS**) for full annual financial statements. In the opinion of management, these financial statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations for the interim periods presented. The results of operations for any interim period are not necessarily indicative of results for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements and notes thereto included in our December 31, 2016 annual report, which were prepared in accordance with IASB-IFRS and include a description of the significant accounting policies followed in these financial statements.

The preparation of condensed consolidated financial statements in accordance with IAS 34 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 costs, deferred income taxes and the related recognition of deferred tax assets, 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.

Effective January 1, 2017, we changed our reportable segments. For additional information, see note 21.

We have prepared the accounts on a going concern basis.

Unless otherwise indicated, convenience translations into United States (**U.S.**) dollars are calculated as of September 30, 2017.

Certain prior period amounts have been reclassified to conform to the current period presentation.

Management approval

These condensed consolidated financial statements were authorized for issue by management on November 21, 2017 and reflect our consideration of the accounting and disclosure implications of subsequent events through such date.

(2) Accounting Changes and Recent Pronouncements

New Accounting Standards, Not Yet Effective

Except for the following accounting standards that are relevant for our company, there were no additional standards and interpretations issued by the 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)
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019 (f)

(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 when it becomes effective for annual 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 service periods provided to our customers, (ii) certain upfront fees charged to our customers, (iii) subsidized handset plans and (iv) long-term capacity contracts. Although we continue to evaluate the impacts of adopting IFRS 15, our current views are as follows:

- When we enter into contracts to provide services to our customers, we often provide time-limited discounts or free service periods. Under current accounting standards, 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 for those

contracts that contain substantive termination penalties will be accelerated, as the impact of the discounts or free service periods will be recognized uniformly over the contractual period. For contracts that do not have substantive termination penalties, we will continue to record the impacts of partial or full discounts during the applicable promotional periods.

- When we enter into contracts to provide services to our customers, we often charge installation or other upfront fees. Under current accounting standards, installation fees related to services provided over our cable networks are recognized as revenue during the period in 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 for those contracts with substantial termination penalties, or longer if the upfront 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 decrease.

- We enter into certain long-term capacity contracts with customers where the customer pays the transaction consideration at inception of the contract. Under current accounting standards, we do not impute interest for advance payments from customers related to services that are provided over time. Under IFRS 15, payment received from a customer significantly in advance of the provision of services is indicative of a financing component within the contract. If the financing component is significant, interest expense will accrete over the life of the contract with a corresponding increase to revenue.

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 associated with contracts that have substantive termination penalties and a term of one year or more will be recognized as assets and amortized to other operating expenses over the applicable period benefited. Although the impact of the accounting change for the upfront costs will be dependent on numerous factors, including the number and terms of new subscriber contracts added during any given period, we do not expect the initial or ongoing impact of this accounting change to be material based on our assessments of the current practices and contracts in effect in our various markets.

Although the ultimate impact of adopting IFRS 15 for both revenue recognition and costs to obtain and fulfill contracts will depend on numerous factors, including the promotions and offers in place during the period leading up to and after the adoption of IFRS 15, we currently do not expect the adoption of IFRS 15 to have a material impact on our revenue, operating expenses or financial position.

(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 leases accounted for under 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. We will adopt IFRS 16 on January 1, 2019. Although we are currently evaluating the effect that IFRS 16 will have on our consolidated financial statements and related disclosures, we expect the main impact of the adoption of this standard will be the recognition of lease assets and lease liabilities in our consolidated statement of financial position for those leases previously accounted for as operating leases and the replacement of operating lease expense with a depreciation charge for

right-of-use assets and interest expense on lease liabilities, resulting in a front-loaded total lease expense versus the straight-line operating lease expense. We expect that the impact of the adoption of IFRS 16 will increase cash flows from operating activities and decrease cash flows from financing activities on the consolidated statement of cash flows, as all principal payments on lease liabilities will be presented within financing activities.

(e) The impact of applying these accounting standards did not have a material impact on our consolidated financial statements.

(f) We evaluated the impact of applying this accounting standard on our consolidated financial statements and do not believe the impact of the adoption of this standard will be material.

(3) Acquisition

In connection with the Liberty Global acquisition of C&W in 2016 (the **Liberty Global Transaction**) and our acquisition of Columbus International Inc. and its subsidiaries (collectively, **Columbus**) in 2015 (the **Columbus Acquisition**), certain entities (the **Carve-out Entities**) that hold licenses granted by the U.S. Federal Communications Commission (the **FCC**) were transferred to entities not controlled by C&W (collectively, **New Cayman**). The arrangements with respect to the Carve-out Entities, which were executed in connection with the Liberty Global Transaction and the Columbus Acquisition, contemplated that upon receipt of regulatory approval, we would acquire the Carve-out Entities. On March 8, 2017, the FCC granted its approval for our acquisition of the Carve-out Entities. Accordingly, on April 1, 2017, subsidiaries of C&W acquired the Carve-out Entities (the **Carve-out Acquisition**) for an aggregate purchase price of $86.2 million, which represents the amount due under notes receivable that were exchanged for the equity of the Carve-out Entities.

We have accounted for the Carve-out Acquisition using the acquisition method of accounting, whereby the total purchase price was allocated to the acquired identifiable net assets of the Carve-out Entities 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 consolidated balance sheet for the Carve-out Entities at the April 1, 2017 acquisition date is presented in the following table. The opening balance sheet presented below reflects our preliminary purchase price allocation (in millions):

Cash and cash equivalents	$ 1.0
Other current assets	32.8
Property and equipment	156.1
Goodwill (a)	12.6
Deferred tax assets	30.4
Other assets	1.4
Other accrued and current liabilities	(86.3)
Deferred tax liabilities	(32.5)
Other noncurrent liabilities	(29.3)
Total purchase price	$ 86.2

(a) The goodwill recognized in connection with the acquisition of the Carve-out Entities is primarily attributable to synergies arising from the acquisition.

(4) 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 (**£**), the Jamaican dollar (**JMD**) and the Colombian peso (**COP**). We do not apply hedge accounting to our derivative instruments. Accordingly, changes in the fair values of our derivative instruments are recorded in realized and unrealized gains or losses on derivative instruments within finance expense or finance income in our condensed consolidated statements of operations.

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

	September 30, 2017			December 31, 2016		
	Current (a)	Long-term (a)	Total	Current (a)	Long-term (a)	Total
	in millions					
Assets:						
Cross-currency and interest rate derivative contracts (b)	$ 5.8	$ 23.9	$ 29.7	$ —	$ 19.1	$ 19.1
Embedded derivatives:						
Columbus Senior Notes redemption option	—	—	—	—	35.6	35.6
Sable Senior Notes redemption option	—	37.8	37.8	—	13.0	13.0
	$ 5.8	$ 61.7	$ 67.5	$ —	$ 67.7	$ 67.7
Liabilities – Cross-currency and interest rate derivative contracts (b)	$ 19.1	$ 10.6	$ 29.7	$ 15.5	$ 20.5	$ 36.0

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(a) Our current and noncurrent derivative assets are included in other current assets and other noncurrent assets, respectively, and our current and noncurrent derivative liabilities are included in other accrued and current liabilities and other noncurrent liabilities, respectively, in our condensed consolidated statements of financial position.

(b) We consider credit risk relating to our and our counterparties' nonperformance in the fair value assessment of our derivative instruments. In all cases, the adjustments take into account offsetting liability or asset positions. The changes in the credit risk valuation adjustments associated with our cross-currency and interest rate derivative contracts resulted in net gains of \$0.3 million during each of the three and nine months ended September 30, 2017 and \$1.9 million and \$4.2 million during the three and nine months ended September 30, 2016, respectively. These amounts are included in realized and unrealized gains (losses) on derivative instruments within finance income or expense in our condensed consolidated statements of operations. For further information regarding our fair value measurements, see note 5.

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Embedded derivatives	$ 6.0	$ 12.4	$ 54.4	$ 35.4
Cross-currency and interest rate derivative contracts	7.5	(5.5)	0.5	(28.1)
Forward exchange contracts	(1.8)	—	—	—
Accretion of Columbus Put Option	—	—	—	(35.7)
Total	$ 11.7	$ 6.9	$ 54.9	$ (28.4)

The net cash received or paid related to our derivative instruments is classified as an operating, investing or financing activity in our condensed 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 September 30, 2017 and 2016 were \$16.5 million and \$3.1 million, respectively, and are classified as operating activities in our condensed consolidated statements of cash flows.

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 September 30, 2017, our exposure to counterparty credit risk included derivative assets with an aggregate fair value of $10.1 million.

Details of our Derivative Instruments

Cross-currency Derivative Contracts

As noted above, we are exposed to foreign currency exchange rate risk in situations where our debt is denominated in a currency other than the functional currency of the operations whose cash flows support our ability to repay or refinance such debt. Although we generally seek to match the denomination of our and our subsidiaries' borrowings with the functional currency of the operations that are supporting the respective borrowings, market conditions or other factors may cause us to enter into borrowing arrangements that are not denominated in the functional currency of the underlying operations (unmatched debt). Our policy is generally to provide for an economic hedge against foreign currency exchange rate movements by using derivative instruments to synthetically convert unmatched debt into the applicable underlying currency. The following table sets forth the total notional amounts and the related weighted average remaining contractual life of our cross-currency swap contracts at September 30, 2017:

Notional amount due from counterparty		Notional amount due to counterparty		Weighted average remaining life
in millions				in years
$	108.3	JMD	13,817.5	5.3
$	35.4	COP	106,000.0	4.8
£	146.7	$	194.3	1.5

Interest Rate Derivative Contracts

As noted above, we enter into interest rate swaps to protect against increases in the interest rates on our variable-rate debt. Pursuant to these derivative instruments, we typically pay fixed interest rates and receive variable interest rates on specified notional amounts. At September 30, 2017, the notional amount of these derivatives was $2,925.0 million, which includes forward-starting derivative instruments. These contracts had a weighted average remaining contractual life of 6.6 years at September 30, 2017.

Basis Swaps

Our basis swaps involve the exchange of attributes used to calculate our floating interest rates, including (i) the benchmark rate, (ii) the underlying currency and/or (iii) the borrowing period. We typically enter into these swaps to optimize our interest rate profile based on our current evaluations of yield curves, our risk management policies and other factors. At September 30, 2017, the notional amount of our interest rate swap contracts was $2,925.0 million. These contracts had a weighted average remaining contractual life of 0.8 years at September 30, 2017.

Impact of Derivative Instruments on Borrowing Costs

The impact of the derivative instruments that mitigate our foreign currency and interest rate risk, as described above, on our borrowing costs was an increase of 62 basis points at September 30, 2017.

(5) Fair Value Measurements

We measure our derivative instruments at fair value and we use the available-for-sale method to account for our investment in U.K. Government Gilts. The reported fair values of our derivative instruments as of September 30, 2017 likely will not represent the value that will be paid or received upon the ultimate settlement or disposition of these assets and liabilities, as 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 September 30, 2017, no such transfers were made.

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. Effective January 1, 2017, we incorporated a Monte Carlo based approach into our calculation of the value assigned to the risk that we or our counterparties will default on our respective derivative obligations. Previously, we used a static calculation derived from our most current mark-to-market valuation to calculate the impact of counterparty credit risk. The adoption of a Monte Carlo based approach did not have a material impact on the overall fair value of our derivative instruments. Our credit risk valuation adjustments with respect to our cross-currency and interest rate swaps are quantified and further explained in note 4.

A redemption option associated with the Sable Senior Notes is recorded as an embedded derivative at September 30, 2017 (for additional information, see note 4). The recurring fair value measurement used to value this embedded derivative uses 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. In connection with the redemption of the Columbus Senior Notes in September 2017 (as described in note 9), we recorded a loss on debt extinguishment related to the write-off of the Columbus Senior Notes redemption option.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with acquisition accounting and impairment assessments. The nonrecurring valuations include the valuation of cash-generating units, customer relationship and other intangible assets and property and equipment. Unless the cash-generating unit has a readily determinable fair value, the valuation of cash-generating units is based at least in part on discounted cash flow analyses. With the exception of certain inputs for our weighted average cost of capital and discount rate calculations that are derived from pricing services, the inputs used in our discounted cash flow analyses, such as forecasts of future cash flows, are 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 for customer relationship intangible assets 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 relationship, 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 September 30, 2017, our nonrecurring valuations included those used for the purpose of determining the preliminary acquisition accounting for the Carve-out Entities. During the nine months ended September 30, 2016, we finalized the acquisition accounting for Columbus.

For additional information concerning our fair value measurements, see note 8 to the consolidated financial statements included in our December 31, 2016 annual report.

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

		September 30, 2017		December 31, 2016	
	Level	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
		in millions			
Assets carried at fair value:					
Derivative instruments (a)	2	$ 29.7	$ 29.7	$ 19.1	$ 19.1
Embedded derivatives (b):					
Columbus Senior Notes redemption option	2	—	—	35.6	35.6
Sable Senior Notes redemption option	2	37.8	37.8	13.0	13.0
U.K. Government Gilts	1	36.6	36.6	32.3	32.3
Total assets carried at fair value		$ 104.1	$ 104.1	$ 100.0	$ 100.0
Assets carried at cost or amortized cost:					
Trade and other receivables, net		$ 480.4	$ 480.4	$ 546.9	$ 546.9
Cash and cash equivalents		285.6	285.6	271.2	271.2
Loan receivable – related-party		59.5	59.5	142.9	142.9
Held-for-sale investment in Telecommunications Services of Trinidad and Tobago Limited (**TSTT**) (c)		93.2	93.2	93.2	93.2
Other current and noncurrent financial assets		32.3	32.3	39.7	39.7
Restricted cash		38.3	38.3	28.2	28.2
Total assets carried at cost or amortized cost		$ 989.3	$ 989.3	$ 1,122.1	$ 1,122.1
Liabilities carried at fair value:					
Derivative instruments (a) (d)	2 and 3	$ 29.7	$ 29.7	$ 36.0	$ 36.0
Liabilities carried at cost or amortized cost:					
Debt obligations		$ 3,877.6	$ 4,007.2	$ 3,533.0	$ 3,747.5
Accounts payable and other liabilities (including related-party)		259.8	259.8	246.8	246.8
Accrued liabilities (including related-party)		491.8	491.8	625.6	625.6
Finance lease obligations		13.8	13.8	15.5	15.5
Total liabilities carried at cost or amortized cost		$ 4,643.0	$ 4,772.6	$ 4,420.9	$ 4,635.4

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

(b) These amounts represent embedded derivative instruments associated with the C&W Notes.

(c) 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 December 31, 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. We are not able to reliably measure the fair value of our investment in TSTT. Accordingly, the investment is reflected on a cost basis in our condensed consolidated statements of financial position.

(d) Due to the lack of Level 2 inputs for the valuation of the U.S. dollar to Jamaican dollar cross-currency swaps held by Sable International Finance Limited (the **Sable Currency Swap**), we believe this valuation falls under Level 3 of the fair value hierarchy.

A reconciliation of the beginning and ending balance of our net liabilities measured at fair value on a recurring basis using significant unobservable, or Level 3, inputs is as follows:

	Sable Currency Swap
	in millions
Balance at January 1, 2017	$ (10.7)
Unrealized losses on derivative instruments	(1.4)
Balance at September 30, 2017	$ (12.1)

Pre-tax amounts recognized in our condensed consolidated statements of operations for the three and nine months ended September 30, 2017 and 2016 related to our financial assets and liabilities are as follows:

	Finance income	Finance expense	Other statement of operations effects	Impact on earnings (loss) before income taxes
		in millions		
Three months ended September 30, 2017:				
Derivative assets and liabilities carried at fair value through our condensed consolidated statement of operations	$ (11.7)	$ —	$ —	$ (11.7)
Assets carried at cost or amortized cost:				
Trade receivables (a)	—	—	12.1	12.1
Loans receivable	(1.0)	—	—	(1.0)
Cash and cash equivalents	(1.0)	—	—	(1.0)
Liabilities carried at fair value	—	2.8	—	2.8
Liabilities carried at cost or amortized cost	—	64.0	—	64.0
Total	$ (13.7)	$ 66.8	$ 12.1	$ 65.2
Three months ended September 30, 2016:				
Derivative assets and liabilities carried at fair value through our condensed consolidated statement of operations	$ (6.9)	$ —	$ —	$ (6.9)
Assets carried at cost or amortized cost:				
Trade receivables (a)	—	—	11.8	11.8
Loans receivable	(3.6)	—	—	(3.6)
Cash and cash equivalents	(0.8)	—	—	(0.8)
Liabilities carried at fair value	—	2.7	—	2.7
Liabilities carried at cost or amortized cost	—	61.3	—	61.3
Total	$ (11.3)	$ 64.0	$ 11.8	$ 64.5
Nine months ended September 30, 2017:				
Derivative assets and liabilities carried at fair value through our condensed consolidated statement of operations	$ (54.9)	$ —	$ —	$ (54.9)
Assets carried at cost or amortized cost:				
Trade receivables (a)	—	—	38.7	38.7
Loans receivable	(4.8)	—	—	(4.8)
Cash and cash equivalents	(2.4)	—	—	(2.4)
Liabilities carried at fair value	—	9.0	—	9.0
Liabilities carried at cost or amortized cost	—	186.4	—	186.4
Total	$ (62.1)	$ 195.4	$ 38.7	$ 172.0
Nine months ended September 30, 2016:				
Derivative assets and liabilities carried at fair value through our condensed consolidated statement of operations	$ —	$ (7.3)	$ —	$ (7.3)
Assets carried at cost or amortized cost:				
Trade receivables (a)	—	—	34.0	34.0
Loans receivable	(9.6)	—	—	(9.6)
Cash and cash equivalents	(2.1)	—	—	(2.1)
Liabilities carried at fair value	—	8.3	—	8.3
Liabilities carried at cost or amortized cost	—	227.0	—	227.0
Total	$ (11.7)	$ 228.0	$ 34.0	$ 250.3

(a) 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 condensed 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 January 1, 2017	$ 32.3	$ 67.7	$ (36.0)	$ 64.0
Cash payments	—	—	16.5	16.5
Fair value gain (loss)	—	(17.2)	6.8	(10.4)
Transfers	—	17.0	(17.0)	—
Foreign currency translation adjustments and other	4.3	—	—	4.3
Balance at September 30, 2017	$ 36.6	$ 67.5	$ (29.7)	$ 74.4

(6) Trade and Other Receivables

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

	September 30, 2017	December 31, 2016
	in millions	
Current trade and other receivables:		
Trade receivables – gross (a)	$ 456.9	$ 439.8
Allowance for impairment of trade receivables	(93.0)	(81.1)
Trade receivables, net	363.9	358.7
Other receivables (note 18) (b)	53.3	116.1
Unbilled revenue	61.7	69.2
Total current trade and other receivables, net	478.9	544.0
Noncurrent – trade and other receivables	1.5	2.9
Total trade and other receivables	$ 480.4	$ 546.9

(a) Includes $62.8 million and $58.1 million, respectively, due from various departments within a single government entity.

(b) Other receivables primarily include value-added taxes (**VAT**) receivables.

(7) Other Assets

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

	September 30, 2017	December 31, 2016
	in millions	
Restricted cash (a)	$ 38.3	$ 25.5
Inventory	19.8	25.3
Income taxes receivable	6.6	11.0
Other current assets	38.0	18.4
Total	$ 102.7	$ 80.2

(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:

	September 30, 2017	December 31, 2016
	in millions	
Prepaid license fees (a)	$ 106.4	$ 101.9
Derivative instruments (note 4)	61.7	67.7
Note receivable – related-party (note 19)	59.5	54.4
Prepaid expenses	48.4	23.8
Available-for-sale financial assets (b)	36.6	32.3
Retirement benefit plan net assets	13.8	16.3
Other noncurrent assets (c)	12.4	15.8
Total	$ 338.8	$ 312.2

(a) Amounts represent deposits for mobile spectrum in certain of our markets. The license agreements become effective in the fourth quarter of 2017.

(b) Amounts relate to U.K. Government Gilts, which are held as security against certain noncurrent employee benefit plan liabilities. Accordingly, these financial assets are restricted.

(c) Includes restricted cash of nil and $2.7 million, respectively, that represents funding for seniority provisions in Panama.

(8) Long-lived Assets

Impairment Charges Associated with Hurricanes

In September 2017, certain of our operations in the Caribbean were severely impacted by Hurricanes Irma and Maria, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in the British Virgin Islands, Dominica and Puerto Rico and, to a lesser extent, in Anguilla and Turks & Caicos (collectively, the **Impacted Markets**). Based on our initial estimates of the impacts on our operations from these hurricanes, we recorded impairment charges of $11.7 million, in aggregate, during the third quarter of 2017 to reduce the carrying values of our property and equipment that was damaged beyond repair. These impairment charges are based on our assessments of currently available information and, accordingly, it is possible that further impairment charges will be required as additional information becomes available regarding the impacts of the hurricanes on our networks and the macro-economic, competitive and demographic trends within the Impacted Markets.

Property and Equipment, Net

Changes during the nine months ended September 30, 2017 in the carrying amounts of our property and equipment, net, are as follows:

	Distribution systems	Support equipment, buildings and land	Customer premises equipment	Other	Assets under construction	Total
	in millions					
Cost:						
Balance at January 1, 2017	$ 4,748.4	$ 967.8	$ 397.4	$ 41.7	$ 244.6	$ 6,399.9
Additions	21.6	5.4	30.0	7.3	189.3	253.6
Acquisitions	125.3	24.6		2.6	3.3	155.8
Retirements and disposals	(69.7)	(8.4)	—	—	—	(78.1)
Transfers between categories	163.0	21.6	35.2	(7.1)	(212.7)	—
Foreign currency translation and other (a)	2.8	17.9	(1.8)	0.3	(18.6)	0.6
Balance at September 30, 2017	$ 4,991.4	$ 1,028.9	$ 460.8	$ 44.8	$ 205.9	$ 6,731.8
Accumulated depreciation:						
Balance at January 1, 2017	$ 2,802.6	$ 596.9	$ 223.4	$ 0.2	$ —	$ 3,623.1
Depreciation	217.5	29.6	43.0	—	—	290.1
Impairment	11.0	2.7	—	—	—	13.7
Retirements and disposals	(55.0)	(5.6)	—	—	—	(60.6)
Transfers between categories	(4.1)	0.2	4.1	(0.2)	—	—
Foreign currency translation and other (a)	8.9	12.7	0.1	—	—	21.7
Balance at September 30, 2017	$ 2,980.9	$ 636.5	$ 270.6	$ —	$ —	$ 3,888.0
Property and equipment, net:						
Balance at September 30, 2017	$ 2,010.5	$ 392.4	$ 190.2	$ 44.8	$ 205.9	$ 2,843.8

(a) Other amounts primarily include transfers from other assets.

Intangible Assets Subject to Amortization, Net

Changes during the nine months ended September 30, 2017 in the carrying amounts of our finite-lived intangible assets are as follows:

	Customer relationships	Software	Licensing and operating agreements	Brand names	Total
			in millions		
Cost:					
Balance at January 1, 2017	$ 695.5	$ 475.1	$ 108.7	$ 82.2	$ 1,361.5
Additions	—	27.0	—	—	27.0
Retirements and disposals	(20.9)	(2.5)	(57.4)	(0.3)	(81.1)
Transfers between categories	—	1.5	(1.5)	—	—
Foreign currency translation and other (a)	(5.2)	31.2	(9.4)	(0.2)	16.4
Balance at September 30, 2017	$ 669.4	$ 532.3	$ 40.4	$ 81.7	$ 1,323.8
Accumulated amortization:					
Balance at January 1, 2017	$ 142.6	$ 367.2	$ 48.0	$ 10.4	$ 568.2
Amortization	65.7	43.5	18.8	8.4	136.4
Retirements and disposals	(20.9)	(2.5)	(57.4)	(0.3)	(81.1)
Transfers between categories	—	0.7	(0.7)	—	—
Foreign currency translation and other (a)	(2.0)	8.7	(0.4)	0.5	6.8
Balance at September 30, 2017	$ 185.4	$ 417.6	$ 8.3	$ 19.0	$ 630.3
Intangible assets subject to amortization, net:					
Balance at September 30, 2017	$ 484.0	$ 114.7	$ 32.1	$ 62.7	$ 693.5

(a) Other amounts primarily include transfers from other assets.

Goodwill

Changes in the carrying amount of our goodwill during the nine months ended September 30, 2017 are set forth below (in millions):

Balance at January 1, 2017	$ 1,415.9
Acquisitions and related adjustments (a)	17.4
Foreign currency translation adjustments	1.6
Balance at September 30, 2017	$ 1,434.9

(a) Amount includes goodwill associated with the Carve-out Acquisition and another less significant acquisition completed during the nine months ended September 30, 2017.

Depreciation, Amortization and Impairment

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Depreciation expense	$ 98.4	$ 87.4	$ 290.1	$ 282.6
Amortization expense	42.2	29.9	136.4	86.9
Total depreciation and amortization	140.6	117.3	426.5	369.5
Impairment expense (recovery) (a)	11.7	39.1	13.7	(31.9)
Total depreciation, amortization and impairment	$ 152.3	$ 156.4	$ 440.2	$ 337.6

(a) In connection with the Columbus Acquisition, certain assets in the legacy Columbus markets that overlapped with existing C&W markets were impaired during the year ended March 31, 2015 based on the expected timing of customer migration to the C&W fiber networks. During the period ended March 31, 2016, the timing of the migration plan was reassessed and extended. Accordingly, the discounted cash flow analysis associated with the 2015 impairment charge was revised to account for a change in the expected useful lives of the underlying assets, which resulted in a $74.3 million impairment recovery during the three months ended March 31, 2016.

(9) Debt and Finance Lease Obligations

The U.S. dollar equivalents of the components of our debt are as follows:

	September 30, 2017		Estimated fair value (c)		Principal amount	
	Weighted average interest rate (a)	Unused borrowing capacity (b)	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
			in millions			
C&W Credit Facilities (d)	4.60%	$ 696.5	$ 2,234.0	$ 1,427.9	$ 2,251.1	$ 1,411.9
C&W Notes (d)	7.08%	—	1,753.2	2,319.6	1,646.5	2,181.1
Vendor financing (e)	3.14%	—	20.0	—	20.0	—
Total debt before discounts and deferred financing costs	5.63%	$ 696.5	$ 4,007.2	$ 3,747.5	$ 3,917.6	$ 3,593.0

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

	September 30, 2017	December 31, 2016
	in millions	
Total debt before discounts and deferred financing costs	$ 3,917.6	$ 3,593.0
Discounts and deferred financing costs	(40.0)	(60.0)
Total carrying amount of debt	3,877.6	3,533.0
Finance lease obligations	13.8	15.5
Total debt and finance lease obligations	3,891.4	3,548.5
Current maturities of debt and finance lease obligations	(165.3)	(100.8)
Long-term debt and finance lease obligations	$ 3,726.1	$ 3,447.7

(a) Represents the weighted average interest rate in effect at September 30, 2017 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 6.31% at September 30, 2017. For information regarding our derivative instruments, see note 4.

(b) Unused borrowing capacity under the C&W Credit Facilities includes $575.0 million under the C&W Revolving Credit Facility, which represents the maximum availability without regard to covenant compliance calculations or other conditions precedent to borrowing. At September 30, 2017, based on the applicable leverage-based restricted payment tests and leverage covenants, the full amount of unused borrowing capacity under the C&W Credit Facilities was available to be borrowed. When the relevant September 30, 2017 compliance reporting requirements have been completed, and assuming no changes from September 30, 2017 borrowing levels, we anticipate that the full amount of unused borrowing capacity under the C&W Credit Facilities will continue to be available to be borrowed.

(c) The estimated fair values of our debt instruments are generally 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 5.

(d) As discussed in note 5, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to the homes, businesses and infrastructure in these markets. The operations of the Impacted Markets, together with certain of our other operations, support the debt outstanding under the C&W Notes and the C&W Credit Facilities. We expect that the effects of the hurricanes will not impact our ability to comply with the terms of the C&W Notes and the C&W Credit Facilities.

(e) Represents amounts owed pursuant to interest-bearing vendor financing arrangements that are used to finance certain of our operating expenses. These obligations are generally due within one year and include VAT that was paid on our behalf by the vendor. Our operating expenses for the nine months ended September 30, 2017 include $19.9 million that were financed by an intermediary and are reflected as a hypothetical cash outflow within net cash provided by operating activities and a hypothetical cash inflow within net cash provided by financing activities in our condensed consolidated statement of cash flows. Repayments of vendor financing obligations are included in repayments of debt and finance lease obligations in our condensed consolidated statements of cash flows.

Financing Transactions

In March 2017, a 49%-owned subsidiary of C&W, Cable & Wireless Panama, SA (**C&W Panama**), issued $100.0 million of subordinated debt. The term loan bears interest at 4.5%, payable on a semi-annual basis, and matures in March 2021. The proceeds from the term loan were used for general corporate purposes.

In May 2017, we entered into a new $1,125.0 million term loan facility (the **C&W Term Loan B-3 Facility**). The C&W Term Loan B-3 Facility was issued at 99.5% of par, matures on January 31, 2025 and bears interest at a rate of LIBOR + 3.50%, subject to a LIBOR floor of 0.0%. The net proceeds from the C&W Term Loan B-3 Facility were used to prepay in full the $1,100.0 million outstanding principal amount under the C&W Term Loans, which is reflected as a non-cash transaction in our condensed consolidated statement of cash flows. In connection with these transactions, we recognized a loss on debt extinguishment, net, of $28.2 million. This loss includes (i) the write-off of $22.7 million of unamortized discounts and deferred financing costs and (ii) the payment of $5.5 million of third-party costs.

In July 2017, the commitments under the C&W Term Loan B-3 Facility were increased by $700.0 million (the **C&W Term Loan B-3 Facility Add-on**). The C&W Term Loan B-3 Facility Add-on was issued at 99.5% of par with the same maturity and interest rate as the C&W Term Loan B-3 Facility.

In August 2017, C&W Senior Financing Designated Activity Company (**C&W Senior Financing**) issued $700.0 million principal amount of 6.875% senior notes due September 15, 2027 (the **2027 C&W Senior Notes**). C&W Senior Financing, which was created for the primary purpose of facilitating the offering of the 2027 C&W Senior Notes, is a special purpose financing entity that is 100% owned by a third-party.

C&W Senior Financing used the proceeds from the 2027 C&W Senior Notes to fund a new term loan (the **C&W Financing Loan**) under the C&W Credit Facilities, with a subsidiary of C&W as the borrower and certain other C&W subsidiaries as guarantors. The call provisions, maturity and applicable interest rate for the C&W Financing Loan are the same as those for the 2027 C&W Senior Notes. C&W Senior Financing's obligations under the 2027 C&W Senior Notes are secured by interests over (i) certain of C&W Senior Financing's bank accounts and (ii) C&W Senior Financing's rights under the C&W Financing Loan. C&W Senior Financing is prohibited from incurring any additional indebtedness, subject to certain exceptions under the applicable indenture. C&W Senior Financing is dependent upon payments from C&W in order to service its payment obligations under the 2027 C&W Senior Notes.

The C&W Financing Loan creates a variable interest in C&W Senior Financing for which C&W is the primary beneficiary. As a result, C&W is required to consolidate C&W Senior Financing and, accordingly, the C&W Financing Loan is eliminated in our condensed consolidated financial statements.

Subject to the circumstances described below, the 2027 C&W Senior Notes are non-callable until September 15, 2022. At any time prior to September 15, 2022, C&W Senior Financing may redeem some or all of the 2027 C&W Senior Notes by paying a "make-whole" premium, which is the present value of all remaining scheduled interest payments to September 15, 2022 using the discount rate (as specified in the indenture) as of the redemption date plus 50 basis points.

C&W Senior Financing may redeem some or all of the 2027 C&W Senior Notes 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 indenture), if any, to the applicable redemption date, as set forth below:

	Redemption price
12-month period commencing September 15:	
2022	103.438%
2023	101.719%
2024	100.859%
2025 and thereafter	100.000%

The net proceeds from the C&W Term Loan B-3 Facility Add-on and the C&W Financing Loan were used (i) to redeem in full the $1,250.0 million outstanding principal amount of the Columbus Senior Notes and (ii) for general corporate purposes. In connection with these transactions, we recognized a loss on debt extinguishment, net, of $161.0 million. This loss includes (a) the payment of $85.1 million of redemption premiums, (b) the write-off of $65.2 million related to the Columbus Senior Notes redemption option and (c) the write-off of $10.7 million of unamortized discounts and deferred financing costs.

Maturities of Debt and Finance Lease Obligations

The U.S. dollar equivalents of the maturities of our debt and finance lease obligations, including amounts representing interest payments, as of September 30, 2017 are presented below:

	Debt	Finance lease obligations	Total
		in millions	
Year ending December 31:			
2017 (remainder of year)	$ 125.5	$ 6.6	$ 132.1
2018	300.6	5.7	306.3
2019	464.3	1.9	466.2
2020	240.2	0.1	240.3
2021	332.9	—	332.9
2022	969.0	—	969.0
Thereafter	2,983.2	—	2,983.2
Total debt maturities	5,415.7	14.3	5,430.0
Discounts and deferred financing costs	(40.0)	—	(40.0)
Amounts representing interest	(1,498.1)	(0.5)	(1,498.6)
Total	$ 3,877.6	$ 13.8	$ 3,891.4
Current portion	$ 160.2	$ 5.1	$ 165.3
Noncurrent portion	$ 3,717.4	$ 8.7	$ 3,726.1

(10) Other Liabilities

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

	September 30, 2017	December 31, 2016
	in millions	
Accrued and other operating liabilities	$ 228.8	$ 223.1
Accrued capital expenditures	46.4	58.8
Accrued interest payable	30.2	59.2
Payroll and employee benefits	44.3	41.0
Current tax liabilities	23.9	62.7
Derivative instruments and other financial liabilities (note 4)	19.1	15.5
Provisions (note 11)	16.2	15.9
Total	$ 408.9	$ 476.2

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

	September 30, 2017	December 31, 2016
	in millions	
Retirement benefit obligations (note 15)	$ 48.0	$ 129.6
Provisions (note 11)	34.8	35.2
Tax liabilities	19.2	—
Derivative instruments and other financial liabilities (note 4)	10.6	20.5
Other payables	14.3	—
Total	$ 126.9	$ 185.3

(11) Provisions

A summary of changes in our provisions for liabilities and charges during the nine months ended September 30, 2017 is set forth in the table below:

	Restructuring	Network and asset retirement obligations	Legal and other	Total
		in millions		
January 1, 2017	$ 3.9	$ 35.2	$ 12.0	$ 51.1
Additional provisions	21.7	(0.4)	0.4	21.7
Amounts used	(21.7)	—	(0.3)	(22.0)
Foreign currency translation adjustments and other	—	—	0.2	0.2
September 30, 2017	$ 3.9	$ 34.8	$ 12.3	$ 51.0
Current portion	$ 3.9	$ —	$ 12.3	$ 16.2
Noncurrent portion	—	34.8	—	34.8
	$ 3.9	$ 34.8	$ 12.3	$ 51.0

Our restructuring charges during nine months ended September 30, 2017 include employee severance and termination costs related to reorganization and integration activities, primarily associated with the integration with Liberty Global.

(12) Income Taxes

Income tax expense attributable to our loss before income taxes during the three and nine months ended September 30, 2017 differs from the amount computed using the applicable statutory or "expected" tax rate in the U.K. of 19.25% due to various factors, including international rate differences, non-deductible foreign exchange results, the tax effect of intercompany financing, the tax effect of tax withholdings and intra-group dividends, enacted tax law and rate changes and non-deductible or non-taxable interest and other expenses. The statutory rate represents the blended rate that will be in effect for the year ended December 31, 2017 based on the 20.0% statutory rate that was in effect for the first quarter of 2017 and the 19.0% statutory rate that will be in effect for the remainder of 2017. There was no income tax expense associated with gains and losses presented within other comprehensive loss during the three and nine months ended September 30, 2017.

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 C&W 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 condensed consolidated statements of operations are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
	in millions			
Current tax expense	$ (19.8)	$ (29.2)	$ (64.0)	$ (62.3)
Deferred tax benefit	10.2	2.9	40.3	7.1
Total income tax expense	$ (9.6)	$ (26.3)	$ (23.7)	$ (55.2)

(13) Owners' Equity

Effective September 1, 2017, we increased our ownership in Cable & Wireless (Barbados) Limited (**C&W Barbados**) from 81.1% to 100% by acquiring all of the issued and outstanding common shares of C&W Barbados that we did not already own for Barbadian dollars (**Bds**) of Bds$2.86 per share (the **C&W Barbados NCI Acquisition**). As of September 30, 2017, Bds$60.5 million ($30.3 million) of the consideration was paid, including Bds$1.7 million ($0.9 million) in transaction fees, and the remaining Bds$18.7 million ($9.4 million) was recorded as a liability in our condensed consolidated balance sheet.

(14) Finance Expense and Finance Income

Finance expense is composed of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
	in millions			
Interest expense on third-party debt	$ 63.4	$ 60.0	$ 183.8	$ 188.2
Losses on debt extinguishment	161.0	—	189.2	41.8
Foreign currency transaction losses, net	15.9	—	29.4	—
Realized and unrealized losses on derivative instruments (note 4)	—	—	—	28.4
Amortization of deferred financing costs and accretion of discounts	2.4	2.2	7.7	6.8
Other interest expense	1.0	1.8	3.9	4.6
Total	$ 243.7	$ 64.0	$ 414.0	$ 269.8

Finance income is composed of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
	in millions			
Interest on related-party loans receivable (note 19)	$ 1.0	$ 2.9	$ 4.8	$ 5.7
Interest on cash and bank deposits	1.0	0.8	2.4	2.1
Realized and unrealized gains on derivative instruments (note 4)	11.7	6.9	54.9	—
Foreign currency transaction gains, net	—	1.7	—	25.2
Other interest income	—	0.7	—	3.9
Other financial income items	(0.2)	1.8	2.3	1.6
Total	$ 13.5	$ 14.8	$ 64.4	$ 38.5

(15) Employee Benefit Plans

The acquisition of C&W by Liberty Global constituted a "change of control" under a contingent funding agreement between C&W and the trustee of the CWSF (the **Contingent Funding Agreement**). Under the terms of the Contingent Funding Agreement, the change in control provided the trustee of the CWSF with the right to satisfy certain funding requirements of the CWSF through the utilization of letters of credit aggregating £100.0 million that were put in place in connection with the Columbus Acquisition. On June 26, 2017, the trustee of the CWSF elected to utilize the funding right under these letters of credit and, accordingly, we contributed £100.0 million ($129.6 million at the applicable rate) to the CWSF on July 3, 2017, comprising $79.6 million (equivalent) of existing cash and $50.0 million of borrowings under the C&W Revolving Credit Facility.

Taking into account the aforementioned £100.0 million contribution and based on the triennial valuation that was completed in July 2017, no funding deficit exists with respect to the CWSF. As a result, we do not expect to make material contributions to the CWSF through April 2019.

In connection with a mid-year actuarial valuation of the Cable & Wireless Superannuation Fund (**CWSF**) as of June 30, 2017, we recorded an actuarial loss in the value of our defined benefit pension plans of $41.8 million in our condensed consolidated statement of comprehensive loss.

(16) Employee and Other Staff Expenses

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Salaries and wages	$ 68.6	$ 64.0	$ 201.1	$ 205.6
Severance and termination benefits (a)	7.3	—	21.1	(16.1)
Contract and other labor	6.8	6.2	18.4	16.6
Social security	4.3	4.1	13.3	11.4
Share-based compensation	2.1	2.7	6.2	33.7
Defined benefit pension plan costs	—	2.1	1.2	20.7
Other costs	2.1	2.8	7.0	7.2
Total	$ 91.2	$ 81.9	$ 268.3	$ 279.1

(a) The amount for the nine months ended September 30, 2016 includes the release of certain redundancy provisions.

(17) Other Operating Expense

Our other operating expense is composed of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Property and utilities costs	$ 28.2	$ 25.7	$ 83.1	$ 73.1
Consultancy costs	17.7	20.3	55.2	55.1
Marketing and advertising expenses	15.8	19.3	48.9	51.3
Bad debt and collection expenses	14.0	14.0	44.9	40.5
License fees, duties, tariffs and other related expenses	8.0	5.8	22.9	19.2
Information technology costs	6.9	4.6	18.9	14.3
Direct acquisition costs	—	1.0	3.3	54.7
Other items (a)	30.2	27.5	74.5	46.3
Total	$ 120.8	$ 118.2	$ 351.7	$ 354.5

(a) The amount for the nine months ended September 30, 2016 includes the release of certain redundancy and other provisions.

(18) Other Operating Income

Our other operating income is composed of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Litigation provision releases	$ —	$ —	$ —	$ 23.5
Gains on disposal of property and equipment	—	8.8	—	13.7
Other income	0.6	—	2.8	4.4
Total	$ 0.6	$ 8.8	$ 2.8	$ 41.6

(19) Related-party Transactions

One of our wholly owned subsidiaries, Cable & Wireless (Investments) Limited, is a captive insurance entity (the **Captive**). During 2017, the Captive implemented an integrated group property and business interruption insurance program covering all markets in the LiLAC Group, including the LiLAC Group's operations in Puerto Rico (Liberty Puerto Rico) and Chile (VTR), neither of which are consolidated by C&W. Under this program, the markets in the LiLAC Group, including Liberty Puerto Rico and VTR, pay insurance premiums to a third-party insurance carrier, while the Captive receives premiums from the third-party insurance carrier related to the Captive's retained risk described below. In September 2017, Hurricane Maria and, to a lesser extent, Hurricane Irma caused extensive damage to Puerto Rico's infrastructure, including Liberty Puerto Rico's broadband communications network and the power supply and transmission system needed to operate its network. Liberty Puerto Rico will sustain significant losses from the hurricanes primarily as a result of sustained service outages and costs required to restore its network. The insurance policy within the Captive covers the markets in the LiLAC Group up to a limit of $75 million per occurrence, which is generally subject to self-insurance of $15 million per occurrence, of which $3 million is generally the responsibility of the impacted operations. Accordingly, the Captive is expected to absorb losses associated with insurance claims made by Liberty Puerto Rico. For example, assuming Liberty Puerto Rico's actual or probable claims under an occurrence exceeds $15 million and assuming that Liberty Puerto Rico absorbs $3 million of self-insurance for such occurrence, the Captive would absorb the remaining $12 million of self-insurance related to the Liberty Puerto Rico occurrence through the reinsurance provided to the third-party insurance carrier. At September 30, 2017, no amounts have been accrued with respect to the Captive's share of self-insurance

obligations for hurricane losses sustained by Liberty Puerto Rico. The Captive's ultimate self-insurance obligation related to Liberty Puerto Rico will depend on the number of occurrences and the amount of covered claims at Liberty Puerto Rico under the integrated policy.

Our related-party transactions consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	**2016**
	in millions			
Revenue	$ 1.9	$ 4.6	$ 7.7	$ 12.4
Operating costs	(0.8)	(0.9)	(2.4)	(2.8)
Fees and allocations	(0.7)	—	(3.3)	—
Included in operating income	0.4	3.7	2.0	9.6
Interest income	1.0	2.9	4.8	5.7
Included in net earnings (loss)	$ 1.4	$ 6.6	$ 6.8	$ 15.3

Revenue. These amounts represent (i) certain transactions with affiliates 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 Carve-out Entities to operate and manage their business under a management services agreement (**MSA**) prior to the Carve-out Acquisition.

Operating costs. These amounts represent fees associated with our use of products and services, network and access charges from affiliates.

Fees and allocations. These amounts represent fees charged to our company that originate with Liberty Global and certain other Liberty Global subsidiaries and include charges for management, finance, legal, technology and other corporate and administrative services provided to our company. The amounts allocated represent our estimated share of the actual costs incurred by Liberty Global's operations, without a mark-up, and are expected to be cash settled.

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

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

	September 30, 2017	December 31, 2016
	in millions	
Assets:		
Loans receivable (a)	$ —	$ 86.2
Other receivables (b)	2.4	46.9
Interest receivable (c)	—	2.3
Total current assets	2.4	135.4
Noncurrent assets – note receivable (d)	59.5	54.4
Total assets	$ 61.9	$ 189.8
Liabilities:		
Trade and other payables (e)	$ 11.4	$ 22.7
Deferred revenue and advance payments (f)	0.9	0.9
Total current liabilities	12.3	23.6
Other noncurrent liabilities (f)	6.3	7.0
Total liabilities	$ 18.6	$ 30.6

(a) Represents loans receivable from New Cayman that bore interest at 8.0% per annum. In connection with the Carve-out Acquisition, these loans were settled in exchange for the equity of the Carve-out Entities.

(b) Represents (i) non-interest bearing receivables due from New Cayman (nil and $45.5 million at September 30, 2017 and December 31, 2016, respectively) and (ii) non-interest bearing receivables due from certain Liberty Global subsidiaries. These amounts are included in trade and other receivables in our condensed consolidated statements of financial position.

(c) Represents accrued interest as of December 31, 2016 on the LGE Coral Holdco Note, as defined and described below.

(d) Represents principal ($56.7 million) and accrued interest as of September 30, 2017 related to a note receivable due from LGE Coral Holdco (**LGE Coral Holdco Note**), primarily related to certain fees and taxes we paid on our parent company's behalf in 2016. The LGE Coral Holdco Note bears interest at 6.41% per annum, matures in May 2025 and is denominated in British pounds sterling. The principal balance of the LGE Coral Holdco Note increased during the nine months ended September 30, 2017 due to the transfer of $2.3 million in non-cash accrued interest.

(e) Represents (i) non-interest bearing amounts owed by us to New Cayman (nil and $19.4 million at September 30, 2017 and December 31, 2016, respectively) and (ii) non-interest bearing payables to (a) certain Liberty Global subsidiaries and (b) LGE Coral Holdco related to certain financing costs paid on our behalf.

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

(20) 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-cancellable operating leases and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of September 30, 2017:

	Payments due during:							
	Remainder of 2017	2018	2019	2020	2021	2022	Thereafter	Total
	in millions							
Network and connectivity commitments	$ 30.5	$ 27.3	$ 20.7	$ 16.8	$ 13.6	$ 10.4	$ 19.1	$ 138.4
Purchase commitments	85.1	23.3	14.3	3.6	1.7	1.7	5.1	134.8
Programming commitments	25.7	52.2	7.8	2.2	0.3	—	—	88.2
Operating leases	7.0	12.6	8.7	6.8	5.0	4.4	8.5	53.0
Other commitments	6.2	1.5	0.3	—	—	—	—	8.0
Total (a)	$ 154.5	$ 116.9	$ 51.8	$ 29.4	$ 20.6	$ 16.5	$ 32.7	$ 422.4

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(a) The commitments included in this table do not reflect any liabilities that are included in our September 30, 2017 condensed consolidated statement of financial position.

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 significantly 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.

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 condensed consolidated statements of operations include the amortization of certain live-programming rights in certain of our markets.

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 September 30, 2017 and 2016, see note 4.

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. In addition, we have provided indemnifications of (a) up to $300.0 million in respect of any potential tax-related claims related to the disposal of our interests in certain businesses in April 2013 and (b) an unlimited amount of qualifying claims associated with the disposal of another business in May 2014. The first indemnification expires in April 2020 and the second expires in May 2020. We do not expect that either of these arrangements will require us to make material payments to the indemnified parties.

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 and the Seychelles, 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, mobile and content 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 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.

(21) Segment Reporting

Effective January 1, 2017, we disaggregated our Caribbean reportable segment into the following reportable segments: (i) Jamaica, (ii) Trinidad and Tobago, (iii) Barbados and (iv) Ventures and other, which primarily includes our Ventures group, Cayman Islands and other less significant operating entities. This change is based on our new operating structure and aligns with how our chief operating decision maker reviews our operating results. Accordingly, our comparative periods have been retroactively revised to reflect these changes.

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. In certain cases, we may elect to include an operating segment in our segment disclosure that does not meet this described criteria for a reportable segment.

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

As of September 30, 2017, our reportable segments are as follows:

- Jamaica
- Trinidad and Tobago
- Barbados
- Ventures and other
- Panama
- The Bahamas Telecommunications Company Limited (**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 business-to-business (**B2B**) services. Our Networks and LatAm segment primarily derives its revenue from broadband connectivity solutions to businesses and government institutions. At September 30, 2017, our reportable segments provide broadband communications and other services in over 40 countries, primarily in the Caribbean and Latin America.

Revenue of our Reportable Segments

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Panama	$ 155.0	$ 154.1	$ 462.8	$ 477.4
Ventures and other	101.5	102.8	304.9	314.5
Jamaica	89.0	81.0	260.5	243.6
Networks and LatAm	89.1	71.7	258.4	210.2
BTC	62.8	72.2	201.0	233.8
Trinidad and Tobago	38.6	40.7	119.1	126.9
Barbados	41.1	42.6	122.7	129.9
Seychelles	15.2	14.9	45.7	44.0
	592.3	580.0	1,775.1	1,780.3
Corporate and intersegment eliminations	(12.5)	(12.4)	(35.1)	(31.6)
Total	$ 579.8	$ 567.6	$ 1,740.0	$ 1,748.7

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 condensed consolidated statements of cash flows. For additional information concerning capital additions financed under finance lease arrangements, see note 8.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Panama	$ 31.5	$ 10.4	$ 68.4	$ 64.0
Jamaica	22.2	17.2	48.1	57.4
BTC	14.9	14.8	39.8	55.2
Ventures and other	14.8	10.0	31.0	29.9
Trinidad and Tobago	10.6	7.5	21.9	29.3
Networks and LatAm	8.3	17.7	20.6	50.6
Barbados	7.4	5.6	17.0	23.6
Seychelles	1.3	1.5	4.9	2.7
Corporate	8.4	11.0	28.9	37.1
Total property, equipment and intangible asset additions	119.4	95.7	280.6	349.8
Assets acquired under finance leases	(1.3)	(12.8)	(3.4)	(16.1)
Changes in current liabilities related to capital expenditures	16.5	14.2	11.7	9.4
Total capital expenditures	$ 134.6	$ 97.1	$ 288.9	$ 343.1

Revenue by Major Category

Our revenue by major category is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Subscription revenue (a):				
Video	$ 41.5	$ 41.8	$ 123.4	$ 130.9
Broadband internet	50.6	49.7	153.2	156.2
Fixed-line telephony	28.5	30.4	90.5	96.5
Fixed-line subscription revenue	120.6	121.9	367.1	383.6
Mobile	162.5	171.6	484.5	520.1
Total subscription revenue	283.1	293.5	851.6	903.7
Other revenue (b)	296.7	274.1	888.4	845.0
Total	$ 579.8	$ 567.6	$ 1,740.0	$ 1,748.7

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

Geographic Segments

The external revenue of our geographic segments is set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	in millions			
Panama	$ 160.1	$ 159.4	$ 477.2	$ 489.3
Jamaica	87.3	79.1	255.0	240.2
The Bahamas	62.1	71.7	199.1	233.3
Barbados	58.5	55.7	180.0	159.5
Trinidad and Tobago	38.9	40.4	120.1	125.3
Seychelles	15.2	14.9	45.7	44.0
Other	157.7	146.4	462.9	457.1
Total	$ 579.8	$ 567.6	$ 1,740.0	$ 1,748.7

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 condensed consolidated financial statements and the discussion and analysis included in our 2016 annual report, 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.
- *Material Changes in Results of Operations.* This section provides an analysis of our results of operations for the three and nine months ended September 30, 2017 and 2016.
- *Material Changes in Financial Condition.* This section provides an analysis of our parent and subsidiary liquidity, condensed consolidated statements of cash flows and contractual commitments.

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

Unless otherwise indicated, convenience translations into U.S. dollars are calculated as of September 30, 2017.

Forward-looking Statements

Certain statements in this quarterly report constitute forward-looking statements. To the extent that statements in this quarterly 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 *Management's Discussion and Analysis of Financial Condition and Results of Operations* may contain forward-looking statements, including statements regarding our business, product, foreign currency and finance strategies, our property, equipment and intangible asset additions, subscriber growth and retention rates, competitive, regulatory and economic factors, the timing and impacts of proposed transactions, the maturity of our markets, the anticipated impacts of new legislation (or changes to existing rules and regulations), anticipated changes in our revenue, costs or growth rates, our liquidity, credit risks, foreign currency risks, target leverage levels, our future projected contractual commitments and cash flows 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 following list of some 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;
- customer 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 expect to 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 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 planned new build and upgrade activities;
- the availability of capital for the acquisition and/or development of telecommunications networks and services;
- certain factors outside of the our control that may impact the timing and extent of the restoration of our networks and services in the Impacted Markets following Hurricanes Irma and Maria, as further discussed under *Overview* below;
- 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
- 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 quarterly 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 quarterly 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.

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 communication services and provide wholesale communication services over our sub-sea and terrestrial fiber optic cable networks that connect over 40 markets across the region. Our primary markets include Panama, Jamaica, the Bahamas, Barbados and Trinidad and Tobago.

On April 1, 2017, we completed the acquisition of the Carve-out Entities. The Carve-out Acquisition impacts the comparability of our 2017 and 2016 results of operations. For further information regarding the Carve-out Acquisition, see note 3 to our condensed consolidated financial statements.

Impacts of Hurricanes

In September 2017, Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to homes, businesses and infrastructure in these markets. The most extensive damage occurred in the British Virgin Islands, Dominica and Puerto Rico and, to a lesser extent, in Anguilla and Turks & Caicos. In these collective areas, services to the majority of our fixed-line customers have not yet been restored. While mobile services have been largely restored in our Impacted Markets, we are still in the process of completing the restoration of our mobile network infrastructure. During the three months ended June 30, 2017, the Impacted Markets collectively accounted for 5.3% and 4.4% of our revenue and Adjusted Segment EBITDA (as defined below), respectively. Below we have included the net impact of the hurricanes on the revenue of the Impacted Markets during the three months ended September 30, 2017. Our assessment of the losses attributable to the hurricanes is ongoing, and as discussed and quantified below, we expect to incur additional costs and losses during the fourth quarter of 2017 and beyond as we restore the damaged networks and reconnect customers. We are uncertain as to the timing and extent of our restoration and reconnection efforts in the Impacted Markets.

We maintain an integrated group property and business interruption insurance program covering all Impacted Markets up to a limit of $75 million per occurrence, which is generally subject to $15 million per occurrence of self-insurance. Although we are in the early stages of assessing the alternatives under our insurance policy, we currently believe that the hurricanes will result in at least one occurrence with respect to the Impacted Markets. This policy is subject to the normal terms and conditions applicable to this type of insurance. We expect that the insurance recovery will only cover a portion of the incurred losses of each of our impacted businesses. We have not recognized any potential insurance proceeds related to the hurricane losses, and we do not currently expect to receive any significant reimbursement in 2017.

During the three months ended September 30, 2017, the effects of the hurricanes negatively impacted our revenue and Adjusted Segment EBITDA by an estimated $3 million and $9 million, respectively. We currently estimate that more than $50 million of property and equipment additions would be required to restore 100% of the damaged networks in the Impacted Markets, and that the effects of the hurricanes will negatively impact our revenue and Adjusted Segment EBITDA by between $15 million to $25 million during the fourth quarter of 2017. Although these negative impacts will decline as the networks are restored and customers are reconnected, we expect that the adverse impacts of the hurricanes on our revenue and Adjusted Segment EBITDA may continue through 2018 and beyond. These estimates are preliminary and are subject to change.

For information regarding impairment charges that have been recorded as a result of Hurricanes Irma and Maria, see note 8 to our condensed consolidated financial statements. For information regarding the impacts of Hurricanes Irma and Maria on our outstanding debt, see note 9 to our condensed consolidated financial statements. For information regarding our captive insurance entity's retained risk associated with Liberty Puerto Rico, see note 19 to our condensed consolidated financial statements.

Operations

As described above, Hurricanes Irma and Maria caused significant damage to our operations in the Impacted Markets, resulting in disruptions to our telecommunications services within these locations. As we are still in the process of assessing the operational impacts of the hurricanes in the Impacted Markets, we are unable to accurately estimate our homes passed and subscriber numbers in these areas as of September 30, 2017. Accordingly, the homes passed and subscriber numbers in the following paragraph include such amounts as of August 31, 2017 for the Impacted Markets.

At September 30, 2017 (or August 31, 2017 for the Impacted Markets), we (i) provided services to 3,458,400 mobile subscribers and (ii) owned and operated networks that passed 1,899,800 homes and served 1,590,800 revenue generating units (**RGU**s),

comprising 610,200 fixed-line telephony subscribers, 594,000 broadband internet subscribers and 386,600 video subscribers. These amounts include the August 31, 2017 data of the Impacted Markets, which accounted for 64,700 homes passed and served 37,000 RGUs as of that date. Currently, a high percentage of the RGUs within the Impacted Markets relate to households and businesses to which we have not yet restored service. At August 31, 2017, the Impacted Markets accounted for 66,400 of our mobile subscribers.

Competition and other external factors

We are facing challenging economic environments in many of our markets, most notably in Trinidad and Tobago and Barbados. 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, fixed-line competition has increased in Trinidad and Tobago, Jamaica and Barbados. 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 our 2016 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**). For additional information regarding the revenue impact of changes in RGUs and ARPU, see *Material Changes in Results of Operations* below.

In addition, high levels of sovereign debt in the U.S. and several countries in which we operate, 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. The occurrence of any of these events could have an adverse impact on, among other matters, our liquidity and cash flows.

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. As we use the term, "**Adjusted Segment EBITDA**" is defined as "EBITDA" (earnings before net financial expense (income), income taxes and depreciation, amortization and impairment) 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) equity earnings or loss of affiliate.

Material Changes in Results of Operations

The comparability of our operating results during 2017 and 2016 is affected by the Carve-out Acquisition and foreign currency translation effects (**FX**). As we use the term, organic changes exclude FX and the estimated impact of acquisitions and dispositions.

In the following discussion, we quantify the estimated impact of acquisitions (the **Acquisition Impact**) on our operating results. The Acquisition Impact represents our estimate of the difference between the operating results of the periods under comparison that is attributable to an acquisition. In general, we base our estimate of the Acquisition Impact on an acquired entity's operating results during the first three to six months following the acquisition date, as adjusted to remove integration costs and any other material unusual or nonoperational items, such that changes from those operating results in subsequent periods are considered to be organic changes. Accordingly, in the following discussion, (i) organic variances attributed to an acquired entity during the first 12 months following the acquisition date represent differences between the Acquisition Impact and the actual results and (ii) the calculation of our organic change percentages includes the organic activity of an acquired entity relative to the Acquisition Impact of such entity.

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 three months ended September 30, 2017 was to the Jamaican dollar, Trinidad and Tobago dollar and Colombian peso. In addition, our reported operating results are impacted by changes in the exchange rates for other local currencies in the Caribbean, Latin America and the Seychelles. The portions of the changes in the various components of our results of operations that are attributable to changes in FX are highlighted under *Material Changes in Results of Operations* below.

General

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 21 to our condensed 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 three and nine months ended September 30, 2017 and 2016, mobile subscription revenue excludes the related interconnect revenue.

Most of our revenue is derived from jurisdictions that administer 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 costs and expenses and corresponding declines in our Adjusted Segment EBITDA and Adjusted Segment EBITDA margin (Adjusted Segment EBITDA divided by revenue) 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.

We are subject to inflationary pressures with respect to certain costs and foreign currency exchange risk with respect to costs and expenses that are denominated in currencies other than the respective functional currencies of our reportable segments (**non-functional currency expense**). Any cost increases that we are not able to pass on to our subscribers through rate increases would result in increased pressure on our operating margins.

Revenue

General. While not specifically discussed in the below explanations of the changes in our revenue, we are experiencing significant competition in all of our markets. This competition has an adverse impact on our ability to increase or maintain our RGUs and/or ARPU.

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.

Three months ended September 30, 2017 compared to three months ended September 30, 2016

Our revenue by major category is set forth below:

	Three months ended September 30,		Increase (decrease)		Organic increase (decrease)
	2017	**2016**	**$**	**%**	**%**
	in millions, except percentages				
Subscription revenue (a):					
Video	$ 41.5	$ 41.8	$ (0.3)	(0.7)	0.2
Broadband internet	50.6	49.7	0.9	1.8	2.4
Fixed-line telephony	28.5	30.4	(1.9)	(6.3)	(5.9)
Fixed-line subscription revenue	120.6	121.9	(1.3)	(1.1)	(0.4)
Mobile (b)	162.5	171.6	(9.1)	(5.3)	(5.0)
Total subscription revenue	283.1	293.5	(10.4)	(3.5)	(3.1)
Other revenue (b) (c)	296.7	274.1	22.6	8.2	5.9
Total	$ 579.8	$ 567.6	$ 12.2	2.1	1.3

(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 $12.6 million and $12.1 million during the three months ended September 30, 2017 and 2016, respectively.

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

Total revenue. Our consolidated revenue increased $12.2 million during the three months ended September 30, 2017, as compared to the corresponding period in 2016. Excluding the effects of the Carve-out Acquisition and FX, our consolidated revenue increased $7.6 million or 1.3%.

Subscription revenue. The details of the decrease in our consolidated subscription revenue during the three months ended September 30, 2017, as compared to the corresponding period in 2016, are set forth below (in millions):

Decrease in fixed-line subscription revenue due to change in:	
Average number of RGUs (a)	$ (0.9)
ARPU (b)	2.9
Impact of hurricanes on fixed-line subscription revenue (c)	(2.5)
Total decrease in fixed-line subscription revenue	(0.5)
Decrease in mobile subscription revenue (d)	(8.3)
Impact of hurricanes on mobile subscription revenue (c)	(0.3)
Total organic decrease in fixed-line subscription revenue	(9.1)
Impact of FX	(1.3)
Total	$ (10.4)

(a) The decrease in fixed-line subscription revenue related to changes in the average number of RGUs for the three-month comparison is primarily attributable to a decrease in the average number of video RGUs.

(b) The increase in fixed-line subscription revenue related to changes in ARPU for the three-month comparison is primarily attributable to the net effect of (i) net increases due to (a) higher ARPU from broadband internet and (b) lower ARPU from fixed-line telephony services and (ii) adverse changes in RGU mix.

(c) Amounts represent customer credits recorded through September 30, 2017 associated with service interruptions resulting from the hurricanes. For additional information, see "*—Overview*" above.

(d) The decrease in mobile subscription revenue for the three-month comparison is primarily due to lower revenue in the Bahamas associated with decreases in the average number of subscribers and lower ARPU, primarily driven by the commercial launch of mobile services by a competitor during the fourth quarter of 2016.

Other revenue. The increase in other revenue is primarily attributable to the net effect of (i) higher revenue from wholesale services, data services, interconnect fees, video services and installation fees and (ii) lower revenue from fixed-line telephony services. In addition, the increase includes $0.9 million of an organic impact associated with wholesale revenue recognized on a cash basis during the third quarter of 2017 related to services provided to a significant customer in prior quarters.

Operating Costs and Expenses

Our consolidated operating costs and expenses increased $22.3 million or 4.4% during the three months ended September 30, 2017, as compared to the corresponding period in 2016. Excluding the effects of the Carve-out Acquisition and FX, our operating costs and expenses increased $13.3 million or 2.6%.

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

	Three months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2017	2016	$	%	$	%
	in millions, except percentages					
Employee and other staff expenses (a)	$ 91.2	$ 81.9	$ 9.3	11.4	$ 8.7	10.6
Interconnect costs (b)	49.2	47.6	1.6	3.4	1.8	3.8
Network costs (c)	41.8	37.8	4.0	10.6	3.7	9.8
Programming expenses (d)	36.0	32.4	3.6	11.1	4.2	13.0
Equipment sales expenses (e)	19.0	21.2	(2.2)	(10.4)	(2.0)	(9.4)
Managed services costs (f)	23.1	23.8	(0.7)	(2.9)	(5.3)	(22.3)
Depreciation and amortization (g)	140.6	117.3	23.3	19.9	20.7	17.6
Impairment expense (h)	11.7	39.1	(27.4)	(70.1)	(27.4)	(70.1)
Other operating expenses (i)	120.8	118.2	2.6	2.2	0.7	0.6
Other operating income (j)	(0.6)	(8.8)	8.2	(93.2)	8.2	(93.2)
Total	$ 532.8	$ 510.5	$ 22.3	4.4	$ 13.3	2.6

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(a) The organic increase in employee and other staff expenses is primarily due to (i) higher restructuring activities, primarily in connection with the Liberty Global integration and (ii) an increase in incentive compensation costs.

(b) The organic increase in interconnect costs is primarily due to higher international transit traffic in Jamaica.

(c) The organic increase in network costs is primarily due to higher maintenance costs, including approximately $1.5 million due to the impact of Hurricanes Irma and Maria.

(d) The organic increase in programming expenses is primarily resulting from increased costs associated with premium content, due to the carriage of live Premier League games. In August 2016, we began broadcasting live Premier League games in a number of our markets pursuant to a new multi-year agreement. The cost of the rights to broadcast these games represents a significant portion of our programming costs.

(e) The organic decrease in equipment sales expenses is primarily due to lower mobile handset sales in Panama and, to a lesser extent, Barbados, Jamaica and the Cayman Islands.

(f) The organic decrease in managed services costs is primarily due to favorable mix of lower cost managed services projects.

(g) The organic increase in depreciation and amortization expense is primarily due to accelerated amortization in the 2017 period of existing mobile spectrum licenses in Jamaica, due to newly acquired licenses that become effective in the fourth quarter of 2017, and, to a lesser extent, property, equipment and intangible asset additions.

(h) The impairment charges recorded during the 2017 period are based on our initial estimates of the impacts on our operations from Hurricanes Irma and Maria to the Impacted Markets to reduce the carrying values of property and equipment that was damaged beyond repair. These impairment charges are based on our assessments of currently available information and, accordingly, it is possible that further impairment charges will be required as additional information becomes available regarding the impacts of the hurricanes on our networks and the macro-economic, competitive and demographic trends within the Impacted Markets. The impairment charges recorded during the 2016 period include a $35.1 million charge related to the write-down of our investment in TSTT.

If, among other factors, (i) our enterprise value or the equity values of the LiLAC Group were to decline 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. Additionally, as discussed in note 8, further impairment charges could be recorded with respect to the Impacted Markets as more information becomes available regarding the impacts of Hurricanes Irma and Maria. Any such impairment charges could be significant.

(i) The organic increase in other operating expenses is primarily due to the net effect of (i) a decrease in marketing expenses largely due to marketing costs incurred in connection with the Summer Olympic Games during the 2016 period, (ii) a decrease related to lower direct acquisition and integration related costs, (iii) a decrease in professional fees due to cost reduction initiatives, (iv) a decrease in travel costs, (v) an increase in information technology related expenses, primarily due to higher software and other information technology-related maintenance costs, (vi) an increase in property and utility costs due to lower vendor credits, (vii) lower insurance costs and (viii) a net increase in other administrative related expenses.

(j) The organic decrease in other operating income is primarily due to lower gains on the disposition of property and equipment.

Financial income (expense)

Financial income (expense) primarily includes interest expense, interest income, realized and unrealized gains or losses on our derivative instruments, foreign currency transaction gains or losses, net, and losses on debt extinguishment. As further described below and in note 14 to our condensed consolidated financial statements, we recorded total financial expense, net, of $230.2 million and $49.2 million during the three months ended September 30, 2017 and 2016, respectively.

Interest expense

Interest expense increased $2.6 million or 4.2% during the three months ended September 30, 2017, as compared to the corresponding period in 2016. This increase is primarily attributable to higher average outstanding debt balances, that were only partially offset by lower weighted average interest rates related to the completion of certain refinancing transactions, including the redemption of the Columbus Senior Notes in September 2017, that resulted in extended maturities and decreases to certain of our interest rates. For additional information regarding our outstanding indebtedness, see note 9 to our condensed 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 4 to our condensed consolidated financial statements, we use derivative instruments to manage our interest rate risks.

Realized and unrealized gains (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 gains (losses) on derivative instruments, net, are as follows:

	Three months ended September 30,	
	2017	2016
	in millions	
Embedded derivatives	$ 6.0	$ 12.4
Cross-currency and interest rate derivative contracts (a)	7.5	(5.5)
Forward exchange contracts	(1.8)	—
Total	$ 11.7	$ 6.9

(a) The gain during the 2017 period is attributable to gains associated with increases in market interest rates in the U.S. dollar market. In addition, the gain during the 2017 period includes a net gain of $0.3 million resulting from changes in our credit risk valuation adjustments. The loss during the 2016 period is attributable to losses associated with increases in market interest rates in the U.S. dollar market. In addition, the loss during the 2016 period includes a net gain of $1.9 million resulting from changes in our credit risk valuation adjustments.

For additional information concerning our derivative instruments, see note 4 to our condensed consolidated financial statements.

Foreign currency transaction gains (losses), net

We recognized foreign currency transaction gains (losses), net, of ($15.9 million) and $1.7 million during the three months ended September 30, 2017 and 2016, respectively. These amounts primarily relate to the remeasurement of monetary assets and liabilities, including certain pension obligations and debt, 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 on debt extinguishment of $161.0 million during the three months ended September 30, 2017 related to the redemption of the Columbus Senior Notes. This loss includes (i) the payment of $85.1 million of redemption premiums, (ii) the write-off of $65.2 million related to the Columbus Senior Notes redemption option and (iii) the write-off of $10.7 million of unamortized discounts and deferred financing costs.

Interest income

We recognized interest income of $2.0 million and $4.4 million during the three months ended September 30, 2017 and 2016, respectively. These amounts primarily relate to (i) interest on our loans receivable and cash and cash equivalents and (ii) late fees charged on delinquent customer accounts.

Income tax expense

Income tax expense attributable to our loss before income taxes for the three months ended September 30, 2017 differs from the expected income tax benefit computed by applying the U.K. tax rate as a result of the following (in millions):

Income tax benefit at U.K. statutory tax rate (a)	$	35.3
International rate differences (b)		(38.1)
Adjustments relating to prior years		(6.5)
Non-deductible or non-taxable interest and other expenses		4.3
Effect of changes in unrecognized deferred tax assets		(4.1)
Effect of withholding tax and intra-group dividends		(3.2)
Non-deductible foreign exchange results		2.7
Total income tax expense	$	(9.6)

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(a) The statutory or "expected" tax rate is the U.K. rate of 19.25%. The statutory rate represents the blended rate that will be in effect for the year ending December 31, 2017 based on the 20.0% statutory rate that was in effect for the first quarter of 2017 and the 19.0% statutory rate that will be in effect for the remainder of 2017.

(b) Amounts reflect adjustments to "expected" tax benefit for statutory rates in jurisdictions in which we operate outside of the U.K.

Net loss

We reported net losses of $192.8 million and $18.4 million during the three months ended September 30, 2017 and 2016, 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 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 $10.3 million and $17.1 million during the three months ended September 30, 2017 and 2016, respectively. Effective September 1, 2017, we acquired all of the issued and outstanding common shares of C&W Barbados that we did not already own. Profit or loss attributable to noncontrolling interests includes the noncontrolling interests' share of the results of our operations, primarily in Panama, the Bahamas, Jamaica and Barbados (for the 2016 period and the period from July 1, 2017 through September 1, 2017). For information regarding the acquisition of the noncontrolling interests in Barbados, see note 3 to our condensed consolidated financial statements.

Nine months ended September 30, 2017 compared to nine months ended September 30, 2016

The details of our revenue are as follows:

	Nine months ended September 30,		Increase (decrease)		Organic increase (decrease)
	2017	**2016**	**$**	**%**	**%**
		in millions			
Subscription revenue (a):					
Video	$ 123.4	$ 130.9	$ (7.5)	(5.7)	(3.7)
Broadband internet	153.2	156.2	(3.0)	(1.9)	(0.4)
Fixed-line telephony	90.5	96.5	(6.0)	(6.2)	(5.7)
Fixed-line subscription revenue	367.1	383.6	(16.5)	(4.3)	(2.9)
Mobile (b)	484.5	520.1	(35.6)	(6.8)	(6.3)
Total subscription revenue	851.6	903.7	(52.1)	(5.8)	(4.8)
Other revenue (b) (c)	888.4	845.0	43.4	5.1	3.4
Total	$ 1,740.0	$ 1,748.7	$ (8.7)	(0.5)	(0.8)

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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 $36.5 million and $36.0 million during the nine months ended September 30, 2017 and 2016, 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 $8.7 million during the nine months ended September 30, 2017, as compared to the corresponding period in 2016. Excluding the effects of the Carve-out Acquisition and FX, our consolidated revenue decreased $14.3 million or 0.8%.

Subscription revenue. The details of the decrease in our consolidated subscription revenue during the nine months ended September 30, 2017, as compared to the corresponding period in 2016, are set forth below (in millions):

Decrease in fixed-line subscription revenue due to change in:	
Average number of RGUs (a)	$ 0.1
ARPU (b)	(8.5)
Impact of hurricanes on fixed-line subscription revenue (c)	(2.5)
Total decrease in fixed-line subscription revenue	(10.9)
Decrease in mobile subscription revenue (d)	(32.5)
Impact of hurricanes on mobile subscription revenue (c)	(0.3)
Total organic decrease in subscription revenue	(43.7)
Impact of FX	(8.4)
Total	$ (52.1)

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(a) The increase in fixed-line subscription revenue related to changes in the average number of RGUs for the nine-month comparison is primarily attributable to the net effect of (i) increases in the average number of broadband internet and fixed-line telephony RGUs and (ii) a decrease in the average number of video RGUs.

(b) The decrease in fixed-line subscription revenue related to changes in ARPU for the nine-month comparison is primarily attributable to (i) lower ARPU from fixed-line telephony, broadband internet and video services and (ii) adverse changes in RGU mix.

(c) Amounts represent customer credits recorded through September 30, 2017 associated with service interruptions resulting from the hurricanes. For additional information, see "*—Overview*" above.

(d) The decrease in mobile subscription revenue for the three-month comparison is primarily due to lower revenue in the Bahamas associated with decreases in the average number of subscribers and lower ARPU, primarily driven by the commercial launch of mobile services by a competitor during the fourth quarter of 2016.

Other revenue. The increase in other revenue is primarily attributable to the net effect of (i) higher revenue from wholesale services, data services, interconnect fees, video services and installation fees and (ii) lower revenue from fixed-line telephony services. In addition, the increase includes $5.8 million of an organic impact associated with wholesale revenue recognized on a cash basis during the second and third quarters of 2017 related to services provided to a significant customer in prior quarters.

Operating Costs and Expenses

Our consolidated operating costs and expenses increased $171.4 million or 12.2% during the nine months ended September 30, 2017, as compared to the corresponding period in 2016. Excluding the effects of the Carve-out Acquisition and FX, our operating costs and expenses increased $163.0 million or 11.6%.

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

	Nine months ended September 30,		Increase (decrease)		Organic increase (decrease)	
	2017	2016	$	%	$	%
	in millions, except percentages					
Employee and other staff expenses (a)	$ 268.3	$ 279.1	$ (10.8)	(3.9)	$ (11.4)	(4.1)
Interconnect costs (b)	152.3	156.0	(3.7)	(2.4)	(0.5)	(0.3)
Network costs (c)	128.9	98.2	30.7	31.3	30.4	31.0
Programming expenses (d)	108.6	84.0	24.6	29.3	26.3	31.3
Equipment sales expenses (e)	68.6	73.5	(4.9)	(6.7)	(4.4)	(6.0)
Managed services costs (f)	65.6	68.7	(3.1)	(4.5)	(12.2)	(17.8)
Depreciation and amortization (g)	426.5	369.5	57.0	15.4	54.7	14.8
Impairment expense (recovery) (h)	13.7	(31.9)	45.6	(142.9)	45.6	(142.9)
Other operating expenses (i)	351.7	354.5	(2.8)	(0.8)	(4.2)	(1.2)
Other operating income (j)	(2.8)	(41.6)	38.8	(93.3)	38.7	(93.0)
Total	$ 1,581.4	$ 1,410.0	$ 171.4	12.2	$ 163.0	11.6

(a) The organic decrease in employee and other staff expenses is primarily due to the net effect of (i) a decrease in incentive compensation costs, primarily due to accelerated vesting of certain awards during the 2016 comparison period in connection with the Liberty Global Transaction, (ii) an increase in restructuring costs due to (a) the release of certain redundancy provisions in the 2016 period and (b) higher restructuring activities in the 2017 period, primarily in connection with the Liberty Global integration, and (iii) a decrease in curtailment costs associated with the Jamaica defined benefit pension plan.

(b) The organic decrease in interconnect costs is primarily due to (i) lower interconnect rates and (ii) lower fixed-line usage.

(c) The organic increase in network costs is primarily due to the net effect of (i) an increase due to the release of contract termination restructuring accruals in 2016, (ii) higher licensing fees, largely due to $4 million recorded in the second quarter of 2017 related to the reassessment of fees for prior year periods, and (iii) higher maintenance costs, including approximately $1.5 million due to the impact of Hurricanes Irma and Maria.

(d) The organic increase in programming expenses is primarily due to increased costs associated with premium content, due to the carriage of live Premier League games and higher costs associated with other sporting-related programming. In August 2016, we began broadcasting live Premier League games in a number of our markets pursuant to a new multi-year agreement. The cost of the rights to broadcast these games represents a significant portion of our programming costs.

(e) The organic decrease in equipment sales expenses is primarily due to lower mobile handset sales in Panama and, to a lesser extent, Barbados, Jamaica and the Cayman Islands.

(f) The organic decrease in managed services costs is primarily attributable to lower margin contracts during the 2016 period in Panama.

(g) The organic increase in depreciation and amortization expense is primarily due to a change in the estimated useful lives of certain customer relationships in connection with the Liberty Global Transaction, accelerated amortization of existing mobile spectrum licenses in Jamaica, due to newly acquired licenses that become effective in the fourth quarter of 2017, and, to a lesser extent, property, equipment and intangible asset additions.

(h) The details of our impairment expense (recovery) are as follows:

	Nine months ended September 30,	
	2017	2016
	in millions	
Impairment recovery	$ —	$ (74.3)
Impairment expense	13.7	42.4
Total	$ 13.7	$ (31.9)

The impairment charges recorded during the 2017 period include (i) our initial estimates of the impacts on our operations from Hurricanes Irma and Maria to the Impacted Markets to reduce the carrying values of property and equipment that was damaged beyond repair and (ii) the write-down of certain sub-sea cable system assets no longer in use. The impairment charges associated with the hurricanes are based on our assessments of currently available information and, accordingly, it is possible that further impairment charges will be required as additional information becomes available regarding the impacts of the hurricanes on our networks and the macro-economic, competitive and demographic trends within the Impacted Markets. The 2016 net impairment recovery includes (a) an impairment recovery of $74.3 million and (b) a $35.1 million charge related to the write-down of our investment in TSTT. During the year ended March 31, 2015, certain network assets in the legacy Columbus markets that overlapped with existing C&W markets were impaired based on the expected timing of customer migration to the C&W fiber networks. During the three months ended March 31, 2016, the timing of the migration plan was reassessed and extended. Accordingly, the discounted cash flow analysis associated with the 2015 impairment charge was revised to account for a change in the expected useful lives of the underlying assets, which resulted in the $74.3 million impairment recovery during the 2016 period.

(i) The organic decrease in other operating expenses is primarily due to the net effect of (i) a decrease related to lower direct acquisition and integration related costs, (ii) lower losses on the disposition of property and equipment, (iii) an increase due to a restructuring accrual release of $30.2 million in 2016, (iv) an increase in information technology related expenses, primarily due to higher software and other information technology-related maintenance costs, (v) an increase in bad debt expense, including an increase of approximately $4.2 million during the third quarter of 2017 that is attributable to the impacts of Hurricanes Irma and Maria, (vi) a decrease in travel costs, (vii) a decrease in marketing expenses largely due to marketing costs incurred in connection with the Summer Olympic Games during the 2016 period and (viii) a net increase in other administrative related expenses.

(j) The organic decrease in other operating income is primarily due to the net effect of (i) a release of legal provisions in 2016, (ii) lower gains on the disposition of property and equipment and (iii) higher equity earnings from an affiliate.

Financial income (expense)

As further described below and in note 14 to our condensed consolidated financial statements, we recorded total financial expense, net, of $349.6 million and $231.3 million during the nine months ended September 30, 2017 and 2016, respectively.

Interest expense

Interest expense decreased $5.1 million or 2.6% during the nine months ended September 30, 2017, as compared to the corresponding period in 2016. This decrease is primarily attributable to lower weighted average interest rates related to the completion of certain refinancing transactions, including the redemption of the Columbus Senior Notes in September 2017, that resulted in extended maturities and decreases to certain of our interest rates. The impact of the lower weighted average interest rates was partially offset by higher average outstanding debt balances. For additional information regarding our outstanding indebtedness, see note 9 to our condensed consolidated financial statements.

Realized and unrealized gains (losses) on derivative instruments, net

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

	Nine months ended September 30,	
	2017	**2016**
	in millions	
Embedded derivatives	$ 54.4	$ 35.4
Cross-currency and interest rate derivative contracts (a)	0.5	(28.1)
Accretion of Columbus Put Option	—	(35.7)
Total	$ 54.9	$ (28.4)

(a) The gain during the 2017 period is attributable to gains associated with increases in market interest rates in the U.S. dollar market. In addition, the gain during the 2017 period includes a net gain of $0.3 million resulting from changes in our credit risk valuation adjustments. The loss during the 2016 period is attributable to losses associated with increases in market interest rates in the U.S. dollar market. In addition, the loss during the 2016 period includes a net gain of $4.2 million resulting from changes in our credit risk valuation adjustments.

For additional information concerning our derivative instruments, see note 4 to our condensed consolidated financial statements.

Foreign currency transaction gains (losses), net

We recognized foreign currency transaction gains (losses), net, of ($29.4 million) and $25.2 million during the nine months ended September 30, 2017 and 2016, respectively.

Losses on debt extinguishment

We recognized losses on debt extinguishment of $189.2 million and $41.8 million during the nine months ended September 30, 2017 and 2016, respectively. The loss during the 2017 period includes (i) the payment of $85.1 million of redemption premiums, (ii) the write-off of $65.2 million related to the Columbus Senior Notes redemption option, (iii) the write-off of $33.4 million of unamortized discounts and deferred financing costs and (iv) the payment of $5.5 million of third-party costs. The loss during the 2016 period includes (a) the write-off of $24.3 million of unamortized discounts and deferred financing costs and (b) the payment of $17.5 million of redemption premiums.

Interest income

We recognized interest income of $7.2 million and $11.7 million during the nine months ended September 30, 2017 and 2016, respectively. These amounts primarily relate to (i) interest on our loans receivable and cash and cash equivalents and (ii) late fees charged on delinquent customer accounts.

Income tax expense

Income tax expense attributable to our loss before income taxes for the nine months ended September 30, 2017 differs from the expected income tax benefit computed by applying the U.K. tax rate as a result of the following (in millions):

Income tax benefit at U.K. statutory tax rate (a)	$	36.8
International rate differences (b)		(28.6)
Effect of withholding tax and intra-group dividends		(7.8)
Effect of changes in unrecognized deferred tax assets		(6.8)
Non-deductible foreign exchange results		(5.9)
Effect of intercompany financing		(5.6)
Enacted tax law and rate change		(3.8)
Adjustments relating to prior years		(2.5)
Non-deductible or non-taxable interest and other expenses		1.5
Other		(1.0)
Total income tax expense	$	(23.7)

(a) The statutory or "expected" tax rate is the U.K. rate of 19.25%. The statutory rate represents the blended rate that will be in effect for the year ending December 31, 2017 based on the 20.0% statutory rate that was in effect for the first quarter of 2017 and the 19.0% statutory rate that will be in effect for the remainder of 2017.

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

Net earnings (loss)

We reported net earnings (loss) of ($214.7 million) and $52.2 million during the nine months ended September 30, 2017 and 2016, respectively.

Earnings attributable to noncontrolling interests

We reported earnings attributable to noncontrolling interests of $30.2 million and $74.0 million during the nine months ended September 30, 2017 and 2016, respectively. Effective September 1, 2017, we acquired all of the issued outstanding common shares of C&W Barbados that we did not already own. Profit or loss attributable to noncontrolling interests includes the noncontrolling interests' share of the results of our operations, primarily in Panama, the Bahamas, Jamaica and Barbados (for the 2016 period and the period from January 1, 2017 through September 1, 2017). For information regarding the acquisition of the noncontrolling interests in Barbados, see note 3 to our condensed consolidated financial statements.

Material Changes in Financial Condition

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. Although our consolidated operating subsidiaries generate cash from operating activities, the terms of our subsidiaries' debt instruments restrict our ability to access the liquidity of these subsidiaries. These subsidiaries account for substantially all of our $285.6 million of consolidated cash and cash equivalents at September 30, 2017. 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.

Liquidity of C&W

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 C&W include (i) corporate general and administrative expenses and (ii) required funding of employee benefit plans. From time to time, C&W 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 International Finance Limited, a wholly-owned subsidiary of C&W, any borrowing availability under the C&W Revolving Credit Facility and borrowings available under the C&W Regional Facilities. Hurricanes Irma and Maria impacted a number of our markets in the Caribbean, resulting in varying degrees of damage to the homes, businesses and infrastructure in these markets. The operations of the Impacted Markets, together with certain of our other operations, support the debt outstanding under the C&W Notes and the C&W Credit Facilities. We expect that the effects of the hurricanes will not impact our ability to comply with the terms of the C&W Notes and the C&W Credit Facilities. For the details of the borrowing availability at September 30, 2017, see note 9 to our condensed 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 *Condensed 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 C&W (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 September 30, 2017, the outstanding principal amount of our consolidated debt, together with our finance lease obligations, aggregated $3,931.4 million, including $165.3 million that is classified as current in our condensed consolidated statement of financial position and $3,321.6 million that is not due until 2022 or thereafter. Our debt and finance lease obligations are all held by our subsidiaries. For additional information concerning our debt maturities, see note 9 to our condensed consolidated financial statements.

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 C&W 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 C&W Revolving Credit Facility will be sufficient to fund our currently anticipated working capital needs, capital expenditures (including more than $50 million of property and equipment additions that is currently expected to be required to restore 100% of the damaged networks in our Impacted Markets in connection with Hurricanes Irma and Maria) 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.

Condensed Consolidated Statements of Cash Flows

Summary. Our condensed consolidated statements of cash flows for the nine months ended September 30, 2017 and 2016 are summarized as follows:

	Nine months ended September 30,		
	2017	2016	Change
		in millions	
Net cash provided by operating activities	$ 189.2	$ 135.4	$ 53.8
Net cash used by investing activities	(296.7)	(318.5)	21.8
Net cash provided by financing activities	123.7	254.4	(130.7)
Effect of exchange rate changes on cash	(1.8)	(0.9)	(0.9)
Net increase in cash and cash equivalents	$ 14.4	$ 70.4	$ (56.0)

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 due to lower payments of interest, (ii) an increase in cash provided due to lower payments for taxes, (iii) a decrease in cash provided due to higher cash payments related to derivative instruments and (iv) a decrease in cash provided by our Adjusted Segment EBITDA and related working capital items.

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 $54.2 million related to lower capital expenditures and (ii) an increase in cash used of $19.9 million related to lower proceeds on available-for-sale investments.

The capital expenditures that we report in our condensed 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 condensed 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 8 and 9, respectively, to our condensed consolidated financial statements.

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

	Nine months ended September 30,	
	2017	2016
	in millions	
Property, equipment and intangible asset additions	$ 280.6	$ 349.8
Changes in current liabilities related to capital expenditures	11.7	9.4
Assets acquired under finance leases	(3.4)	(16.1)
Capital expenditures	$ 288.9	$ 343.1

The decrease in our property, equipment and intangible asset additions is largely due to timing of capital projects. During 2017 and 2016, our property, equipment and intangible asset additions represented 16.1% and 20.0% of our revenue, respectively.

We expect the percentage of revenue represented by our aggregate 2017 property, equipment and intangible asset additions to range from 18% to 20%. 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 decrease in net cash provided by our financing activities is primarily attributable to the net effect of (i) a decrease in cash provided of $222.9 million related to lower net borrowings of debt, (ii) an increase in cash provided of $193.8 million and $33.2 million due to lower dividends paid to shareholders and noncontrolling interests, respectively, (iii) an increase in cash provided of $77.5 million due to lower payments for financing costs and debt premiums and (iv) a decrease in cash provided of $15.8 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 September 30, 2017. The U.S. dollar equivalents presented below are based on interest rates and exchange rates that were in effect as of September 30, 2017. 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, see note 4 to our condensed consolidated financial statements.

	Payments (receipts) due during:							
	Remainder of 2017	2018	2019	2020	2021	2022	Thereafter	Total
	in millions							
Projected derivative cash payments (receipts), net:								
Interest-related (a)	$ 0.9	$ 37.9	$ 24.7	$ 22.7	$ 22.6	$ 22.3	$ 47.9	$ 179.0
Principal-related (b)	—	—	(2.2)	—	—	(1.0)	—	(3.2)
Total	$ 0.9	$ 37.9	$ 22.5	$ 22.7	$ 22.6	$ 21.3	$ 47.9	$ 175.8

(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 September 30, 2017, see note 9 to our condensed consolidated financial statements. For information concerning our contractual commitments as of September 30, 2017, see note 20 to our condensed consolidated financial statements.

In addition to the commitments set forth in note 20 to our condensed 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 September 30, 2017 and 2016, see note 4 to our condensed consolidated financial statements.