COLUMBUS INTERNATIONAL INC.

Consolidated Financial Statements
December 31, 2016

Columbus International Inc.
Windsor Lodge
Government Hill
St. Michael, Barbados

COLUMBUS INTERNATIONAL INC.

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Independent Auditors' Report

To the Directors of
Columbus International Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Columbus International Inc. ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations, comprehensive loss, changes in owner's deficit and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Barbados and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Consolidated Financial Statements, continued

Valuation of trade receivables, net \$98.3 million (see note 3 for accounting policies; and 4 and 7 for critical accounting estimates and judgments and other information)	
The Company has significant trade receivables with customers across the Caribbean and Latin America. Given the age profile and high debt levels and the level of judgement required in determining the provision levels on these balances, this is considered a significant risk.	Our audit procedures included among others: • Testing of controls over the Company's collection procedures, and the Company's assessment of the provision required at every period end; • Obtaining direct confirmations of the Company's receivable balances from customers, and testing the receipt of cash after the year end for enterprise and government customers on a sample basis; • We have critically assessed the Company's provision levels by considering the historical cash collection trends and the local economic environment in each of the regions; and • On all receivables, we have also considered the adequacy of the Company's disclosures about the degree of estimation involved in arriving at the provision.

Revenue recognition \$657.5 million (see note 3 for accounting policies)	
The Group's revenue derives from (i) retail services, which includes video, broadband internet and telephony products and services, (ii) wholesale services, which include the sale and lease of telecom capacity and certain operating and maintenance cost-sharing service arrangements and (iii) business solutions, which include (a) cloud-based services for small business and medium and large enterprises (SME) and government customers, (b) commercial "triple play" services and (c) telecommunications and information technology services to SMEs. The terms of our long-term capacity sales contracts vary from 15 to 25 years. A significant fraud risk exists in respect of manual journal entries and adjustments to revenue, and a key audit area is the appropriate application of revenue recognition policies.	Our audit procedures over revenue included, among others: • Evaluating revenue recognition policies, along with audit of contract terms for significant revenue agreements. • Vouching of revenue recognised to supporting documentation and cash receipt. • Testing of journal entries and adjustments throughout the financial year, primarily focussed on unusual entries recorded to improve key KPIs of the Company. • We also assessed the adequacy of the group's disclosures in respect of the accounting policies on revenue recognition.

Report on the Audit of the Consolidated Financial Statements, continued

<table>
<tr><th colspan="2">Valuation of goodwill $187.8 million (see notes 3 for accounting policies; and 10 for critical accounting estimates and judgments and other information)</th></tr>
<tr><td>The Company performs annual impairment reviews of the carrying value of goodwill in each of the cash-generating units. There is a significant risk that the fair value of the cash-generating units of the Company does not adequately support the carrying value of the assets, including goodwill, within the cash generating unit</td><td>Our audit procedures over the goodwill impairment review included, among others:

• Evaluating the appropriateness of qualitative considerations noted by management in determining whether an impairment exists.
• Validating the inputs and cashflow projections contained within the impairment review are reasonable considering historical results, industry trends and budgeted operating plans.
• Evaluating, assisted by our own valuation experts, the valuation methodology used by external experts engaged by management, including discount rates and contributory asset charges.

We also assessed the adequacy of the Company's disclosures in respect of the impairment review performed.</td></tr>
</table>

<table>
<tr><th colspan="2">Valuation of property and equipment $1,054.0 million and intangible assets subject to amortization, net $129.4 million (see note 3 for accounting policies; and 6 and 10 for critical accounting estimates and judgments and other information)</th></tr>
<tr><td>The company performs analysis of impairment of property and equipment and intangible assets balances if a triggering event exists.

Due to the size of property and equipment and intangible asset balances held by the Company combined with ongoing technological change and changing competitive and regulatory landscapes a significant risk exists in respect of the valuation of property and equipment and intangible assets</td><td>Our audit procedures over property and equipment and intangible assets valuation included, among others:

• Assessing the appropriateness of the assets impacted by technological change based on capital expenditure plans and discussing the key changes with the Group’s technology teams.
• Inquiring with both group and local component management in respect of potential indicators of impairment.
• Reviewing the cashflow projections for each cash generating unit to determine if indicators of impairment to property and equipment and intangible assets exists.
• We also assessed the adequacy of the group's disclosures in respect of the impairment recognised.</td></tr>
</table>

Report on the Audit of the Consolidated Financial Statements, continued

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on the Audit of the Consolidated Financial Statements, continued

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Michael Edghill.

/s/ KPMG LLP

Chartered Accountants
Barbados
April 28, 2017

COLUMBUS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31, 2016	December 31, 2015 (a)
	in millions	
ASSETS		
Current assets:		
Cash and cash equivalents (note 3)	$ 87.3	$ 41.3
Trade and other receivables, net (notes 7 and 18)	166.7	120.0
Note receivable – related party (note 18)	18.6	18.6
Prepaid expenses and accrued income	33.0	16.9
Other current assets (note 8)	24.7	19.4
Assets held for sale (note 9)	—	5.8
Total current assets	330.3	222.0
Noncurrent assets:		
Property and equipment, net (note 10)	1,054.0	1,055.6
Goodwill (note 10)	187.8	193.6
Intangible assets subject to amortization, net (note 10)	129.4	151.9
Other noncurrent assets (note 8)	53.6	31.6
Total noncurrent assets	1,424.8	1,432.7
Total assets	$ 1,755.1	$ 1,654.7
LIABILITIES AND OWNER'S DEFICIT		
Current liabilities:		
Trade payables	$ 73.9	$ 75.6
Deferred revenue (note 18)	48.3	32.4
Accrued interest payable	23.0	23.2
Current taxes payable	18.5	4.9
Current portion of debt and finance lease obligations (note 11):		
Third-party	5.1	—
Related-party (note 18)	55.5	46.5
Other accrued and current liabilities (note 12)	143.3	89.6
Total current liabilities	367.6	272.2
Long-term debt and finance lease obligations (note 11):		
Third-party	1,247.8	1,235.0
Related-party (note 18)	71.8	—
	1,319.6	1,235.0
Deferred revenue (note 18)	247.0	261.8
Deferred income taxes (note 14)	59.6	87.3
Other long-term liabilities (note 12)	1.1	9.9
Total noncurrent liabilities	1,627.3	1,594.0
Total liabilities	1,994.9	1,866.2
Owner's deficit (note 15):		
Share capital	365.9	365.9
Foreign currency translation reserve	(113.7)	(107.3)
Accumulated deficit	(492.0)	(470.1)
Total owner's deficit	(239.8)	(211.5)
Total liabilities and owner's deficit	$ 1,755.1	$ 1,654.7

(a) As restated – see note 1.

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

COLUMBUS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF OPERATIONS

	Year ended December 31,	
	2016	2015 (a)
	in millions	
Revenue (notes 18 and 21)	$ 657.5	$ 624.0
Operating costs and expenses (note 16):		
Operating costs before depreciation and amortization (including share-based compensation) (notes 18 and 19)	414.7	393.6
Depreciation and amortization	130.0	116.6
Impairment, restructuring and other operating items	27.2	61.8
	571.9	572.0
Operating income	85.6	52.0
Financial income (expense) (note 17):		
Finance expense	(120.1)	(108.0)
Finance income	33.3	2.2
	(86.8)	(105.8)
Loss before income taxes	(1.2)	(53.8)
Income tax expense (note 14)	(21.3)	(3.9)
Net loss	$ (22.5)	$ (57.7)

(a) As reclassified – see note 1.

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

COLUMBUS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Year ended December 31,	
	2016	2015
	in millions	
Net loss	$ (22.5)	$ (57.7)
Other comprehensive income (loss):		
Items that may be reclassified to earnings or loss in subsequent periods:		
Foreign currency translation adjustments, net of tax	(6.4)	(23.9)
Other	0.6	—
Total other comprehensive loss	(5.8)	(23.9)
Total comprehensive loss	$ (28.3)	$ (81.6)

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

COLUMBUS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S DEFICIT

	Share capital	Foreign currency translation	Accumulated deficit	Total owner's deficit
		in millions		
Balance at January 1, 2015 (a)	$ 335.3	$ (83.4)	$ (412.4)	$ (160.5)
Net loss	—	—	(57.7)	(57.7)
Other comprehensive loss	—	(23.9)	—	(23.9)
Share issue (note 15)	29.6	—	—	29.6
Forgiveness of shareholder loan (note 15)	1.0	—	—	1.0
Balance at December 31, 2015	365.9	(107.3)	(470.1)	(211.5)
Net loss	—	—	(22.5)	(22.5)
Other comprehensive loss	—	(6.4)	0.6	(5.8)
Balance at December 31, 2016	$ 365.9	$ (113.7)	$ (492.0)	$ (239.8)

(a) As restated – see note 1.

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

COLUMBUS INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31, 2016	Year ended December 31, 2015 (a)
	in millions	
Cash flows from operating activities:		
Net loss	$ (22.5)	$ (57.7)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Income tax expense	21.3	3.9
Share-based compensation expense	11.0	21.8
Depreciation and amortization	130.0	116.6
Impairment	10.6	25.6
Interest expense	95.7	93.3
Interest income	(1.9)	(2.2)
Realized and unrealized losses (gains) on derivative instruments, net	(31.4)	8.7
Foreign currency transaction losses, net	21.2	4.0
Amortization of deferred financing costs	2.4	1.9
CWC Balancing Charges	9.1	8.0
Gain on disposal of subsidiary and investment in associate	—	(8.3)
Non-recurring trade receivables impairment charge	—	31.6
Other	0.3	3.0
Changes in operating assets and liabilities	(25.9)	(94.1)
Cash provided by operating activities	219.9	156.1
Cash paid for interest	(95.2)	(92.8)
Cash paid for taxes	(19.4)	(20.3)
Net cash provided by operating activities	105.3	43.0
Cash flows from investing activities:		
Purchase of property, equipment and intangible assets	(99.8)	(181.5)
Cash received in connection with the U.S. Carve-out Entities transfer	—	53.5
Other investing activities, net	(0.4)	2.9
Net cash used by investing activities	(100.2)	(125.1)
Cash flows from financing activities:		
Loans from affiliates and other related parties	89.8	43.4
Repayments of loans to affiliates and other related parties	(48.7)	—
Proceeds on issuance of shares	—	29.6
Net cash provided by financing activities	41.1	73.0
Effect of exchange rate changes on cash	(0.2)	6.4
Net increase (decrease) in cash and cash equivalents	46.0	(2.7)
Cash and cash equivalents:		
Beginning of year	41.3	44.0
End of year	$ 87.3	$ 41.3

(a) As reclassified – see note 1.

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

(1) Reporting Entity and Basis of Presentation

Reporting entity

Columbus International Inc., a wholly-owned subsidiary of Cable & Wireless Communications Limited (**CWC**), is a diversified communications company, with operations primarily in the Caribbean.

Effective March 31, 2015, Columbus International Inc. was acquired (the **CWC Transaction**) by Sable Holding Limited (**Sable Holding**).

On May 16, 2016, pursuant to a scheme of arrangement and following shareholder approvals, Liberty Global plc (**Liberty Global**) acquired CWC (the **Liberty Global Transaction**) and, accordingly, Liberty Global became our "Ultimate Parent."

On July 1, 2016, Columbus International Inc. amalgamated with Columbus Cable (Barbados) Limited (**Columbus Limited**), a wholly-owned subsidiary of CWC, with Columbus Limited as the surviving entity. Columbus Limited subsequently changed its name to Columbus International Inc. (collectively with its subsidiaries, **Columbus**).

Columbus' core operating business consists of (i) providing video, broadband internet and telephony services and (ii) the sale and lease of telecom capacity provided by our undersea fiber optic cable network. Columbus is a privately-held company registered in Barbados, and was incorporated under the Companies Act of Barbados. The company's registered office is located at Windsor Lodge, Government Hill, St. Michael, Barbados. In these notes, the terms "we," "our," "our company" and "us" may refer, as the context requires, to Columbus or collectively to Columbus and its subsidiaries.

Basis of presentation

Our annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as promulgated by the International Accounting Standards Board (**IASB-IFRS**), on a historical cost basis except for liabilities for cash-settled share-based payment arrangements, derivative instruments and assets held-for-sale, which are measured at fair value.

Prior to the closing of the CWC Transaction, certain then United States (**U.S.**) licensed entities of Columbus (the **U.S. Carve-out Entities**) were transferred to a newly incorporated special purpose entity outside of Columbus, Columbus New Cayman Limited (**Columbus New Cayman**), which is owned by entities controlled by persons who were directors and shareholders of Columbus through March 31, 2015. For additional information, see notes 5 and 18. Subsequent to December 31, 2016, Liberty Global received regulatory approval to re-acquire the U.S. Carve-out Entities. For additional information, see note 22.

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

Correction of Errors and Reclassifications

We have restated the opening balance at January 1, 2015 for an \$11.4 million reduction in indefinite lived intangible assets to reflect the proper classification of these costs. After reassessing the basis for allocating costs to this asset in the acquisition accounting for prior period acquisitions, we have concluded that the value of certain of the underlying rights for \$4.2 million is not separable from goodwill and accordingly should have been classified as such in the acquisition accounting that was completed in prior periods. The value of the remaining underlying rights of \$7.2 million, together with the associated deferred tax liability of \$1.4 million, has been adjusted in the opening accumulated deficit.

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

The following table summarizes the adjustments to our consolidated statement of financial position at December 31, 2015:

	As previously reported	Restatement adjustments	Reclassification adjustments	As revised
	in millions			
ASSETS				
Current assets:				
Cash and cash equivalents	$ 41.3	$ —	$ —	$ 41.3
Trade and other receivables, net	156.6	—	(36.6)	120.0
Note receivable – related-party	—	—	18.6	18.6
Prepaid expenses and accrued income	—	—	16.9	16.9
Current tax receivables	10.8	—	(10.8)	—
Inventory	7.5	—	(7.5)	—
Other current assets	—	—	19.4	19.4
Assets held for sale	5.8	—	—	5.8
Total current assets	222.0	—	—	222.0
Noncurrent assets:				
Property and equipment, net	1,055.6	—	—	1,055.6
Goodwill	—	4.2	189.4	193.6
Intangible assets subject to amortization, net	352.7	(11.4)	(189.4)	151.9
Other receivables	5.7	—	(5.7)	—
Financial assets at fair value	4.2	—	(4.2)	—
Deferred income taxes	21.7	—	(21.7)	—
Other noncurrent assets	—	—	31.6	31.6
Total noncurrent assets	1,439.9	(7.2)	—	1,432.7
Total assets	$ 1,661.9	$ (7.2)	$ —	$ 1,654.7
LIABILITIES AND OWNER'S DEFICIT				
Current liabilities:				
Trade payables	$ —	$ —	$ 75.6	$ 75.6
Trade and other payables	231.1	—	(231.1)	—
Deferred revenue	32.4	—	—	32.4
Accrued interest payable	—	—	23.2	23.2
Provisions	3.8	—	(3.8)	—
Current taxes payable	4.9	—	—	4.9
Current portion of debt and finance lease obligations – related-party	—	—	46.5	46.5
Other accrued and current liabilities	—	—	89.6	89.6
Total current liabilities	272.2	—	—	272.2
Long-term debt and finance lease obligations – third-party	1,235.0	—	—	1,235.0
Deferred revenue	261.8	—	—	261.8
Deferred income taxes	88.7	(1.4)	—	87.3
Provisions	4.7	—	(4.7)	—
Other long-term liabilities	5.2	—	4.7	9.9
Total noncurrent liabilities	1,595.4	(1.4)	—	1,594.0
Total liabilities	1,867.6	(1.4)	—	1,866.2
Owner's deficit:				
Share capital	365.9	—	—	365.9
Foreign currency translation reserve	(107.3)	—	—	(107.3)
Accumulated deficit	(464.3)	(5.8)	—	(470.1)
Total owner's deficit	(205.7)	(5.8)	—	(211.5)
Total liabilities and owner's deficit	$ 1,661.9	$ (7.2)	$ —	$ 1,654.7

The following table summarizes the adjustments to our consolidated statement of operations for the year ended December 31, 2015:

	As previously reported	Reclassification adjustments	As revised
		in millions	
Revenue	$ 624.0	$ —	$ 624.0
Operating costs and expenses:			
Operating costs before depreciation and amortization (including share-based compensation)	337.4	56.2	393.6
Balancing payment to CWC	8.0	(8.0)	—
Depreciation and amortization	—	116.6	116.6
Impairment, restructuring and other operating items	—	61.8	61.8
Depreciation and impairment	121.9	(121.9)	—
Amortization	19.4	(19.4)	—
Exceptional operating expenses	60.6	(60.6)	—
	547.3	24.7	572.0
Operating income	76.7	(24.7)	52.0
Financial income (expense) (a):			
Finance expense	(104.0)	(4.0)	(108.0)
Finance income	2.2	—	2.2
Gain on sale of business	8.3	(8.3)	—
Other	(37.0)	37.0	—
	(130.5)	24.7	(105.8)
Loss before income taxes	(53.8)	—	(53.8)
Income tax expense	(3.9)	—	(3.9)
Net loss	$ (57.7)	$ —	$ (57.7)

(a) The $24.7 million net reclassifications between operating income and financial income (expense) include (i) $21.8 million associated with the reclassification of share-based compensation to operating costs before depreciation and amortization, (ii) $8.4 million of certain non-recurring expenses to operating costs before depreciation and amortization and (iii) $3.0 million of management fees to operating costs before depreciation and amortization.

The following table summarizes the adjustment to our consolidated statement of changes in owner's deficit at January 1, 2015:

	As previously reported	Restatement adjustment	As revised
		in millions	
Share capital	$ 335.3	—	$ 335.3
Foreign exchange translations	(83.4)	—	(83.4)
Accumulated deficit	(406.6)	(5.8)	(412.4)
Total owner's deficit	$ (154.7)	$ (5.8)	$ (160.5)

The following table summarizes the adjustments to our consolidated statement of cash flows for the year ended December 31, 2015:

	As previously reported	Reclassification adjustments	As revised
		in millions	
Net cash provided by operating activities	$ 69.1	$ (26.1)	$ 43.0
Net cash used by investing activities	(125.1)	—	(125.1)
Net cash provided by financing activities	46.9	26.1	73.0
Effect of exchange rate changes on cash	6.4	—	6.4
Net decrease in cash and cash equivalents	$ (2.7)	$ —	$ (2.7)

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

Other

Management has prepared the accounts on a going concern basis. At December 31, 2016, our owner's deficit was $239.8 million. As a result of our history of reporting net losses, uncertainty exists about our ability to continue as a going concern. Accordingly, we are dependent on CWC for continued financial support. Our board of directors has received a letter from CWC indicating that financial support will be provided for the foreseeable future. Accordingly, our board of directors has made a determination that it is appropriate to continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Director approval

These consolidated financial statements were authorized for issue by the board of directors on April 28, 2017 and reflect our consideration of the accounting and disclosure implications of subsequent events through such date.

(2) Accounting Changes and Recent Pronouncements

First-time Application of Accounting Standards

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

Standard/ Interpretation	Title	Applicable for fiscal years beginning on or after
IAS 1 (amendments)	Disclosure Initiative	January 1, 2016
IAS 16 / IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortization	January 1, 2016

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 International Accounting Standards Board (**IASB**) that are not yet effective for the current reporting period that we see as relevant for our company. We have not early adopted the accounting standards that are relevant for us.

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

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

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

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

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

- When we enter into contracts to provide services to our customers, we often charge installation or other up-front fees. Under current accounting rules, installation fees related to services provided over our fiber are recognized as revenue in the period during which the installation occurs to the extent these fees are equal to or less than direct selling costs. Under IFRS 15, these fees will generally be deferred and recognized as revenue over the contractual period, or longer if the up-front fee results in a material renewal right.

- IFRS 15 will require the identification of deliverables in contracts with customers that qualify as performance obligations. The transaction price receivable from customers will be allocated between our performance obligations under contracts on a relative stand-alone selling price basis.

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

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

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

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

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

(3) Summary of Significant Accounting Policies

Estimates

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

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

Principles of Consolidation

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

The following significant subsidiaries of Columbus are included in our consolidated financial statements at December 31, 2016, all of which are 100% owned:

Name of subsidiary	Country of incorporation
Columbus Networks, Limited	Barbados
Columbus Communications (Trinidad) Limited	Trinidad
Columbus Communications (Grenada) Limited	Grenada
Columbus Communications Jamaica Limited	Jamaica
Columbus Communications Curacao N.V.	Curacao
E-Commercepark N.V	Curacao
Columbus Telecommunications (Barbados) Limited	Barbados
Kelcom International Limited	St. Vincent and the Grenadines
Kelcom International (Antigua & Barbuda) Limited	Antigua and Barbuda
Kelcom International Inc.	St. Lucia

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits, which have a maturity of three months or less at the time of acquisition. Cash and cash equivalents are measured at cost. At December 31, 2016, we had an aggregate of $53.0 million in cash subject to foreign currency exchange restrictions in Barbados and Trinidad and Tobago.

Cash Flow Statement

For purposes of determining the classification of cash flows in our consolidated statements of cash flows, payments or receipts on related-party loans are first applied to principal (included as cash flows from financing activities) and then to capitalized interest (included as cash flows from operating activities). All other related-party borrowings, advances and repayments are reflected as financing activities. In addition, interest-bearing cash advances to related parties and repayments thereof are classified as investing activities.

Trade Receivables

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

Inventory

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

Financial Instruments

Cash and cash equivalents, current trade and other receivables, other current assets, trade payables, other accrued and current liabilities are initially recognized at fair value and subsequently carried at amortized cost. Due to their relatively short maturities, the carrying values of these financial instruments approximate their respective fair value. The carrying amounts of trade receivables with a remaining term of more than one year are included in noncurrent assets, and the carrying amounts of these receivables approximate their fair value.

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

For information concerning how we arrive at certain of our fair value measurements, see note 6.

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

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

Property and Equipment

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

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is computed on a straight-line basis over the estimated useful lives of each major component of an item of property and equipment. The cable distribution systems have estimated useful lives ranging from 3 to 30 years. Support equipment have estimated useful lives ranging from 3 to 50 years. Buildings (including leasehold improvements) have estimated useful lives up to 50 years. Customer premises equipment have estimated useful lives of 4 to 15 years. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date and may be adjusted based on management's expectations of future use. The remaining estimated useful lives of our property and equipment have remained unchanged from the prior year.

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

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

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

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

Intangible Assets

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

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

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

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

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

Leasing

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

Provisions

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

For additional information on our provisions, see note 13.

Employee Benefit Plans

Certain of our subsidiaries participate in externally managed defined contribution pension plans. A defined contribution plan is a pension plan under which we have no further obligation once the fixed defined contribution has been paid to the third-party administrator of the plan. Contributions under our defined contribution pension plan are recognized as incurred in other operating expenses in our consolidated statements of operations. During the years ended December 31, 2016 and 2015, subsidiaries participating in the various defined contribution plans made total contributions of $0.8 million and $1.4 million, respectively.

Foreign Currency Translation and Transactions

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

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

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of business. Revenue is presented net of value-added tax (**VAT**), rebates and discounts and after eliminating intercompany sales within the consolidated group.

We derive revenue from (i) retail services, which include video, broadband internet and telephony products and services (including subscription and usage fees), (ii) wholesale services, which include the sale and lease of telecom capacity and certain operating and maintenance cost-sharing service arrangements and (iii) business solutions, which include (a) cloud-based services for small business and medium and large enterprises (**SME**) and government customers, (b) commercial "triple play" services and (c) telecommunications and information technology services to SMEs. The terms of our long-term capacity sales contracts vary from 15 to 25 years.

Revenue is recognized when services have been provided, the costs incurred can be measured reliably and we are not obliged to provide any future services. Prepayments are deferred and amortized on a straight-line basis over the service period.

When free or discounted service periods or other customer incentives are offered to customers in relation to a subscription, we recognize the total amount of billable revenue that we expect to receive from customers in equal monthly installments over the term of the contract provided that we have the enforceable and contractual right to deliver products to the customer after the promotional period. If free months are given without a contract at the beginning of a subscription period, we do not recognize revenue during the free months as the customer's continuance is not assured.

For multiple element arrangements, the recognition criteria of revenue are applied to the separately identifiable components of the transaction. A component within an arrangement is separated if it has standalone value to the customer and if its fair value can be measured reliably. The fair value of the consideration received or receivable is allocated to the separate components of the arrangement using the residual fair value method.

Revenue resulting from the sale of goods is realized when the significant risks and rewards of ownership are transferred to the customer.

Installation revenue (including reconnect fees) related to services provided over our cable network is generally recognized as revenue in the period during which the installation occurs.

For information regarding our policy for allocating product revenue, refer to our segment information in note 21.

Income Taxes

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

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

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

Deferred tax assets are recognized for deductible temporary differences and tax loss and interest carryforwards, if it is probable that future taxable earnings will be available against which the unused tax losses or temporary differences can be utilized. However, deferred tax assets are not recognized if the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting earnings nor taxable earnings.

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

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

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

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

The income taxes of Columbus and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law. For additional information concerning our income taxes, see note 14.

Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

(4) Financial Risk Management

Overview

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

- Credit Risk
- Liquidity Risk
- Market Risk

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

Credit Risk

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

We manage the credit risks associated with our trade and other receivables by performing credit verifications, following established dunning procedures and engaging collection agencies. We also manage this risk by disconnecting services to customers whose accounts are delinquent. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers and their dispersion across many different countries. For information concerning the aging of our trade receivables, see note 7.

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

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

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, the current economic conditions and uncertainties in global financial markets have increased the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations and financial condition. In this regard, (i) the financial failure of any of our counterparties could reduce amounts available under committed credit facilities and adversely impact our ability to access cash deposited with any failed financial institution and (ii) tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

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

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash and cash equivalents, our primary sources of liquidity are cash provided by operations and access to the available borrowing capacity of our various debt facilities. See note 11.

Our liquidity is generally used to fund (i) corporate general and administrative expenses, (ii) interest payments on the Columbus Senior Notes, as defined and described in note 11, (iii) the satisfaction of contingent liabilities, (iv) acquisitions, (v) other investment opportunities or (vi) income tax payments.

Our most significant financial obligations relate to our debt obligations, principally the Columbus Senior Notes . The terms of the Columbus Senior Notes contain certain restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments. The Columbus Senior Notes mature on March 30, 2021. In connection with the terms of our indenture, at December 31, 2016 we were restricted from incurring additional financial indebtedness.

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

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

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

	Payments due during:						
	2017	2018	2019	2020	2021	Thereafter	Total
				in millions			
Debt principal:							
Third-party	$ —	$ —	$ —	$ —	$ 1,250.0	$ —	$ 1,250.0
Related-party	55.5	—	—	—	37.0	34.8	127.3
Debt interest – third-party	92.2	92.2	92.2	92.2	46.1	—	414.9
Finance lease obligations:							
Principal	5.1	9.7	0.7	—	—	—	15.5
Interest	0.5	0.2	—	—	—	—	0.7
Trade payables	73.9	—	—	—	—	—	73.9
Current tax liabilities	18.5	—	—	—	—	—	18.5
Provisions	6.1	—	—	—	—	—	6.1
Other accrued and current liabilities	137.2	—	—	—	—	—	137.2
Total	$ 389.0	$ 102.1	$ 92.9	$ 92.2	$ 1,333.1	$ 34.8	$ 2,044.1

The following table provides the timing of expected payments based on the contractually agreed upon terms for our financial liabilities as of December 31, 2015. The amounts are based on interest rates, interest payment dates and contractual maturities in effect as of December 31, 2015, as applicable. These amounts are presented for illustrative purposes only and will likely differ from the actual payments required in future periods.

	Payments due during:						
	2016	2017	2018	2019	2020	Thereafter	Total
				in millions			
Debt principal:							
Third-party	$ —	$ —	$ —	$ —	$ —	$ 1,250.0	$ 1,250.0
Related-party	46.5	—	—	—	—	—	46.5
Debt interest – third-party	92.2	92.2	92.2	92.2	92.2	46.1	507.1
Trade payables	75.6	—	—	—	—	—	75.6
Current tax liabilities	4.9	—	—	—	—	—	4.9
Provisions	3.7	4.7	—	—	—	—	8.4
Other accrued and current liabilities	85.9	5.2	—	—	—	—	91.1
Total	$ 308.8	$ 102.1	$ 92.2	$ 92.2	$ 92.2	$ 1,296.1	$ 1,983.6

Market Risk

Interest Rate Risks

We are exposed to changes in interest rates primarily as a result of our related-party borrowing and investment activities, which include fixed-rate and variable-rate investments and borrowings by our subsidiaries. Our primary exposure to variable-rate debt is through the LIBOR-indexed third-party debt of Columbus and the Sable Holding Loan Facility and C&W (Barbados) Revolving Term Loan, each as defined and described in note 18.

Foreign Currency Risk

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

As of December 31, 2016, primarily all of our borrowings are denominated in U.S. dollars or U.S. dollar pegged currencies.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our presentation currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in foreign currency translation as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive earnings (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency risk during the year ended December 31, 2016 was to the Trinidad & Tobago dollar, Jamaican dollar and Colombian peso, as approximately 26%, 19% and 4% of our U.S. dollar revenue during 2016 was derived from subsidiaries whose functional currencies are the Trinidad and Tobago dollar, Jamaican dollar and Colombian peso, respectively. In addition, our reported operating results are impacted by changes in the exchange rates for various other local currencies in the

Caribbean and Latin America. A 1% increase in the value of the U.S. dollar in comparison to our other transactional currencies would result in lower revenue of approximately $3.0 million for the year ended December 31, 2016. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our subsidiaries and affiliates into U.S. dollars.

(5) Disposals

2015 Disposal

In connection with the transfer of the U.S. Carve-out Entities to Columbus New Cayman, we received cash consideration of $55.7 million (representing 75% of the purchase price) and a note receivable for $18.6 million for total consideration of $74.3 million. In March 2017, the U.S. Federal Communications Commission approved the sale of the U.S. Carve-out Entities to Liberty Global. These entities were reacquired by a subsidiary of Columbus on April 1, 2017. Until the U.S. Carve-out Entities were reacquired:

(i) Columbus New Cayman continued to hold the U.S. Carve-out Entities;

(ii) A management services agreement (the **MSA**) was in effect under which we earned a fee to operate and manage the businesses of the U.S. Carve-out Entities, at the direction of, and subject to the ultimate control and oversight of, the U.S. Carve-out Entities; and

(iii) Anti-leakage provisions applied in relation to Columbus New Cayman and the U.S. Carve-out Entities.

The assets and liabilities disposed of at March 31, 2015 related to the transfer of the U.S. Carve-out Entities to Columbus New Cayman were as follows (in millions):

Cash and cash equivalents	$ 2.2
Trade and other receivables	2.3
Income taxes recoverable	0.8
Prepayments and other current assets	3.4
Property and equipment	112.3
Intangible assets	5.7
Deferred income tax assets	19.0
Other assets	1.5
Trade and other payables	(16.2)
Deferred revenue	(42.7)
Deferred income tax liabilities	(22.2)
Other liabilities	(0.1)
Net assets	66.0
Gain on disposal of businesses	8.3
Total proceeds	74.3
Note receivable from New Cayman	(18.6)
Cash received	55.7
Less: cash disposed	(2.2)
Net cash proceeds	$ 53.5

(6) Fair Value Measurements

We use the fair value method to account for our embedded derivative instrument (as described below). The reported fair values of these instruments as of December 31, 2016 likely will not represent the values that will be realized 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 years ended December 31, 2016 and 2015, no such transfers were made.

All of our Level 2 inputs (interest rate futures, swap rates and certain of the inputs for our weighted average cost of capital calculations) and certain of our Level 3 inputs (forecasted volatilities and credit spreads) are obtained from pricing services. These inputs, or interpolations or extrapolations thereof, are used in our internal models to calculate, among other items, yield curves, forward interest and currency rates and weighted average cost of capital rates.

We have bifurcated an embedded derivative associated with certain redemption terms of the Columbus Senior Notes, as defined and described in note 11. The recurring fair value measurements of this embedded derivative is determined using observable Level 2 data applying a binomial tree/lattice approach based on the Hull-White single factor interest rate term structure model. Under this approach, an interest rate lattice is constructed according to a given short-rate volatility and mean reversion constant as implied by the market at each valuation date.

We do not have any financial instruments that fall under Level 1 or Level 3 of the fair value hierarchy.

Fair value measurements are also used in connection with nonrecurring valuations performed in connection with impairment assessments and acquisition accounting. These nonrecurring valuations include the valuation of cash-generating units, customer relationship intangible assets and property and equipment. The valuation of cash-generating units is based at least in part on discounted cash flow analyses. Inputs for our weighted average cost of capital and discount rate calculations are derived from third-party pricing services. Forecasts of future cash flows are, in part, based on our assumptions, which we believe are consistent with a market participant's approach. The valuation of customer relationships is primarily based on an excess earnings methodology, which is a form of a discounted cash flow analysis. The excess earnings methodology requires us to estimate the specific cash flows expected from the customer relationship, considering such factors as estimated customer life, the revenue expected to be generated over the life of the customer, contributory asset charges, and other factors. Tangible assets are typically valued using a replacement or reproduction cost approach, considering factors such as current prices of the same or similar equipment, the age of the equipment and economic obsolescence. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy. During the year ended December 31, 2016, we recorded a $6.0 million impairment charge related to the write-off of certain sub-sea cable system assets.

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

	Level	December 31, 2016 Carrying amount	December 31, 2016 Estimated fair value	December 31, 2015 Carrying amount	December 31, 2015 Estimated fair value
		in millions			
Assets carried at fair value – Columbus Senior Notes redemption option (a)	2	$ 35.6	$ 35.6	$ 4.2	$ 4.2
Assets carried at cost or amortized cost:					
Trade and other receivables		$ 168.4	$ 168.4	$ 121.8	$ 121.8
Cash and cash equivalents		87.3	87.3	41.3	41.3
Note receivable – related-party		18.6	18.6	18.6	18.6
Other current and noncurrent financial assets		23.9	23.9	15.0	15.0
Total assets carried at cost or amortized cost		$ 298.2	$ 298.2	$ 196.7	$ 196.7
Liabilities carried at cost or amortized cost:					
Debt obligations – third-party	2	$ 1,237.4	$ 1,332.8	$ 1,235.0	$ 1,246.9
Loans payable – related-party		127.3	127.3	46.5	46.5
Trade payables		73.9	73.9	75.6	75.6
Accrued and other current liabilities (including related-party)		185.8	185.8	122.4	122.4
Finance lease obligations		15.5	15.5	—	—
Total liabilities carried at cost or amortized cost		$ 1,639.9	$ 1,735.3	$ 1,479.5	$ 1,491.4

(a) Pursuant to the terms of the Columbus Senior Notes, we may redeem the Columbus Senior Notes under certain conditions. The redemption terms associated with the Columbus Senior Notes represent an embedded derivative instrument, which is bifurcated and carried at fair value in our consolidated statements of financial position. Any gain or loss associated with the recurring valuation of the embedded derivative is recorded in realized and unrealized gains or losses, net, in our consolidated statements of operations.

Key inputs to the valuation of our embedded derivative include:

	December 31, 2016	December 31, 2015
Interest rate volatility	2.15%	0.83%
Estimated credit spread	3.11%	5.68%

(7) Trade and Other Receivables, Net

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

	December 31, 2016	December 31, 2015
	in millions	
Trade receivables – gross	$ 124.7	$ 158.4
Allowance for impairment of trade receivables	(26.4)	(67.2)
Trade receivables, net	98.3	91.2
Other receivables (a)	68.4	28.8
Total current trade and other receivables	166.7	120.0
Noncurrent – other receivables	1.7	1.8
Total trade and other receivables	$ 168.4	$ 121.8

(a) Other receivables primarily include amounts due from Columbus New Cayman (as further described in note 18) and VAT receivables.

The detailed aging of current trade receivables and related impairment amounts as of December 31, 2016 and 2015 is set forth below:

	December 31, 2016		December 31, 2015	
	Gross trade receivables	Allowance for impairment	Gross trade receivables	Allowance for impairment
	in millions			
Days past due:				
Current	$ 22.7	$ —	$ 20.6	$ —
1 - 30	11.9	(0.1)	11.7	(0.1)
31 - 60	19.7	(0.7)	23.0	(0.4)
61 - 90	11.2	(0.8)	13.8	(0.4)
Over 90	59.2	(24.8)	89.3	(66.3)
Total	$ 124.7	$ (26.4)	$ 158.4	$ (67.2)

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

	2016	2015
	in millions	
Allowance at January 1	$ 67.2	$ 36.1
Provisions for impairment of receivables	14.2	31.1
Write-off of receivables (a)	(55.0)	—
Allowance at December 31	$ 26.4	$ 67.2

(a) Amount represents the write-off of fully provided for trade receivables that were over 365 days past due.

When a trade receivable is uncollectible, it is written off against the allowance account. Provisions for impairment of trade receivables are included in customer care costs within operating costs before depreciation and amortization in our consolidated statements of operations.

(8) Other Assets

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

	December 31,	
	2016	2015
	in millions	
Receivables and other assets – related-party (note 18)	$ 14.9	$ —
Income taxes receivable	8.2	10.8
Inventory	0.8	7.5
Other current assets	0.8	1.1
Total	$ 24.7	$ 19.4

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

	December 31,	
	2016	2015
	in millions	
Financial assets at fair value (note 6)	$ 35.6	$ 4.2
Deferred income taxes (note 14)	2.0	21.7
Prepaid expenses	13.7	5.7
Other noncurrent assets (note 18)	2.3	—
Total	$ 53.6	$ 31.6

(9) Assets Held for Sale

On March 31, 2015, we reclassified certain property and equipment aggregating $5.8 million to assets held for sale for certain fiber network assets that were transferred to an Independent Trustee to market the fiber network assets. This transfer was required by a condition imposed by the Barbados Fair Trading Commission as a result of the CWC Transaction. At December 31, 2016, the assets held for sale were reclassified to property and equipment as they no longer met the requirements for assets held for sale.

(10) Long-lived Assets

Property and Equipment, Net

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

	Distribution systems	Support equipment, buildings and land	Customer premises equipment	Other (a)	Total
			in millions		
Cost:					
January 1, 2016 (b)	$ 1,381.6	$ 56.2	$ —	$ 69.3	$ 1,507.1
Additions	80.5	5.6	24.5	41.1	151.7
Retirements and disposals	(34.7)	(0.6)	—	(9.7)	(45.0)
Transfers between categories (c)	(234.4)	84.8	202.3	(52.7)	—
Transfers from (to) other assets (d)	(1.8)	4.7	—	2.6	5.5
Foreign currency translation and other	11.1	—	(0.8)	(2.2)	8.1
December 31, 2016	$ 1,202.3	$ 150.7	$ 226.0	$ 48.4	$ 1,627.4
Accumulated depreciation:					
January 1, 2016 (b)	$ 439.1	$ 12.4	$ —	$ —	$ 451.5
Depreciation	87.8	7.1	12.8	0.2	107.9
Retirements and disposals	(10.1)	(0.3)	—	—	(10.4)
Transfers between categories (c)	(123.1)	33.7	89.4	—	—
Foreign currency translation and other	23.7	1.2	(0.5)	—	24.4
December 31, 2016	$ 417.4	$ 54.1	$ 101.7	$ 0.2	$ 573.4
Property and equipment, net:					
December 31, 2016	$ 784.9	$ 96.6	$ 124.3	$ 48.2	$ 1,054.0

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

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

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

(d) Amounts primarily represent inventory transfers.

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

Changes during the year ended December 31, 2015 in the carrying amounts of our property and equipment, net, are as follows:

	Land and buildings	Network infrastructure	Computer equipment	Leasehold improvements	Other	Assets under construction	Total
Cost (a):							
January 1, 2015	$ 68.3	$ 1,413.9	$ 35.9	$ 4.5	$ 36.7	$ 48.7	$ 1,608.0
Additions	2.7	132.4	3.3	0.1	3.1	35.2	176.8
Retirements and disposals	(23.6)	(196.3)	(8.4)	(0.5)	(2.8)	—	(231.6)
Impairment	—	(24.4)	—	(0.3)	—	—	(24.7)
Transfers between categories	5.7	21.0	—	—	1.8	(28.5)	—
Foreign currency translation and other	(1.0)	(19.0)	0.8	—	(2.0)	(0.2)	(21.4)
December 31, 2015	$ 52.1	$ 1,327.6	$ 31.6	$ 3.8	$ 36.8	$ 55.2	$ 1,507.1
Accumulated depreciation (a):							
January 1, 2015	$ 11.9	$ 409.1	$ 22.7	$ 2.5	$ 23.4	$ —	$ 469.6
Depreciation	2.2	84.5	4.5	0.6	5.4	—	97.2
Retirements and disposals	(4.7)	(98.4)	(6.6)	(0.1)	(2.0)	—	(111.8)
Foreign currency translation and other	—	(2.7)	—	—	(0.8)	—	(3.5)
December 31, 2015	$ 9.4	$ 392.5	$ 20.6	$ 3.0	$ 26.0	$ —	$ 451.5
Property and equipment, net:							
December 31, 2015	$ 42.7	$ 935.1	$ 11.0	$ 0.8	$ 10.8	$ 55.2	$ 1,055.6

(a) Amounts do not reflect property and equipment categories as presented for the year ended December 31, 2016 due to system limitations making it impracticable to accurately reflect movements for such categories for the year ended December 31, 2015.

During the year ended December 31, 2015, we recorded no non-cash increases to our property and equipment related to assets acquired under finance leases.

Intangible Assets Subject to Amortization, Net

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

	Customer relationships	Software	Other (a)	Total
		in millions		
Cost:				
January 1, 2016	$ 196.4	$ 35.9	$ 9.8	$ 242.1
Additions	—	3.5	—	3.5
Retirements and disposals	(4.1)	(1.0)	(5.8)	(10.9)
Impairment	—	—	—	—
Foreign currency translation, transfers and other	28.7	(3.5)	(1.1)	24.1
December 31, 2016	$ 221.0	$ 34.9	$ 2.9	$ 258.8
Accumulated amortization:				
January 1, 2016	$ 68.0	$ 18.1	$ 4.1	$ 90.2
Amortization	10.8	5.9	5.4	22.1
Retirements and disposals	(4.1)	(0.2)	(5.8)	(10.1)
Foreign currency translation, transfers and other	30.9	(2.4)	(1.3)	27.2
December 31, 2016	$ 105.6	$ 21.4	$ 2.4	$ 129.4
Intangible assets subject to amortization, net:				
December 31, 2016	$ 115.4	$ 13.5	$ 0.5	$ 129.4

(a) Primarily includes licenses and trade names intangible assets.

Changes during the year ended December 31, 2015 in the carrying amounts of our finite-lived intangible assets are as follows:

	Customer relationships	Software	Other (a)	Total
		in millions		
Cost:				
January 1, 2015	$ 196.4	$ 36.9	$ 9.8	$ 243.1
Additions	—	4.7	—	4.7
Retirements and disposals	—	(5.7)	—	(5.7)
December 31, 2015	$ 196.4	$ 35.9	$ 9.8	$ 242.1
Accumulated amortization:				
January 1, 2015	$ 54.1	$ 13.1	$ 3.2	$ 70.4
Amortization	13.5	5.0	0.9	19.4
Foreign currency translation and other	0.4	—	—	0.4
December 31, 2015	$ 68.0	$ 18.1	$ 4.1	$ 90.2
Intangible assets subject to amortization, net:				
December 31, 2015	$ 128.4	$ 17.8	$ 5.7	$ 151.9

(a) Primarily includes licenses and trade names intangible assets.

Goodwill

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

Cash-generating unit	Reportable segment	Goodwill December 31, 2016	Goodwill December 31, 2015
		in millions	
Trinidad and Tobago	Flow	$ 72.9	$ 75.3
Networks	Networks	60.9	59.2
Jamaica	Flow	15.3	15.8
Barbados (a)	Flow	11.3	11.3
St. Lucia	Flow	8.6	8.6
		169.0	170.2
Other (b)		18.8	23.4
		$ 187.8	$ 193.6

(a) During 2015, $0.9 million of goodwill was impaired.

(b) Includes Grenada, Curacao, St. Vincent and the Grenadines, Antigua and Barbuda and Caribbean Data Centers.

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

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Balance at beginning of year	$ 193.6	$ 206.5
Impairment	(4.6)	(0.9)
Foreign currency translation and other	(1.2)	(12.0)
Balance at end of year	$ 187.8	$ 193.6

Impairment

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

We performed our annual impairment review effective October 1, 2016. In performing the review, the recoverable amounts of the cash-generating unit was determined based on the fair value less costs of disposal, estimated using the fair value of the respective cash-generating unit. The fair value measurement was categorized as Level 3 fair value based on the inputs in the valuation technique used. The fair value for each cash-generating unit was estimated using discounting cash flows, which used discount rates dependent on the weighted average cost of capital of the respective cash-generating unit. In connection with our annual impairment analysis, we impaired the value of goodwill in our Antigua and Barbuda cash-generating unit by $4.6 million.

The key assumptions used in the 2016 impairment review and the estimated recoverable amount of the cash-generating unit over its carrying value are as follows:

	Trinidad & Tobago	Networks	Jamaica	Barbados	St. Lucia	Other
Key assumptions:						
Discount rate	10.5%	11.0%	11.5%	11.5%	8.5%	8.5% - 11.5%
Long-term growth rate	3.2%	3.0%	3.5%	1.9%	2.9%	1.0% - 3.0%
Change required for carrying amount to equal recoverable amount (in millions)	$ 421.1	$ 1,251.1	$ 833.0	$ 260.2	$ 58.7	

The cash flow projections included specific estimates for 5 years and a long-term growth rate thereafter. The long-term growth rate reflects a normalized level based on the fifth year in the model, consistent with the assumptions that a market participant would make.

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

The recoverable amount of our cash-generating units at December 31, 2015 was based on the fair value less costs of disposal. Fair value was established using a 12 times multiple of EBITDA (as defined in note 21). In determining the fair value less costs of disposal, we utilized market transactions as corroborated by valuation multiples, quoted share prices for publicly traded comparable companies and certain other available indicators of fair value.

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

Depreciation, Amortization and Impairment

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

	Year ended December 31, 2016	2015
	in millions	
Depreciation expense	$ 107.9	$ 97.2
Amortization expense	22.1	19.4
Total depreciation and amortization	130.0	116.6
Impairment expense	10.6	25.6
Total depreciation, amortization and impairment	$ 140.6	$ 142.2

(11) Debt and Finance Lease Obligations

The components of our consolidated third-party debt are as follows:

	Interest rate (a)	Estimated fair value (b) December 31, 2016	Estimated fair value (b) December 31, 2015	Principal amount December 31, 2016	Principal amount December 31, 2015
		in millions			
Third-party debt before unamortized discount, deferred financing costs and premium – Columbus Senior Notes	7.375%	$ 1,332.8	$ 1,246.9	$ 1,250.0	$ 1,250.0

The following table provides a reconciliation of total third-party debt before unamortized discount, deferred financing costs and premium to total debt and finance lease obligations, including related-party debt:

	December 31, 2016	December 31, 2015
	in millions	
Third-party debt before unamortized discount, deferred financing costs and premium	$ 1,250.0	$ 1,250.0
Unamortized discount, net of premium	(10.4)	(12.4)
Unamortized deferred financing costs	(2.2)	(2.6)
Total carrying amount of third-party debt	1,237.4	1,235.0
Finance lease obligations	15.5	—
Total third-party debt and finance lease obligations	1,252.9	1,235.0
Related-party debt (c)	127.3	46.5
Total debt and finance lease obligations	1,380.2	1,281.5
Current maturities of debt and finance lease obligations	(60.6)	(46.5)
Long-term debt and finance lease obligations	$ 1,319.6	$ 1,235.0

(a) Represents the stated interest rate of the Columbus Senior Notes, as defined and described below, as of December 31, 2016 and does not include the impact of deferred financing costs and the original issue discount, both of which affect our overall cost of borrowing.

(b) The estimated fair values of our debt instruments are determined using the average of applicable bid and ask prices (mostly Level 1 of the fair value hierarchy) or, when quoted market prices are unavailable or not considered indicative of fair value, discounted cash flow models (mostly Level 2 of the fair value hierarchy). The discount rates used in the cash flow models are based on the market interest rates and estimated credit spreads of the applicable entity, to the extent available, and other relevant factors. For additional information regarding fair value hierarchies, see note 6.

(c) Our related-party debt includes principal balances and accrued interest for the Sable Holding Loan Facility, the Sable Holding Term Loan and the C&W (Barbados) Revolving Term Loan, each as defined and described in note 18.

General Information

In general, the Columbus Senior Notes, as defined and described below, are senior obligations that rank equally with all future senior debt of Columbus and are senior to all future subordinated debt of Columbus. In addition, the indenture governing the Columbus Senior Notes contains certain covenants, the more notable of which are as follows:

- The Columbus Senior Notes contain certain customary incurrence-based covenants. In addition, these notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration with respect to other indebtedness of the issuer or certain subsidiaries, over agreed minimum thresholds (as specified under the indenture), is an event of default;

- The Columbus Senior Notes contain certain restrictions that, among other things, restrict our ability to (i) incur or guarantee certain financial indebtedness, (ii) make certain disposals and acquisitions, (iii) create certain security interests over our assets, in each case, subject to certain customary and agreed exceptions and (iv) make certain restricted payments to our direct and/or indirect parent companies (and indirectly to CWC or Liberty Global) through dividends, loans or other distributions, subject to compliance with applicable covenants; and

- If we or certain of our subsidiaries (as specified in the indenture) sell certain assets, we must offer to repurchase the Columbus Senior Notes at par, or if a change of control (as specified in the indenture and further described below) occurs, we must offer to repurchase all of the Columbus Senior Notes at a redemption price of 101%.

In connection with the terms of our indenture, at December 31, 2016 we were restricted from incurring additional financial indebtedness.

Columbus Senior Notes

During 2014, we issued $1,250.0 million principal amount of senior unsecured notes bearing interest at 7.375% that mature on March 30, 2021 (the **Columbus Senior Notes**). Redemption terms associated with the Columbus Senior Notes represent an embedded derivative that requires bifurcation, where the liability associated with the redemption features is carried at fair value.

Upon a change in control, we are required to make an offer to each holder of the Columbus Senior Notes to purchase such notes at a price equal to 101% of the principal amount plus accrued and unpaid interest. In connection with the Liberty Global Transaction, on May 23, 2016, we provided such notice of a change in control and offered to purchase for cash any and all outstanding Columbus Senior Notes from each registered holder of the Columbus Senior Notes (the **Offer**). None of the Columbus Senior Notes were redeemed during the Offer period, which expired on June 20, 2016. In connection with the CWC Transaction, we made a similar offer to purchase for cash any and all outstanding Columbus Senior Notes from the registered holders of the Columbus Senior Notes with no notes tendered for repurchase.

Subject to the circumstances described below, the Columbus Senior Notes are non-callable until March 30, 2018. At any time prior to March 30, 2018, we may redeem some or all of the Columbus Senior Notes by paying a "make-whole" premium, which is generally the greater of 1% of the principal amount or the present value of all scheduled interest payments until March 30, 2018 using the discount rate (as specified in the indenture) as of the redemption date, plus 50 basis points.

We may redeem some or all of the Columbus 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 redemption date for the 12-month period commencing March 30, as set forth below:

2018	103.688%
2019	101.844%
2020 and thereafter	100.000%

Maturities of Debt and Finance Lease Obligations

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

	Third-party	Related-party in millions	Total
Year ending December 31:			
2017	$ 92.2	$ 55.5	$ 147.7
2018	92.2	—	92.2
2019	92.2	—	92.2
2020	92.2	—	92.2
2021	1,296.1	—	1,296.1
Thereafter	—	71.8	71.8
Total debt maturities	1,664.9	127.3	1,792.2
Unamortized discount, net of premium	(10.4)	—	(10.4)
Unamortized deferred financing costs	(2.2)	—	(2.2)
Amounts representing interest	(414.9)	—	(414.9)
Total	$ 1,237.4	$ 127.3	$ 1,364.7
Current portion	$ —	$ 55.5	$ 55.5
Noncurrent portion	$ 1,237.4	$ 71.8	$ 1,309.2

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

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

(12) Other Liabilities

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

	December 31, 2016	December 31, 2015
	in millions	
Related-party accrued and other liabilities (note 18)	$ 89.7	$ 32.7
Accrued and other operating liabilities	39.8	53.2
Payroll and employee benefits	7.5	—
Provisions (note 13)	6.1	3.7
Other current liabilities	0.2	—
Total	$ 143.3	$ 89.6

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

	December 31, 2016	December 31, 2015
	in millions	
Provisions (note 13)	$ —	$ 4.7
Other noncurrent liabilities (a)	1.1	5.2
Total	$ 1.1	$ 9.9

(a) Amounts primarily include accrued share-based compensation and customer deposits.

(13) Provisions

A summary of changes in our provisions for liabilities and charges during the year ended December 31, 2016 is set forth below:

	Restructuring	Legal and other	Total
		in millions	
January 1, 2016	$ 3.7	$ 4.7	$ 8.4
Additional provisions	2.1	8.0	10.1
Amounts used	(2.7)	(0.6)	(3.3)
Unused amounts released	(1.9)	(7.4)	(9.3)
Foreign currency translation adjustments and other	0.1	0.1	0.2
December 31, 2016 (a)	$ 1.3	$ 4.8	$ 6.1

(a) All amounts are included in other accrued and current liabilities in our consolidated statement of financial position.

A summary of changes in our provisions for liabilities and charges during the year ended December 31, 2015 is set forth below:

	Restructuring	Legal and other	Total
		in millions	
January 1, 2015	$ —	$ 5.7	$ 5.7
Additional provisions	14.9	1.5	16.4
Amounts used	(3.4)	(2.5)	(5.9)
Unused amounts released	(7.8)	—	(7.8)
December 31, 2015	$ 3.7	$ 4.7	$ 8.4
Current portion	$ 3.7	$ —	$ 3.7
Noncurrent portion	—	4.7	4.7
	$ 3.7	$ 4.7	$ 8.4

Our restructuring charges during the year ended December 31, 2016 include employee severance and termination costs related to reorganization and integration activities, primarily associated with our integration with CWC.

Our legal and other provisions include amounts relating to specific legal claims against our company. The timing of the utilization of the provision is uncertain and is largely outside our control, including matters that are contingent upon litigation. On May 8, 2015, a subsidiary of Columbus received an unfavorable ruling in connection with our April 2013 acquisition of Techvision Inc. The ruling ordered us to pay the majority of the purchase price hold back, a disputed non-competition payment and other amounts (including costs) of approximately $11.0 million in aggregate, substantially all of which were paid on June 8, 2015.

(14) Income Taxes

Through our subsidiaries, we maintain a presence in many countries. Many of these countries maintain highly complex tax regimes that differ significantly from the system of income taxation used in Barbados. 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 Barbados or tax regimes used in 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 Columbus and its subsidiaries are presented on a separate return basis for each tax-paying entity or group based on the local tax law.

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

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Current tax expense	$ 28.8	$ 5.3
Deferred tax benefit	(7.5)	(1.4)
Total income tax expense	$ 21.3	$ 3.9

Income tax expense attributable to our loss before income taxes differs from the amounts computed by using the applicable tax rate as a result of the following:

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Income tax charge at applicable statutory tax rate (a)	$ —	$ (1.3)
Effect of changes in unrecognized deferred tax assets	15.5	6.7
International rate differences (b)	12.7	3.5
Adjustments relating to prior years	3.3	—
Non-deductible or non-taxable interest and other expenses	(3.1)	(2.5)
Effect of withholding tax and intra-group dividends	2.7	(5.8)
Other	(9.8)	3.3
Total income tax expense	$ 21.3	$ 3.9

(a) Our overall tax provision is based on the statutory tax rates applicable to our earnings in various taxing jurisdictions in which our company operates. These rates range from 2.5% to 33%. The Barbados statutory tax rate for 2016 was 2.5% and the rate for 2017 is expected to be 2.5%. The effective tax rate is greater than the statutory tax rate as certain entities earn income that is subject to a higher tax rate. Furthermore, several entities have incurred losses for which no deferred tax asset has been recorded. The effects of these differences result in a higher consolidated tax expense relative to our overall earnings.

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

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

	December 31, 2016		Year ended December 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Foreign currency translation adjustments	Recognition in statement of operations
	in millions			
Loss carryforwards	$ 7.5	$ —	$ (0.2)	$ (4.2)
Property and equipment	—	(70.3)	—	(1.0)
Intangible assets	—	(6.3)	(0.5)	(7.2)
Other	11.5	—	(0.1)	4.9
Net assets with liabilities within same jurisdiction	(17.0)	17.0	—	—
Total	$ 2.0	$ (59.6)	$ (0.8)	$ (7.5)

The details of our deferred tax balances at December 31, 2015 and our deferred tax expense for the year ended December 31, 2015 are as follows:

	December 31, 2015		Year ended December 31, 2015		
	Deferred tax assets	Deferred tax liabilities	Foreign currency translation adjustments	Disposals	Recognition in statement of operations
			in millions		
Loss carryforwards	$ 2.0	$ —	$ —	$ —	$ 10.4
Property and equipment	—	(62.8)	0.3	(20.9)	(38.2)
Other	19.7	(24.5)	—	17.7	26.4
Total	$ 21.7	$ (87.3)	$ 0.3	$ (3.2)	$ (1.4)

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

Jurisdiction	Tax loss carryforward	Related tax asset	Expiration date
	in millions		
Trinidad and Tobago	$ 14.0	$ 3.5	Indefinite
Barbados	4.8	1.2	2017 - 2023
Curacao	4.5	1.0	2017 - 2027
All other countries	7.7	1.8	Various
Total	$ 31.0	$ 7.5	

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

(15) Owner's Deficit

Our authorized share capital consists of an unlimited number of common shares with no nominal or par value.

The details of our issued and fully paid ordinary shares are set forth below:

	Shares	Value
	in thousands	in millions
January 1, 2015	261,409	$ 335.3
Issued capital	4,198	29.6
Forgiveness of shareholder loan (a)	1,000	1.0
December 31, 2015	266,607	$ 365.9
December 31, 2016	266,607	$ 365.9

(a) During 2015, $1.0 million of a non-interest bearing share purchase loan was forgiven. The shareholder loan was originally repayable upon disposition of the shares purchased and, prior to forgiveness, was reflected as a reduction to issued capital in our consolidated statement of changes in owner's deficit.

Dividends

No dividends were declared during 2016 or 2015.

(16) Operating Costs and Other Operating Items

Operating costs and other operating items are composed of the following:

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Operating costs before depreciation and amortization:		
Direct costs	$ 181.9	$ 146.0
Administration expenses (a)	145.5	127.9
Operating and maintenance expenses	29.7	24.6
Technical operations costs	16.7	27.9
Customer care costs (b)	14.8	43.7
Sales and marketing expenses	14.3	14.3
Data and information technology professional services costs	11.8	9.2
	414.7	393.6
Depreciation and amortization	130.0	116.6
Impairment, restructuring and other operating items, net:		
CWC Balancing Charges (c) (note 18)	9.1	8.0
Impairment charges	10.6	25.6
Restructuring costs, net	—	17.5
Legal settlement costs	5.8	10.5
Gains on disposal of subsidiaries	—	(8.3)
Direct acquisition costs	—	1.2
Other expenses	1.7	7.3
	27.2	61.8
Total	$ 571.9	$ 572.0

(a) Includes employee compensation expense of $96.8 million and $104.5 million and share-based compensation expense (as further described in note 19) of $11.0 million and $21.8 million during the years ended December 31, 2016 and 2015, respectively.

(b) In connection with the CWC Transaction, we recorded a non-recurring $31.6 million bad debt expense associated with certain fair value adjustments and CWC accounting policy alignments in the year ended December 31, 2015.

(c) We have been a party to a strategic alliance with a wholly-owned subsidiary of CWC to expand our international wholesale capacity business. Pursuant to this strategic alliance, other operating items during the year ended December 31, 2015 included balancing charges to CWC (the **CWC Balancing Charges**) of $8.0 million related to the period from January 1, 2015 to March 31, 2015. In connection with the CWC Transaction, the strategic alliance was suspended. During the year ended December 31, 2016, the strategic alliance was temporarily reinstated and we recorded CWC Balancing Charges of $9.1 million. In connection with the Liberty Global Transaction, the CWC Balancing Charges were suspended.

(17) Finance Expense and Finance Income

Finance expense is composed of the following:

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Interest expense – third-party	$ 92.2	$ 92.2
Foreign currency transaction losses, net	21.2	4.0
Interest expense – related-party (note 18)	3.5	1.1
Amortization of deferred financing costs and discount (note 11)	2.4	1.9
Loss on fair value of embedded derivative	—	8.7
Other financial expense items	0.8	0.1
Total finance expense	$ 120.1	$ 108.0

Finance income is composed of the following:

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Gain on fair value of embedded derivative	$ 31.4	$ —
Interest income – related-party (note 18)	1.1	2.2
Other interest income	0.8	—
Total finance income	$ 33.3	$ 2.2

(18) Related-party Transactions

Our related-party transactions are as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
	in millions	
Revenue	$ 16.4	$ 9.8
Operating costs and expenses:		
Management fee	(6.1)	—
CWC Balancing Charges	(9.1)	(8.0)
	(15.2)	(8.0)
Included in operating income	1.2	1.8
Finance expense	(3.5)	(1.1)
Finance income	1.1	2.2
Included in net loss	$ (1.2)	$ 2.9

Revenue. Amounts include (i) revenue earned pursuant to ordinary course transactions between our company and Columbus New Cayman of $6.0 million and $3.4 million, respectively, (ii) management fees earned for services we provide to the U.S. Carve-out Entities to operate and manage their business under the MSA of $8.7 million and $6.4 million, respectively, and (iii) during 2016, revenue earned pursuant to ordinary course transactions between our company and another subsidiary of Liberty Global of $1.7 million. The services that we provide to the U.S. Carve-out Entities are provided at the direction of, and subject to the ultimate control and oversight of, the U.S. Carve-out Entities. For information on CWC's acquisition of the U.S. Carve-out Entities subsequent to December 31, 2016, see note 22.

Management fees. Amounts represent fees incurred related to certain management services performed on our behalf by CWC. These management fees are included in operating costs before depreciation and amortization in our consolidated statements of operations.

CWC Balancing Charges. Amounts represent charges associated with the strategic alliance, as described in note 16.

Finance expense. Amounts represent interest on the Sable Holding Loan Facility and the C&W (Barbados) Revolving Term Loan, each as defined and further described below.

Finance income. Amounts represent interest on the note receivable from Columbus New Cayman, as further described below.

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

	December 31, 2016	December 31, 2015
	in millions	
Assets:		
Current assets:		
Due from Columbus New Cayman (a)	$ 38.1	$ 27.6
Note receivable from Columbus New Cayman (b)	18.6	18.6
Due from CWC related entities (c)	14.7	—
Due from Liberty Global related entities	0.2	—
	71.6	46.2
Noncurrent assets – due from CWC related entities (c)	0.3	—
Total	$ 71.9	$ 46.2
Liabilities:		
Current liabilities:		
Due to CWC related entities (d)	$ (89.7)	$ (32.7)
Sable Holding Loan Facility (e)	(33.9)	(25.5)
C&W (Barbados) Revolving Term Loan (f)	(21.6)	(21.0)
Deferred revenue (g)	(0.9)	—
	(146.1)	(79.2)
Noncurrent liabilities:		
Sable Holding Term Loan (h)	(71.8)	—
Deferred revenue (g)	(7.0)	—
Total	$ (224.9)	$ (79.2)

(a) Represents the net unpaid amount due to us pursuant to ordinary course transactions between our company and Columbus New Cayman, including fees charged by us to Columbus New Cayman under the MSA. These receivables are non-interest bearing and have no stated maturity. The amounts due from Columbus New Cayman are included in trade and other receivables in our consolidated statements of financial position.

(b) Represents a note receivable from Columbus New Cayman that bears interest at 8.0% per annum. As further described in notes 1 and 5, the U.S. Carve-out Entities were transferred to Columbus New Cayman in exchange for cash consideration of $55.7 million (representing 75% of the purchase price) and a note receivable of $18.6 million for total consideration of $74.3 million.

(c) Represents non-interest bearing receivables from certain CWC subsidiaries. These amounts are included in trade and other receivables in our consolidated statements of financial position.

(d) Represents non-interest bearing payables to certain CWC subsidiaries and $34.2 million of accruals in connection with CWC Balancing Charges. These amounts are included in other accrued and current liabilities in our consolidated statements of financial positions.

(e) Represents an operating loan facility between Columbus and Sable Holding (the **Sable Holding Loan Facility**). The loan agreement was amended on March 23, 2016, which reduced the original amount of the facility from $75.0 million to $55.0 million and converted it from an uncommitted facility to a committed facility. The Sable Holding Loan Facility is unsecured, bears interest at LIBOR plus 4.25% and is due on demand. The net increase in the Sable Holding Loan Facility during the year ended December 31, 2016 includes (i) loans of $52.8 million, (ii) repayments of $44.3 million and (iii) a change in accrued interest of $0.1 million. The net increase in the Sable Holding Loan Facility during the year ended December 31, 2015 relates to the original loan of $25.5 million.

(f) Represents a Barbadian dollar (**BBD**) revolving term loan facility (the **C&W (Barbados) Revolving Term Loan**) of BBD 50.0 million ($25.0 million) between Columbus Telecommunications (Barbados) Limited and Cable & Wireless (Barbados) Limited, that was effective June 9, 2015. At December 31, 2016, BBD 43.2 million ($21.6 million) of the C&W (Barbados) Revolving Term Loan was drawn. The C&W (Barbados) Revolving Term Loan is unsecured, bears interest at the Barbados T-bill rate plus 2.72% and is due on demand. The net increase in the C&W (Barbados) Revolving Term Loan during the year ended December 31, 2016 is due to a change in accrued interest. The net increase in the C&W (Barbados) Revolving Term Loan during the year ended December 31, 2015 includes (i) the original loan of $20.9 million and (ii) a change in accrued interest of $0.1 million.

(g) Represents deferred revenue related to certain indefeasible rights of use arrangements with another subsidiary of Liberty Global.

(h) Represents a subordinated term loan facility (the **Sable Holding Term Loan**) between Columbus and Sable Holding, which includes a $34.8 million non-cash contribution during the year ended December 31, 2016. The Sable Holding Term Loan matures on September 30, 2021. At December 31, 2016, there is no stated interest rate on the Sable Holding Term Loan.

Executive remuneration

We paid total remuneration to key management personnel, inclusive of salaries, benefits, performance bonuses and share-based compensation, during the years ended December 31, 2016 and 2015 of $7.6 million and $10.8 million, respectively. Our key management represents those directors that have the authority and responsibility for managerial decisions affecting the future development and operations of our business.

(19) Share-based Compensation

On May 16, 2016, there was a change in control of our parent company due to the Liberty Global Transaction, which resulted in the accelerated vesting of certain of our outstanding awards under our restricted and performance share plans. On May 17, 2016, the outstanding awards were cancelled and replaced with grants of restricted share units (**RSU**s) under a Liberty Global employee incentive plan (the **Incentive Plan**). During the year ended December 31, 2016, additional RSUs and stock appreciation rights (**SAR**s) were granted to certain of our employees under the Incentive Plan.

In aggregate, we recognized $11.0 million (which includes approximately $8.9 million of expense associated with the accelerated vesting on May 16, 2016) of share-based compensation expense during the year ended December 31, 2016. Share-based compensation expense is included in operating costs before depreciation and amortization in our consolidated statements of operations.

Columbus Employee Incentive Plan (CEIP)

The CEIP has been cancelled. We recognized $18.5 million of share-based compensation expense associated with the CEIP during the year ended December 31, 2015. A summary of plan activity for the year ended December 31, 2015 is as follows:

	Type 1 $0.01	Type 2 $2.00	Type 3 $3.02	Type 4 $3.08	Total
Balance at January 1, 2015	3,336,183	9,125,000	345,000	725,000	13,531,183
Forfeited	—	(20,000)	—	—	(20,000)
Exercised (a)	(3,336,183)	(9,105,000)	(345,000)	(725,000)	(13,511,183)
Balance at December 31, 2015	—	—	—	—	—

(a) The weighted average share price of shares exercised was $6.95.

Other Incentive Plans

In connection with the CWC Transaction, all of the outstanding options in our Restricted Share Plan (**RSP**) were cancelled and replaced with a combination of alternative CWC incentive plan awards and cash payments to the unit holders. The RSP was cancelled in connection with the Liberty Global Transaction.

Prior to the Liberty Global Transaction, certain executive directors and other senior executives of the company were eligible to receive awards under a performance share plan of the company (the **Performance Plan**), at no cost. The Performance Plan was cancelled in connection with the Liberty Global Transaction.

We recognized an aggregate $3.3 million of share-based compensation expense associated with the RSP and the Performance Plan during the year ended December 31, 2015.

(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-cancelable operating leases and other items. The following table sets forth the U.S. dollar equivalents of such commitments as of December 31, 2016:

	Payments due during:						
	2017	2018	2019	2020	2021	Thereafter	Total
				in millions			
Programming commitments	$ 33.6	$ 35.3	$ 0.3	$ —	$ —	$ —	$ 69.2
Network and connectivity commitments	7.4	5.3	4.3	3.0	1.8	7.1	28.9
Purchase commitments	4.5	0.1	0.1	0.1	—	—	4.8
Operating leases	7.3	4.9	1.9	1.2	0.9	1.3	17.5
Total (a)	$ 52.8	$ 45.6	$ 6.6	$ 4.3	$ 2.7	$ 8.4	$ 120.4

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

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

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

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

Rental expense of our continuing operations under non-cancellable operating lease arrangements amounted to $14.2 million during the years ended December 31, 2016. It is expected that in the normal course of business, finance leases that expire generally will be renewed or replaced by similar leases.

Atlantic Cable Maintenance and Repair Agreement **(*ACMRA*)**

On October 22, 2004, a subsidiary of Columbus became a party to the ACMRA. The ACMRA is a consortium of submarine cable systems that collectively share the standing costs of submarine cable system maintenance based on the number of kilometers of cable that comprises the respective cable system. The costs of repairing individual cable faults are in excess of the standing charges and are borne by the respective cable system. The ACMRA contract has been renewed multiple times and currently expires on December 31, 2017.

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 Jamaica and Trinidad & Tobago, have not completed their review of the Liberty Global Transaction or granted their approval. Such approvals may include binding conditions or requirements that could have an adverse impact on our operations and financial condition.

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

In addition to the foregoing items, we have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving VAT and wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright 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 Information

We manage our business under two operating segments: **Columbus Networks** , which is primarily composed of our wholesale services and related business solutions, and **Flow**, which is primarily composed of our retail services and related business solutions. Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. We evaluate performance and make decisions about allocating resources to our operating segments based on financial measures such as revenue and Adjusted Segment EBITDA (as defined below). In addition, we review non-financial measures such as subscriber growth, as appropriate.

"**EBITDA**" is defined as profit before net financial expense, income taxes and depreciation, amortization and impairment. As we use the term, "Adjusted Segment EBITDA" is defined as EBITDA before share-based compensation, provisions and provision releases related to significant litigation and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets and (ii) restructuring provisions or provision releases. Our internal decision makers believe Adjusted Segment EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between segments and (c) identify strategies to improve operating performance in the different countries in which we operate.

Performance Measures of Our Reportable Segments

The amounts presented below represent 100% of each of our reportable segment's revenue, Adjusted Segment EBITDA and net earnings or loss:

	Revenue			Adjusted Segment EBITDA	Net earnings (loss)
	External	Intercompany	Total		
			in millions		
Year ended December 31, 2016:					
Flow	$ 407.5	$ 6.4	$ 413.9	$ 141.0	$ 14.7
Columbus Networks	250.0	10.5	260.5	133.0	44.4
Other and eliminations (a)	—	(16.9)	(16.9)	(21.0)	(81.6)
Total	$ 657.5	$ —	$ 657.5	$ 253.0	$ (22.5)
Year ended December 31, 2015:					
Flow	$ 379.8	$ 9.2	$ 389.0	$ 172.5	$ 46.9
Columbus Networks	244.2	10.2	254.4	119.9	21.6
Other and eliminations (a)	—	(19.4)	(19.4)	(5.8)	(126.2)
Total	$ 624.0	$ —	$ 624.0	$ 286.6	$ (57.7)

(a) Other and eliminations primarily includes (i) corporate and centralized operational expenses, (ii) finance expenses, (iii) results associated with the undersea fiber optic cable network, (iv) results of our wholesale solutions business, (v) eliminations for inter-segment transactions and (vi) the results of our joint ventures and associates.

The following table provides a reconciliation of total Adjusted Segment EBITDA to net loss:

	December 31, 2016	December 31, 2015
	in millions	
Adjusted Segment EBITDA	$ 253.0	$ 286.6
Share-based compensation	(11.0)	(21.8)
Depreciation, amortization and impairment	(140.6)	(142.2)
CWC Balancing Charges	(9.1)	(8.0)
Restructuring and other operating items	(5.9)	(30.4)
Non-recurring trade receivables impairment charge	—	(31.6)
Loss on disposal of property and equipment and other items	(0.8)	(0.6)
Operating income (loss)	85.6	52.0
Interest expense	(98.1)	(95.2)
Realized and unrealized gains (losses) on derivative instruments	31.4	(8.7)
Foreign currency transaction losses	(21.2)	(4.0)
Interest income	1.9	2.2
Other finance expense	(0.8)	(0.1)
Income tax expense	(21.3)	(3.9)
Net loss	$ (22.5)	$ (57.7)

Statement of Financial Position Data of our Reportable Segments

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

	Total Assets		Total Liabilities	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	in millions			
Flow	$ 921.7	$ 898.6	$ 857.0	$ 826.1
Columbus Networks	952.3	805.2	571.6	515.0
Corporate and other	(118.9)	(49.1)	566.3	525.1
Total	$ 1,755.1	$ 1,654.7	$ 1,994.9	$ 1,866.2

(22) Subsequent Event

On January 1, 2017, Columbus Networks Limited entered into an asset swap agreement with a subsidiary of CWC. The asset swap included the sale of the Panama business-to-business operations in exchange for certain international wholesale capacity assets and contracts.

On March 8, 2017, the FCC granted their approval for the acquisition of the U.S. Carve-out Entities by Liberty Global or a subsidiary of Liberty Global. On April 1, 2017, a subsidiary of Columbus acquired the issued and outstanding share capital of the U.S. Carve-out Entities.