One
COMMUNICATIONS

SIX MONTH REPORT 2018

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CEO's Report

A Key Aspect

The Company continues to make progress on improving the end customer experience through several network investments and product enhancements. As a result, there were measurable improvements in key operational metrics over the first six months of 2018.

In the first half of 2018, the Company completed its island-wide FibreWire rollout, which along with other operational programs, produced important service quality improvements in our residential internet and TV products. We are happy to report service call volumes have declined and a corresponding increase in customer satisfaction scores since last year. All customers were provided free internet speed boosts as part of the network upgrades and overall customer feedback has been positive. Nevertheless, the Company is working on additional initiatives to further enhance and improve the customer experience.

One such initiative is our next generation FibreWire television product. We are well underway with internal employee trials commencing before our commercial launch date in the Fall. Feedback thus far has been excellent particularly around the user interface which many liken to leading online streaming services like Netflix. The new FibreWire TV service will transform how Bermudians consume on-screen entertainment by dramatically changing how, when and where customers watch content. Customers will now be able to produce customized catalogues of video content via the new Cloud DVR feature, and also watch live and recorded programming from any connected device including laptops, smartphones and tablets. The new platform is 4K Ultra HD picture quality ready and will mark only the first phase of several innovative product features that will distinguish the service from current offerings in the market. We will be implementing a comprehensive box-exchange program that will be at no cost to the customer and which promises to make the process as painless as possible.

We are assembling a pipeline of new product offerings for launch to both residential and business customers over the next six months. Our goals with these products are to provide innovative solutions for reoccurring customer pain-points, add new revenue lines and overall value to our product set with the corollary benefit of reducing customer churn.

On the wireless side, 4G LTE has been a game changer providing a far better user experience for customers accessing social media and other every day applications on their smartphones. We received formal confirmation from the regulator that our high speed 4G LTE rollout completed in late 2017 met the coverage obligation of over 99%, thereby confirming that our coverage and performance levels are in keeping with the best wireless networks in the world.

With respect to the Company's operations in the Cayman Islands, we remain bullish on the country's key economic indicators, such as positive population growth, which should continue to benefit our results. We continue to invest and expand our fibre footprint on the island with more than 60% of homes passed in Grand Cayman. Our suite of advanced internet, IPTV, and corporate data products continues to be well-received. Cayman's operating results demonstrate corresponding growth in both subscribers and revenue as we increase penetration rates and cement our status as the overwhelming first choice amongst Cayman telecommunications companies.

The regulatory environments in Cayman and Bermuda presented very different challenges over the past six months. In Bermuda, regulatory efforts were limited as we continue to await positive change through the completion of the long planned market review. Although there is no publicized timeline, we remain hopeful that the process will eventually confirm the removal of outdated remedies found to be ineffective by the regulator in 2017. In the meantime, we will navigate the regulatory uncertainty to ensure we can provide customers with new offers and innovative service bundles in the coming year. In Cayman, we see an increasingly active political and regulatory approach being taken with respect to the industry and we believe there are more sustainable, commercial options than some of the government interventions proposed.

Financial Summary – Six Months Ended June 30, 2018

The unaudited financial statements enclosed within this Report present the six month period ended June 30, 2018. Consolidated revenue for the period was $63.8 million and operating expenses were $56.0 million. Earnings before interest, depreciation, amortization and one-time charges for the period were $18.0 million. Operating income was $7.8 million and net income was $7.2 million. Comprehensive income attributable to equity holders of the Company for the period was $7.4 million. Basic and diluted earnings per share for the six months ended June 30, 2018 and 2017 was $0.17 and $0.18, respectively.

The Company paid $1.9 million in principal on its loan for the period. The Company had $33.5 million in long term debt outstanding and no overdraft borrowings at June 30, 2018. The Company had $17.6 million in cash at the end of the period.

Our financial statements are beginning to reflect the positive impact of our improved infrastructure, better customer experience and increased operating efficiency and we expect that positive trend to continue moving forward as we stay focused on increasing shareholder value.

The Management and Board thank all of the Company's employees for their continued focus and hard work throughout an incredibly busy period, as we continue the challenging transition to consolidate and improve our processes and products, and in turn increase long term value for our shareholders.

FRANK AMARAL
CHIEF EXECUTIVE OFFICER

Board of Directors

CHAIRMAN
Mr. Gary L. Phillips, OBE, J.P., CIARB
Chevalier de la Legion d'Honneur

DEPUTY CHAIRMAN
Mr. Kurt Eve
Cofounder
Bermuda Digital Communications Ltd.

Ms. Fiona E. Beck
Director
Twilio IP Ltd

Mr. Alasdair Younie
Director
ICM Limited

Mr. E. Michael Leverock, B. Eng., P. Eng., MBA
Cofounder
Bermuda Digital Communications Ltd.

Mr. Michael Prior
Chief Executive Officer
ATN International

Mr. Justin Benincasa
Chief Financial Officer
ATN International

Executives and Officers

Mr. Frank Amaral
Chief Executive Officer

Ms. Vicki Steele
Chief Financial Officer

Mr. Michael Tanglao
General Counsel
Secretary

Common shares held by Directors – 2,150,373

Common shares held by One Communications Ltd. Executive Management – 0

Consolidated Balance Sheets

(Unaudited) As at June 30, 2018 and December 31, 2017

(in thousands, except per share data)

		June 30, 2018		December 31, 2017
ASSETS				
Current assets				
Cash and cash equivalents	$	17,557	$	16,920
Accounts receivable, net of allowances of $4,820 and $4,921, respectively		6,438		8,570
Materials and supplies		1,231		1,139
Other current assets		4,632		2,844
		29,858		29,473
Non-current assets				
Fixed assets		145,592		140,659
Intangible assets		22,995		23,718
Goodwill		3,740		3,740
Other assets		2,270		664
Total assets	$	204,455	$	198,254
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	18,502	$	18,910
Unearned income		3,529		4,643
Current portion of long-term debt		4,688		4,688
Other current liabilities		2,169		2,296
		28,888		30,537
Non-current liabilities				
Long-term debt, excluding current portion		28,802		30,644
Other non-current liabilities		664		648
Total liabilities	$	58,354	$	61,829
SHAREHOLDERS' EQUITY				
Common Stock, $0.25 par value per share; 58,000,000 shares authorized; 41,877,875 shares issued and outstanding at June 30, 2018; 41,899,475 shares issued and outstanding at December 31, 2017		10,469		10,475
Additional paid in capital		95,886		95,935
Accumulated other comprehensive income		233		255
Retained earnings		39,513		29,760
Total equity		146,101		136,425
Total liabilities and shareholders' equity	$	204,455	$	198,254

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

Consolidated Statements of Comprehensive Income

(Unaudited) For the six months ended June 30, 2018 and 2017

(in thousands, except per share data)

	June 30, 2018	June 30, 2017
TOTAL REVENUES	$ 63,830	$ 63,363
OPERATING EXPENSES		
Termination and access fees and equipment expenses	21,534	21,694
Engineering and operations	9,481	10,066
Sales and marketing	5,669	5,828
General and administrative	9,126	9,346
Depreciation and amortization	10,175	8,573
Total operating expenses	$ 55,985	$ 55,507
Operating income	7,845	7,856
OTHER INCOME / (EXPENSE)		
Gain on disposition of available-for-sale securities	-	831
Gain on sale of capital asset	5	-
Interest income	5	16
Interest expense	(735)	(718)
Other expenses, net	50	(14)
Other expenses, net	(675)	115
Net Income	$ 7,170	$ 7,971
Net income per weighted average basic share attributable to One Communications Ltd. Shareholders	**$ 0.17**	**$ 0.19**
Net income per weighted average diluted share attributable to One Communications Ltd. Shareholders	**$ 0.17**	**$ 0.19**
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**41,895,475**	**42,238,306**
Net income	7,170	7,971
Other comprehensive income		
Reclassification of gains on sale of available-for-sale securities to net income	-	(831)
Net unrealized gains on derivatives	181	-
Net unrealized loss on available-for-sale securities	-	(90)
COMPREHENSIVE INCOME	**7,351**	**7,050**

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

Consolidated Statements of Changes in Shareholders' Equity

(Unaudited) For the six months ended June 30, 2018 and 2017

(in thousands)

	Common Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance December 31, 2016	10,587	96,921	14,838	831	123,177
Net Income	-	-	7,971	-	7,971
Other comprehensive income					
Change in value of available-for-sale securities	-	-	-	(90)	(90)
Reclassification of gains on sale of available-for-sale securities to net income (Note 5)	-	-	-	(831)	(831)
Purchase of common stock	(26)	-	(251)	-	(277)
Balance June 30, 2017	10,561	96,921	22,558	(90)	129,950

	Common Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance December 31, 2017	10,475	95,935	29,760	255	136,425
Net Income	-	-	7,170	-	7,170
Other comprehensive income					
Change in fair value of derivatives	-	-	-	181	181
Adoption of ASU 2016-01 (Note 5)	-	-	203	(203)	-
Purchase of common stock	(6)	(49)	(7)	-	(62)
Non stock based compensation	-	-	32	-	32
Adoption of ASC 606 (Note 8)	-	-	2,355	-	2,355
Balance June 30, 2018	10,469	95,886	39,513	233	146,101

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

Consolidated Statements of Cash Flows

(Unaudited) For the six months ended June 30, 2018 and 2017

(in thousands)

		2018		2017
Cash flows from operating activities				
Net income	$	7,170	$	7,971
Adjustments to reconcile net income to net cash flows provided by operating activities:				
Depreciation and amortization		10,175		8,573
Non cash stock based compensation		32		-
Gain on disposition of available-for-sale securities		-		(831)
Gain on sale of capital asset		(5)		-
Amortization of debt issuance costs		33		-
Provision for doubtful accounts		604		526
Changes in operating assets and liabilities:				
Accounts receivable		1,528		127
Materials and supplies		(92)		(280)
Other current assets		(1,039)		(934)
Accounts payable and accrued liabilities and other current liabilities		(338)		(4,580)
Unearned income		(1,114)		(598)
Net cash provided by operating activities	$	16,954	$	9,974
Cash flows from investing activities				
Capital expenditures		(14,385)		(14,602)
Proceeds from dispositions of available-for-sale securities		-		1,757
Proceeds from dispositions of investment in associates		-		1,008
Proceeds from sale of capital asset		5		-
Net cash used in investing activities	$	(14,380)	$	(11,837)
Cash flows from financing activities				
Principal repayments of long-term debt		(1,875)		(4,286)
Proceeds from issuance of debt		-		8,379
Purchase of common stock		(62)		(277)
Net cash (used in) provided by financing activities	$	(1,937)	$	3,816
Net change in cash and cash equivalents	$	637	$	1,953
Cash and cash equivalents, beginning of period	$	16,920	$	15,636
Cash and cash equivalents, end of period	$	17,557	$	17,589

The Company paid $0.7 million and $0.6 million in loan interest during the six months ended June 30, 2018 and 2017, respectively.

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

Notes to Consolidated Financial Statements

(Unaudited) For the six months ended June 30, 2018 and 2017

1. Nature of the Business

One Communications Ltd. (the "Company" or "One Communications") is incorporated in Bermuda under the Companies Act 1981. The Company through its subsidiaries, is a supplier of information and communication services, providing a wide range of data, internet, voice, and media services. On May 3, 2016, the Company issued shares of common stock to acquire Bermuda Digital Communications Ltd. ("BDC") a provider of wireless telecommunication services in Bermuda. The transaction was accounted for as a reverse acquisition under which BDC is treated as the accounting acquirer and the Company is treated as the accounting acquiree. Prior to February 2017, the Company operated under its former name KeyTech Limited.

The Company is listed on the Bermuda Stock Exchange ("BSX") and has operations in Bermuda and the Cayman Islands. The registered office is located at 30 Victoria Street, Hamilton, HM 12, Bermuda.

ATN International, Inc. (the "Parent" or "ATN") owns a controlling interest in the Company. The Parent is a listed company on the NASDAQ stock exchange.

The Company's following subsidiaries operate in Bermuda:

Logic Communications Ltd. (trading as One Communications) – following the merger of Logic and Bermuda Cablevision Limited ("BCL") in July 2015, this company now provides a wide range of data internet products and services, internet access, long distance and local voice services as well as subscription television services in Bermuda.

Bermuda Digital Communications Ltd. (trading as One Communications) – provides a range of cellular products and solutions in Bermuda.

Cable Co. Ltd. – provides international data services on its submarine cable system between Bermuda and the United States.

The following subsidiary operates in Cayman:

WestTel Limited (trading as Logic) – provides fixed wireless, wireline voice and data services, and subscription television services in the Cayman Islands.

2. Significant Accounting Policies

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim period financial information. As a result, these interim unaudited consolidated financial statements do not include all the information and disclosures required by U.S. GAAP. These interim unaudited consolidated financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2017. These consolidated financial statements include the accounts of the Company and its subsidiaries.

3. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates relate to the allowance for doubtful accounts, useful lives of the Company's fixed and finite-lived intangible assets, allocation of purchase price to assets acquired and liabilities assumed in business combinations, fair value of indefinite-lived intangible assets, goodwill, assessing the impairment of assets, revenue, and income taxes. Actual results could differ significantly from those estimates.

4. Related Party Transactions

The Company incurred management fees of $1.8 million for the six month period ended June 30, 2018, in respect of a management services contract entered into on May 3, 2016 with its Parent (2017: $1.7 million).

Management fees are calculated at 2.75% of gross revenues since August 1, 2017, and at 2% of gross revenues prior to that date. Pursuant to its management contract $0.9 million remained outstanding at June 30, 2018 (2017: $0.7 million).

The Company also purchased goods and other services from its Parent and its affiliates amounting to $1.2 million for the period ended June 30, 2018 (2017: $1.2 million) of which $1.2 million was payable at June 30, 2018 (2017: $1.2 million). These related party balances are unsecured, interest free, and are due on demand.

5. Investments

On April 7, 2017, the Company sold all of its equity interest in Quo Vadis Limited to WISeKey SA a company listed on the Swiss stock exchange. The Company received $1.0 million in cash and 88,800 shares of WISeKey, valued at $0.4 million for a total consideration value of $1.4 million on that date. The Company did not recognize a gain or loss on the transaction.

Between March and April 2017, the Company sold available for sale securities receiving proceeds of $1.8 million. The securities had a cost of $1.0 million resulting in a gain of $0.8 million.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments–Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets And Financial Liabilities (ASU 2016-01), which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Under the guidance, changes in the fair value of equity investments with readily determinable fair values are recorded in other income on the Company's income statement. As of June 30, 2018, the Company held $382 thousand of equity investments with readily determinable fair values and recorded $173 thousand in losses in other expenses for the six month period then ended. On January 1, 2018, the date ASU 2016-01 was adopted, the company reclassified $203 thousand of unrealized gains in its investment in WISeKey SA to retained earnings.

6. Segment Reporting

Reportable segments correspond to the Company's internal organizational structure. The Company operates the following reportable segments, which are managed as separate business units, as they both operate in different geographic regions, and therefore require different market strategies.

The Company's Bermuda segment operates under the brand 'One" providing a wide range of data internet products and services, cellular products and solutions, internet access, long distance and local voice services as well as subscription television services in Bermuda.

The Company's Cayman segment operates under the brand 'Logic" providing fixed wireless, wireline voice and data services, and subscription television services in the Cayman Islands.

For the six month period ended June 30, 2018 (in $000)	Bermuda	Cayman	Corporate and Other	Total
Revenues	$ 52,430	$ 13,918	$ (2,518)	$ 63,830
Depreciation and amortization	8,295	2,121	(241)	10,175
Operating expenses	34,153	10,076	1,581	45,810
Segment operating income / (loss)	9,982	1,721	(3,858)	7,845
Capital expenditures	$ 10,896	$ 3,388	$ 101	$ 14,385
Net fixed assets	82,015	39,692	23,885	145,592
Intangible assets	22,995	-	-	22,995
Goodwill	3,740	-	-	3,740
Current assets and other assets	26,017	3,617	2,494	32,128
Segment total assets	134,767	43,309	26,379	204,455

Corporate and other includes corporate overhead items and consolidating adjustments.

7. Long-Term Debt

On May 22, 2017 the Company amended and restated the long term debt agreement with HSBC Bank Bermuda Limited to increase the facility to $37.5 million. The amended and restated debt is scheduled to mature on May 22, 2022 and bears interest at the three month LIBOR rate plus an applicable margin rate ranging between 2.5% to 2.75% paid quarterly. The amended and restated Debt contains customary representations, warranties and affirmative and negative covenants (including limitations on additional debt, guaranties, sale of assets and liens) and financial covenants that limit the ratio of tangible net worth to long term debt and total net debt to certain earnings metrics and require a minimum debt service coverage ratio (net cash generated from operating activities plus interest expense less net capital expenditures to debt repayments plus interest expense). The covenants are tested annually commencing the fiscal year ending December 31, 2017. The Company has pledged substantially all of the assets of the Company to guarantee the debt. As at December 31, 2017 and June 30, 2018 the Company was in compliance with its covenants.

In connection with the amended and restated debt, the Company increased the limit of its overdraft facility from $5.0 million to $10.0 million. This facility has an interest rate of three month LIBOR plus 1.75%.

As a condition of the amended and restated agreement, the Company was required to enter into a hedging arrangement equal to at least 30% of the notional amount of the debt and a term equal to the maturity of the debt. On July 14, 2017, the Company entered into a swap transaction effective June 30, 2017 for a notional amount of $11.0 million with a fixed rate of 1.874%. This swap has been designated as a cash flow hedge. The fair value of the hedge was nil at inception and $237 thousand at June 30, 2018 ($52 thousand at December 31, 2017).

The Company capitalized $0.3 million of fees associated with the debt, which is recorded as a reduction to the debt carrying amount and will be amortized over the life of the debt.

8. Revenue Recognition

The Company's significant accounting policies are detailed in "Note 2 – Summary of Significant Accounting Policies" of its Annual Report for the year ended December 31, 2017. The Company's accounting policies are updated as a result of adopting Revenue Recognition - ASC 606 – Revenue from Contracts with Customers ('ASC 606') on January 1, 2018. The adoption of ASC 606 impacted the accounting for contract acquisition costs and multiyear retail wireless contracts with promotional discounts, as further described below.

Revenue Recognition – The Company earns revenue from its telecommunication operations and recognizes revenue through the following steps:
- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognize revenue when, or as, we satisfy performance obligations

The Company's revenues are primarily derived from providing customers with access to and usage of the Company's networks and facilities. Access revenues are generally billed one month in advance and are recognized over the period that the corresponding service is rendered to customers. Revenues derived from usage of the Company's networks, including airtime, data, roaming, and long-distance revenues, are recognized over time as the services are provided. Revenue is also derived from selling equipment to customers, which is recognized when the equipment is delivered to the customer.

Management considers transactions where customers purchase subsidized or discounted equipment and mobile voice or data services to be a single contract. For these contracts, the transaction price is allocated to the equipment and mobile service based on their standalone selling prices. The standalone selling price is based on the amount the Company charges for the equipment and service to similar customers. The equipment revenue is recognized when the equipment is delivered to customers and service revenue is recognized as service is rendered.

The Company's contracts occasionally include promotional discounts such as discounted products. If a contract contains a substantive termination penalty, the transaction price is allocated to the performance obligations based on standalone selling price resulting in accelerated revenue recognition and the establishment of a contract asset that will be recognized over the life of the contract. If a contract includes a promotional discount but no substantive termination penalty the discount is recorded in the promotional period and no contract asset it established. The Company's customers generally have the option to purchase additional telecommunication services. These options are not performance obligations and are excluded from the transaction price because they do not provide the customers with a material right.

Taxes and charges collected from customers that are remitted to the governmental authorities are reported on a net basis and excluded from the revenues and sales.

Contract Assets and Liabilities

The Company recognizes contract assets and liabilities on its balance sheet. Contract assets represent unbilled amounts typically resulting from retail wireless contracts with both a multiyear service period and a promotional discount. In these contracts the revenue recognized exceeds the amount billed to the customer. The current portion of the contract asset is recorded in other current asset and the noncurrent portion is included in other assets on our balance sheets. Contract liabilities consist of advance payments and billings in excess of revenue recognized. Revenue for postpaid customers is generally billed one month in advance and recognized over the period that the corresponding service is rendered to customers. To the extent the service is not provided by the reporting date the amount is recognized as a contract liability. Prepaid revenue, including mobile voice and data services, sold to customers is recorded as deferred revenue prior to the commencement of services. Contract liabilities are recorded in unearned income on our balance sheets. Contracts asset and liabilities consisted of the following (amounts in thousands):

		June 30, 2018		January 1, 2018		$ Change		% Change
Contract asset – current	$	1,434	$	1,179	$	255	$	22%
Contract asset – noncurrent		568		449		119		27%
Contract liabilities		(2,223)		(3,549)		1,326		37%
Net contract liability		(221)		(1,921)		1,700		88%

The contract asset-current is included in other current assets, the contract asset – noncurrent is included in other assets, and the contract liabilities are included in unearned income on the Company's balance sheet. The decrease in our net contract liability was due to the timing of customer prepayments and contract billings. In the six months ended June 30, 2018, we recognized revenue of $2.0 million related to our January 1, 2018 contract liability and amortized $0.8 million of the January 1, 2018 contract asset into revenue. There was no revenue recognized in the period related to performance obligations that were satisfied or partially satisfied in previous periods.

Contract Acquisition Costs

The Company pays sales commissions to its employees and agents for obtaining customer contracts. These costs are incremental because they would not have been incurred if the contract was not obtained. The Company recognizes an asset for these costs and subsequently amortizes the asset on a systematic basis consistent with the pattern of the transfer of the services to the customer. The amortization period, which is between 2 and 6 years, considers both the original contract period as well as anticipated contract renewals as appropriate. The amortization period includes renewal commissions when those commissions are not commensurate with new commissions. The Company estimates anticipated contract renewals based on its actual renewals in recent periods. When the expected amortization period is one year or less the Company utilizes the practical expedient and expenses the costs as incurred. Our June 30, 2018 balance sheet includes current contract acquisition costs of $0.5 million in other current assets and long term contract acquisition costs of $0.5 million in other assets. The Company amortized $0.2 million of contract acquisition cost during the six months ended June 30, 2018.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied performance obligations of certain multiyear retail wireless contracts that include a promotional discount. The transaction price allocated to unsatisfied performance obligations was $10.6 million at June 30, 2018. The Company expects to satisfy the remaining performance obligations and recognize the transaction price within 24 months. The Company has certain contracts where transaction price is allocated to remaining performance obligations however the company omits these contracts from the disclosure by applying the right to invoice, one year or less, and wholly unsatisfied performance obligation practical expedients.

Impacts of adoption in the current period

The Company adopted ASC 606 on January 1, 2018 using the modified retrospective method. The Company elected the practical expedient to apply the new guidance only to contracts that were not substantially complete at the adoption date. The cumulative effect of adopting ASC 606 resulted in a contract asset of $1.6 million, of which $1.2 million was recorded in other current assets and $0.4 million was recorded in other assets, contract acquisition costs of $0.8 million, of which $0.4 million was recorded in other current assets and $0.4 million was recorded in other assets, and the offset of $2.4 million recorded to retained earnings. The tables below identify changes to the Company's financial statements as of June 30, 2018 and for the six months then ended as a result of the adoption of ASC 606 as compared to previous revenue guidance (amounts in thousands):

Balance Sheet – June 30, 2018

	Reported	Change	Under previous guidance
Other current assets	$ 4,632	$ (1,939)	$ 2,693
Total current assets	29,858	(1,939)	27,919
Other assets	2,270	(1,111)	1,159
Total assets	204,455	(3,050)	201,405
Retained earnings	39,513	(3,050)	36,463
Total equity	146,101	(3,050)	143,051
Total liabilities and equity	204,455	(3,050)	201,405

Statement of Comprehensive Income - Six months ended June 30, 2018

	Reported	Change	Under previous guidance
Revenue	$ 63,830	$ (405)	$ 63,425
Sales and marketing	5,669	290	5,959
Total operating expenses	55,985	290	56,275
Operating income	7,845	(695)	7,150
Net income	7,170	(695)	6,475
Comprehensive income	7,351	(695)	6,656

Statement of Cash Flows – Six months ended June 30, 2018

	Reported	Change[(1)]	Under previous guidance
Net income	$ 7,170	$ (695)	$ 6,475
Other current assets	(1,039)	695	(344)

[(1)] The adoption of ASC 606 had no impact on operating cash flows, investing cash flows, financing cash flows and net change in total cash.

Notes

Notes

PRINCIPAL SUBSIDIARIES

Logic Communications Ltd.
(trading as "One Communications")
30 Victoria Street
Hamilton HM 12
Bermuda
www.onecomm.bm

Bermuda Digital Communications Ltd.
(trading as "One Communications")
30 Victoria Street
Hamilton HM 12
Bermuda
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Cable Co. Ltd.
30 Victoria Street
Hamilton HM 12
Bermuda

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