Cable&Wireless
Communications

One & All

Annual review 2010/11

Summary remuneration report

Remuneration philosophy

The overall aim is to ensure that remuneration encourages, reinforces and rewards the delivery of outstanding shareholder value. This is underpinned by the following guiding principles:

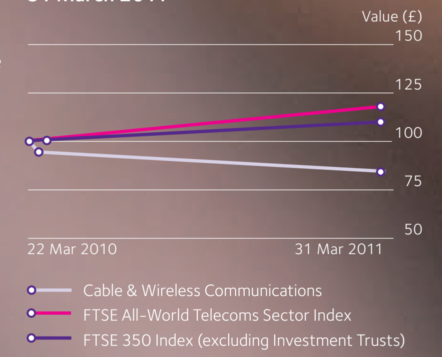
- The philosophy is focused on a risk and reward structure that maintains an overall alignment with the interests of shareholders;
- Executive Directors are encouraged to maintain a significant investment in the shares of the Company;
- Incentives are set with stretching targets and provide for below-market levels of reward for below-median performance and levels of reward in the top quartile of the market for exceptional performance;
- Remuneration packages are regularly monitored by independent analysis against comparator groups of companies. Benchmarking reflects the need to retain executives of the former Cable and Wireless plc, the enterprise value of the new entity which was specifically allocated the majority of Cable and Wireless plc group debt on demerger, and the complexity and geographic spread of the Group;
- Base salaries and benefits are normally set at the mid-market level, with some flexibility to reflect executives' experience and expertise;
- An appropriate mix of short and long-term incentives is offered so that Executive Directors are incentivised to maximise performance over both the short and medium to long-term;
- All aspects of remuneration for the Directors and selected senior executives are approved by the Remuneration Committee (the Committee);
- The Committee reviews the levels, structure and philosophy of remuneration for the Company on an annual basis;
- The Committee considers the pay and employment conditions of other employees in the Group when determining the Executive Directors' remuneration, to ensure that the remuneration structure for Directors is consistent with that of other senior executives whilst also recognising their greater Group responsibilities. The geographic spread of the Group's activities combined with senior managers being generally appointed from within those geographies, makes it necessary for the Committee to be aware of pay and employment conditions and trends within each of those geographies; and
- The Committee considers the impact of remuneration on the risk profile of the Company and ensures that the framework for incentivising behaviours is appropriate to that risk profile. In particular, it will continue to review the remuneration of key individuals who have the largest direct impact on the business's risk profile.

Overall the Committee is satisfied that the remuneration policy promotes the long-term success of the Group and that the incentive structure and objectives do not encourage excessive risk taking. In particular, it feels that the choice of performance criteria in the short and long-term incentive arrangements will reward executives for achieving the Company's key strategic goals.

Performance graphs

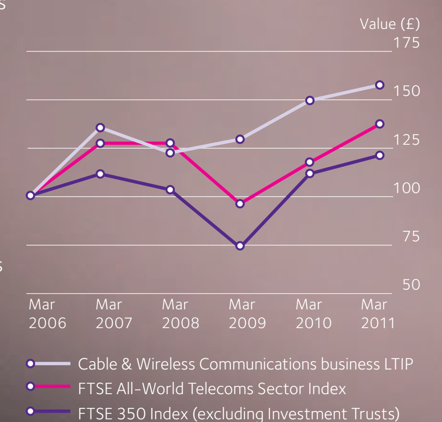
The total shareholder return graph shows the value by 31 March 2011 of £100 invested in Cable & Wireless Communications Plc shares from 22 March 2010 (the date shares in Cable & Wireless Communications Plc were admitted to the Official List), compared with the value of £100 invested in the FTSE 350 Index (excluding Investment Trusts) and £100 invested in the FTSE All-World Telecoms Sector Index.

Total shareholder return (TSR) Value in £ from 22 March 2010 to 31 March 2011



Cable & Wireless Communications business value compared to FTSE 350 and FTSE All-World Telecoms Sector Index

A similar graph over a five year period has also been presented below as the Committee believes this is more meaningful and relevant to our incentive plans. In this case the TSR for the Cable & Wireless Communications business has been calculated using the same methodology as the calculations made for the Cash LTIP.



Directors' emoluments

The table below shows the aggregate emoluments earned by the Directors of Cable & Wireless Communications Plc during the period 1 April 2010 to 31 March 2011. Directors' salaries or fees are denominated in sterling as the Directors are based in the UK. US dollar equivalents have been presented for reference purposes, however these reference amounts will fluctuate with changes in exchange rates.

	For the statutory period 1 April 2010 to 31 March 2011							
	Salaries total and fees US$*	**Total cash bonuses[5] US$***	**Benefits in kind[2] US$***	**Pension cash allowance[3] US$***	**Long Term Incentive Scheme[4] US$***	**Total 2010/11 statutory period 1 April 2010 to 31 March 2011 US$***	Total 2009/10 for non statutory period 1 April 2009 to 31 March 2010[6] US$[1]	Total 2009/10 statutory period 19 January 2010 to 31 March 2010[6] US$[1]
Chairman								
Sir Richard Lapthorne	596,949	–	116,415	–	–	**713,364**	859,751	30,622
Executive Directors								
George Battersby (from 1 April 2010 to 21 July 2010)	199,288	–	15,627	49,822	–	**264,737**	840,655	29,942
Nick Cooper	541,275	211,097	6,330	–	247,435	**1,006,137**	97,246[7]	97,246[7]
Tim Pennington	773,250	301,456	5,538	193,313	–	**1,273,557**	960,932	187,600
Tony Rice	1,082,550	405,957	61,235	270,638	–	**1,820,380**	1,253,975	44,663
Non-executive Directors								
Simon Ball	131,453	–	2,080	–	–	**133,533**	264,526	9,421
Mary Francis	131,453	–	2,255	–	–	**133,708**	78,133	2,782
Kate Nealon	100,523	–	2,080	–	–	**102,603**	138,847	4,945
Kasper Rorsted (from 1 April 2010 to 1 January 2011)	75,392	–	316	–	–	**75,708**	146,880	5,231
Ian Tyler (from 1 January 2011 to 31 March 2011)	25,130	–	–	–	–	**25,130**	–	–
Total	3,657,263	918,510	211,876	513,773	247,435	**5,548,857**	4,640,945	412,452

*Based on Sterling to USD exchange rate of 1.5465 which is the average exchange rate used by the Group for 2010/11

1 Based on a Sterling to USD exchange rate of 1.5904 which is the average exchange rate used by the Group for 2009/10.
2 "Benefits in kind" include Company provided life assurance, professional advice, chauffeur travel and reimbursement of costs associated with accommodation and relocation (as applicable).
3 Company pension contributions in 2010/11 have been paid to the Directors as either annual cash allowances or employer's pension contributions. An amount of US$26 million (2009/10 – US$24 million) is included in the net pensions deficit figure to cover the cost of former Directors' pension entitlements.
4 The payment of US$247,435 to Nick Cooper was due to him from a long-term incentive scheme in which he participated prior to becoming an Executive Director. No further payments are due under that or any similar scheme.
5 For Tony Rice and Nick Cooper an equivalent amount of the cash bonus will be received in the form of shares deferred for one year and subject to claw back at the discretion of the Committee. Tim Pennington has waived US$112 from his cash bonus as an equivalent amount was paid into the pension plan by the Company on his behalf and therefore the amount of bonus received by Tim Pennington in the form of shares deferred for one year and subject to claw back at the discretion of the Committee will be US$301,568. These shares will count towards each Director's shareholding requirement.
6 As explained in last year's annual report, we were required by statute to provide details of Directors' remuneration for the period 19 January to 31 March 2010 (i.e. from incorporation to the year end) but we also provided information for the full year ended 31 March 2010 to be more helpful to shareholders.
7 Nick Cooper was appointed to the Board on 25 January 2010.

Shareholder information

Registrar

If you have any queries regarding your shareholding in Cable & Wireless Communications Plc, please contact:

Equiniti
Aspect House
Spencer Road, Lancing
West Sussex BN99 6DA
Telephone 0871 384 2104* (UK shareholders)
+44 (0) 121 415 7052 (overseas shareholders)

Shareholders can view up to date information about their shareholding at www.shareview.co.uk

Company Secretary and Registered Office

Clare Underwood
3rd Floor, 26 Red Lion Square
London WC1R 4HQ
Telephone +44 (0) 207 315 4000

*Calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.

Financial calendar

Ex-dividend date	1 June 2011
Record date	3 June 2011
Last date for election to join dividend reinvestment plan	15 July 2011
Last date for election to receive dividends in US dollars	15 July 2011
Notification of sterling dividend payment amount	21 July 2011
AGM	22 July 2011
Payment of final dividend	12 August 2011
Announcement of interim results 2011/12	3 November 2011

Dividends

Dividends are declared by the Company in US dollars. The default payment currency for dividends is sterling and shareholders may elect to receive payment in US dollars. The actual sterling amount of any dividend payable by the Company from time to time will be based on the sterling/US dollar exchange rate in effect on a date chosen by the Directors nearer to the relevant payment date.

Shareholders whose dividends are paid directly into a bank account will receive one consolidated tax voucher each year sent in January at the time that the interim dividend is paid. If you would prefer to receive a tax voucher with each dividend, please contact our shareholder helpline on 0871 384 2104*.

Shareholders who wish to be paid by direct bank transfer should contact Equiniti on 0871 384 2104*.

Electronic communication

Together with Equiniti, Cable & Wireless Communications Plc is able to offer shareholders the option to manage their shareholding online. To make use of this facility, please register at www.shareview.co.uk following the on screen instructions.

The Company also offers shareholders the option to receive communications from the Company electronically as an alternative to receiving documents through the post.

Unsolicited mail

Company law allows people unconnected with the Company to obtain a copy of our share register. As a consequence, shareholders may receive unsolicited mail, including mail from unauthorised investment firms. For more information on unauthorised investment firms targeting UK investors, you should visit the website of the Financial Services Authority (www.moneymadeclear.fsa.gov.uk/guides/staying_safe/staying_safe_against_scams).

If you wish to limit the amount of unsolicited mail you receive, please contact:

The Mailing Preference Service
DMA House
70 Margaret Street
London W1W 8SS
Telephone 0845 703 4599
Online www.mpsonline.org.uk

ShareGift

If you have a small number of shares whose value makes them uneconomic to sell, you may wish to consider donating them to charity. ShareGift is a registered charity (no. 1052686) which collects and sells unwanted shares and uses the proceeds to support a wide range of UK charities. Further information about ShareGift and the charities it supports is available at www.ShareGift.org or by contacting them at:

17 Carlton House Terrace
London SW1Y 5AH
Telephone +44 (0) 20 7930 3737

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Chairman's review

"We have made a positive start as an independent Group and will continue building the foundations for future success. Shareholders should feel confident that our business is well-positioned to exploit the exciting new opportunities which are emerging."

Sir Richard Lapthorne
Chairman

Cable & Wireless Communications (CWC) has made good progress since our demerger in March 2010. We have reported improved revenues (up 4% to US$2.4 billion), EBITDA (up 1% to US$872 million) and profit before tax (up 21% to US$462 million). We saw strong trading performances in three of our business units, Panama, Macau and Monaco & Islands. Our Caribbean business made solid operational progress, but its results continue to be challenged by weak or declining economies across the region.

Each of the businesses continues to generate a high cash conversion of profits. The Board has recommended a full year dividend of US8 cents per share, US2.67 cents of which was paid in January, with a further US5.33 cents to be paid in August 2011, subject to the approval of shareholders. We are also in the process of returning further capital to shareholders through a US$100 million share buyback programme. The buyback is an effective and risk-free use of our cash, saving a dividend payment on the shares we purchase.

The demerger has brought increased focus to our business, particularly at Board level. Prior to separation, Board discussion was dominated by the turnaround of Cable & Wireless Worldwide and the demerger. The focus is now on ensuring that CWC captures the emerging growth opportunities for full service telecoms businesses, particularly mobile data, enterprise and carrier services. Our businesses are well placed to do so.

Usage of mobile data and fixed and mobile broadband is growing, particularly in Panama and Macau. Demand for our data centre and hosting services is also growing and we are expanding our subsea cable infrastructure to meet demand in the carrier market. We are also building our capability to supply managed services to both governments and large corporate customers.

We also made progress on our reshaping of the Group, disposing of our Bermuda operations and purchasing a majority shareholding in the Bahamas Telecommunications Company in April. Reshaping the portfolio will require patience as in most territories we are a provider of key national infrastructure. Whilst the shape changes, our mission and purpose remain clear. We operate in local markets, assisting them to grow by delivering world class communications services and expertise adapted for each specific environment.

Our Board of Directors has seen change with Kasper Rorsted retiring and Ian Tyler joining in the year. Kate Nealon will also retire at the end of our AGM in July. George Battersby, our HR Director, stepped down from the Board in July 2010, and sadly passed away shortly afterwards. The Board of Directors felt a deep sense of loss of such a fine colleague.

The CWC Board has continued our rigorous approach to corporate governance. Our approach to governance is focused on driving good behaviours within the business. Our model rightly places the Board of Directors as the stewards of the business, working on behalf of shareholders.

Overall, we have made a positive start as an independent Group and will continue building the foundations for future success. Shareholders should feel confident that our business is well positioned to exploit the exciting new opportunities which are emerging.

US8c
Recommended full year dividend

Chief Executive's review

"We have been positioning our businesses for the future – developing propositions for mobile data, pay TV/triple play, high speed broadband, managed services and undersea cables."

Tony Rice
Chief Executive

How do you assess the Company's performance in 2010/11?
I am pleased with the progress we made in delivering our strategy and improving operations.

To finish the year with revenues up 4% and EBITDA up 1% is a respectable performance in the circumstances. Our Macau, Panama and Monaco & Islands businesses performed well. The Caribbean environment was difficult, and continues to be difficult, but the strength of our portfolio limited the impact in our financial results.

Most importantly, all of our businesses have been positioning for the future – developing propositions for mobile data, pay TV/triple play, high speed broadband, managed services and undersea cables. We also maintained our commitment to our corporate social responsibility programmes.

What are your aims for the business in 2011/12?
This year will be about putting in place the building blocks to grow the business.

To capture the opportunity of mobile data, we will be investing further in our networks and accelerating the roll out of smartphones. I also want to see more business units providing managed services for enterprises and governments. We'll also continue to pursue opportunities to reshape our Group, building on areas of strength.

How important were the decisions to sell the business in Bermuda and invest in The Bahamas?
Both transactions showed our commitment to bring more focus to the Group.

The Bahamas Telecommunications Company (BTC) is in a region we understand and in which we have scale. The restructuring opportunity at BTC will also provide further impetus to the turnaround of our Caribbean business. We expect BTC to make a major contribution in future.

Bermuda was not a full service business. We found a committed buyer who received the support of the Bermudan Government, so we took the opportunity to divest.

The Caribbean is facing a challenging environment again next year. When do you expect the situation to improve there?
Our business felt the strain of depressed economies and 'austerity' budgets across the Caribbean. Disposable income dictates consumer spending on telephony and this remains weak. We don't expect to see much improvement this year. Jamaica, in particular, remains difficult with potential for further structural declines if there is no change to the regulatory environment.

Our Caribbean team is taking the right steps to drive better performance – upgrading networks, improving customer services and revitalising our branding. Last year we launched a fightback in the Jamaica mobile market, stealing a march with our mobile TV product.

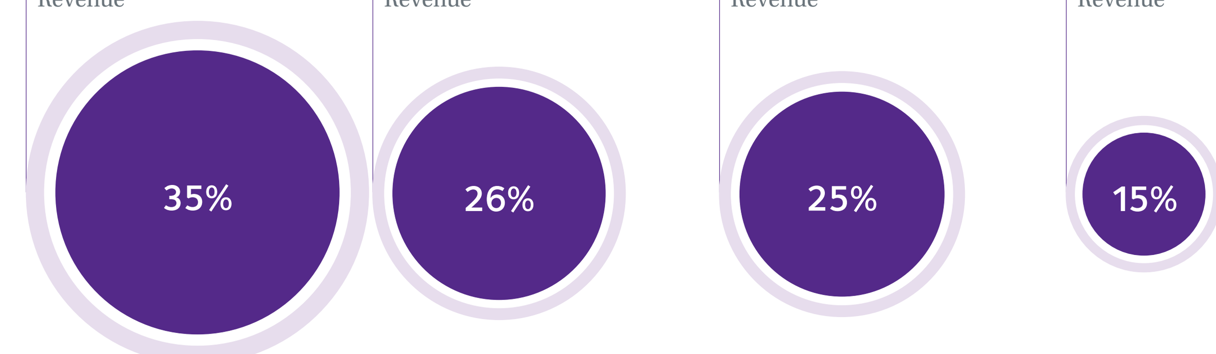
Panama's performance was down slightly, although the second half was strong. What were the key levers?
Mobile, enterprise, broadband and pay TV were the key levers. In a four player market, our mobile business maintained market share above 50% and posted a 1% rise in revenue.

Broadband and TV revenue also increased – our +TV Digital service grew to over 44,200 subscribers at year end. In enterprise services, we had a particularly good second half, winning several government projects. I am very proud of these social telecoms projects, which utilise our expertise to deliver public services more efficiently. Last year we provided a telemammography service, which will ensure more Panamanian women have access to preventative screenings. In April, we were selected to provide a 911 emergency services platform in El Salvador. In all, a strong performance.

US$2.4bn
Revenue

US$872m
EBITDA

Revenue by region*



Caribbean	Panama	Monaco & Islands	Macau
US$850m Revenue	US$623m Revenue	US$605m Revenue	US$377m Revenue
35%	26%	25%	15%

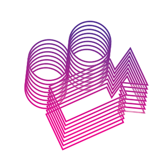
*Revenue from joint venture businesses and intra-group eliminations are excluded

Our services

Mobile
We are investing in faster and higher capacity mobile networks. Our core services are increasingly supplemented by mobile broadband and a range of other mobile data products.

Fixed line
Our Group has been providing fixed line services for over 140 years. We remain the market leader in almost all the territories we serve.

Broadband
We provide high speed broadband to our customers homes and workplaces and are investing in our infrastructure so we can deliver on ever increasing demands for capacity.



Entertainment
We offer pay TV services in several markets and plan to roll out services in more. Our triple play services are a 'bundle' of pay TV, broadband and fixed line services.

Data centres and hosting
We operate a number of data centres across the globe in which we securely transit, store and host data for large corporate customers and heavy internet users.

Managed Services/ Social Telecoms
For corporate and government customers, we provide a managed telecoms service – taking on the responsibility for the infrastructure, processes and people who deliver the service to the customer.

Business review Panama

"We have launched the first telemammography network in Latin America, building upon our teleradiology network. This will reduce the time it takes to diagnose patients and ensure more women receive preventative testing. We are proud to have developed this service."

Jorge Nicolau
Chief Executive Officer, Panama

	2010/11	2009/10
Revenue	US$623m	US$621m
Gross margin	68%	70%
EBITDA	US$276m	US$283m
Capital expenditure	US$(106)m	US$(94)m
Mobile customers	2.53m	2.46m
Mobile ARPU	US$11.0	US$12.4

Macau

"The mobile penetration rate in Macau is one of the highest in the world. 83% of our mobile customers use 3G and we have maintained our leading position despite keen competition in this market."

Vandy Poon
Chief Executive Officer, Macau

	2010/11	2009/10
Revenue	US$377m	US$316m
Gross margin	55%	60%
EBITDA	US$153m	US$142m
Capital expenditure	US$(25)m	US$(31)m
Mobile customers	402,000	387,000
Mobile ARPU	US$19.9	US$17.2

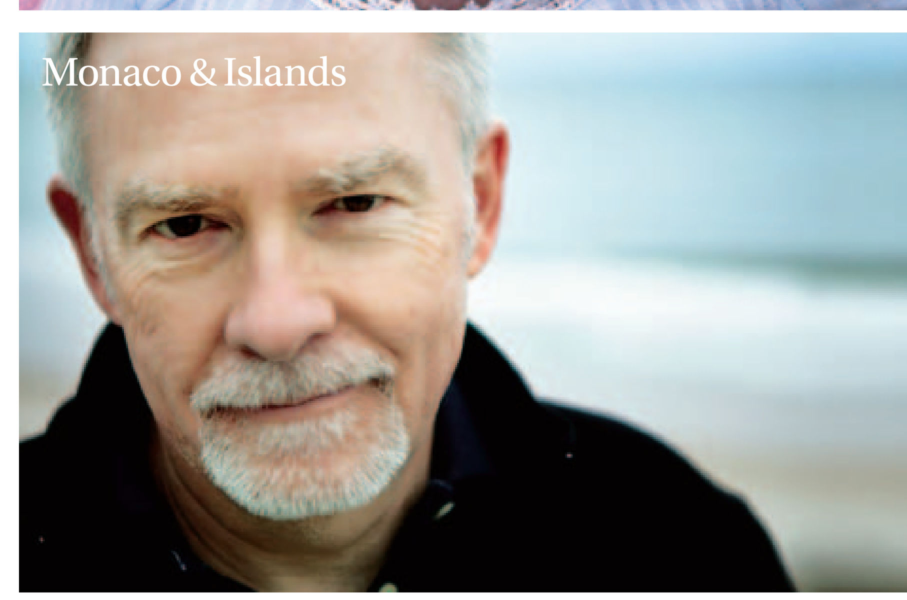
Caribbean

"In February, we completed the installation of our new East-West undersea cable system linking Jamaica, the British Virgin Islands and the Dominican Republic. The East-West cable is a valuable addition to our carrier network, increasing the capability and service LIME provides to our carrier customers throughout the Americas and the Caribbean."

David Shaw
Chief Executive Officer, Caribbean

	2010/11	2009/10
Revenue	US$850m	US$873m
Gross margin	72%	74%
EBITDA	US$229m	US$270m
Capital expenditure	US$(140)m	US$(114)m
Mobile customers	1.29m	1.27m
Mobile ARPU	US$19.3	US$21.3

Monaco & Islands



"Monaco Telecom helped to play a vital role in the principality's digital switchover. Our new TV and broadband services will ensure Monaco's residents receive the highest quality communications services available."

Denis Martin
Chief Executive Officer, Monaco & Islands

	2010/11	2009/10
Revenue	US$605m	US$552m
Gross margin	70%	64%
EBITDA	US$207m	US$174m
Capital expenditure	US$(77)m	US$(64)m
Mobile customers	5.39m*	4.08m*
Mobile ARPU	US$36.8	US$49.5

*includes mobile subscribers of Roshan, our Afghan joint venture.

To read more about our performance go to www.cwc.com

Summary Directors' report

Principal activities
Cable & Wireless Communications Plc is a global full-service communications business. We operate leading communications businesses through four regional units – the Caribbean, Panama, Macau and Monaco & Islands. Our services include mobile, broadband, domestic and international fixed line services in most of our markets as well as pay TV, data centre and hosting carrier and managed service/social telecom (telecom enabled public service) solutions.

Dividends
The Directors recommend a final dividend of US5.33 cents per ordinary share payable on 12 August 2011 to ordinary shareholders on the register at the close of business on 3 June 2011. This final dividend, together with an interim dividend payment of US2.67 cents per share paid by the Company on 13 January 2011, makes a total dividend payment to shareholders of the Company of US8 cents per ordinary share for the year ended 31 March 2011.

Directors
The names and positions of the Directors are set out within this Annual Review. All of the Directors were appointed to the Board of the Company on 25 January 2010 with the exception of Ian Tyler, who was appointed to the Board on 1 January 2011.

Ethics
The Company is committed to sound business conduct in its relationships with key stakeholders (shareholders, employees, customers, business partners and suppliers), governments and regulators, communities and the environment. The Group's ethics policy applies to all Group companies and employees. Where the Group operates in conjunction with business partners, third parties or in joint venture arrangements without management control, it aims to promote the application of this policy. The Group seeks to conduct its operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

The Group respects the legitimate interests of all those with whom it has relationships. During the year, a review of the Group's anti-bribery policy has been undertaken to ensure that our policies and procedures will meet the standards required by the Bribery Act 2010.

Internal control and risk management
The Board is responsible for the Group's system of internal control and for reviewing its effectiveness on a continual basis. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

The Group operates a risk management process, under which the regional businesses identify the key risks to their plans, their likelihood and impact and the actions being taken to manage those risks and the effectiveness of steps taken to mitigate them. The risk register is presented to the Audit Committee on a rolling 12 month basis.

The Executive Directors report to the Board, on behalf of management, significant changes in the Group's business and the external environment in which it operates. In addition, they provide the Board with monthly financial information, which includes key risk and performance indicators. The Group's key internal control and monitoring procedures include the following: Financial reporting; Investment appraisal; Monitoring systems; Financial controls and Whistle-blowing.

Going concern
After reviewing budgets and other longer-term plans and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Full Annual Report
This Annual Review and Summary Financial Statements are only a summary of information derived from the Company's Annual Report and Financial Statements. It does not contain the full text of the Directors' Report or the Directors' Remuneration Report but information derived from those reports and does not contain sufficient information to allow as full an understanding of the Company's results, state of affairs and its policies and arrangements on Directors' remuneration as would be provided by the full Annual Report and Financial Statements. Copies of the Annual Report can be obtained free of charge from our website www.cwc.com or by contacting the Company Secretary at the address given in the Shareholder Information section. Shareholders and other entitled persons who have elected to receive this Annual Review can elect to receive the full Annual Report for all future financial years using the details provided in the Shareholder Information section. The auditor's report on the annual accounts and the auditable section of the Directors' Remuneration Report was unqualified; contained no statement under section 498 of the Companies Act 2006; and it contained no qualification in respect of the consistency of the Directors' Report and the financial statements.

Independent auditor's statement to the members of Cable & Wireless Communications Plc

We have examined the summary financial statements for the year ended 31 March 2011, which comprises the Summary consolidated income statement, Summary consolidated statement of financial position, Summary consolidated cash flow statement, Summary Directors' Report and Summary Directors' Remuneration Report set out in this document.

This statement is made solely to the Company's members, as a body, in accordance with section 428 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Directors and auditor
The Directors are responsible for preparing the Annual Review in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual Review with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of opinion
We conducted our work in accordance with Bulletin 2008/3 *The auditor's statement on the summary financial statement in the United Kingdom* issued by the Auditing Practices Board. Our report on the Group's full annual financial statements describes the basis of our audit opinion on those financial statements, the Directors' Report and the Directors' Remuneration Report.

Opinion on summary financial statements
In our opinion the summary financial statements are consistent with the full annual financial statements, the Directors' Report and the Directors' Remuneration Report of Cable & Wireless Communications plc for the year ended 31 March 2011 and complies with the applicable requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc
Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

24 May 2011

Board of Directors

Sir Richard Lapthorne, CBE N R
Chairman,
Chairman of the Nomination Committee

Tony Rice
Chief Executive

Tim Pennington
Chief Financial Officer

Nick Cooper
Corporate Services Director

Simon Ball A N R
Deputy Chairman,
Senior Independent Director,
Chairman of the Audit Committee

Mary Francis, CBE A N R
Chair of the Remuneration Committee

Kate Nealon A N R
Non-executive Director

Ian Tyler A N R
Non-executive Director

A Denotes membership of Audit Committee.
N Denotes membership of Nomination Committee.
R Denotes membership of Remuneration Committee.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation, Long-Term Incentive Plan (LTIP) charge and net other operating and non-operating income and expense. Unless otherwise stated, EBITDA excludes exceptional items. Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Group that are identified as exceptional items by virtue of their size, nature or incidence.

Financial review

Group financial performance summary

	Full year ended 31 March 2011			Full year ended 31 March 2010[1]		
	Pre-exceptional US$m	Exceptional US$m	Total US$m	Pre-exceptional US$m	Exceptional US$m	Total US$m
Revenue	2,440	–	2,440	2,346	–	2,346
Gross margin	1,658	–	1,658	1,617	–	1,617
Operating costs	(786)	6	(780)	(751)	(49)	(800)
EBITDA[2]	872	6	878	866	(49)	817
Depreciation and amortisation	(321)	–	(321)	(348)	–	(348)
Net other operating (expense)/income	(28)	–	(28)	3	(33)	(30)
Joint ventures	31	–	31	30	–	30
LTIP charge	(24)	–	(24)	(1)	–	(1)
Total operating profit/(loss)	530	6	536	550	(82)	468
Finance income	32	–	32	23	19	42
Finance expense	(140)	–	(140)	(119)	(7)	(126)
Other non-operating income/(expense)	34	–	34	(1)	–	(1)
Profit/(loss) before tax from continuing operations	456	6	462	453	(70)	383
Income tax	(119)	1	(118)	(126)	6	(120)
Profit/(loss) for the year from continuing operations	337	7	344	327	(64)	263

1 2009/10 results include the consolidated results for the Maldives from October 2009 after control was obtained.
2 EBITDA is defined as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income / (expense) and exceptional items.

Summary consolidated income statement for the year ended 31 March 2011

	2010/11			2009/10		
	Pre-exceptional items US$m	Exceptional items US$m	Total US$m	Pre-exceptional items US$m	Exceptional items US$m	Total US$m
Continuing operations						
Revenue	2,440	–	2,440	2,346	–	2,346
Operating costs before depreciation and amortisation	(1,592)	6	(1,586)	(1,481)	(49)	(1,530)
Depreciation	(271)	–	(271)	(295)	–	(295)
Amortisation	(50)	–	(50)	(53)	–	(53)
Other operating income	5	–	5	4	–	4
Other operating expense	(33)	–	(33)	(1)	(33)	(34)
Group operating profit/(loss)	499	6	505	520	(82)	438
Share of profit of joint ventures	31	–	31	30	–	30
Total operating profit/(loss)	530	6	536	550	(82)	468
Gains on sale of businesses	36	–	36	–	–	–
Loss on termination of operations	(2)	–	(2)	(1)	–	(1)
Finance income	32	–	32	23	19	42
Finance expense	(140)	–	(140)	(119)	(7)	(126)
Profit/(loss) before income tax	456	6	462	453	(70)	383
Income tax (expense)/credit	(119)	1	(118)	(126)	6	(120)
Profit/(loss) for the year from continuing operations	337	7	344	327	(64)	263
Discontinued operations						
Profit/(loss) for the year from discontinued operations	–	–	–	302	(122)	180
Profit/(loss) for the year	337	7	344	629	(186)	443
Profit/(loss) attributable to:						
Owners of the Parent Company	189	8	197	486	(182)	304
Non-controlling interests	148	(1)	147	143	(4)	139
Profit/(loss) for the year	337	7	344	629	(186)	443
Earnings per share attributable to the owners of the Parent Company during the year (cents per share)						
– basic			7.6			11.9[1]
– diluted			7.5			11.8[1]
Earnings per share from continuing operations attributable to the owners of the Parent Company during the year (cents per share)						
– basic			7.6			4.9
– diluted			7.5			4.8

1 Includes discontinued operations.

Summary consolidated statement of financial position as at 31 March 2011

	31 March 2011 US$m	31 March 2010 US$m
Assets		
Non-current assets	2,565	2,495
Current assets	1,082	1,178
Non-current assets held-for-sale	–	3
Total assets	3,647	3,676
Liabilities		
Current liabilities	1,236	1,148
Non-current liabilities	1,600	1,667
Total liabilities	2,836	2,815
Net current (liabilities)/assets	(154)	33
Net assets	811	861
Equity		
Capital and reserves attributable to the owners of the Parent Company		
Share capital	133	131
Share premium	97	62
Reserves	136	221
	366	414
Non-controlling interests	445	447
Total equity	811	861

The Summary consolidated income statement, the Summary consolidated statement of financial position and the Summary consolidated statement of cash flows were approved by the Board of Directors on 24 May 2011 and signed on its behalf by:

Tony Rice
Chief Executive

Tim Pennington
Chief Financial Officer

Summary consolidated statement of cash flows for the year ended 31 March 2011

	2010/11 US$m	2009/10 US$m
Cash flows from operating activities		
Cash generated from continuing operations	651	676
Cash generated from discontinued operations	–	382
Income taxes paid	(88)	(110)
Net cash from operating activities	563	948
Cash flows from investing activities		
Net cash used in continuing operations	(267)	(212)
Discontinued operations	–	(394)
Net cash used in investing activities	(267)	(606)
Cash flows from financing activities		
Net cash used in continuing operations	(492)	(443)
Discontinued operations	–	142
Net cash used in financing activities	(492)	(301)
Net (decrease)/ increase in cash and cash equivalents		
From continuing operations	(196)	(89)
From discontinued operations	–	130
Less: cash held by the Cable & Wireless Worldwide Group at demerger	–	(288)
Net decrease in cash and cash equivalents	(196)	(247)
Cash and cash equivalents at 1 April	573	790
Exchange gains on cash and cash equivalents	2	30
Cash and cash equivalents at 31 March	379	573