Company registration no. CD-207737

Sable International Finance Limited

Directors’ report and financial statements

For the year ended 31 March 2011

Registered Office:
Card Corporate Services Limited
Charles Adams, Ritchie & Duckworth
PO Box 709
Grand Cayman
KY1-1107
Cayman Islands

Contents

Directors' report

The Directors of Sable International Finance Limited (the Directors) present their annual report and the audited financial statements of Sable International Finance Limited (the Company) for the year ended 31 March 2011.

Principal activities and business review

The Company's principal activity is that of a financing company. It is the Directors' intention to continue the business in line with current activities.

The profit for the year after taxation amounted to $1,250,000 (2010: $1,079,072). The Directors do not recommend the payment of a dividend.

Cable & Wireless Group reorganisation

On 19 March 2010, the Cable & Wireless Group effected a group reorganisation whereby Cable & Wireless Communications Plc was inserted as a new holding company for the Cable & Wireless Communications Group via a Scheme of Arrangement. Cable & Wireless Communications Plc therefore replaced Cable and Wireless plc (now Cable & Wireless Limited) as the parent company of the Cable & Wireless Communications Group as at this date.

The smallest and largest group in which the results of the Company are consolidated is that of Cable & Wireless Communications Plc, the ultimate parent company. The consolidated financial statements of Cable & Wireless Communications Plc may be obtained from the Company Secretary, Cable & Wireless Communications Plc, 3rd Floor, 26 Red Lion Square, London WC1R 4HQ. No other group accounts include the results of the Company.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Company are as follows:

Liquidity

Liquidity risk could arise where the Company does not have sufficient financial resources available to meet its obligations and commitments as they fall due, or can access funding only at excessive cost. Exceptional market events could impact the Company adversely, and affect its ability to meet obligations as they fall due. The Company has raised sufficient credit lines to meet medium-term liquidity needs and continue to maintain good relationships with its core banks.

Funding

The Company's financing agreements are subject to certain covenants. If the Company were unable to meet these, it would have to repay facilities early, adversely affecting the Cable & Wireless Communication Group's cash position. The Company monitors covenant positions against forecasts and budgets to ensure that it operates within the prescribed limits.

Directors' report (continued)

Directors

The Directors who held office during the year and subsequently were as follows:

N Cooper	
R Burge	(resigned 16 August 2010)
R Grady	(resigned 16 August 2010)
C Underwood	(appointed 16 August 2010)
T Pennington	(appointed 16 August 2010)

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board:

N Cooper

Director

Date: 1 September 2011

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors of Sable International Finance Limited have accepted responsibility for the preparation of these non-statutory accounts for the year ended 31 March 2011 which are intended by them to give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. They have decided to prepare the non-statutory accounts in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

In preparing these non-statutory accounts, the Directors have:

• selected suitable accounting policies and applied them consistently;

• made judgments and estimates that are reasonable and prudent;

• stated whether applicable accounting standards have been followed; subject to any material departures being disclosed and explained in the non-statutory accounts; and

• prepared the non-statutory accounts on the going concern basis as they believe that the Company will continue in business.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the current directors, whose names are listed on page 2, confirms that, to the best of each person's knowledge and belief:

- The financial statements, prepared in accordance with UK GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The management report contained within the directors' report includes a fair review of the development and performance and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Report of KPMG Audit Plc to Sable International Finance Limited

We have audited the non-statutory accounts of Sable International Finance Limited for the year ended 31 March 2011 set out on pages 5 to 11. These non-statutory accounts have been prepared for the reasons set out in note 1 to the non-statutory accounts and on the basis of the financial reporting framework of UK Accounting Standards (UK Generally Accepted Accounting Practice)

Our report has been prepared for the Company solely in connection with the preparation by the Company's directors of non-statutory financial accounts prepared to support compliance with covenant requirements related to the credit facilities as defined in note 1 to the non-statutory financial accounts. It has been released to the Company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG Audit Plc will accept no responsibility or liability in respect of our report to any other party.

Respective responsibilities of directors and KPMG Audit Plc
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the non-statutory accounts, which are intended by them to give a true and fair view.

Our responsibility is to audit, and express an opinion on, the non-statutory accounts in accordance with the terms of our engagement letter dated 24 August 2011 and International Standards on Auditing (UK and Ireland).
Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the non-statutory accounts
An audit involves obtaining evidence about the amounts and disclosures in the non-statutory accounts sufficient to give reasonable assurance that the non-statutory accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Sable International Finance Limited's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the non-statutory accounts. In addition we read all the financial and non-financial information accompanying the non-statutory accounts to identify material inconsistencies with the audited non-statutory accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory accounts
In our opinion the non-statutory accounts:

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice.

KPMG Audit Plc
Chartered Accountants
15 Canada Square, London E14 5GL
1 September 2011

Profit and loss account

for the year ended 31 March 2011

	Note	**2011**	2010
		$'000	$'000
Interest receivable from Group company		**55,032**	24,069
Interest payable		**(53,782)**	(16,973)
Exceptional finance expense	*6*	**-**	(6,211)
Other income		**-**	194
Profit on ordinary activities before taxation		**1,250**	1,079
Taxation	*3*	**-**	-
Profit for the financial year		**1,250**	1,079

The results for the year are derived entirely from continuing activities.

There is no difference between the reported result and that which would be reported under the historical cost convention.

The accompanying notes on pages 7 to 11 form an integral part of the financial statements.

Statement of total recognised gains and losses

for the year ended 31 March 2011

	2011	2010
	$'000	$'000
Profit for the financial year	**1,250**	1,079
Exchange differences	**-**	(56)
Total recognised gains for the financial year	**1,250**	1,023

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2011

	2011	2010
	$'000	$'000
Profit for the financial year	**1,250**	1,079
Exchange differences	**-**	(56)
Net increase in shareholders' funds	**1,250**	1,023
Opening shareholders' funds	**1,506**	483
Closing shareholders' funds	**2,756**	1,506

Balance sheet

As at 31 March 2011

	Note	2011 $'000	2010 $'000
Current assets			
Debtors: amounts falling due within one year	4	**500,326**	5,273
Current liabilities			
Creditors: amounts falling due within one year	5	**(7,337)**	(5,110)
Net current assets		**492,989**	163
Debtors and prepayments: amounts falling due after more than one year	4	**-**	489,824
Creditors: amounts falling due after more than one year	6	**(490,233)**	(488,481)
Net assets		**2,756**	1,506
Capital and reserves			
Called-up share capital	7	**-**	-
Profit and loss account	8	**2,756**	1,506
Shareholders' funds		**2,756**	1,506

The accompanying notes on pages 7 to 11 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 1 September 2011 and signed on its behalf by:

N COOPER
Director
Sable International Finance Limited
Company Registration number: CD-207737

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements are prepared in accordance with accounting standards applicable under generally accepted accounting principles in the United Kingdom and on the historical cost basis.

The financial statements have been prepared to support compliance with covenant requirements related to the $500 million revolving credit facility dated 13 January 2010, the $100 million revolving credit facility dated 13 January 2010, and the $500 million 2017 bond dated 12 February 2010 ("the credit facilities").

The financial statements have been prepared on a going concern basis. The Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Change of functional currency

As a result of the demerger of the Cable & Wireless Worldwide business from the Cable & Wireless Communications Group on 26 March 2010, the functional currency of the ultimate parent company, Cable & Wireless Communications Plc, and the majority of holding and financing companies of the group, of which this company is a member, changed to US dollars.

In respect of the Company, following the group reorganisation, the Directors consider the US dollar to be the local currency reflecting the economic effects of the underlying transactions, events and conditions of the Company within the Cable & Wireless Communications Group.

Cash flow statement

Under FRS1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Loans

Loans are recognised initially at fair value net of directly attributable transaction costs incurred. Loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans using the effective interest rate method and recharged to the ultimate Parent Company.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date (where they are classified as non-current assets).

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange prevailing at the balance sheet date, and the gains or losses on translation are included in the profit and loss account.

2. Information regarding the Directors, employees and auditors

Directors' emoluments are borne by other Group companies in the current and prior year.

The Company had no employees during the year (2010: nil).

In the current year, the auditors' remuneration of $20,000 (2010: $22,000) for the audit of these financial statements has been borne by another Group company.

3. Taxation

The current tax charge for the year is $nil (2010: $nil).

The Company is a UK tax resident.

Factors affecting the tax charge for the current year

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 28% (2010: 28%). The differences are explained below:

	2011 **$'000**	2010 $'000
Profit on ordinary activities before taxation	**1,250**	1,079
Current tax charge at 28% (2010: 28%)	**350**	302
Effects of:		
Group relief	**(350)**	(302)
Total current tax charge (see above)	**-**	-

Factors that may affect future current and total tax charges

There were no recognised or unrecognised deferred tax balances as at 31 March 2011 (2010: none).

Notes to the financial statements (continued)

4. Debtors and prepayments

	2011 $'000	2010 $'000
Amounts falling due within one year		
Prepayments	**7,388**	-
Amounts receivable from Group undertakings	**492,938**	5,273
	500,326	5,273
Amounts falling due after more than one year		
Prepayments	**-**	11,519
Amounts receivable from Group undertakings	**-**	478,305
	-	489,824

5. Creditors: amounts falling due within one year

	2011 $'000	2010 $'000
Interest payable	**7,337**	5,059
Provision withholding tax	**-**	51
	7,337	5,110

6. Creditors: amounts falling due after more than one year

	2011 $'000	2010 $'000
Dollar secured bonds repayable in 2017	**490,233**	488,481

During 2009/10, the $415 million bank facility was repaid in full and cancelled. It was secured over Cable & Wireless Limited's (previously Cable and Wireless plc) holdings in its Panama and Caribbean based subsidiaries. This early termination of the debt resulted in an exceptional finance expense of $6 million.

The Company subsequently entered into a $500 million revolving credit facility secured on share pledges over group assets of Cable & Wireless Communications Plc. This facility resulted in a prepayment of financing costs of $12 million on the undrawn funds and was undrawn at 31 March 2011.

Further, the Company arranged a $100 million term loan facility. This was secured on share pledges over the group assets of Cable & Wireless Communications Plc. This facility was undrawn at 31 March 2011.

Notes to the financial statements (continued)

6. Creditors: amounts falling due in more than one year (continued)

Dollar secured bonds due 2017

On 12 February 2010 the Company issued $500 million of bonds with a coupon rate of 7.75% due in February 2017 in order to repay the $415 million bank facility and to provide the business with additional cash liquidity. Interest payments of 7.75% are payable semi-annually on 15 February and 15 August of each year commencing 15 August 2010. The bonds are secured on share pledges over the Group assets of Cable & Wireless Communications Plc.

The Company has passed the loan to Cable & Wireless Limited, a Group undertaking, with a 0.25% margin on interest and is included in amounts receivable from Group undertakings in the balance sheet (see note 4).

7. Called-up share capital

	2011	2010
	$	$
Allotted and fully paid		
1 ordinary share of $ 1 each	**1**	1
	1	1

8. Reserves

	Profit and loss account March 2011 $'000	Profit and loss account March 2010 $'000
At 1 April	**1,506**	483
Profit for the year	**1,250**	1,079
Exchange differences	**-**	(56)
At 31 March	**2,756**	1,506

9. Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company's immediate Parent undertaking is Sable Holding Limited, a company incorporated in England and Wales.

The Directors regard Cable & Wireless Communications Plc, a company registered in England and Wales, as the ultimate Parent Company and controlling undertaking.

Notes to the financial statements (continued)

10. Cable & Wireless Group reorganisation

On 19 March 2010, the Cable & Wireless Group effected a group reorganisation whereby Cable & Wireless Communications Plc was inserted as a new holding company for the Cable & Wireless Communications Group via a Scheme of Arrangement. Cable & Wireless Communications Plc therefore replaced Cable and Wireless plc (now Cable & Wireless Limited) as the Parent Company of the Cable & Wireless Communications Group as at this date.

The smallest and largest group in which the results of the Company are consolidated is that of Cable & Wireless Communications plc, the ultimate parent company. The consolidated financial statements of Cable & Wireless Communications Plc may be obtained from the Company Secretary, Cable & Wireless Communications Plc, 3rd Floor, 26 Red Lion Square, London WC1R 4HQ. No other group accounts include the results of the Company.

11. Events after the reporting period

On 6th April 2011, the Group acquired 51% of the share capital of the Bahamas Telecommunications Company (BTC). To partly finance the acquisition, the Group drew down US$180 million of the US$500 million revolving credit facility (note 6).