



Cable & Wireless
Communications

Full Year Results 2014/15

A Year of Transformation & Growth

Cable & Wireless Communications Plc

*“Connecting Communities...
Transforming Lives”*

20 May 2015



Important notice

This presentation contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Cable & Wireless Communications Plc's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. A summary of some of the potential risks faced by Cable & Wireless Communications Plc is set out in the Company's most recent Annual Report.

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Cable & Wireless
Communications

Agenda

▶ **Review of FY14/15**

Financial review

Strategy for a new CWC

Q&A



FY14/15 Objectives

1 Fix the network

2 Improve customer service

3 Reverse historical decline in revenue

4 Increase EBITDA through cost discipline

5 Accelerate strategic progress

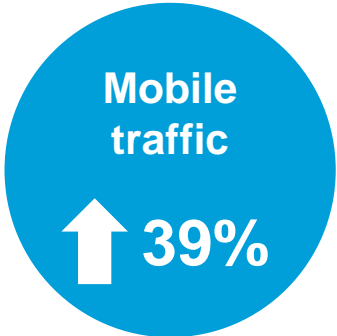
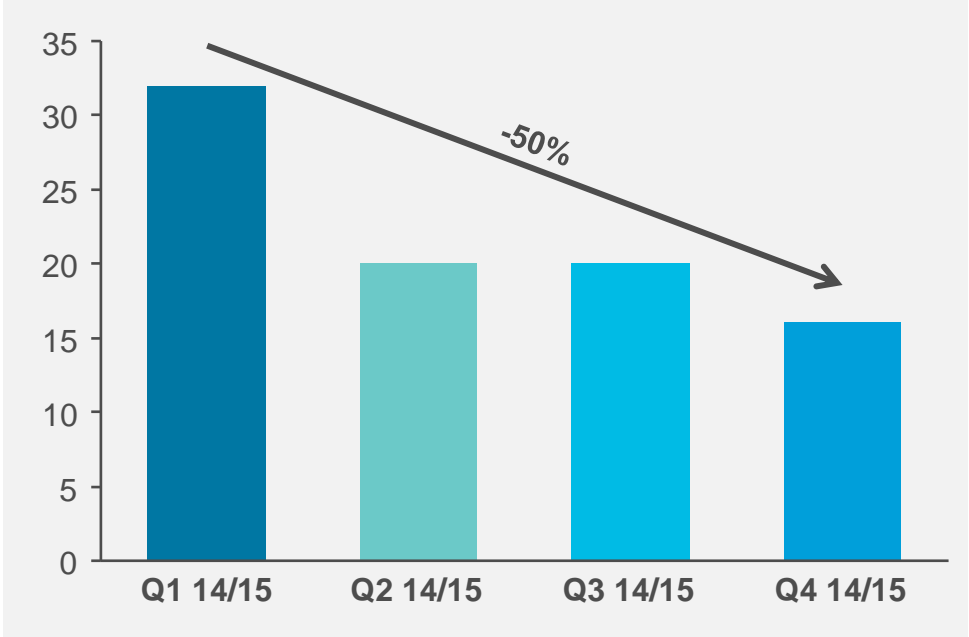
1 Fix the network

Networks improving and moving to "Best in Class"



Source: Ericsson

Significant reduction in major outages



2 Improve customer service

Net promoter score improving

CWC	+6	BVI	+2
Caribbean	+17	Montserrat	+22
Panama	+3	St Kitts	+6
Bahamas	+13	Turks & Caicos	+7
Jamaica	+17	Dominica	-4
Barbados	+23	Grenada	-3
Cayman	+27	St Lucia	+16
Anguilla	+29	St Vincent	-2
Antigua	+16		

Store modernisation



"Upgrade" campaign



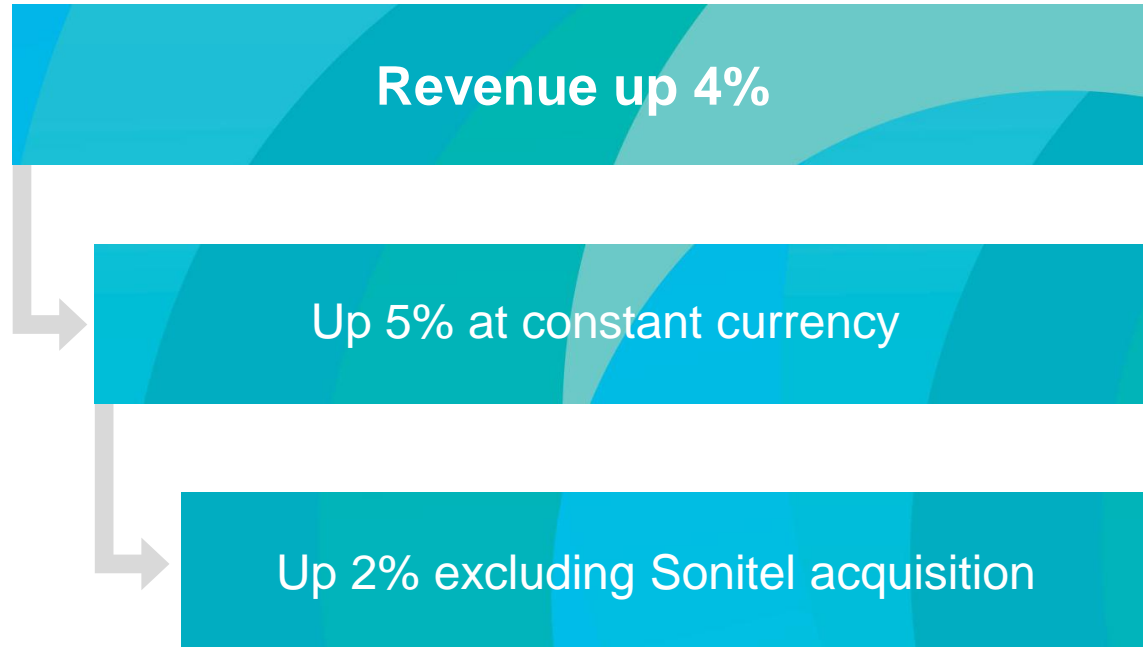
Call centre call volume

↓ 30%

Average handling time

↓ 20%

3 Reverse historical decline in revenue



Mobile service revenue growth			
1Q	2Q	3Q	4Q
+1%	+2%	+4%	+7%

4 Increase EBITDA through cost discipline

EBITDA up 7%

Delivered \$100m cost out programme

Miami operational hub established

Headcount reductions of c.800 FTEs over two years

5 Accelerate strategic progress

Strategic priorities FY14/15

1

Mobile
leadership

2

Fixed-mobile
convergence

3

Reinforce our
TV offering

4

Grow B2B / B2G
business

Project Marlin underway – Capex uplift of 76% in FY14/15

Established B2B division – Sonitel acquisition

Columbus acquisition – Leading fibre networks, broadband & video offering



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Review of FY14/15

▶ **Financial review**

Strategy for a new CWC

Q&A



Financial highlights for FY14/15

Revenue 4% higher at \$1,753m

EBITDA up 7% to \$585m

- Margin improvement by 1ppt to 33%

Adjusted EPS of 4.7c

- Net profit¹ up 73% to \$202m

Cost out programme delivered

- \$100m reduction in opex at year end on run-rate basis

Project Marlin accelerated investment

- Capex of \$442m, up 76%

Recommended final dividend of 2.67c

- FY14/15 full year dividend of 4c per share (FY13/14: 4c per share)

¹ Pre-exceptionals

EBITDA increased 7% driven by both top line growth and opex reduction

CWC

\$m	FY14/15	FY13/14	Change %
Revenue	1,753	1,689	4%
Operating costs	(710)	(725)	2%
EBITDA¹	585	546	7%
Capex	(442)	(251)	(76)%
OCF¹	143	295	(52)%

1 Best revenue growth in 5 years

- Strong performance in Mobile (+3%), and Managed Services (+20%)
- Broadband & video (+2%) – more opportunity in Broadband (only +1%)

Revenue +2% LFL, excluding Sonitel

2 \$100m cost out programme complete

EBITDA growth driven by revenue growth and benefit of cost savings

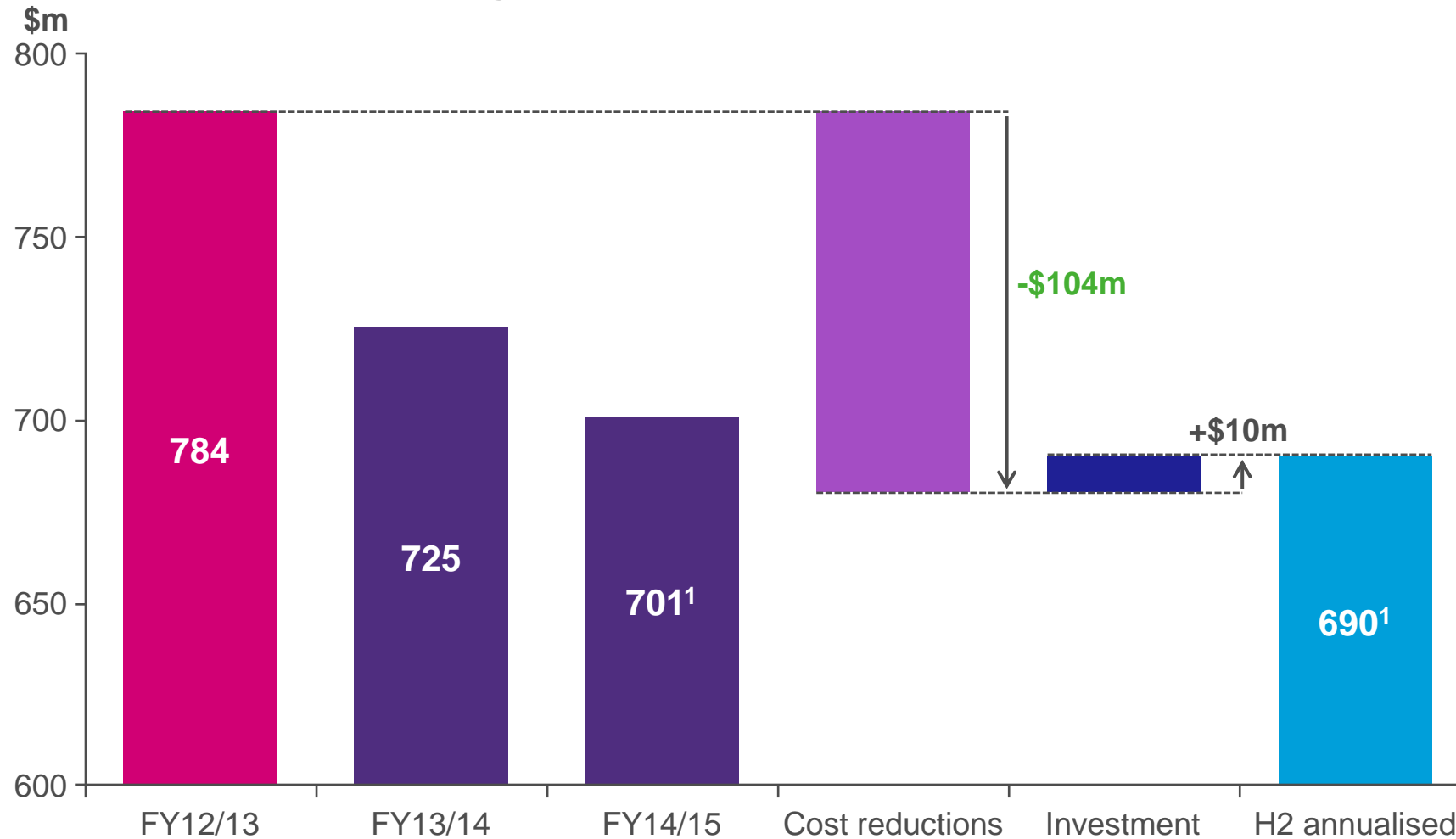
3 Capex up \$191m as a result of Project Marlin

Investments made in HSPA+, LTE and Fibre infrastructure

¹ Pre-exceptionals

\$100m run rate cost reduction programme complete

Group operating costs (normalised for acquisitions and disposals)



-\$104m cost savings:

- Headcount
- BTC restructuring
- Outsourcing
- Property
- Procurement
- Direct costs

+\$10m increased costs:

- Sales and marketing investments
- B2B organisation
- Centralised network and IT

¹ Excludes Sonitel

EBITDA growth and lower finance expense drive improved net profit

\$m	FY14/15			FY13/14
	Pre Exceptionals	Exceptionals	Total	Total
EBITDA	585	-	585	546
Depreciation and amortisation	(256)	-	(256)	(235)
Net other operating (expense) / income and JVs and associates	(8)	-	(8)	(10)
Total operating profit	321	-	321	301
Exceptional accelerated depreciation	-	1 (127)	(127)	-
Exceptional operating costs	-	2 (104)	(104)	(241)
Total operating profit	321	(231)	90	60
Net finance expense	3 (58)	2 (37)	(95)	(158)
Other non-operating income	4	-	4	-
Tax	(65)	33	(32)	(32)
Net profit / (loss) for the period	202	(235)	(33)	(130)
Adjusted EPS¹	4.7c			2.2c

1 Accelerated depreciation of copper plant and facilities where CWC and Columbus overlap and legacy voice switches replaced as part of Project Marlin

2 Exceptional costs

- Columbus acquisition
- \$68m integration
- \$37m financing fees
- \$36m headcount and other

3 Pre exceptional finance expense down to \$58m following redemption of 2017 bond in FY13/14

¹ Adjusted EPS is before exceptional items, gains / (losses) on disposals, amortisation of acquired intangibles, transaction costs and foreign exchange gains / (losses) on financing activities

Underlying Equity FCF performance impacted by increased Marlin spend

Group cash flow \$m

		FY14/15	FY13/14
Underlying operations	EBITDA¹	585	546
	Cash capital expenditure	¹ (442)	(251)
	Working capital / investment income	(10)	15
	Underlying FCF	133	310
Fixed charges	Tax	(52)	(54)
	Interest	² (82)	(122)
	Minority dividends	(86)	(72)
Underlying Equity FCF		(87)	62

1 Cash capex up \$191m following accelerated Project Marlin investment

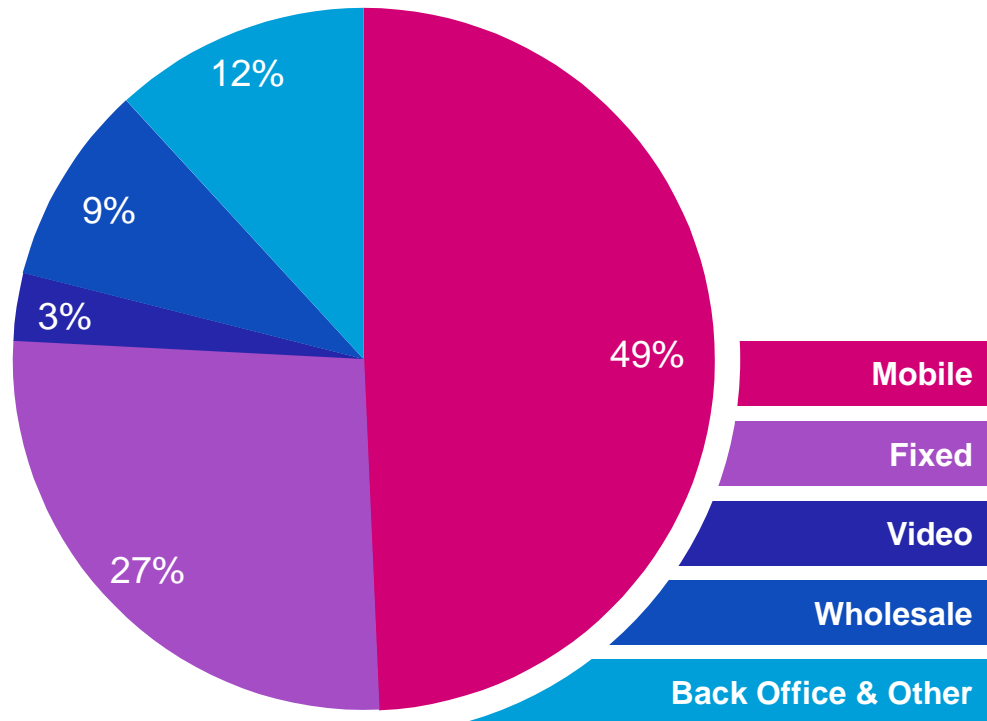
2 Reduced interest payments following redemption of 2017 bond in FY13/14

¹ Pre-exceptionals

Project Marlin:

Full year progress ahead of schedule, assisting top line growth

FY14/15 capex spend by category



Key projects

	Mobile	FMC	Video
Panama \$126m	HSPA+ / LTE	Fixed BB coverage and NGN upgrade	Further roll out of Pay TV / DTH
LIME \$206m	HSPA+ / LTE	FTTH / FTTP in strategic locations	Initial phases of video offering
BTC \$75m	HSPA+ / LTE	NGN upgrade	Initial phases of video offering

+1,100 HSPA+ sites +250 LTE sites	+2,300km Fibre	+10,000 DTH customers
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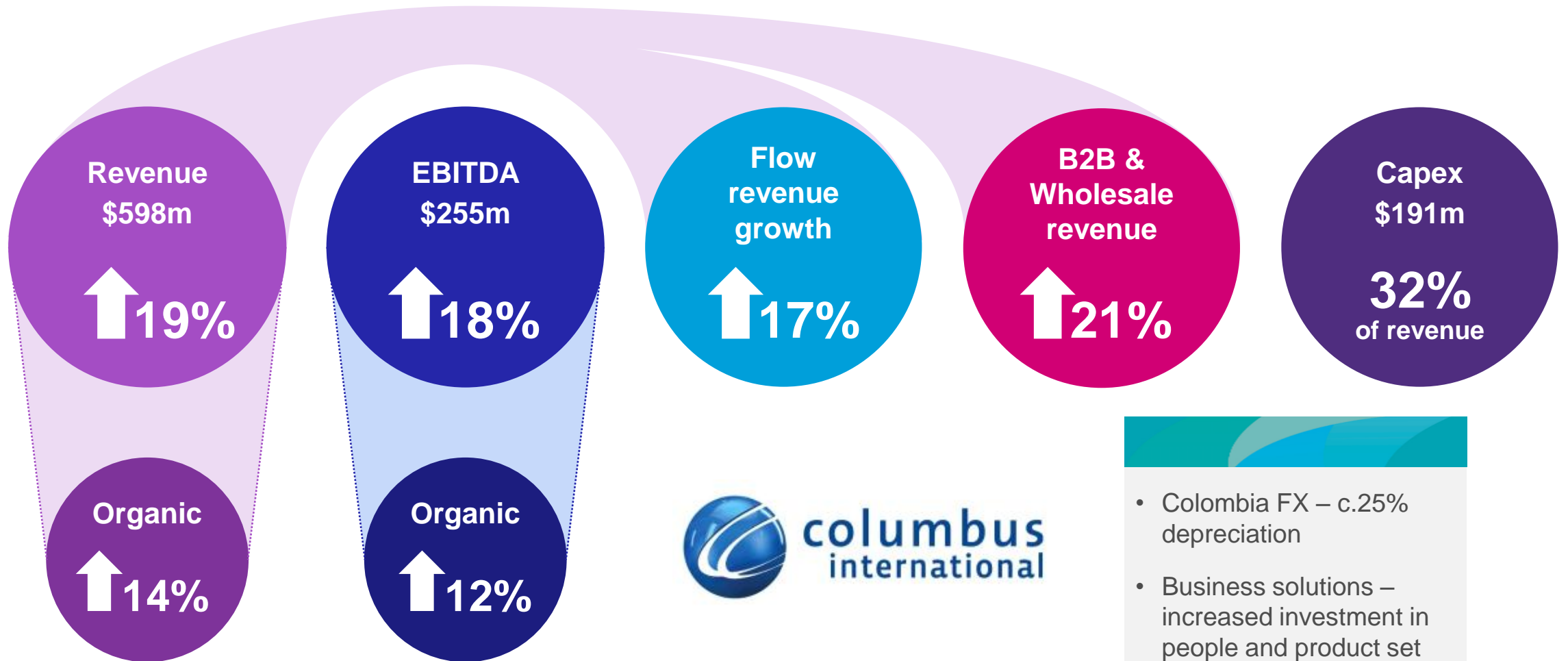
Post Columbus acquisition, net debt increases to \$2.4bn

Net debt bridge \$m

Net debt March 2014	(650)
Underlying Equity FCF	(87)
Dividends to CWC shareholders	(104)
Cash exceptionals	(58)
Pension payment	(52)
Acquisitions and disposals (excluding Columbus)	353
Amortisation of fees and FX on unsecured Sterling bond	47
Proceeds from placing	176
Cash consideration paid to Columbus shareholders	(708)
Fees and associated Columbus transaction costs	(129)
Acquisition of Columbus net debt	(1,154)
Net debt March 2015	(2,366)

	Current leverage	Target leverage
Proportionate net debt to EBITDA	3.6x	2.5x - 3.0x

Columbus has had strong performance to 31 December 2014



- Colombia FX – c.25% depreciation
- Business solutions – increased investment in people and product set

New CWC – A strategic step-change in growth and returns

Revenue

Enhanced Revenue Growth – annual mid to high single digit % top line growth

EBITDA

Significant Growth – through revenue growth, material synergy realisation, operating efficiencies and consolidation of best practices

EPS

EPS Accretion – material accretion from FY16/17, dilutive in first year

ROIC

>10% return on invested capital

Capex

Reduction to normalised levels – post Marlin, capital intensity to fall to c.14% of revenue in FY17/18

Leverage

Target leverage – 2.5x to 3.0x proportionate net debt to EBITDA

Dividend

No change to dividend policy



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► **Strategy for a new CWC**

Q&A



The Columbus acquisition increases our scale and strengthens our product range

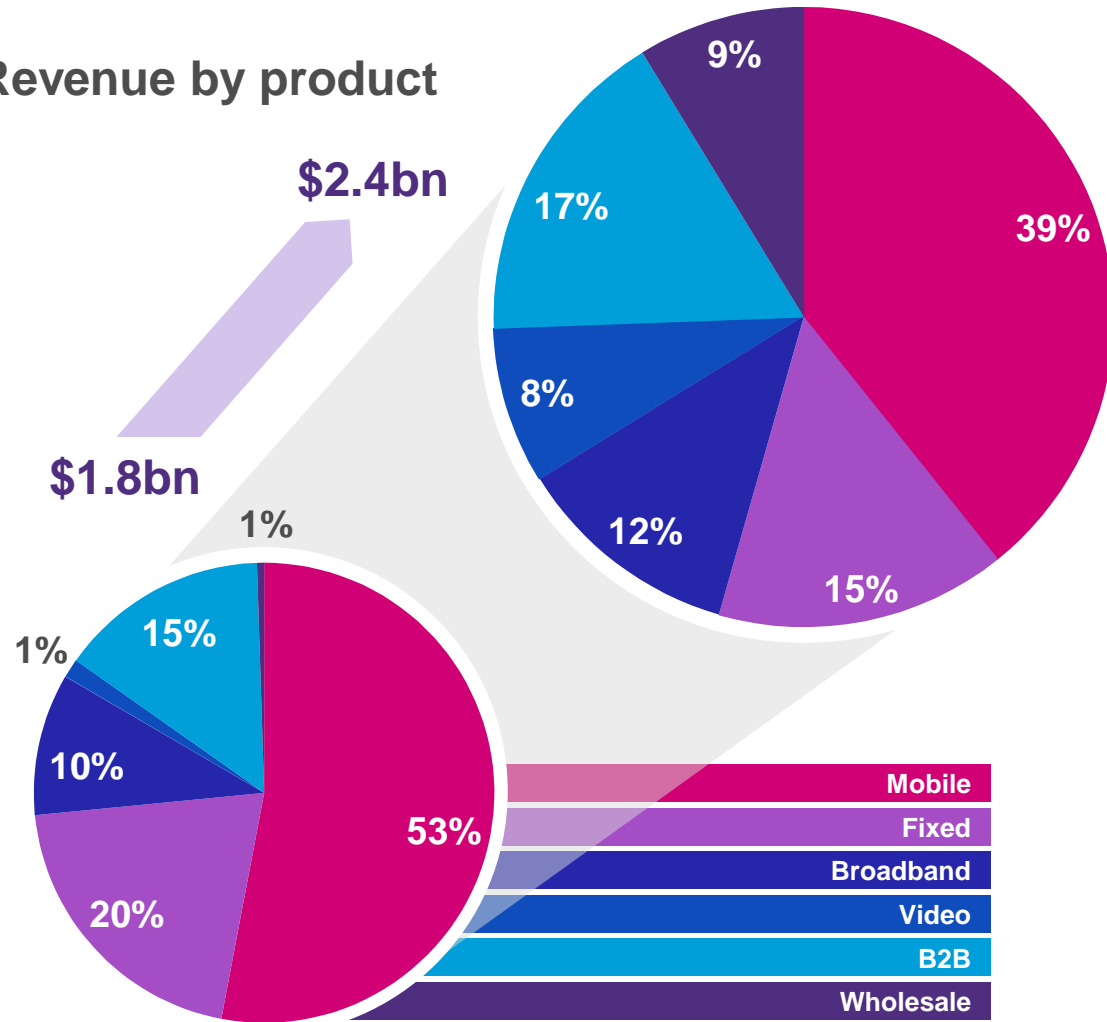
	New CWC	Increase
FY14/15 Revenue¹	\$2,351m	+35%
FY14/15 EBITDA¹	\$840m	+45%
FY14/15 Capex	\$633m	+43%
Subscribers	6.1m	+13%
Broadband subscribers²	658k	+74%
HFC / FTTC / FTTH homes passed	>1,000k	>50%
Employees	c.7.5k	+c.75%
Product offering	Quad play / fibre	vs. Mobile and legacy copper

¹ Group consolidated figures comprising CWC 12 Months to 31 March 2015 and Columbus 12 Months to 31 December 2014

² Including copper based subscribers

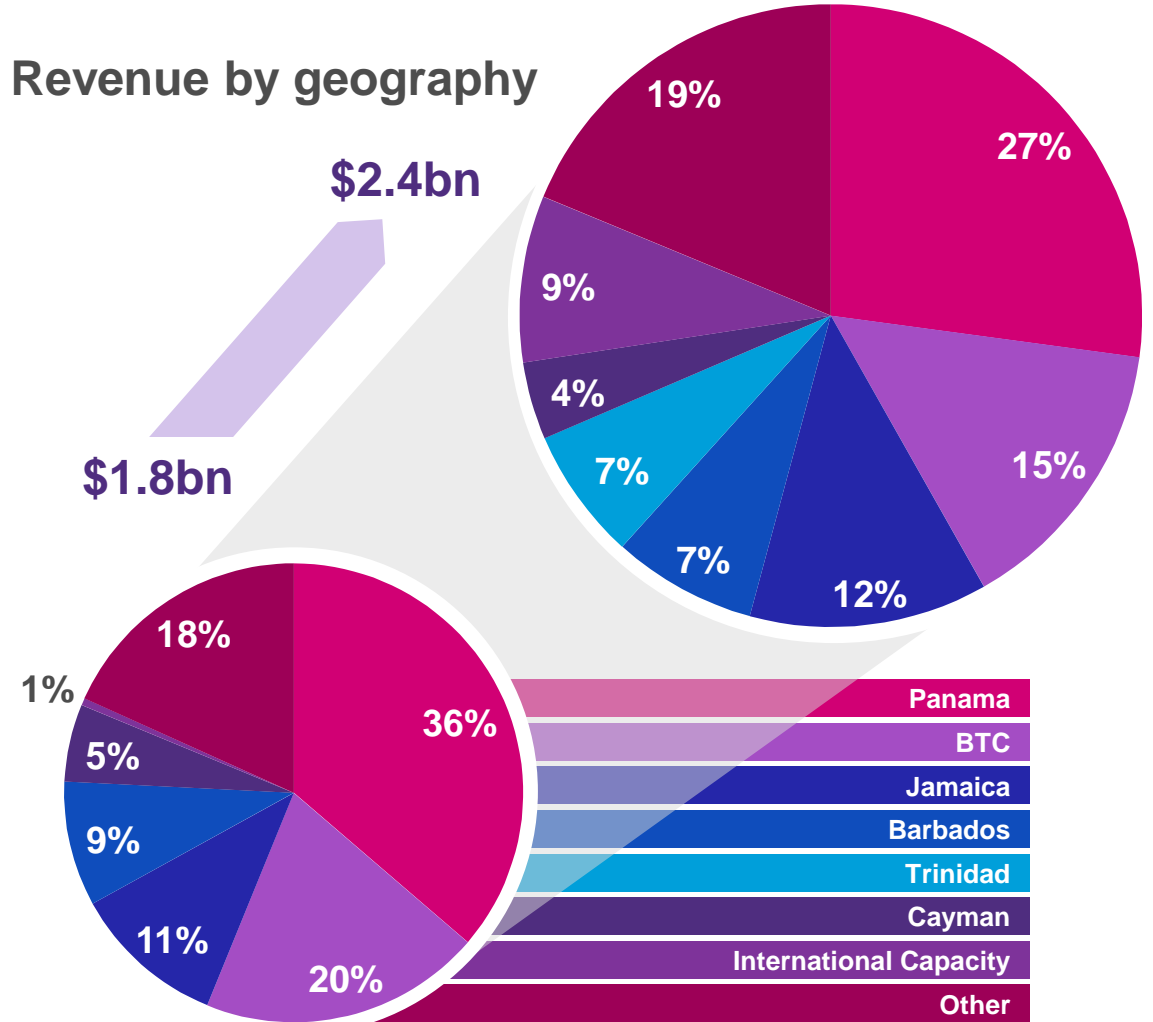
The business now has better product and geographical balance

Revenue by product



FY14/15 Pre-acquisition

Revenue by geography



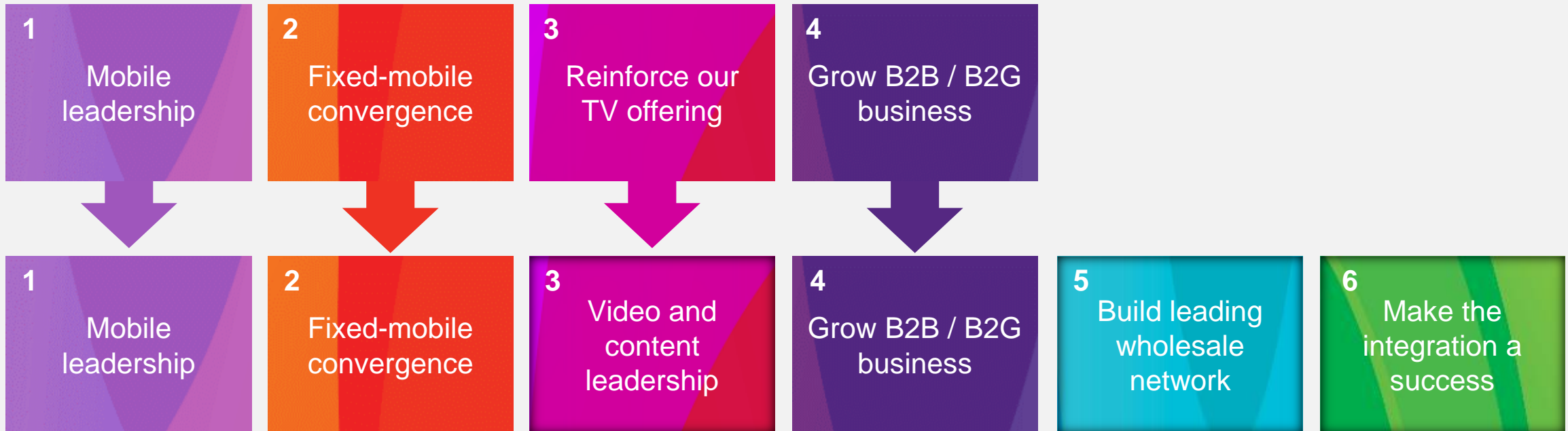
FY14/15 Pre-acquisition

The Columbus acquisition accelerates our strategic evolution

Objective

Grow customer relationships and lifetime value by being “#1 for customer service”

Strategic pillars



Creating the fixed and mobile broadband leader in the region

Improving customer experience and capturing the mobile data opportunity

Progress last year

- Mobile data plans increased by >560k
 - Network traffic up 39%
- “Upgrade Caribbean” campaigns – investment in providing leading mobile infrastructure
- HSPA+ now in all markets
- 8 of 15 HSPA+ networks ranked “Best in Class” based on international benchmarks
- Second carrier launched in Panama and The Bahamas
 - Download speeds of up to 42Mbps
- LTE launched in BTC, Cayman, Panama and Antigua
 - 4x speed of HSPA+

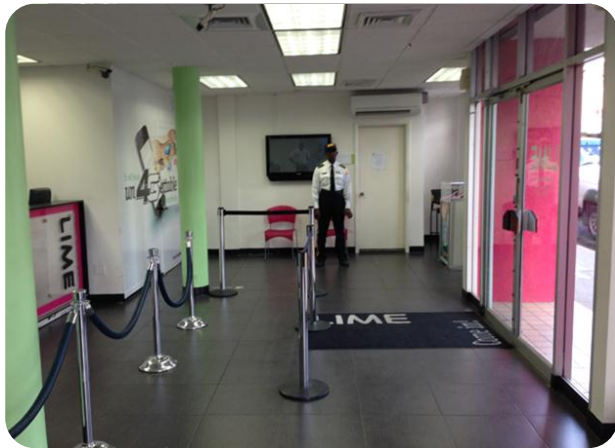
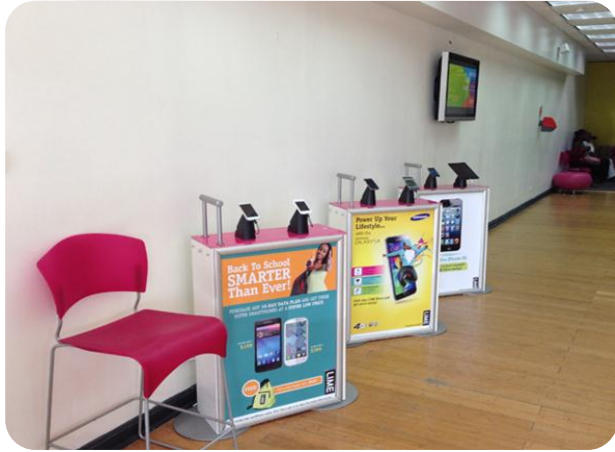
Mobile NPS increase of 5 points

Forward agenda

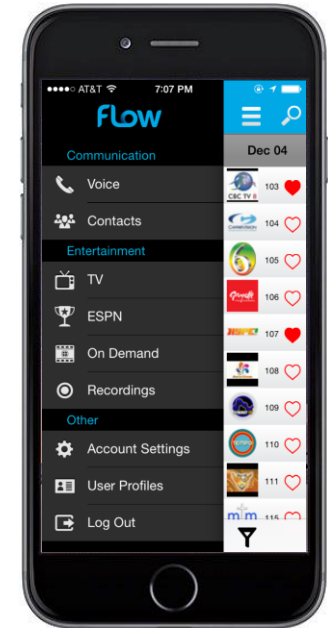
- Drive data uptake through content and OTT products:
 - Facebook
 - Deezer
 - MyCloud
 - BPL
 - My Flow
- Further network investment for data future
- Shift pricing model to focus on data
- Leverage mobile video opportunity
- Utilise leading backhaul
- Ensure investment in spectrum to support growth

Investment to reduce churn, drive mobile data growth and increase NPS

Rebranding to Flow: Store modernisation with focus on mobile data, video and self-service



FLOW



Repositioning mobile proposition across our Caribbean markets

Our set of fixed and mobile assets gives us a strong position in all our markets

Progress last year

- Rolled out over 2,300km of new fibre:
 - +1,300km in LIME
 - +70km in The Bahamas
 - +960km in Panama
- Traffic on fixed networks grew 31%
- 'Production Cost' of data (measured by \$ cost per Gb) fell by 38% as we improved our delivery efficiency
- Soft switch upgrades in Antigua, Barbados, Cayman, and Jamaica; serving all the Caribbean
- 500Mbps broadband speeds

Broadband NPS increase of 13 points

Forward agenda

- Leverage scale to improve core network performance, cost-efficiency and security
- Aggregate networks onto a single IP core
- Single IP-based video content acquisition and delivery network
- Increased route diversity and reliability
- VoIP voice network replaces legacy TDM
- Unified IP transport for B2B / B2G
- Optimised use of owned subsea and terrestrial cable assets
- Broadband leadership – mobile and fixed

Investment to reduce cost per gigabit, grow products per customer and increase NPS

Video reinforces competitive offering, especially to protect and grow broadband

Progress last year

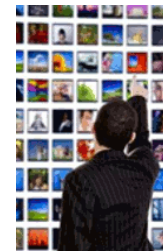
- Deployment of IPTV in The Bahamas, Cayman, Barbados and St Lucia
- Investment in core fibre ahead of Columbus acquisition
- Continued roll out of DTH in Panama +10k subscribers
- Now pass >260k homes with HFC in Panama

Video NPS increase of 37 points

Forward agenda

Current feature set

Flow on Demand

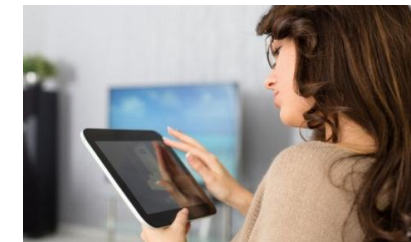


Cloud DVR



New features under development

Catchup TV



VOD3 Layout

Flow ToGo



- Roll-out video product across CWC customer base
- Derive content cost benefits from scale
- Drive uptake and retention of premium video customers
- Launch “Flow ToGo”; leverages both fixed and mobile network

Investment to grow video subscribers, reduce fixed product churn and increase NPS

Business and government sectors are growing, and are priorities for our investment and expansion

Progress last year

- Acquisition of Grupo Sonitel
- Expansion of capabilities “up the stack”
- CWC recognised as Avaya Central America and the Caribbean 2014 Mid-Market Partner of the Year
- New markets entered for B2B solutions including Peru, El Salvador and Nicaragua

B2B NPS increase of 29 points

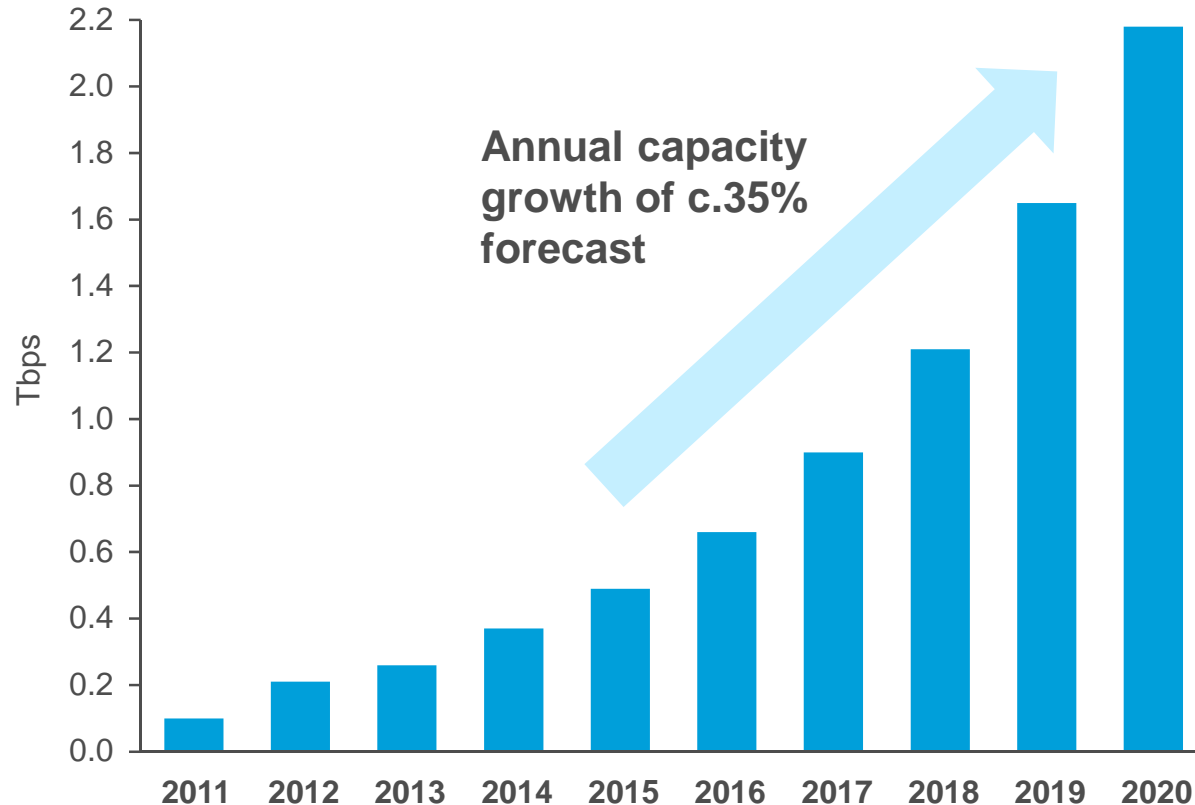
Forward agenda

Solutions “What shall we offer?”	Customer segments “Who can we serve?”	Geographies “Where can we do it?”				
<ul style="list-style-type: none"> • Access / Connectivity • Network services • Network-centric infrastructure 	<table border="0"> <tr> <th data-bbox="1663 465 1837 486">BY TIER</th> <th data-bbox="1849 465 2079 486">BY VERTICAL</th> </tr> <tr> <td data-bbox="1663 501 1837 732"> <ul style="list-style-type: none"> • Micro / small • Medium non-complex • Reg. Enterprise • MNC • Government </td> <td data-bbox="1849 501 2079 672"> <ul style="list-style-type: none"> • Financial • Hospitality • Manufacturing • Retail • Education </td> </tr> </table>	BY TIER	BY VERTICAL	<ul style="list-style-type: none"> • Micro / small • Medium non-complex • Reg. Enterprise • MNC • Government 	<ul style="list-style-type: none"> • Financial • Hospitality • Manufacturing • Retail • Education 	<ul style="list-style-type: none"> • Latin / Central America • Caribbean
BY TIER	BY VERTICAL					
<ul style="list-style-type: none"> • Micro / small • Medium non-complex • Reg. Enterprise • MNC • Government 	<ul style="list-style-type: none"> • Financial • Hospitality • Manufacturing • Retail • Education 					
<ul style="list-style-type: none"> • Integrate systems and processes to create a single customer service platform • Build sales and engineering design capability • Increase market share in LatAm • Disaster Recovery as a Service <ul style="list-style-type: none"> • Recognised Leader in Gartner Magic Quadrant • Increase % connectivity sold with managed services 						

Investment to grow product offering, increase MNC penetration and increase NPS

Growth in bandwidth means our carrier offering should continue to be in significant demand

Actual / forecast Caribbean international bandwidth usage



Wholly owned infrastructure key to monetising future demand growth in capacity requirements

Forward agenda

- Adding value to connectivity to help mitigate pricing pressure
- Grow sales capability
- Fully integrate on and off island capacity

Investment to provide most extensive and resilient network in region

Well advanced integration programme focussed on customers, value, and people

Guiding principles

Customers: Put customer experience at the heart of the integration programme

Value: Prioritise long-term benefits over short-term gains; focus on the core business

People: Select and retain top talent; create a winning team and culture

Focus on delivering the identified synergies

In addition to the compelling strategic rationale, there are significant synergy opportunities of over \$700m¹ NPV

Material synergies

Operating costs
c. \$85m run-rate
(c. 10% of combined)

Consolidation of overlapping costs, optimisation of remaining operating expense and COGS

Capex savings
c. \$145m over 3 years
(c. 10% of combined)

Cancellation of overlapping investment plans across the network footprint

Revenues
Significant opportunity

Improved product offering, cross-selling and reduced churn

45% of EBITDA synergies by end of year 1, 85% year 2, and 100% year 3

35% of capex synergies in year 1, 40% year 2, and 25% year 3

Exceptional cash costs c. \$110m, 45% in year 1, 40% year 2, 15% year 3

¹ Excluding revenue synergies

November 2014

Acquisition of Columbus International Inc.

[Confidential]

1

Targets confirmed post deal closure – executing detailed plans

Operating costs: Consolidation of Network, Information Technology, and Other assets will generate synergies

Network

- Network overlap
 - E.g. Barbados network
 - Over 75 specific sites identified to close, including 80% of legacy Central Offices
- Field operations
 - Opportunities for productivity improvements identified
 - Training currently underway in Barbados and Jamaica

Information Technology

- Billing Support Systems
 - Consolidation planned
 - Moving from legacy of 25 vendors and 66 instances to single platform with modular, scalable architecture
- ERP vendor selection by Q2

Other

- Network monitoring and optimisation
 - Consolidation from 10 to 3 regional facilities e.g. NOCs
 - Finalising engineering plans and selecting contractors
- Retail footprint
 - Store rationalisation
 - Consolidation begun in Barbados
- Organisational re-design
 - 14 senior FTEs exited since April 2015

Capex savings
c. \$145m over 3 years

Capex: Achieve benefits through network combination, video expertise and scale buying

Source	Customer benefits	Cost benefits
Leverage Columbus' fibre / HFC network	Faster, higher bandwidth network	Avoids duplicate spend from overbuilding
Integrate video infrastructure	Award-winning FlowTV platform, including mobile	Investment in one video platform, not two
Combine transmission layers	Greater availability for B2B / B2G international traffic Improved mobile service	Reduced new investments in backhaul Leverage of existing CDNs
Accelerate legacy network decommissioning and property rationalisation	More reliable network with fewer faults and outages	Considerably lower maintenance capex

Revenue: Consumer business unit has begun pursuing cross-selling and up-selling opportunities in several markets

Revenues
Significant opportunity

Consumer

- Detailed cross-selling plans in overlapping markets
 - Segmentation of customer base
 - Commenced cross-selling campaign
- Focus on bringing best combination of products to non-overlapping countries
 - Accelerates market entry
 - Drives additions, higher ARPU and stickiness of existing customers
- New branding

FLOW

Strong video position with cross-sell / up-sell opportunity



Focus on FlowTV cross-sell into large base of CWC mobile and fixed-line customers

Revenue: Cross-selling actively underway in B2B / B2G and Wholesale business units

Business Solutions

- Reorganising to consolidate B2B / B2G business unit
- Consolidated product portfolio developed
 - Consistent product range and approach to chosen “verticals”
 - Panama data centre upgraded to deliver Columbus IT and Cloud solutions
 - Salesforce training on chosen product set begun
- Deploying cross-selling campaigns across all markets to leverage: recent Gartner Magic Quadrant positioning for DRaaS
- New branding



Networks & Wholesale

- Cross-selling with Business Solutions launched
 - Seamless fibre spanning subsea, long haul, and metro networks
 - Wholesale customer white label / resale of C&W Business products / services and vice versa
- Several major recent multinational contract wins
 - North American telecom carrier
 - South American telecom carrier
 - Global carrier outsourcing
- New branding



A Year of Transformation & Growth

FY14/15 Objectives

- 1 Fix the network
- 2 Improve Customer Service
- 3 Reverse historical decline in revenue
- 4 Increase EBITDA through cost discipline
- 5 Accelerate strategic progress

Focus in FY15/16

- 1 Continue to invest in network superiority
- 2 Target #1 for Customer Service and cross-selling
- 3 Mid to high single digit revenue growth
- 4 Significant EBITDA growth through top line and synergy delivery
- 5 Quad play in Panama / Caribbean; Expand B2B in LatAm supported by submarine and terrestrial / metro networks



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▶ **Q&A**



The New Team



Perley McBride
Group CFO



Carlo Alloni
Group CTIO



Michele English
EVP, HR &
Integration



John Reid
President,
Consumer



Paul Scott
President,
Networks &
Wholesale



John Maduri
President,
Business
Solutions



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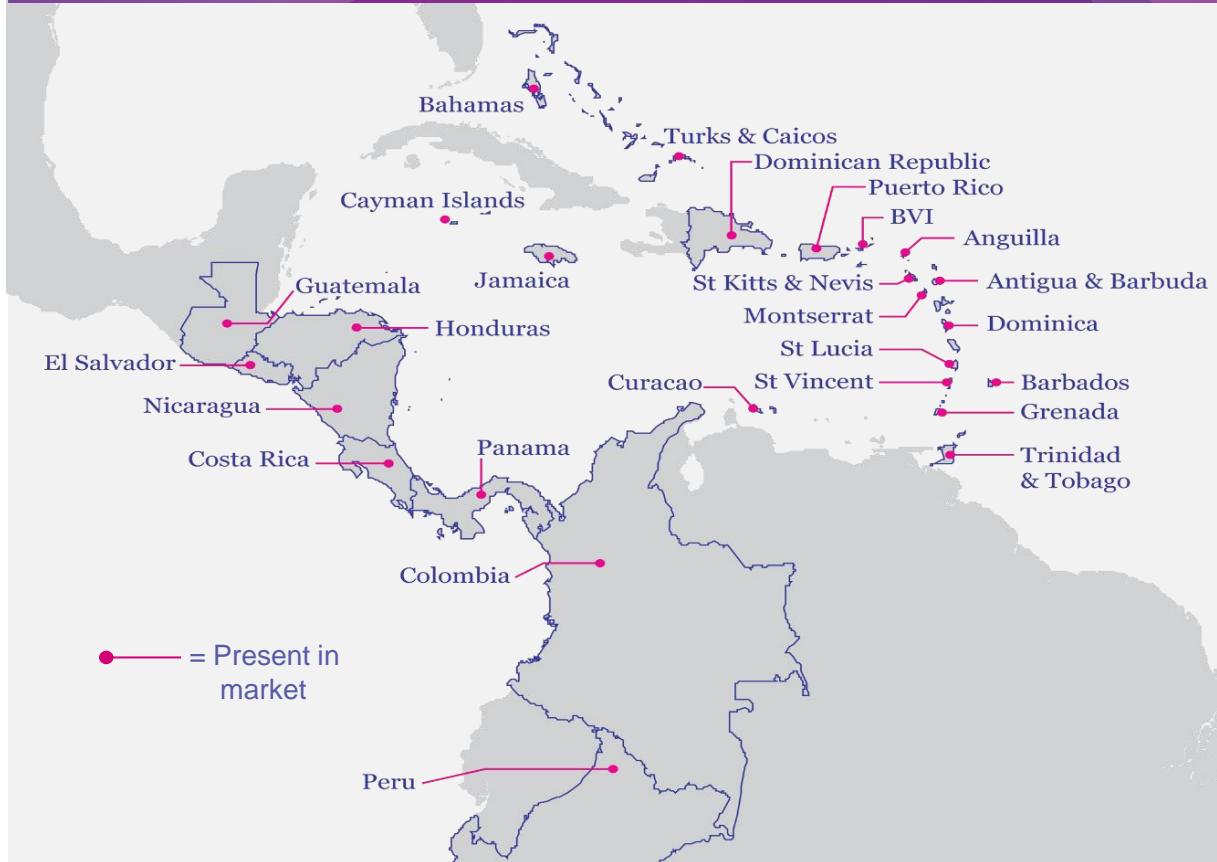


Appendix



C&W Business sells B2B and B2G solutions that leverage on / off island networks

Combined group has focussed geographical presence



Data Centres

Multiple Tier III data centres across the region

Network Operations Centres

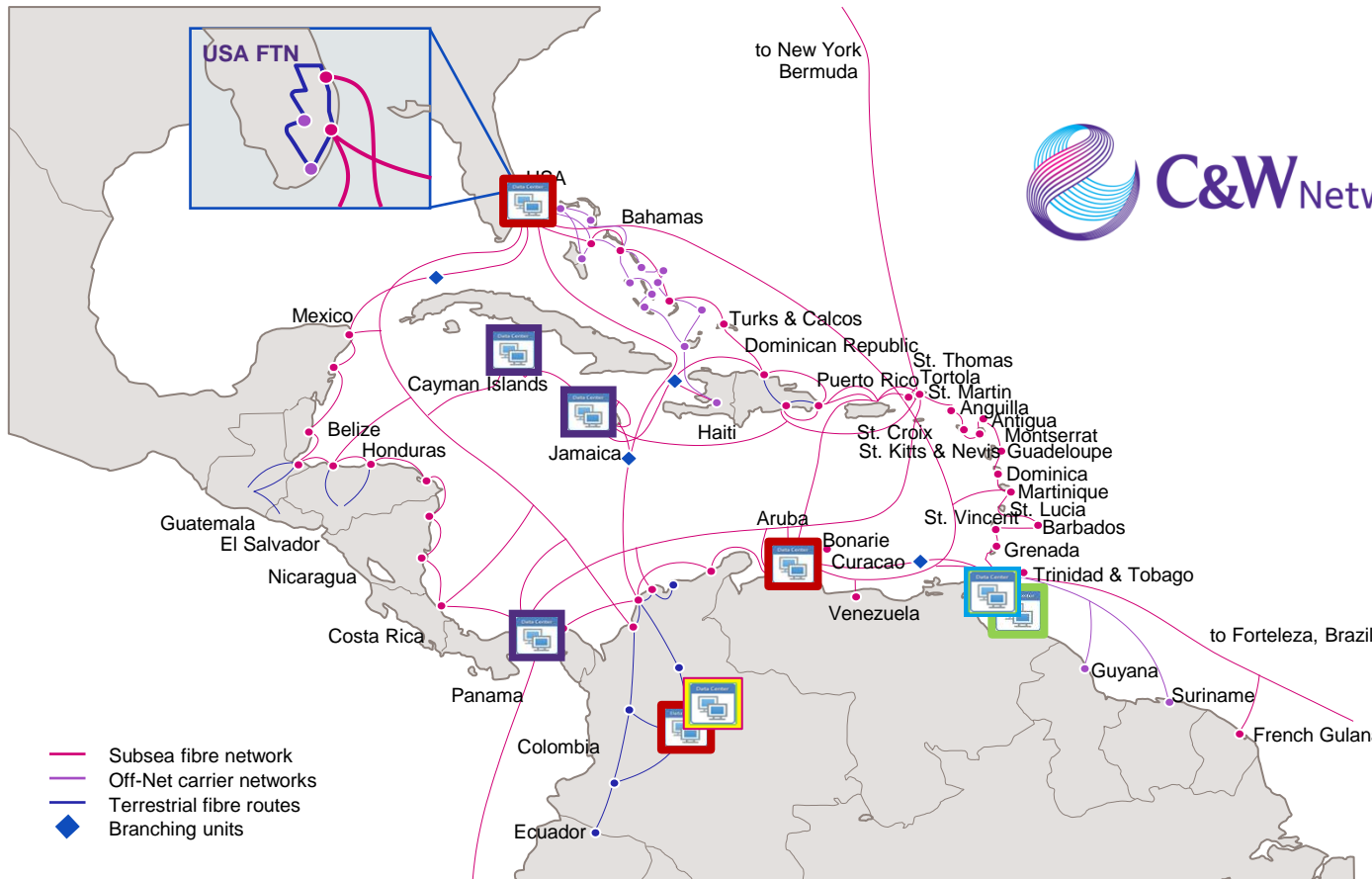
Local & regional with geographic redundancy and 24x7x365 operations






Security Operations Centre

Network & IT Infrastructure monitoring with proactive management and 24x7x365 operations

C&W Business has 4 data centres, access to an extensive MPLS network and offers new IT solutions capabilities

C&W Networks offers most extensive subsea and terrestrial network with route diversity



- | | | |
|---|--|---------------|
|  | Columbus IDC (3)
Miami, Curacao, Colombia | } Data-center |
|  | CWC IDC (3)
Panama, Jamaica, Cayman | |
|  | New T&T IDC | |
|  | Columbus SID / CSC (1)
Bogota | } SID / CSC |
|  | Planned T&T SID / CSC | |

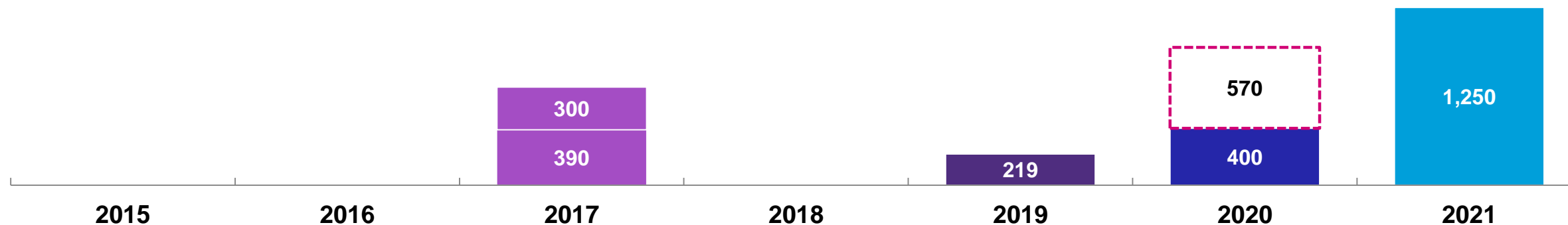
- 42,000+ km subsea and 13,000+ km on-land network
- 1.5 Tbps total capacity
- POPs in 42 countries
- 8 countries with fibre and cable to retail customers

Leading wholesale carrier in the region with outstanding record of operational excellence

Core competencies in network engineering, optimisation and monitoring

Combined Debt Maturity Profile

CWC gross debt (\$ millions)



	2017 Term Loans	2019 Unsecured £ Bonds	2020 Secured \$ Notes	2015 Secured RCF	2021 Unsecured \$ Notes
Issuer and Instrument Rating¹	Sable International Finance Ltd.	Cable & Wireless International Finance B.V. (B/B1)	Sable International Finance Ltd. (BB-/Ba2)	Sable International Finance Ltd.	Columbus International, Inc. (BB-/Ba3)
Amount	Issue Size: \$390m Secured, \$300m Unsecured	Issue Size: £200m Outstanding: £147m	Issue Size: \$400m	Total Facility: \$570m Utilised for LCs: £100m Available: c.\$421m	Issue Size: \$1,250m
Coupon	Secured: L+450 bps, Unsecured: L+550 bps LIBOR Floor: 1%	8.625% fixed	8.75% fixed	Drawn: L+375 bps ² Undrawn: 150 bps ²	7.375% fixed
Optional Redemption	Pre-payable at any time without premium or penalty	Non-call life	Currently non-callable From 1 Feb. 2016 @104.375 From 1 Feb. 2017 @102.188 From 1 Feb. 2018 @100.000	Pre-payable at any time without premium or penalty	Currently non-callable From 30 Mar. 2018 @103.688 From 30 Mar. 2019 @101.844 From 30 Mar. 2020 @100.000

¹ S&P and Moody's ratings as at 18 May 2015

² Subject to certain step-downs based on consolidated net leverage ratio



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*“Connecting Communities...
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