

**ANNOUNCEMENT  
9 FEBRUARY 2011**

**CABLE & WIRELESS COMMUNICATIONS PLC  
INTERIM MANAGEMENT STATEMENT**

This interim management statement provides an update on the performance and financial position of the Group since the six months ended 30 September 2010. Full year results for the period ending 31 March 2011 are expected to be announced on 25 May 2011.

**Key highlights:**

- Stronger performance from Panama
- Macau and Monaco & Islands continue to trade well
- Caribbean market continues to be impacted by adverse economic conditions
- Bahamas Telecommunications Company (BTC) deal signed, completion in early April

Tony Rice, CEO of Cable & Wireless Communications Plc (CWC), said:

“In Q3 Panama’s financial performance rebounded strongly as we indicated at the half-year, whilst Macau and Monaco & Islands continue to trade well.

“The one region that remains very difficult is the Caribbean where we see the market continue to be challenging with tourist spend and hence consumer and business disposable income significantly below historic levels whilst we have also incurred additional costs from our Jamaica winback campaign. As a consequence we anticipate the Caribbean delivering an EBITDA for H2 around the same level as the \$115 million reported in H1.

“Overall we expect the outturn for the year to be broadly in line with current market expectations.

“On the portfolio front today we announced the signing of binding contracts to purchase a majority interest in BTC, the first step towards strengthening our portfolio as outlined at the time of demerger last year. BTC is a business with strong prospects and is well positioned in one of the region’s best economies. It will form a key part of our Caribbean business, benefitting from our regional platform and scale, while maintaining its Bahamian character.

“We have also made advances in extending and improving our product and service offering. In the Caribbean we launched mobile TV in Jamaica and enhanced our network with the opening of the East-West cable linking Jamaica, the Dominican Republic and BVI. We have also made significant strides in our social telecoms agenda with the introduction of telemammography in Panama and telemedicine in the Maldives whilst also bringing new products to our markets such as Video on Demand and IPTV in Monaco, and 100Mbps broadband in Macau.”

## **Operational highlights**

**Panama:** We saw revenue growth from mobile and maintained market share in excess of 50% despite the high level of competition. Panama also benefitted from the enterprise contract wins that we indicated at the half-year, notably the provision of a national network of voice and data services for all Government institutions and a national programme of remote mammography scanning. The business has achieved good progress with its Pay TV service and has secured 40,000 customers since launch. These revenue streams are driving stronger performance in the second half of the year than in the first half.

**Caribbean:** We have invested in our product capability and brand to position ourselves to grow market share and improve profitability when economic conditions improve. Some progress was made in mobile and as a result revenue increased in the quarter but lower margin enterprise revenue, higher subscriber acquisition costs, together with higher interconnect costs in Jamaica are expected to reduce gross margins.

During the period Hurricanes Tomas and Earl disrupted operations in islands including Barbados, St Lucia and St Vincent. Our initial assessment puts the cost at circa \$5 million. Operating costs were higher reflecting an increased investment in marketing in respect of the LIME brand and the Christmas promotion campaign, specifically for new services such as mobile TV. This investment is laying the foundations for future growth but in the short term we face difficult trading conditions and now expect EBITDA for the second-half around the same level as the first-half.

**Macau:** The business continues to perform strongly with economic growth driving improved mobile and enterprise revenues. Mobile saw growth in smartphone sales following the launch of the iPhone 4 in December strengthening our market leadership position, and the business continues to rapidly grow its wireless broadband subscriber base. We are in the final stages of a cable installation contract for the new Galaxy casino, a 2,200 room resort that is the largest casino project in Asia, one of several developments we have in progress.

**Monaco & Islands:** Our businesses continued to trade well, in line with the first half of the year. Maldives' performance was driven by international voice and roaming usage as visitor numbers rose. Average exchange rates for the year to date were \$1.30 to the euro and \$1.53 to the pound, compared to \$1.41 and \$1.59, respectively, for FY2009/10.

## **Financial Position**

At 31 December 2010, Group net debt was \$827 million, a decrease of \$73 million since 30 September 2010. In January we paid our interim dividend to shareholders of \$69 million, which represented 2.67 US cents per share.

## Key Performance Indicators

<b>Subscribers</b> <b>(000s)<sup>1</sup></b>	<b>Caribbean</b>		
	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile <sup>1</sup>	1,323	1,332	1,289
Broadband	207	210	207
Fixed line	617	624	640
<b>ARPU<sup>2</sup></b>	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile	\$19.6	\$18.5	\$21.5
Broadband	\$38.8	\$38.7	\$37.3
Fixed line	\$37.0	\$37.8	\$38.5

<b>Subscribers</b> <b>(000s)<sup>1</sup></b>	<b>Panama</b>		
	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile <sup>1</sup>	2,306	2,501	2,382
Broadband	140	142	130
Fixed line	401	405	415
<b>ARPU<sup>2</sup></b>	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile	\$11.3	\$10.5	\$13.6
Broadband	\$27.1	\$28.1	\$30.7
Fixed line	\$30.4	\$30.9	\$33.9

<b>Subscribers</b> <b>(000s)<sup>1</sup></b>	<b>Macau</b>		
	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile <sup>1</sup>	387	396	390
Broadband	132	131	127
Fixed line	178	178	181
<b>ARPU<sup>2</sup></b>	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile	\$20.9	\$19.4	\$17.5
Broadband	\$32.5	\$33.2	\$29.5
Fixed line	\$33.9	\$38.6	\$35.8

<b>Subscribers</b> <b>(000s)<sup>1</sup></b>	<b>Monaco &amp; Islands</b>		
	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09</b>
Mobile <sup>1</sup>	509	497	465
Broadband	50	49	46
Fixed line	239	242	249
<b>ARPU<sup>2</sup></b>	<b>31 Dec 10</b>	<b>30 Sep 10</b>	<b>31 Dec 09<sup>3</sup></b>
Mobile	\$36.3	\$36.2	\$39.3
Broadband	\$72.3	\$62.9	\$61.5
Fixed line	\$34.1	\$31.6	\$33.6

<sup>1</sup> Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days

<sup>2</sup> ARPU is average revenue per user per month, for a three month period excluding equipment sales

<sup>3</sup> Includes the Maldives from October 2009 when it was consolidated as a subsidiary.

Cable & Wireless Communications will host a conference call for investors and analysts. The details are:

Date: Wednesday, 9 February 2011  
 Time: 9:30 (GMT)  
 Details: Cable & Wireless Communications Plc Q3 IMS  
 UK: +44 (0)20 7138 0817  
 US: +1 718 354 1171

Confirmation Code: 1882742

Participants will have to quote the above code when dialling into the conference.

Audio playback of the call will be available shortly after the call finishes until 15 February 2011. The details for the playback are:

UK: +44 (0)20 7111 1244  
 US: +1 347 366 9565  
 Replay Access Code: 1882742#

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## **About Cable & Wireless Communications**

Cable & Wireless Communications 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 and domestic and international fixed line services in most of our markets as well as pay-TV, data centre and hosting, carrier and managed service solutions. Our operations are focused on providing our customers – consumers, businesses, governments – with world-class service. We are the market leader in most products we offer and territories we serve. For further information visit [www.cwc.com](http://www.cwc.com).

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