

**ANNOUNCEMENT**  
**10 FEBRUARY 2012**

**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 2011. Full year results for the period ending 31 March 2012 are expected to be announced on 24 May 2012.

**Key highlights:**

- Strong performance in Macau and Bahamas; both expected to exceed previous guidance for the full year
- Caribbean and Monaco & Islands trading in line with guidance
- Panama impacted by intensified mobile competition, slower progress on Enterprise contracts and margin pressures
- \$1 billion refinancing programme completed in January

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

"We continue to make good operational progress. We have positioned ourselves to take advantage of mobile data growth with the launch of high speed mobile data networks in Panama, Barbados, Cayman and Bahamas during the last four months. We are also making better than expected progress with the restructuring of the Bahamas, which is shaping up to be a good acquisition for our group. Our business in Macau continued to perform strongly. However, our Panama business has not progressed as planned and as such we do not expect to achieve the outlook range for this business.

"In January we completed the \$1 billion refinancing exercise we commenced in the summer. Through the refinancing of the bank facilities and the issuing of \$400m of bonds, we have raised sufficient financing to meet our expected needs through to 2016."

**Operational highlights**

**Panama:** Mobile continued to progress during the period. Mobile service revenue was higher than the same period last year driven by strong performances in non-voice and postpaid segments, and we launched a high speed mobile data network and began offering the iPhone 4S. In the quarter we saw increased competitive intensity with the introduction of mobile number portability, which has impacted our earnings despite leaving market shares largely unchanged, and we anticipate a further earnings impact in the fourth quarter. Our Enterprise business shows further growth potential, however we are experiencing slower than expected progress in our pipeline, and we continue to face pressures on margins from revenue mix changes away from fixed voice. As a result, we are now expecting EBITDA for the second half of the year to be similar to the \$127 million of

EBITDA we reported in the first half, which will not achieve our previously stated outlook range for the full year of \$270 – 295 million.

**Caribbean (excluding Bahamas):** We launched new initiatives to capture the growing demand for mobile data services, including the introduction of high speed mobile data networks in the higher GDP per capita markets of Barbados and Cayman and being the first to offer iPhone in our footprint. Outside of Jamaica mobile subscribers were in-line with the prior year whilst mobile subscribers in Jamaica declined as we discontinued certain promotional activities in the prepaid market. Our market position in Jamaica remains difficult, and we continue to experience poor financial performance in this business. As a result, we expect a significant non-cash write-down of our carrying value of this asset as part of our full year results. We continue to push for regulatory reform in Jamaica and are encouraging the new Government to make new telecommunications legislation a priority. Operating costs continue to see inflationary pressure as expected with staff costs and utilities being particularly affected; however the rate of increase has slowed. For the full year, we expect the Caribbean to achieve EBITDA in the lower half of our previously stated outlook range of \$180 – 210 million.

**Bahamas:** The Bahamas continued to progress strongly in the period. The speed of the implementation of the voluntary redundancy programme has exceeded our initial expectations. In December we opened our refurbished flagship store in Nassau and launched our high speed mobile data network - Bahamians previously only had access to “second generation” (2G) mobile services. For the full year, we expect the Bahamas to achieve EBITDA that will exceed our previously stated outlook range of \$60 – 80 million.

**Macau:** Mobile continued to perform strongly benefitting from growth in mobile data revenues and from significant demand for smartphones, particularly the iPhone, boosting handset revenues. The buoyant Macanese economy has helped maintain a healthy level of enterprise revenues. For the full year, we expect Macau to achieve EBITDA that will marginally exceed our previously stated outlook range of \$150 – 160 million.

**Monaco & Islands:** Our business, led by its key markets of Monaco, Guernsey, and the Maldives, continued to trade well on an underlying basis (excluding Bermuda and at constant currency) with mobile and enterprise revenue better than the same period last year. Our mobile business saw an increase in subscribers which more than offset the declines in ARPU, and increased traffic volumes for our international operations boosted enterprise revenue. We also incurred additional operating costs related to our start-up African enterprise services business. In the period the Euro and Seychelles Rupee weakened against the US dollar, a situation that we expect to prevail for the remainder of the financial year. Overall, for the full year we expect M&I to achieve EBITDA in the upper half of our previously stated outlook range of \$170 – 190 million.

### **Financial Position**

At 31 December 2011, Group net debt was \$1,407 million, a decrease of \$18 million since 30 September 2011. During the last four months, we have raised \$1 billion of financing, including \$600 million of revolving credit facilities in October 2011 to refinance prior bank facilities and \$400 million of senior secured notes issued in January to refinance our £200 million bond that matures in August 2012. We now have no significant debt maturities until October 2016.

## Key Performance Indicators

<b>Subscribers</b> <b>(000s) <sup>1</sup></b>	<b>Panama</b>		
	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile <sup>1</sup>	2,347	2,454	2,306
Broadband	133	140	140
Fixed line	393	396	401
<b>ARPU <sup>2</sup></b>	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile	\$13.1	\$12.4	\$11.3
Broadband	\$27.4	\$27.2	\$27.1
Fixed line	\$27.8	\$30.6	\$30.4

<b>Subscribers</b> <b>(000s) <sup>1</sup></b>	<b>Caribbean (excluding Bahamas)</b>		
	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile <sup>1</sup>	1,151	1,199	1,323
Broadband	207	207	207
Fixed line	603	607	617
<b>ARPU <sup>2</sup></b>	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile	\$20.1	\$20.2	\$19.6
Broadband	\$38.8	\$39.7	\$38.8
Fixed line	\$35.5	\$36.1	\$37.0

<b>Subscribers</b> <b>(000s) <sup>1</sup></b>	<b>Macau</b>		
	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile <sup>1</sup>	427	417	387
Broadband	138	136	132
Fixed line	176	176	178
<b>ARPU <sup>2</sup></b>	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile	\$19.2	\$20.9	\$20.9
Broadband	\$33.2	\$33.0	\$32.5
Fixed line	\$32.3	\$36.9	\$33.9

<b>Subscribers</b> <b>(000s) <sup>1</sup></b>	<b>Monaco &amp; Islands</b>		
	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile <sup>1</sup>	543	531	509
Broadband	56	55	50
Fixed line	126	125	239 <sup>3</sup>
<b>ARPU <sup>2</sup></b>	<b>31 Dec 11</b>	<b>30 Sep 11</b>	<b>31 Dec 10</b>
Mobile	\$32.8	\$34.5	\$36.3
Broadband	\$61.9	\$63.3	\$72.3
Fixed line	\$52.1	\$52.9	\$34.1 <sup>3</sup>

<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, excluding equipment sales

<sup>3</sup> Includes fixed line subscribers and ARPU for Bermuda business which was disposed on 10 March 2011

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

Date: Friday, 10 February 2012  
Time: 9:30 (GMT)  
Details: Cable & Wireless Communications Plc Q3 IMS  
UK: +44 (0)20 7136 2050  
US: +1 646 254 3360  
Confirmation Code: 1774260

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 16 February 2012. The details for the playback are:

UK: +44 (0)20 7111 1244  
US: +1 347 366 9565  
Replay Access Code: 1774260#

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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 /social telecom (telecom enabled public services) solutions. Our operations are focused on providing our customers – consumers, businesses, governments – with world-class service. Serving the communities where we operate is at the heart of our approach, and we are committed to behaving in an ethical and socially responsible manner. For more information visit [www.cwc.com](http://www.cwc.com).

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