

ANNOUNCEMENT
21 JULY 2010

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

This interim management statement provides an update on the financial performance and financial position of the Group since the year ended 31 March 2010. Half-yearly results for the period ending 30 September 2010 are expected to be announced on 4 November 2010.

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

“Cable & Wireless Communications has started the year well and the Group is trading in line with expectations. Macau and Monaco & Islands are both performing well backed by more favourable economic conditions. Panama is seeing stronger economic growth which is helping the business to perform to expectations. As I highlighted in May, conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter.”

“Our focus across the business remains on maintaining and growing market share, managing costs and generating cash to achieve our expected outcome for the year.”

“George Battersby, one of my fellow Executive Directors, is stepping down from the Board of Directors after today’s Annual General Meeting. On behalf of the Board, I would like to thank him for his invaluable contribution to the business over the last 6 years.”

Highlights include:

Panama: Trading is running broadly in line with our expectations. Our mobile business has maintained market leadership with lower ARPU offset by increased subscriber numbers. During the quarter we have continued to see fixed to mobile substitution which has affected fixed line revenues. Our pay TV business has consolidated its strong start, with customer numbers rising to 25,000 and the network coverage expanding to 166,000 homes passed. The enterprise business has established a strong pipeline, but revenues from this segment lagged in the quarter.

Caribbean: We have not seen any improvement in the underlying economies in the Caribbean. Mobile subscribers are up 4% on the same quarter last year and we maintained market share, but ARPUs have been diluted by certain promotional programmes as competition intensified in some islands. Fixed line subscribers are broadly in line with last quarter whilst broadband continues to grow as penetration increases. We are increasing our level of investment in the Caribbean as we highlighted in May and have now committed to invest in a new subsea cable, the “East-West” cable linking Jamaica and the Cayman Islands in the west of the Caribbean, to the British Virgin Islands in the east via Dominican Republic, thereby providing additional capacity to service our growing pipeline of transit carrier opportunities in the Pan-American market.

Macau: We have had a good start to the year in Macau, led by improved mobile ARPUs as data penetration increased and higher roaming from increased visitor numbers. The economy in Macau continued to grow, and we continue to capitalise on government and corporate projects.

Monaco & Islands: Monaco & Islands started the year well with a good trading performance in the Maldives, Monaco and Guernsey where we have improved gross margins. The Maldives continues to perform strongly driven by international voice revenues.

Financial Position: At 30 June 2010, Group net debt was \$794 million, an increase of \$130 million since 31 March 2010 primarily reflecting the transfer of \$117 million to Cable & Wireless Worldwide for the final 2009/10 dividend as anticipated under the demerger agreement.

Key Performance Indicators

Subscribers (000s)	At 30 June 2010				At 30 June 2009			
	Caribbean	Panama	Macau	M&I	Caribbean	Panama	Macau	M&I³
Mobile ¹	1,339	2,336	397	484	1,284	1,994	396	156
Broadband	213	141	129	48	200	125	125	33
Fixed line	634	415	179	242	651	417	183	215
ARPU²	3 months ended 30 June 2010				3 months ended 30 June 2009			
	Caribbean	Panama	Macau	M&I	Caribbean	Panama	Macau	M&I³
Mobile	\$19	\$11	\$19	\$37	\$22	\$12	\$17	\$56
Broadband	\$37	\$28	\$31	\$60	\$39	\$29	\$29	\$57
Fixed line	\$36	\$31	\$37	\$35	\$40	\$35	\$33	\$32

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

² ARPU is average revenue per user per month, excluding equipment sales

³ Excludes the Maldives which was not a consolidated subsidiary until October 2009.

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 more information visit www.cwc.com.

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