ANNOUNCEMENT
7 NOVEMBER 2013

CABLE & WIRELESS COMMUNICATIONS PLC HALF YEARLY REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Mobile revenue growth across all regions

Key Highlights

- Group mobile revenue up 3%; growth in all regions
  - Mobile data revenue up 29%
- Panama revenue and EBITDA up 3%
  - Panama licence extension and additional spectrum
- Jamaica mobile customers up 23%
- Progress on cost reduction programme; Caribbean operating costs down 6%
- Completion of Macau and Islands disposals realising net proceeds of US$1.4 billion
- Interim dividend of US1.33 cents per share

US$m	*Six months ended 30 September 2013*	*Change*
Revenue	935	(3)%
EBITDA	298	3%
Net income (before exceptional items)	63	26%
Adjusted earnings per share	0.8c	(0.2)c

Note: Figures above are for continuing operations. EBITDA and adjusted earnings per share are defined in the footnotes on the following pages, reconciliations of EBITDA and adjusted earnings per share are provided on page 27

Commenting on the Group results, Tony Rice, Chief Executive of Cable & Wireless Communications Plc, said:

“Our first half was characterised by an impressive performance in our mobile business and good progress on our cost reduction programme. Growth in mobile revenue and EBITDA of 3% for the Group was a strong result given competition and other market challenges we faced.

“We are setting the standard for mobile data in our markets, and customers are responding. Mobile data revenue rose 29% over the half with all regions seeing growth. We are continuing to invest in mobile data, particularly in Long-Term Evolution (LTE) networks, which we launched in Monaco recently and will launch in The Bahamas and Cayman in the second half.

“We continue to improve in Jamaica, particularly in mobile where our customer base is up 23% and mobile service revenue rose 14% at constant currency during the half. We are presenting innovative products to our customers, and have successfully positioned our business as the ‘value’ provider, in a very price sensitive market.

“Our productivity and efficiency programme has started well. The Caribbean has been the focus with operating costs reducing by US$18 million in the first half and we expect to step up the pace in order to meet our US$100 million target. Centralising our regional operations in our new Miami office will be a key driver and I'm pleased to report we've made good progress in establishing our new regional hub.

"We have largely completed our disposal process, with the Seychelles transaction expected to complete this year. We have agreed to unwind the agreement we announced with Batelco for a minority stake in our Monaco business at the same time. Monaco remains a strong and growing operation within our Group and we are reviewing our options for the business.

"These results show our core businesses are performing well – providing a strong platform on which we can grow. As I hand over the reins to Phil Bentley, I am confident we have a business well prepared for future growth. I wish him and the rest of our excellent team the very best in delivering that future."

Outlook

We maintain the guidance given at the full year, and expect:

- 2013/14 Group EBITDA to be similar to 2012/13
- US$100 million cost reduction across the Group achieved on a run rate basis within two years
    - Anticipated cost to deliver between US$150-200 million, of which circa US$100 million will fall in 2013/14
- Caribbean medium term EBITDA margin target of greater than 30%
- Targeted investment in high speed networks leading to capital expenditure of approximately US$300 million in 2013/14
- Dividend for 2013/14 of US4 cents

Analysis of Group results

US$m	*Six months ended 30 September 2013*	*Six months ended 30 September 2012*	*% change*
Revenue	**935**	**963**	**(3)%**
Gross margin	681	689	(1)%
Operating costs	(383)	(401)	4%
EBITDA[1]	**298**	**288**	**3%**
Depreciation and amortisation	(129)	(130)	1%
Net other operating expense	(8)	(3)	nm
Joint ventures and associates	(1)	12	nm
Total operating profit before exceptional items	**160**	**167**	**(4)%**
Exceptional items	(55)	(26)	nm
Total operating profit	**105**	**141**	**(26)%**
Net finance expense	(70)	(71)	1%
Other non-operating expense	-	(15)	100%
Profit before tax	**35**	**55**	**(36)%**
Income tax expense	(27)	(29)	7%
Net profit from continuing operations	**8**	**26**	**(69)%**
Net profit before exceptional items	*63*	*50*	*26%*
Net profit from discontinued operations	34	90	
Gain on disposal of discontinued operations	1,011	-	nm
Profit for the year	**1,053**	**116**	**nm**
Net profit attributable to:			
Owners of the Parent Company	1,000	39	nm
Non-controlling interests	53	77	(31)%
Capital expenditure[2]	(92)	(93)	1%
Operating cash flow[3]	**206**	**195**	**6%**
EPS	(1.3)c	(0.6)c	
Adjusted EPS[4]	0.8c	1.0c	
Customers in subsidiaries (000s)			
Mobile	3,592	3,411	5%
Broadband	378	365	4%
Fixed	1,104	1,128	(2)%

[1] EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating expense and exceptional items

[2] Balance sheet capital expenditure

[3] Operating cash flow is defined as EBITDA less capital expenditure

[4] Adjusted EPS is before exceptional items, gains/(losses) on disposals, amortisation of acquired intangibles and transaction costs

Cable & Wireless Communications reported revenue, EBITDA and total operating profit before exceptional items of US$935 million, US$298 million and US$160 million respectively for the six months ended 30 September 2013.

Revenue for the Group fell by 3% to US$935 million. Mobile revenue was up 3% on the prior year as increased penetration and usage drove strong mobile data growth of 29%. Fixed voice revenue continued to be adversely impacted by declining voice traffic and lower rates. Enterprise, data and other revenue declined by 10% however this was largely due to a change in accounting following the outsourcing of our LIME directory businesses – this would have been 3% lower on a like-for-like basis.

EBITDA was 3% ahead of the prior year at US$298 million as Panama returned to growth and the Caribbean achieved a 6% reduction in operating costs.

Operating profit before exceptional items was 4% lower than the prior period at US$160 million primarily due to lower associate profit from TSTT following a one-off charge in relation to a staff pay dispute.

Net profit for the year was lower at US$8 million following anticipated exceptional charges related to the Group's cost reduction activities. Adjusted earnings per share for the six months were US0.8 cents. The Board has declared an interim dividend of US1.33 cents per share, in line with our intentions outlined at the full year results in May.

The Group recognised a gain of US$1,011 million following the completed disposals of the Islands (excluding the Seychelles) and Macau businesses.

On a constant currency basis, revenue for the Group was 2% lower and EBITDA was 3% higher than the prior year.

Strategy
The disposals of our Islands and Macau businesses saw the completion of a key strategic objective, set at demerger, of creating a more focused business. The Caribbean and Latin America is now the core focus for our business, a region with favourable demographics, GDP growth rates in excess of developed markets and communications markets with low levels of data penetration. We are well placed to succeed given our leading market positions, extensive networks and connectivity, good working relationships with governments and partners and strong balance sheet. We plan to grow the business within this region both organically through investment in key growth segments such as mobile data and fibre broadband as well as through acquisitions.

In terms of organic development, we have four key strategic priorities.

1. **Change operating model** – De-layering management, establishing a regional office in Miami to provide support functions to our businesses putting us closer to our operations and customers.

2. **Improve efficiency** – We are targeting a US$100 million cost reduction across the Group achieved on a run rate basis within two years. We have also set the goal of achieving a Caribbean EBITDA margin in excess of 30% in the medium term. Group operating expenditure in the first half was US$18 million (4%) lower with the largest savings being made in the Caribbean.

3. **Capture data opportunity** – On-going focus on completing the transition to being a data-led telecommunications provider, capturing the growth opportunities that exist within the region. We have invested in new LTE mobile data networks in Monaco, Cayman and The Bahamas whilst also committing to rolling out a fibre network in Barbados and Cayman.

4. **Lead in full service provision** – We will continue to invest in and leverage our position as a leading full service operator in the Caribbean and Latin America. As a provider of mobile, fixed voice, broadband and pay TV services in several markets, we are able to provide attractive bundled product packages to our customers.

Our ambition is to grow the business as the leading full service operator in the Caribbean and Latin America, with improved margins and increased cash generation enabling greater distributions to shareholders.

Appointment of Phil Bentley
CWC recently announced the appointment of Phil Bentley as Chief Executive Officer, succeeding Tony Rice, with effect from 1 January 2014. Phil was previously Managing Director at British Gas, the UK's leading energy and services provider between 2007 and 2013. Prior to this he was Managing Director, Europe and Group Finance Director at Centrica plc and served on its Board since 2000.

Tony has decided to step down as CEO, ahead of the establishment of CWC's new regional office in Miami. He will leave the Board at the end of 2013, although will continue to provide advice to the Group on Government relations until June 2014.

Interim results presentation
Cable & Wireless Communications will hold its 2013/14 interim results presentation for analysts and institutional investors at 9:30am GMT on Thursday 7 November 2013.

The presentation will be webcast live on the Cable & Wireless Communications website www.cwc.com. An on-demand version will be available later in the day.

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REVIEW OF CWC OPERATIONS

Income statement

	Panama			Caribbean			Monaco			Other[1]			Total		
	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %
Mobile	168	159	6%	264	262	1%	33	32	3%	-	-	-	465	453	3%
Broadband & TV	31	30	3%	59	60	(2)%	8	8	0%	-	-	-	98	98	0%
Fixed voice	58	61	(5)%	130	149	(13)%	14	13	8%	-	-	-	202	223	(9)%
Enterprise, data and other	38	36	6%	68	82	(17)%	65	71	(8)%	(1)	-	nm	170	189	(10)%
Revenue	**295**	**286**	**3%**	**521**	**553**	**(6)%**	**120**	**124**	**(3)%**	**(1)**	**-**	**nm**	**935**	**963**	**(3)%**
Cost of sales	(97)	(93)	(4)%	(111)	(126)	12%	(47)	(55)	15%	1	-	nm	(254)	(274)	7%
Gross margin	**198**	**193**	**3%**	**410**	**427**	**(4)%**	**73**	**69**	**6%**	**-**	**-**	**-**	**681**	**689**	**(1)%**
Operating costs	(80)	(78)	(3)%	(272)	(290)	6%	(31)	(32)	3%	-	(1)	nm	(383)	(401)	4%
EBITDA[2]	**118**	**115**	**3%**	**138**	**137**	**1%**	**42**	**37**	**14%**	**-**	**(1)**	nm	**298**	**288**	**3%**
Depreciation and amortisation	(45)	(38)	(18)%	(67)	(76)	12%	(13)	(11)	(18)%	(4)	(5)	20%	(129)	(130)	1%
Net other operating income/(expense)	-	-	-	1	(1)	nm	-	-	-	(9)	(2)	nm	(8)	(3)	nm
Operating profit before joint ventures and associates and exceptional items	**73**	**77**	**(5)%**	**72**	**60**	**20%**	**29**	**26**	**12%**	**(13)**	**(8)**	**(63)%**	**161**	**155**	**4%**
Capital expenditure[3]	(33)	(37)	11%	(49)	(47)	(4)%	(7)	(5)	(40)%	(3)	(4)	25%	(92)	(93)	1%
Operating cash flow[4]	**85**	**78**	**9%**	**89**	**90**	**(1)%**	**35**	**32**	**9%**	**(3)**	**(5)**	**40%**	**206**	**195**	**6%**
Cash exceptional items	-	-	-	(62)	(11)	nm	-	-	-	-	(2)	nm	(62)	(13)	nm
Net cash interest	(6)	(5)	(20)%	(1)	(1)	0%	1	-	nm	(39)	(69)	43%	(45)	(75)	40%
Cash tax	(12)	(52)	77%	(12)	(19)	37%	(2)	(1)	(100)%	(2)	(4)	50%	(28)	(76)	63%
Headcount[5]	1,435	1,478	(3)%	3,028	3,677	(18)%	308	309	(0)%	145	143	1%	4,916	5,607	(12)%

nm represents % change not meaningful

1 Other includes management, royalty and branding fees, the costs of the corporate centre, net UK defined benefit pension charge or credit and intercompany eliminations

2 Earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items

3 Balance sheet capital expenditure

4 EBITDA less capital expenditure

5 Full time equivalents as at 30 September

Panama

- Revenue and EBITDA growth of 3%
- Mobile revenue 6% higher, data revenue up 49%
- Enterprise, data and other revenue 6% higher than prior year
- Licence extension and new spectrum secured

	6 months ended 30 Sep 2013	3 months ended 30 Sep 2013	3 months ended 30 Jun 2013	**6 months ended 30 Sep 2012**	3 months ended 30 Sep 2012	3 months ended 30 Jun 2012
Subscribers (000s)						
Mobile[1]	**1,933**	1,933	1,897	**1,785**	1,785	1,656
Broadband	**129**	129	129	**127**	127	129
Fixed	**374**	374	376	**381**	381	386
ARPU (US$)[2]						
Mobile	**15.1**	14.9	15.4	**15.1**	15.9	14.4
Broadband	**28.9**	28.8	29.0	**28.1**	29.0	27.2
Fixed	**25.8**	25.4	26.1	**26.3**	26.5	26.2
Revenue (US$m)	**295**			**286**		
EBITDA (US$m)	**118**			**115**		
Margin%	**40%**			**40%**		

[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

Revenue at US$295 million was 3% higher than the same period last year as mobile growth offset a decline in fixed voice.

Mobile revenue at US$168 million was 6% higher than the prior year and 2% higher than H2 2012/13. This is the fourth consecutive period we have seen sequential half yearly mobile service revenue growth. Subscribers increased, driven by prepaid activations for data plans as more affordable smart devices entered the market. Data revenue was up 49% on the prior year more than offsetting reduced voice revenue which was affected by a lower voice rate per minute. Data penetration of subscribers increased by 7 percentage points to 33% as the wider range of data plans stimulated prepaid usage. ARPU was in line with last year but lower than the second half of last year due to a reduction in roaming traffic.

Broadband & TV revenue of US$31 million was 3% higher than last year. Broadband subscribers grew as our focus remained on the higher ARPU segment of the market and TV subscribers were also up to 41,000. Bundling of products was an effective retention tool with 80% of pay TV and broadband subscribers taking more than one service. We have extended our enterprise offering, recently announcing a contract to install managed TV solutions for the new Waldorf Astoria in Panama City.

Fixed voice revenue of US$58 million was 5% lower than the same period last year driven by a reduction in national usage. Subscriber numbers continued to decrease as customers substituted to other products, but the rate of decline slowed due to the impact of triple play offerings. Lower national revenue masked a better trend from international as transit traffic increased.

Enterprise, data and other revenue at US$38 million was higher than last year by 6% driven by the growth of corporate segment sales in data centres and leased lines as the Panama economy improves.

Gross margin at US$198 million was 3% better than last year driven by the strong mobile performance. As a percentage of revenue, gross margin was the same as last year.

Operating costs increased by 3% to US$80 million due to higher network and property costs following expansion of the mobile network.

Higher gross margin from mobile more than offset the decline in fixed voice and higher operating costs resulting in EBITDA of US$118 million, 3% better than last year. The EBITDA margin was maintained at 40% in the first half.

A change in tax legislation from 1 January 2014 means that Cable & Wireless Panama's corporate tax rate will be reduced from 30% to 25% putting it in line with its competitors.

Panama has secured a new 20 year mobile licence agreement and an additional 30MHz of spectrum for a one-off cost of US$100 million. Further details are provided on page 9.

Our proportionate ownership of Panama EBITDA for the six months ended 30 September 2013 was 49%.

Caribbean

- Mobile revenue up 2%, 19% growth in data at constant currency
- Jamaica mobile subscriber growth of 23%
- LTE investments underway in The Bahamas and Cayman
- Cost reduction on track – outsourcing underway, headcount down 18% across the region

	6 months ended 30 Sep 2013	3 months ended 30 Sep 2013	3 months ended 30 Jun 2013	**6 months ended 30 Sep 2012**	3 months ended 30 Sep 2012	3 months ended 30 Jun 2012
Subscribers (000s)						
Mobile[1]	**1,624**	1,624	1,549	**1,594**	1,594	1,491
Broadband	**232**	232	227	**222**	222	221
Fixed	**696**	696	698	**713**	713	714
ARPU (US$)[2]						
Mobile	**27.5**	26.7	28.4	**28.0**	27.7	28.3
Broadband	**40.5**	40.8	40.2	**42.1**	42.6	41.7
Fixed	**31.1**	30.1	32.0	**34.9**	34.3	35.4
Revenue (US$m)	**521**			**553**		
EBITDA (US$m)	**138**			**137**		
Margin%	**26%**			**25%**		

[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

Caribbean revenue was 6% down on the prior year with gross margin 4% lower as reduced termination rates and outpayments led to a 12% fall in cost of sales. However EBITDA grew 1% following a 6% reduction in operating costs.

Mobile revenue rose 1% in the first half to US$264 million as demand for mobile data continued to increase with data revenue growing 18%. We expect this shift in mix from voice to data to continue as we invest in high speed networks including LTE in The Bahamas and Cayman. Jamaica momentum continued as we saw a positive response to new pricing propositions following a further fall in mobile termination rates (MTRs) in July. In the first half there was a 23% rise in Jamaica subscribers leading to mobile service revenue growth of 14% on a constant currency basis. Across the rest of the Caribbean our postpaid subscriber base was stable but we saw increased churn in the prepaid market as conditions continue to be challenging in a number of markets. The reduction in ARPU was driven principally by lower prepaid rates.

Broadband subscribers increased by 5% with growth in most of our key markets. Competition in a number of our businesses has driven ARPU lower. We now offer LIME TV in three of our businesses and have over 21,000 subscribers, up by 13% compared to last year. This growth was driven by the provision of services in Barbados and Cayman and is expected to continue as the fibre roll out in these markets gathers momentum.

Fixed line revenue at US$130 million declined by 13% as a 2% drop in the subscriber base was compounded by an 11% fall in ARPU driven mainly by rate reductions in Jamaica and The Bahamas and on lower termination rates across the region.

Enterprise, data and other revenue fell by 17% to US$68 million largely due to a change in accounting following the outsourcing of our LIME directory businesses. Enterprise, data and other revenue would have been 1% lower on a like-for-like basis.

Gross margin at US$410 million was 4% down compared to the prior year reflecting the reduction in revenue and increased investment in subscriber acquisition costs, partially mitigated by lower outpayments following the MTR reduction in Jamaica and improved margins on outbound roaming traffic. As a percentage of revenue, gross margin increased to 79% from 77% in the prior period.

Operating costs at US$272 million reduced by 6% compared with the prior period as we began to realise the benefits of the on-going cost reduction initiatives. We have now successfully outsourced our field services teams in Jamaica and Barbados. We continue to transform our businesses in the region and have reduced staff costs by US$18 million with headcount 18% lower compared to the first half of last year. Across our Caribbean business we remain on course to deliver the targeted cost reductions in line with the previously set out timescales.

EBITDA increased by 1% to US$138 million driven principally by lower outpayments and the continued cost reduction drive offsetting the decline in fixed line and enterprise revenues.

Our proportionate ownership of Caribbean EBITDA for the six months ended 30 September 2013 was 73%.

Monaco

	6 months ended 30 Sep 2013	3 months ended 30 Sep 2013	3 months ended 30 Jun 2013	6 months ended 30 Sep 2012	3 months ended 30 Sep 2012	3 months ended 30 Jun 2012
Subscribers (000s)						
Mobile[1]	**35**	35	33	**32**	32	31
Broadband	**17**	17	17	**16**	16	16
Fixed	**34**	34	34	**34**	34	34
ARPU (US$)[2]						
Mobile	**131.8**	135.4	128.1	**140.7**	135.3	146.1
Broadband	**48.0**	48.5	47.5	**46.4**	45.7	47.1
Fixed	**66.6**	65.5	67.6	**63.7**	62.6	64.8
Revenue (US$m)	**120**			**124**		
EBITDA (US$m)	**42**			**37**		
Margin%	**35%**			**30%**		

[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

Revenue at US$120 million was 3% lower than the prior year primarily due to a fall in enterprise revenue driven by the sale of our African enterprise business, Afinis, and reduced volumes of transit traffic. Mobile revenue in the period at US$33 million was 3% higher than the prior year. In addition, on 1 October we successfully launched LTE services. Broadband & TV revenue remained in line with the prior year.

Gross margin at US$73 million was 6% higher than the prior year driven by lower mobile outpayments and a change in mix with reduced low margin transit traffic revenue. As a percentage of revenue, gross margin improved by 5 percentage points as we exited low margin businesses.

Operating costs of US$31 million were 3% lower primarily due to the disposal of Afinis in August 2012.

EBITDA at US$42 million was 14% higher than the prior year reflecting favourable currency movements (8% up at constant currency), the improvements in gross margin and lower operating costs.

Our proportionate ownership of Monaco EBITDA for the six months ended 30 September 2013 was 41%, which will revert to 55% when the CMC put option (see note 7i in the appendices) is unwound.

Joint ventures and associates
Our share of loss after tax from joint ventures and associates was US$1 million, US$13 million lower than the prior period.

	Ownership as at 30 September 2013	CWC share of revenue		CWC share of profit after tax	
		Six months ended 30 September 2013	**Six months ended 30 September 2012**	**Six months ended 30 September 2013**	**Six months ended 30 September 2012**
	%	**US$m**	**US$m**	**US$m**	**US$m**
Trinidad & Tobago (TSTT)	*49%*	113	110	(2)	6
Afghanistan (Roshan)	*37%*	49	57	(1)	3
Solomon Telekom	*33%*	8	4	2	3
Total		**170**	**171**	**(1)**	**12**

’000s	**Mobile subscribers[1]**		**Broadband subscribers**		**Fixed line subscribers**	
	As at 30 September 2013	**As at 30 September 2012**	**As at 30 September 2013**	**As at 30 September 2012**	**As at 30 September 2013**	**As at 30 September 2012**
Trinidad & Tobago (TSTT)	838	848	108	114	263	267
Afghanistan (Roshan)	5,768	5,935	-	-	-	-
Solomon Telekom	207	174	1	1	8	8
Total	**6,813**	**6,957**	**109**	**115**	**271**	**275**

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

TSTT revenue was up 3% in the period as mobile data usage increased, however profit declined largely due to a one-off operating cost following an adverse judgment in relation to a former staff pay dispute. Roshan reported results lower than the prior year as the business continued to be affected by growing competition in the country following the introduction of 3G.

Capital expenditure
Capital expenditure was US$92 million, 1% lower than last year and representing 10% of revenue.

Our principal mobile investments continue to be in 4G/HSPA+ mobile data networks supporting smartphone sales in Panama, The Bahamas and Antigua as well as LTE upgrades to our networks in The Bahamas and Cayman. We have made selective fibre network investments in Barbados and Cayman to offer high-speed broadband services. We also continued to invest in advancing our billing and customer relationship management systems.

We anticipate continuing our mobile investment across the Caribbean and making strategic investments in transmission capacity and cable systems to support both retail and carrier sales.

On 30 October, we announced that our Panama business secured a new 20 year mobile licence agreement to run from 24 October 2017 to 24 October 2037. Under the agreement our Panama business will have access to 65MHz of spectrum (including 30MHz of new spectrum) for a one-off cost of US$100 million (c.US40 cents per MHz per head of population). The details of holdings under the new licence agreement are as follows:

- Retained access to 25 MHz of the 850 MHz band
- Retained access to 10 MHz of the 1900 MHz band
- Additional 10 MHz of the 1900 MHz band
- New 20 MHz of the country's currently unused 700 MHz band, which will be opened up in 2014 and designated for use by mobile services

Our Panama business will be granted access to the additional block of 1900 MHz spectrum immediately and it will also gain access to the 700 MHz spectrum, a lower level frequency ideal for the transmission of mobile data over long distances, from August 2014. This will enable Panama to continue the rapid growth of mobile data services. Payment will be made in the second half of 2013/14.

Depreciation and amortisation
Depreciation and amortisation at US$129 million was in line with the prior year.

Other Group items

Net other operating expense
The US$8 million net other operating expense incurred in the first half of the year was largely due to non-cash foreign exchange movements on the Group's UK pension schemes. The prior period charge of US$3 million was due to a loss on sale of property, plant and equipment and foreign exchange movements on the Group's UK pension schemes.

Exceptional items
Exceptional items in the period of US$55 million comprised charges for the Group cost reduction initiative and were primarily in relation to redundancy payments. Our expectation remains that this programme will result in between US$150 million and US$200 million of cash costs of which approximately US$100 million will be incurred in this financial year. The prior period charge was associated with redundancy and restructuring programmes in the Caribbean.

Net finance expense
Net finance expense for the Group of US$70 million was in line with the prior year and consisted of finance income of US$4 million (US$16 million in H1 2012/13) and finance expense of US$74 million (US$87 million in H1 2012/13). Reduced finance expense following the redemption of sterling bonds due in August 2012 and repayment of other borrowings were offset by foreign exchange gains in the prior period.

Other non-operating income
In the prior period, the charge of US$15 million reflected the loss on disposal of Afinis.

Income tax expense
The income tax charge of US$27 million (US$29 million for H1 2012/13) was in respect of overseas taxes. This charge represented an effective tax rate of 30% pre-exceptional items. Removing the impact of non-deductible interest charged on the Group's central borrowing facilities this charge represented an effective tax rate of 18% pre-exceptional items.

Discontinued operations

As at 30 September 2013 the Seychelles business was the only business recognised as held for sale in the Group.

Gains on disposals
During the period we recognised an accounting gain of US$1,011 million following the completed disposals of our Macau and Islands businesses comprising operations in the Maldives, the Channel Islands and Isle of Man, the South Atlantic and Diego Garcia.

Group cash flow

US$m	2013/14 H1	2012/13 H1
EBITDA[1]	**298**	**288**
Capital expenditure[2]	(92)	(93)
Operating cash flow before exceptionals	**206**	**195**
Movement in working capital and other provisions	(66)	(90)
Net investment income[3]	4	9
Underlying free cash flow	**144**	**114**
Fixed charges		
Income taxes paid[4]	(28)	(64)
Interest paid[5]	(48)	(50)
Dividends to non-controlling interests[6]	(36)	(45)
Underlying equity free cash flow from discontinued operations	27	38
Underlying equity free cash flow	**59**	**(7)**
Dividends paid to shareholders	(67)	(133)
Net cash flow before non-recurring items and exceptionals	**(8)**	**(140)**
Non-recurring items and exceptionals		
Cash exceptionals	(62)	(11)
Acquisitions and disposals[6,7]	1,399	(1)
Prior year Panama tax brought forward and 2012 sterling bond coupon	-	(39)
Net cash flow after non-recurring items and exceptionals	**1,329**	**(191)**
Net cash within assets disposed	(165)	-
Net (repayment of)/proceeds from borrowings	(421)	147
Net cash flow	**743**	**(44)**

1 Earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items
2 Balance sheet capital expenditure
3 Includes dividends received from joint ventures and associates of US$1 million in H1 2013/14 (US$1 million in H1 2012/13)
4 Excludes US$12 million impact on timing of payments following change in Panama tax legislation in H1 2012/13
5 Excludes US$27 million coupon in H1 2012/13 on sterling unsecured bond of £200 million redeemed in August 2012
6 Monaco Telecom dividend paid to minority interest of US$8 million in H1 2013/14 (US$7 million in H1 2012/13) has been reallocated to dividends paid to non-controlling interests, but for IFRS purposes is included in acquisitions and disposals
7 Includes US$100 million for the CMC put option, which is included in financing activities under IFRS (see note 7i of the appendices)

The Group generated operating cash flow before exceptional items of US$206 million in the six months ended 30 September 2013, 6% higher than the same period last year as EBITDA generation improved and capital expenditure was in line with the prior year. The outflow from movements in working capital and provisions was lower than the prior period and largely reflects the cyclical nature of our payments profile.

Investment income of US$4 million included dividends received from joint ventures and associates of US$1 million and US$3 million of interest received on cash balances.

Fixed charges

Income tax paid in the first half of US$28 million was lower than the prior year primarily due to a change in phasing of payments through the year in Panama. Interest of US$48 million was paid on our external borrowings which was in line with the prior period. We paid dividends to non-controlling interests of US$36 million in the first half which was US$9 million lower than last year.

Dividends to our shareholders were lower than the prior year as the final dividend paid in the half was based on US4 cents per share for the financial year 2012/13 compared to US8 cents per share for the financial year 2011/12.

Non-recurring items and exceptionals

The net cash outflow included US$62 million for exceptional items that related to restructuring costs primarily in the Caribbean, where our cost initiative has progressed in line with our expectations. We also received proceeds of US$1.4 billion for the disposals of our Macau and Islands businesses.

Group cash and debt

	As at 30 September 2013			As at 31 March 2013		
	Subsidiaries	**Central**	**Group**	**Subsidiaries**	**Central**	**Group**
	US$m	US$m	US$m	US$m	US$m	US$m
Cash and cash equivalents	**182**	**853**	**1,035**	**137**	**15**	**152**
Sterling unsecured bonds repayable in 2019	-	(234)	(234)	-	(224)	(224)
US$500 million secured bonds due 2017	-	(494)	(494)	-	(493)	(493)
US$400 million secured bonds due 2020	-	(392)	(392)	-	(391)	(391)
US$600 million Revolving Credit Facility (RCF)	-	-	-	-	(360)	(360)
Other central	-	(13)	(13)	-	(37)	(37)
Other regional debt facilities	(262)	-	(262)	(298)	-	(298)
Total debt	**(262)**	**(1,133)**	**(1,395)**	**(298)**	**(1,505)**	**(1,803)**
Total net debt	**(80)**	**(280)**	**(360)**	**(161)**	**(1,490)**	**(1,651)**

During the period net debt reduced by US$1,291 million to US$360 million primarily due to receipt of disposal proceeds.

Pensions

As at 30 September 2013, the defined benefit section of the Cable & Wireless Superannuation Fund (CWSF) had an IAS 19 deficit of £88 million, compared to a deficit of £86 million as at 31 March 2013.

As part of the March 2010 triennial review cash contributions to CWSF were agreed with the pension trustees from 2014 to 2016 in order to eliminate the actuarial deficit however these payments are subject to the outcome of the actuarial valuation as at March 2013. The Group is in on-going discussions with the trustees in this regard. This future deficit funding constitutes a minimum funding agreement and, in accordance with accounting standards, we are required to account for this within our IAS 19 deficit. The IAS 19 deficit recorded at 30 September 2013 represents the present value of the maximum amount committed under the minimum funding agreement.

The fund assets at 30 September 2013 were approximately invested 72% in the bulk annuity policy, 18% in equities, and 10% in bonds, property, swaps and cash.

There are other unfunded pension liabilities in the UK of £29 million (£30 million at 31 March 2013). The Group holds investments in gilts of £22m to partially back the UK unfunded pension liabilities. Other schemes in Cable & Wireless Communications have a net IAS 19 surplus of US$20 million (US$19 million surplus at 31 March 2013).

We have adopted the revised version of the IAS 19 pension accounting standard in the period with retrospective restatement of the prior year comparatives. The impact was a reduction in EBITDA and profit before tax of US$4 million for the six month period to 30 September 2013 (US$4 million for the six month period to 30 September 2012). There was no balance sheet impact.

Dividend

We are declaring an interim dividend of US1.33 cents per share.

The interim dividend of US1.33 cents per share will be paid on 10 January 2014 to ordinary shareholders on the register at the close of business on 15 November 2013. Subject to financial and trading performance in the second half of 2013/14, we expect to recommend a final dividend of US2.67 cents per share, resulting in a full year dividend of US4 cents per share.

A currency option and the dividend reinvestment plan will be offered in respect of the interim dividend. The default currency for payment is sterling. Shareholders wishing to receive their dividend in US dollars or wishing to participate in the dividend reinvestment plan should make an election using CREST Input Message or return a completed Currency Mandate Form or Dividend Reinvestment Plan Mandate Form to: Equiniti Ltd, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 10 December 2013. Copies of the mandate forms are available from Equiniti Ltd. UK callers: 0871 384 2104; overseas callers: +44 (0)121 415 7052 or from our website www.cwc.com.

The sterling dividend payment amount per share will be announced on 16 December 2013, and will be based on the prevailing GBP sterling to US dollar exchange rate at 2:00pm GMT on that date.

Transactional activity

Completed disposals

On 3 April 2013, CWC completed the sale of the majority of the Islands sub-group to Batelco as part of a transaction described in note 7i of the appendices and received total cash proceeds of US$601 million in respect of these disposals. This represented consideration of US$470 million for the Islands sub-group plus US$31 million of net cash in the disposed businesses attributable to CWC, together with US$100 million in respect of the 25% shareholding in Compagnie Monegasque de Communication SAM (CMC Minority Shares), the holding company of the Group's interest in Monaco Telecom.

On 20 June 2013, CWC completed the disposal of its 51% stake in Companhia de Telecomunicações de Macau S.A.R.L. (CTM) to CITIC Telecom International Holdings Limited. At completion, CWC received total cash proceeds of US$806.8 million comprising consideration of US$749.7 million (on a cash and debt free basis) plus US$57.1 million representing the estimated proportionate share of net cash in CTM attributable to CWC and initial working capital adjustments.

Update on other disposals

We expect the Seychelles disposal to complete this year. We have agreed to unwind the transaction we announced with Batelco for a minority stake in our Monaco business at the same time and as a result the CMC Minority Shares purchased by Batelco will be transferred back to CWC for US$100 million. Monaco remains a strong and growing operation within our Group and we are reviewing our options for the business.

On 14 October 2013, CWC announced that Monaco Telecom had agreed to sell its Algerian satellite communication business Divona SpA to Smart Link Com SpA, of Algeria, for a total consideration of US$1.4 million on a cash free and debt free basis.

Strategic alliance with Columbus Networks Ltd

On 13 May 2013, CWC announced it had entered into a strategic alliance with Columbus Networks Ltd to develop its international wholesale capacity business.

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Condensed consolidated interim income statement

	For the six months ended 30 September 2013			For the six months ended 30 September 2012*		
Continuing operations	**Pre-exceptional items US$m**	**Exceptional items US$m**	**Total US$m**	Pre-exceptional items US$m	Exceptional items US$m	Total US$m
Revenue	**935**	**-**	**935**	963	-	963
Operating costs before depreciation and amortisation	**(637)**	**(55)**	**(692)**	(675)	(26)	(701)
Depreciation	**(102)**	**-**	**(102)**	(105)	-	(105)
Amortisation	**(27)**	**-**	**(27)**	(25)	-	(25)
Other operating income	**1**	**-**	**1**	-	-	-
Other operating expense	**(9)**	**-**	**(9)**	(3)	-	(3)
Group operating profit/(loss)	**161**	**(55)**	**106**	155	(26)	129
Share of (loss)/profits of joint ventures and associates	**(1)**	**-**	**(1)**	12	-	12
Total operating profit/(loss)	**160**	**(55)**	**105**	167	(26)	141
Loss on disposal of businesses	**-**	**-**	**-**	(15)	-	(15)
Finance income	**4**	**-**	**4**	16	-	16
Finance expense	**(74)**	**-**	**(74)**	(87)	-	(87)
Profit/(loss) before income tax	**90**	**(55)**	**35**	81	(26)	55
Income tax (expense)/credit	**(27)**	**-**	**(27)**	(31)	2	(29)
Profit/(loss) for the period from continuing operations	**63**	**(55)**	**8**	50	(24)	26
Discontinued operations						
Profit for the period from discontinued operations	**1,045**	**-**	**1,045**	90	-	90
Profit/(loss) for the period	**1,108**	**(55)**	**1,053**	140	(24)	116
Attributable to:						
Owners of the Parent Company	**1,050**	**(50)**	**1,000**	59	(20)	39
Non-controlling interests	**58**	**(5)**	**53**	81	(4)	77
Profit/(loss) for the period	**1,108**	**(55)**	**1,053**	140	(24)	116
Earnings per share attributable to the owners of the Parent Company during the period (cents per share)[1]						
– basic			40.0c			1.5c
– diluted			39.4c			1.5c
Loss per share from continuing operations attributable to the owners of the Parent Company during the period (cents per share)						
– basic			(1.3)c			(0.6)c
– diluted			(1.3)c			(0.6)c
Earnings per share from discontinued operations attributable to the owners of the Parent Company during the period (cents per share)						
– basic			41.3c			2.1c
– diluted			40.7c			2.1c

**The results of the Islands sub-group and Macau have been presented in discontinued operations (note 7)*

[1] Includes discontinued operations

The notes on pages 21 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of comprehensive income

	For the six months ended 30 September 2013	For the six months ended 30 September 2012
	US$m	US$m
Profit for the period	**1,053**	116
Other comprehensive (expense)/income for the period comprised:		
Items that will not be reclassified to profit or loss:		
Actuarial losses in the value of defined benefit pension schemes	**(3)**	(19)
Income tax relating to items that will not be reclassified to profit or loss	**-**	-
	(3)	(19)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	**1**	(6)
Foreign currency translation reserves recycled on disposal of operations	**(7)**	-
Fair value movements on available-for-sale assets	**(4)**	-
Income tax relating to items that may be reclassified to profit or loss	**-**	-
	(10)	(6)
Other comprehensive expense for the period, net of tax	**(13)**	(25)
Total comprehensive income for the period	**1,040**	91
Attributable to:		
Owners of the Parent Company	**986**	13
Non-controlling interests	**54**	78
	1,040	91

The notes on pages 21 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of financial position

	30 September 2013 US$m	31 March 2013 US$m	30 September 2012 US$m
ASSETS			
Non-current assets			
Intangible assets	**496**	485	522
Property, plant and equipment	**1,337**	1,367	1,751
Investments in joint ventures and associates	**251**	253	265
Available-for-sale financial assets	**56**	58	56
Other receivables	**67**	66	52
Deferred tax asset	**28**	30	17
Retirement benefit assets	**28**	28	40
	2,263	2,287	2,703
Current assets			
Trade and other receivables	**469**	484	727
Inventories	**40**	31	107
Cash and cash equivalents	**1,035**	152	266
Financial assets at fair value through profit or loss	**-**	-	3
	1,544	667	1,103
Assets held for sale	**70**	716	-
	1,614	1,383	1,103
Total assets	**3,877**	3,670	3,806
LIABILITIES			
Current liabilities			
Trade and other payables	**560**	622	819
Borrowings	**77**	86	199
Financial liabilities at fair value	**369**	258	243
Provisions	**87**	85	85
Current tax liabilities	**137**	142	162
	1,230	1,193	1,508
Liabilities held for sale	**19**	235	-
	1,249	1,428	1,508
Net current assets/(liabilities)	**365**	(45)	(405)
Non-current liabilities			
Trade and other payables	**28**	27	30
Borrowings	**1,318**	1,717	1,655
Deferred tax liabilities	**26**	29	42
Provisions	**35**	32	38
Retirement benefit obligations	**195**	185	205
	1,602	1,990	1,970
Net assets	**1,026**	252	328
EQUITY			
Capital and reserves attributable to the owners of the Parent Company			
Share capital	**133**	133	133
Share premium	**97**	97	97
Reserves	**442**	(479)	(426)
	672	(249)	(196)
Non-controlling interests	**354**	501	524
Total equity	**1,026**	252	328

The notes on pages 21 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of changes in equity

	Share capital US$m	Share premium US$m	Foreign currency translation and hedging reserve US$m	Capital and other reserves US$m	Retained earnings US$m	Total US$m	Non-controlling interests US$m	Total equity US$m
Balance at 1 April 2012	133	97	61	3,321	(3,689)	(77)	493	416
Profit for the period	-	-	-	-	39	39	77	116
Net actuarial losses recognised (net of taxation)	-	-	-	-	(19)	(19)	-	(19)
Exchange differences on translation of foreign operations	-	-	(7)	-	-	(7)	1	(6)
Total comprehensive (expense)/income for the period	-	-	(7)	-	20	13	78	91
Share-based payment expenses	-	-	-	-	1	1	-	1
Dividends	-	-	-	-	(133)	(133)	-	(133)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	-	-	-	-	(132)	(132)	-	(132)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(47)	(47)
Transfers on sale of subsidiary	-	-	-	(4)	4	-	-	-
Total dividends and other transactions with non-controlling interests	-	-	-	(4)	4	-	(47)	(47)
Balance at 30 September 2012	133	97	54	3,317	(3,797)	(196)	524	328
Balance at 1 April 2013	133	97	32	3,321	(3,832)	(249)	501	252
Profit for the period	-	-	-	-	1,000	1,000	53	1,053
Net actuarial losses recognised (net of taxation)	-	-	-	-	(2)	(2)	(1)	(3)
Foreign currency translation reserves recycled on disposal of operations	-	-	(7)	-	-	(7)	-	(7)
Exchange differences on translation of foreign operations	-	-	(1)	-	-	(1)	2	1
Fair value movements in available-for-sale assets	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive (expense)/income for the period	**-**	**-**	**(8)**	**(4)**	**998**	**986**	**54**	**1,040**
Share-based payment expenses	-	-	-	-	2	2	-	2
Dividends	-	-	-	-	(67)	(67)	-	(67)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	**-**	**-**	**-**	**-**	**(65)**	**(65)**	**-**	**(65)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	(28)	(28)
Transfers on sale of subsidiary	-	-	-	(30)	30	-	(173)	(173)
Total dividends and other transactions with non-controlling interests	-	-	-	**(30)**	**30**	-	**(201)**	**(201)**
Balance at 30 September 2013	**133**	**97**	**24**	**3,287**	**(2,869)**	**672**	**354**	**1,026**

The notes on pages 21 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of cash flows

	For the six months ended 30 September 2013	For the six months ended 30 September 2012*
	US$m	US$m
Cash flows from operating activities		
Cash generated from operations – continuing operations (page 20)	**185**	220
Cash generated from operations – discontinued operations	**40**	162
Income taxes paid – continuing operations	**(28)**	(76)
Income taxes paid – discontinued operations	**(2)**	(13)
Net cash from operating activities	**195**	293
Cash flows from investing activities		
Finance income	**3**	2
Other expense	**-**	(2)
Dividends received	**1**	1
Decrease in financial assets at fair value	**-**	10
Proceeds on disposal of property, plant and equipment	**3**	2
Purchase of property, plant and equipment	**(101)**	(121)
Purchase of intangible assets	**(6)**	(12)
Proceeds on disposal of businesses (net of cash disposed)	**-**	(3)
Acquisition of subsidiaries and non-controlling interests (net of cash received and transaction costs)	**(8)**	(7)
Net cash used in continuing operations	**(108)**	(130)
Disposal proceeds (net of cash disposed and transaction costs) for discontinued operations	**1,131**	-
Other discontinued operations	**(11)**	(43)
Discontinued operations	**1,120**	(43)
Net cash from/(used) in investing activities	**1,012**	(173)
Net cash flow before financing activities	**1,207**	120
Cash flows from financing activities		
Dividends paid to owners of the Parent Company	**(67)**	(133)
Dividends paid to non-controlling interests	**(28)**	(38)
Repayments of borrowings	**(494)**	(480)
Finance costs	**(48)**	(77)
Proceeds from borrowings	**73**	632
Proceeds on sale of CMC shares (note 7i)	**100**	-
Net cash used in continuing operations	**(464)**	(96)
Discontinued operations	**-**	(68)
Net cash used in financing activities	**(464)**	(164)
Net decrease in cash and cash equivalents – continuing operations	**(415)**	(82)
Net increase in cash and cash equivalents – discontinued operations	**1,158**	38
Cash and cash equivalents at 1 April	**297**	312
Exchange differences on cash and cash equivalents	**1**	(2)
Cash and cash equivalents at 30 September	**1,041**	266

*The results of Islands sub-group and Macau have been presented in discontinued operations (note 7)

The notes on pages 21 to 28 are an integral part of these financial statements

Reconciliation of net profit to net cash flow from operating activities

Continuing operations	For the six months ended 30 September 2013 US$m	For the six months ended 30 September 2012* US$m
Profit for the period	8	26
Adjustments for:		
Tax expense	27	29
Depreciation	102	105
Amortisation	27	25
Gain on disposal of property, plant and equipment	(1)	-
Loss on disposal of businesses	-	15
Finance income	(4)	(16)
Finance expense	74	87
Other income and expenses	9	-
(Decrease)/increase in provisions	(3)	17
Employee benefits	4	-
Defined benefit pension scheme contributions	(3)	(3)
Share of post-tax loss/(profit) of joint ventures and associates	1	(12)
Operating cash flows before working capital changes	**241**	273
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries)		
Increase in inventories	(9)	(4)
Decrease/(increase) in trade and other receivables	7	(74)
(Decrease)/increase in trade and other payables	(54)	25
Cash generated from operations	**185**	220

*The results of Islands sub-group and Macau have been presented in discontinued operations (note 7)

The notes on pages 21 to 28 are an integral part of these financial statements

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Cable & Wireless Communications Plc (the Company) is a company registered in England and Wales. The condensed consolidated interim financial statements as at and for the six months ended 30 September 2013 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in joint venture and associate entities. Following the disposal of interests in Macau and the sale of its Islands businesses, the Group operates three business units being the Caribbean, Panama and Monaco.

The consolidated financial statements of the Group as at and for the year ended 31 March 2013 are available upon request from the Company's registered office at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ or at www.cwc.com.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2013.

The comparative figures for the financial year ended 31 March 2013 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements were approved by the Board of Directors on 6 November 2013.

3. Significant accounting policies and principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2013, with the exception of new and revised accounting standards and interpretations effective from 1 April 2013 and the specific requirements of IAS 34 *Interim Financial Reporting*.

IAS 19 Revised – *Employee Benefits* – Interest cost and expected return on defined benefit plan assets have been replaced with a net amount calculated by applying the discount rate to the net defined benefit asset or liability. The revisions to the standard have been incorporated into the current period and prior period results, and a reconciliation of the impact on prior period numbers is included in note 12. There was no impact on the Group's financial position.

IFRS 13 – *Fair value measurement* – there is no material impact for the Group on the adoption of this standard. IAS 34 requires additional disclosures under IFRS 13, which are included in note 11.

There were no other material effect on the Group from the adoption of new and revised accounting standards and interpretations.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

Income tax expense in the interim period is based on our best estimate of the weighted average annual income tax rate expected for the full financial year.

4. Estimates

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2013.

5. Segment information

Cable & Wireless Communications Group is an international telecommunications service provider. It operates integrated telecommunications companies offering mobile, broadband, pay TV, fixed line and enterprise services to residential and business customers. It has three principal operations which have been identified as the Group's reportable segments, being the Caribbean, Panama and Monaco.

The Group also has a corporate centre that does not meet the definition of an operating segment as it does not earn revenue from its activities. This function primarily acts as a portfolio manager and operational support provider for the reportable segments.

The Board (the chief operating decision maker of the Group) considers the performance of each of these operations in assessing the performance of the Group and making decisions about the allocation of resources. Accordingly, these are the operating segments disclosed. There are no other operating segments identified by the Board. The operating segments are reported in a manner consistent with the internal reporting provided to the Board.

The operating segment results for the six months ended 30 September 2013, as provided to the Cable & Wireless Communications Plc Board, are presented below. The non-operating corporate centre is also disclosed within 'other and eliminations' in order to reconcile the reportable segment results to the Group results.

Continuing operations	**Caribbean US$m**	**Panama US$m**	**Monaco US$m**	**Other and eliminations[1] US$m**	**Total US$m**
Revenue	521	295	120	(1)	935
Cost of sales	(111)	(97)	(47)	1	(254)
Gross margin	**410**	**198**	**73**	**-**	**681**
Pre-exceptional operating costs	(272)	(80)	(31)	-	(383)
EBITDA[2]	**138**	**118**	**42**	**-**	**298**
Depreciation and amortisation	(67)	(45)	(13)	(4)	(129)
Net other operating income/(expense)	1	-	-	(9)	(8)
Operating profit before joint ventures and associates and exceptional items	**72**	**73**	**29**	**(13)**	**161**
Share of post-tax loss of joint ventures and associates	-	-	(1)	-	(1)
Operating exceptional items	(43)	-	-	(12)	(55)
Total operating profit	**29**	**73**	**28**	**(25)**	**105**
Net finance income/(expense)	13	(6)	-	(77)	(70)
Profit before income tax	**42**	**67**	**28**	**(102)**	**35**
Income tax	(5)	(14)	(3)	(5)	(27)
Profit for the period from continuing operations	**37**	**53**	**25**	**(107)**	**8**
Income taxes paid[3]	*(12)*	*(12)*	*(2)*	*(2)*	*(28)*

There are no differences in the measurement of the reportable segments' results and the Group's results.

[1] Other and eliminations includes corporate centre expenses, eliminations for inter-segment transactions and the results of our joint ventures and associates (with the exception of our joint venture in Afghanistan, which is reported within Monaco).
[2] EBITDA is used in management reporting as it is considered by management to be a key financial metric. It is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items (note 6)
[3] Income taxes paid represents cash tax paid during the year by consolidated subsidiaries.

6. Exceptional items

Exceptional operating expenses totalled US$55 million. These comprise redundancy and restructuring costs in the Caribbean of US$43 million predominantly related to the outsourcing of support services, partly offset by a pension curtailment gain triggered by the same restructuring programme. Also included are redundancy and restructuring charges of US$6 million relating to the establishment of the new regional office in Miami and US$6 million for the closure of the former Monaco & Islands regional office.

7. Discontinued operations

i) Monaco and Islands

At a General Meeting on 9 January 2013, shareholders of the Group approved the sale of the Monaco & Islands segment to Batelco International Group Holding Limited (Batelco). The significant aspects of this transaction are described below:

- We entered into an agreement to sell the Islands sub-group, (including the Group's interests in operations in Maldives, the Channel Islands and Isle of Man, South Atlantic, Diego Garcia and the Seychelles), for US$580 million. The sale of the Islands sub-group, with the exception of the Seychelles for which regulatory approval has not yet been obtained, was completed on 3 April 2013;
- We also agreed to sell a 25% interest in Compagnie Monegasque de Communication SAM (CMC), the holding company of the Group's interests in Monaco Telecom, for US$100 million. The sale was completed on 3 April 2013;
- As part of the transaction we have an option to sell the remaining 75% of CMC shares to Batelco for US$345 million subject to regulatory approval from the Principality of Monaco; and
- Also as part of the transaction, we granted to Batelco a put option over the 25% of CMC shares transferred to Batelco (the CMC put option) under which Batelco may require, between 18-19 months from 3 April 2013, the Group to repurchase the 25% CMC shareholding for US$100 million in the event that the regulatory approval from the Principality of Monaco is not granted within 12 months of 3 April 2013. The CMC put option has been recognised as a financial liability (note 11). We have agreed with Batelco that the CMC put option will unwind at the same time as the sale of the Seychelles.

The approval required from the Principality of Monaco means that Monaco does not meet the definition of a disposal group held for sale and does not meet the criteria to be classified as discontinued operations as at 30 September 2013. The results of Monaco Telecom are disclosed separately in their own operating segment.

The Islands sub-group has been classified as a discontinued operation as at 30 September 2013 and the comparative consolidated income statement has been restated. The results of the Islands sub-group were previously recorded in the Monaco & Islands operating segment. The Seychelles has been disclosed as a disposal group held for sale in the interim statement of financial position.

ii) Macau

At a General Meeting on 28 February 2013, the shareholders of the Group approved the sale of the Macau operating segment for US$750 million to CITIC Telecom International Holdings Limited. This sale took place on 20 June 2013.

The Macau operating segment has been classified as discontinued operations as at 30 September 2013 and the comparative consolidated income statement has been restated. The results of Macau were previously recorded in the Macau operating segment.

iii) The results of all discontinued operations are shown below:

	Islands sub-group US$m	**Macau US$m**	**Total Discontinued operations US$m**
Period ended 30 September 2013			
Revenue	26	121	147
Expenses	(15)	(92)	(107)
Profit before tax	11	29	40
Tax	(2)	(4)	(6)
Profit after tax	**9**	**25**	**34**
Profit on disposal of discontinued operations (excluding the Seychelles)	274	737	1,011
Profit for the Period	**283**	**762**	**1,045**

The net assets held at 30 September 2013 were US$51 million and relate wholly to the Seychelles. This included cash and cash equivalents of US$6 million.

8. Provisions for liabilities and charges

The table below represents the movements in significant classes of provisions during the six month period ended 30 September 2013:

	Property	Redundancy	Network & asset retirement obligations	Legal and other	Total
	US$m	US$m	US$m	US$m	US$m
At 1 April 2013	**2**	**34**	**28**	**53**	**117**
Current portion	2	34	5	44	85
Non-current portion	-	-	23	9	32
Additional provision	5	60	-	4	69
Amounts used	-	(64)	-	-	(64)
Unused amounts released	(2)	-	-	-	(2)
Effect of discounting	-	-	1	1	2
At 30 September 2013	**5**	**30**	**29**	**58**	**122**
Current portion	5	30	3	49	87
Non-current portion	-	-	26	9	35

Property

Provision has been made for dilapidation costs and for the lower of the best estimate of the unavoidable lease payments or cost of exit in respect of vacant properties. Unavoidable lease payments represent the difference between the rentals due and any income expected to be derived from the vacant properties being sublet. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Redundancy

Provision has been made for the total employee related costs of redundancies announced prior to the reporting date. Amounts provided for and spent during the period presented primarily relate to regional transformation activities. The provision is expected to be used within one year.

Network, property and asset retirement obligations

Provision has been made for the best estimate of the unavoidable costs associated with redundant leased network capacity and vacant properties. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Provision has also been made for the best estimate of the asset retirement obligation associated with office sites, technical sites, mobile cell sites and domestic and subsea cabling. This provision is expected to be used at the end of the life of the related asset on which the obligation arises.

Legal and other

Legal and other provisions include amounts relating to specific legal claims against the Group together with amounts in respect of certain employee benefits and sales taxes.

9. Property, plant and equipment

During the period, US$92 million of property, plant and equipment was acquired. There were disposals of property, plant and equipment with a net book value of US$2 million. The Group’s capital commitments at 30 September 2013 were US$72 million (US$59 million at 31 March 2013).

10. Changes in net funds

	At 1 April 2013	Cash flow	Bond amortisation	Transfer	Discontinued operations	Exchange movements	At 30 September 2013
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Cash at bank and in hand	130	(1,305)	-	-	1,297	-	**122**
Short-term deposits	22	890	-	-	-	1	**913**
Total funds	**152**	**(415)**	**-**	**-**	**1,297**	**1**	**1,035**
Debt due within one year	(86)	36	-	(27)	-	-	(77)
Debt due after one year	(1,717)	385	(2)	27	-	(11)	(1,318)
Total debt	**(1,803)**	**421**	**(2)**	**-**	**-**	**(11)**	**(1,395)**
Total net debt	**(1,651)**	**6**	**(2)**	**-**	**1,297**	**(10)**	**(360)**

11. Fair value

As at 30 September 2013, the fair value valuation techniques and inputs used have not changed since 31 March 2013. There are no changes to the classification or nature of financial liabilities held at fair value from 31 March 2013. Please refer to note 23 in the Annual Report and Accounts for the year ended 31 March 2013.

The fair value of total borrowings was US$1,511 million at 30 September 2013. There was no material difference between the carrying value and the fair value of all other classes of financial assets and liabilities.

A reconciliation of the movements in the value of level 3 financial liabilities is as follows:

	Monaco Telecom put option 2013	CMC put option 2013
	US$m	US$m
At 1 April 2013	258	-
Additions (note 7i)	-	100
Decrease as a result of dividends paid to the principality	(8)	-
Changes in fair value recognised as an adjustment to goodwill	9	-
Foreign exchange movements recognised in the foreign currency reserve in equity	10	-
At 30 September 2013	**269**	**100**

A movement in the discount rate of 1% would result in an increase or decrease of the Monaco Telecom put option liability of US$29 million. There have been no changes in methodology since 31 March 2013. For further information refer to note 23 of the Annual Report and Accounts for the year ended 31 March 2013.

12. Retirement benefit obligations

As at 30 September 2013, the Cable & Wireless Superannuation Fund defined benefit scheme (CWSF) had an IAS 19 *Employee Benefits* deficit of US$140 million compared with a deficit of US$130 million at 31 March 2013. The deficit takes account of the recovery funding plan agreed with the Trustees of the CWSF in 2010. This funding plan constitutes a minimum funding requirement and the IAS 19 accounting deficit has therefore been calculated in accordance with IFRIC 14 *The Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.*

Further, the Group has unfunded pension liabilities in the UK of US$47 million (US$46 million at 31 March 2013). Other defined benefit schemes have a net IAS 19 surplus of US$20 million (US$19 million surplus at 31 March 2013 for continuing operations).

IAS19 Revised has been applied retrospectively from 1 April 2013. The interest costs and expected return on plan assets has been replaced with a net amount calculated by applying the discount rate to the assets and liabilities in each of the Group's defined benefit schemes. As a result, the Group recorded an increase in operating expense and a reduction in EBITDA of US$4 million for the six months ended 30 September 2013 (US$4 million for the six months ended 30 September 2012). Corresponding movements have been recognised within other comprehensive income.

This has had a negative impact on continuing EPS of US0.2 cents (2012 – US0.2 cents). There is was no impact on the statement of financial position.

13. Weighted average number of ordinary shares

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share was as follows:

	Six months ended 30 September 2013	Six months ended 30 September 2012
Basic weighted average number of ordinary shares	2,500,534,000	2,493,017,000
Diluted weighted average number of ordinary shares	2,539,709,000	2,503,566,000
Treasury shares	137,489,000	137,489,000

The number of ordinary shares in issue as at 30 September 2013 was 2,665,611,727.

At 30 September 2013 a total of 137,488,873 shares were classified as treasury shares. This represented 5% of called-up share capital at the beginning of the period.

14. Dividends paid and proposed

The interim dividend proposed for the six month period ended 30 September 2013 is US$33 million (US1.33 cents per share). The proposed dividend was approved by the Board of Directors on 6 November 2013. The interim dividend paid for the corresponding six month period ended 30 September 2012 was US$33 million (US1.33 cents per share).

The final dividend paid on 9 August 2013 for the full year ended 31 March 2013 was US$67 million (US2.67 cents per share). The final dividend paid on 10 August 2012 for the corresponding full year ended 31 March 2012 was US$133 million (US5.33 cents per share).

15. Related parties

The nature of the related party transactions of the Group has not changed from those described in the Group's consolidated financial statements for the year ended 31 March 2013.

Transactions with joint ventures and associates

All trade transactions with joint ventures and associates arise in the normal course of business and primarily relate to fees for use of the Group's products and services, network and access charges.

During the six months ended 30 September 2013, the Group received dividends of US$1 million from joint ventures and associates (US$1 million for the six months ended 30 September 2012). At 30 September 2013, joint ventures and associates owed net US$3 million (US$2 million at 31 March 2013) in respect of trading balances.

There were no other material trade transactions with joint ventures and associates during the period.

Transactions with key management personnel

A Director's spouse holds bonds issued by Cable and Wireless International Finance BV with a nominal value at 30 September 2013 of US$767,280 (£480,000). The interest accrued on these bonds during the six months ended 30 September 2013 was US$31,978 and US$34,267 is outstanding as at 30 September 2013.

Two children of a Director hold bonds issued by Cable and Wireless International Finance BV. These bonds had a nominal value at 30 September 2013 of US$799,250 (£500,000). The interest accrued on those bonds during the six months ended 30 September 2013 was US$33,310 and US$35,695 is outstanding as at 30 September 2013.

Transactions with other related parties

There are no controlling shareholders of the Group. There have been no material transactions with the shareholders of the Group.

Other than the parties disclosed above, the Group has no other material related parties.

16. Operating lease expenditure and guarantees

As at 30 September 2013, the aggregate future minimum lease payments under operating leases are:

	As at 30 September 2013 US$m	As at 31 March 2013 US$m
No later than one year	37	39
Later than one year but not later than five years	80	84
Later than five years	19	18
Total minimum operating lease payments	**136**	**141**

Guarantees at the end of the period for which no provision has been made in the financial statements are as follows:

	As at 30 September 2013 US$m	As at 31 March 2013 US$m
Trading guarantees	62	57
Other guarantees	489	475
Total guarantees	**551**	**532**

Other guarantees include financial obligations principally in respect of property, other leases and letters of credit issued in favour of the Trustee of the Cable & Wireless Superannuation Fund. It also includes guarantees and indemnities in respect of disposals of subsidiary undertakings. The nature of guarantees has not changed since 31 March 2013 and are more fully described in note 30 of the Annual Report and Accounts.

17. Reconciliation of GAAP to non-GAAP items

Total operating profit to EBITDA

Continuing operations	Six months ended 30 September 2013 US$m	Six months ended 30 September 2012 US$m
Total operating profit	105	141
Depreciation and amortisation	129	130
Net other operating expense	8	3
Share of post-tax loss/(profit) of joint ventures and associates	1	(12)
Exceptional items	55	26
EBITDA	**298**	**288**

The Group uses EBITDA as a key performance measure as it reflects the underlying operational performance of the businesses. EBITDA is not a measure defined under IFRS. It is calculated as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income and expense and exceptional items.

Basic Earnings Per Share (EPS) to Adjusted EPS

Continuing operations	Six months ended 30 September 2013 US cents	Six months ended 30 September 2012 US cents
Loss per share attributable to owners of the Parent Company	(1.3)	(0.6)
Exceptional items[1]	2.0	0.8
Amortisation of acquired intangibles[1]	0.1	0.2
Transaction costs and loss on disposal of businesses	-	0.6
Adjusted EPS attributable to owners of the Parent Company	**0.8**	**1.0**
Weighted average number of shares (million)	2,501	2,493

[1] Excluding amounts attributable to non-controlling interests

Adjusted EPS is before exceptional items, transaction costs, loss on disposal of businesses and amortisation of acquired intangibles.

18. Events after the reporting period

On 14 October 2013, the Group announced that Monaco Telecom had agreed to sell its Algerian satellite communication business Divona SpA to Smart Link Com SpA, of Algeria, for a total consideration of US$1.4 million on a cash and debt free basis

On 30 October 2013, we announced that our Panama business secured a new 20 year mobile licence agreement to run from 24 October 2017 to 24 October 2037. Under the agreement, Panama will have access to 65MHz of spectrum (including 30MHz of new spectrum) for a one-off cost of US$100 million. Payment will be made in the second half of 2013/14.

Risks to our future success

As with any business, there are a number of potential risks to our future success. These risks and our plans to mitigate them are outlined in further detail in the consolidated financial statements of the Group as at and for the year ended 31 March 2013 (pages 31 to 33 of the Annual Report). A summary of those risks (in no particular order) is as follows:

- **Business Change** – Our business change and business improvement strategies fail to achieve business improvement, which in turn affect the carrying value of our investments.
- **Investment** – Possibility of unsuccessful investment, mergers and acquisitions and/or potential new sources of growth prove insufficient or fail to develop.
- **Business Development** – Development of mobile data, pay TV and value added services fail to perform as anticipated or failure to identify and mobilise into new business lines with sufficient time.
- **Competitive Activity** – Competitor activity, new entrants and further liberalisation could reduce market share and margins which in turn could impact revenue, cash flow and profit.
- **Economic Conditions** – A worsening of the global economic climate or poor local/national economic conditions may impact our operations, trading and profitability.
- **Regulation Risk** – Renewal of licences and operating agreements; licence revocation or amendment; changes in regulation; and inability to obtain new or additional licences.
- **Political Risk** – A change in the political environment leading to changes in law, government policy or attitudes towards foreign investment.
- **Service Disruption** – Disruption to our network and IT systems from events such as natural disasters, fire, security breaches or human error.
- **Network and Data Security** – Third parties may gain unauthorised access to the network and to sensitive data.
- **People** – Risks including retention of key senior managers, business disruption through industrial action or national emergency.
- **Technology** – Increased level of investment/changes to competitive landscape from new technologies and possible health risks relating to mobile phones and transmitters.
- **Joint Ventures and Associates** – Performance of joint ventures and associates where we do not have management control.
- **Pensions** – Changes in our liability to the UK defined benefit pension scheme.

The Group did not identify any additional risks in the six months ended 30 September 2013.

INDEPENDENT REVIEW REPORT BY KPMG LLP TO CABLE & WIRELESS COMMUNICATIONS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 September 2013 which comprises the condensed consolidated interim income statement; condensed consolidated interim statement of comprehensive income; condensed consolidated interim statement of financial position; condensed consolidated interim statement of cash flows; condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with IFRS as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Peter Meehan

For and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square, London, E14 5GL

6 November 2013

RESPONSIBILITY STATEMENT

This interim management report has been approved by the Directors of Cable & Wireless Communications Plc. In accordance with the requirements of the Disclosure and Transparency Rules, the Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- The interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The current Directors of Cable & Wireless Communications Plc are as follows:

Chairman:
Sir Richard Lapthorne

Executive Directors:
Nick Cooper – Corporate Services Director
Tim Pennington – Chief Financial Officer
Tony Rice – Chief Executive

Non-executive Directors:
Simon Ball – Deputy Chairman, Senior Independent Director, Chairman of the Remuneration Committee
Ian Tyler – Chairman of the Audit Committee
Mark Hamlin
Alison Platt

By order of the Board

Tony Rice	Tim Pennington
Chief Executive	Chief Financial Officer

6 November 2013

IMPORTANT DISCLAIMER

This announcement 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' 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 dispositions. A summary of some of the potential risks faced by Cable & Wireless Communications is set out in the Group's most recent Annual Report.

Forward-looking statements speak only as of the date they are made and Cable & Wireless Communications undertakes no obligation to revise or update any forward-looking statement contained within this announcement, or any other forward-looking statements it may make, regardless of whether those statements are affected as a result of new information, future events or otherwise (except as required by the UK Listing Authority, the London Stock Exchange, the City Code on Takeovers and Mergers or by law).

H1 2013/14 CWC CONSTANT CURRENCY[1] RESULTS DETAIL

	Panama[2]			Caribbean[1]			Monaco[1]			Other[1,3]			Total		
	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %	H1 13/14 US$m	H1 12/13 US$m	Change %
Mobile	168	159	6%	264	258	2%	33	33	0%	-	-	-	465	450	3%
Broadband & TV	31	30	3%	59	59	0%	8	8	0%	-	-	-	98	97	1%
Fixed voice	58	61	(5)%	130	145	(10)%	14	14	0%	-	-	-	202	220	(8)%
Enterprise, data and other	38	36	6%	68	80	(15)%	65	74	(12)%	(1)	-	nm	170	190	(11)%
Revenue	**295**	**286**	**3%**	**521**	**542**	**(4)%**	**120**	**129**	**(7)%**	**(1)**	**-**	**nm**	**935**	**957**	**(2)%**
Cost of sales	(97)	(93)	(4)%	(111)	(123)	10%	(47)	(57)	18%	1	-	nm	(254)	(273)	7%
Gross margin	**198**	**193**	**3%**	**410**	**419**	**(2)%**	**73**	**72**	**1%**	**-**	**-**	**-**	**681**	**684**	**(0)%**
Operating costs	(80)	(78)	(3)%	(272)	(283)	4%	(31)	(33)	6%	-	(2)	100%	(383)	(396)	3%
EBITDA[4]	**118**	**115**	**3%**	**138**	**136**	**1%**	**42**	**39**	**8%**	**-**	**(2)**	100%	**298**	**288**	**3%**
Depreciation and amortisation	(45)	(38)	(18)%	(67)	(75)	11%	(13)	(12)	(8)%	(4)	(5)	20%	(129)	(130)	1%
Net other operating (expense)/income	-	-	-	1	(1)	nm	-	-	-	(9)	(2)	nm	(8)	(3)	nm
Operating profit before joint ventures and associates and exceptional items	**73**	**77**	**(5)%**	**72**	**60**	**20%**	**29**	**27**	**7%**	**(13)**	**(9)**	**(44)%**	**161**	**155**	**4%**
Capital expenditure[5]	(33)	(37)	11%	(49)	(46)	(7)%	(7)	(6)	(17)%	(3)	(4)	25%	(92)	(93)	1%
Operating cash flow[6]	**85**	**78**	**9%**	**89**	**90**	**(1)%**	**35**	**33**	**6%**	**(3)**	**(6)**	**50%**	**206**	**195**	**6%**

nm represents % change not meaningful

1 Prior year comparison translated at current year rates

2 As this currency is US dollar denominated, there is no difference between the reported and constant currency changes

3 Other includes management, royalty and branding fees, the costs of the corporate centre, net UK defined benefit pension charge and intercompany eliminations

4 Earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items

5 Balance sheet capital expenditure

6 EBITDA less capital expenditure

KPI DETAIL

	2011/12				2012/13				2013/14	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Subscribers (000s)										
Panama										
Mobile[1]	2,038	2,454	2,347	2,227	1,656	1,785	1,744	1,842	1,897	1,933
Broadband	141	140	133	132	129	127	125	126	129	129
Fixed line	395	396	393	389	386	381	378	376	376	374
Caribbean										
Mobile[1]	1,529	1,505	1,450	1,517	1,491	1,594	1,623	1,515	1,549	1,624
Broadband	223	222	223	225	221	222	223	223	227	232
Fixed line	735	728	722	719	714	713	706	701	698	696
Monaco										
Mobile[1]	29	30	30	30	31	32	34	33	33	35
Broadband	15	15	15	16	16	16	16	17	17	17
Fixed line	34	34	34	34	34	34	34	34	34	34
ARPU (US$)[2]										
Panama										
Mobile	14.0	12.4	13.1	13.9	14.4	15.9	15.8	16.7	15.4	14.9
Broadband	27.3	27.2	27.4	27.5	27.2	29.0	28.6	29.0	29.0	28.8
Fixed line	30.0	30.6	27.8	26.6	26.2	26.5	27.0	26.7	26.1	25.4
Caribbean										
Mobile	28.4	29.1	28.9	29.3	28.3	27.7	27.2	27.2	28.4	26.7
Broadband	42.5	42.7	41.5	42.4	41.7	42.6	42.3	41.7	40.2	40.8
Fixed line	38.3	38.8	37.6	33.3	35.4	34.3	32.9	33.2	32.0	30.1
Monaco										
Mobile	159.4	167.3	139.8	130.0	146.1	135.3	122.7	119.3	128.1	135.4
Broadband	50.9	50.7	48.1	48.3	47.1	45.7	48.6	48.5	47.5	48.5
Fixed line	72.4	69.3	66.0	66.3	64.8	62.6	62.6	62.4	67.6	65.5

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

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

EXCHANGE RATES

	Actual rates for 6 months ended 30 September 2013	Actual rates for 6 months ended 30 September 2012	Percentage change US dollar appreciation / (depreciation)
Sterling : US dollar			
Average	0.6491	0.6342	2%
Period end	0.6256	0.6174	1%
Euro : US dollar			
Average	0.7600	0.7942	(4)%
Period end	0.7412	0.7743	(4)%
Seychelles rupee : US dollar			
Average	11.89	13.98	(15)%
Period end	12.03	13.04	(8)%
Jamaican dollar : US dollar			
Average	100.13	87.62	14%
Period end	102.33	89.35	15%
US dollar : Sterling			
Average	1.5406	1.5769	
Period end	1.5985	1.6197	

Cable & Wireless Communications EBITDA by currency

	H1 2013/14	
	US$m	**% of total**
US dollar, pegged or linked	252	85
Euro	40	13
Jamaican Dollar	6	2
Total	**298**	**100%**