**Client:** Cable and Wireless Communications
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# Macau, Maldives offset Caribbean market for UK's Cable & Wireless

LONDON, Reuters

British telecoms firm Cable & Wireless Communications enjoyed a good start to the year due to solid performances in Macau and the Maldives, offsetting the continuing problems in its key Caribbean market. C&W Communications said on Wednesday the group had traded in line with expectations, despite its struggles with falling tourist numbers, a weak economy and strong competition in the Caribbean.

Shares in the group were up 2 percent in early trading, ahead of the wider telecoms index, which was up 1.4 percent. "We have not seen any improvement in the underlying economies in the Caribbean," the group said, adding that it had had to introduce promotional programs which diluted the average revenue generated per user.

C&W Communications (CWC) split from the former Cable & Wireless group this year. The remaining business, now called Cable & Wireless Worldwide, warned on profits on Tuesday due to British government spending cuts.

**Client:** Cable and Wireless Communications
**Source:** Stv.tv (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## C&W Communications says trading in line

Elsewhere, the group said Macau, Monaco & Islands and Panama were performing well, due to stronger economic growth.

C&W Communications (CWC) split from the former Cable & Wireless group earlier this year. The remaining business, now called Cable & Wireless Worldwide, warned on profits on Tuesday due to government spending cuts. 'As I highlighted in May, conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter,' C&W Communications Chief Executive Tony Rice said in a statement. '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.' LONDON (Reuters) - Telecoms firm Cable & Wireless Communications <CWC.L> said trading was soft in its key Caribbean market in the first quarter, offsetting stronger performances elsewhere in the rest of the group.
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**Client:** Cable and Wireless Communications
**Source:** TopNews United Kingdom (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## Over 20% shareholders reject CWC remuneration report

More than a fifth of the shareholders in Cable & Wireless Communications (CWC) disapproved groups remuneration report at shareholders annual meeting.

The CWCs remuneration report that states plans to increase chief executive Tony Rices salary by 17 per cent to $1.1 million (equivalent to 726,000) in 2010-11 was voted against by 21.1 per cent of shareholders.

The report also includes plans to provide the CEO with cash and share bonuses each worth up to $825,000 in 2010-11; however these bonuses would depend on the communication groups performance.

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[/sourcelink]

[Journalistname]Seher Dhillon[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** China Post (Web)
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## Macau, Maldives offset Caribbean market for UK's Cable and Wireless

(ChinaPost.com.tw) - British telecoms firm Cable and Wireless Communications enjoyed a good start to the year due to solid performances in Macau and the Maldives, offsetting the continuing problems in its key Caribbean market.

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**Client:** Cable and Wireless Communications
**Source:** BBC Caribbean (Web)
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## BBC Caribbean News in Brief

Dr Douglas defends VAT

St Kitts and Nevis Prime Minister Denzil Douglas has defended as reasonable, his administration's decision to introduce a 17% Value Added Tax (Vat) before year end.

Dr Douglas says 17% VAT is 'reasonable' The opposition Peoples Action Movement has criticised the government for a VAT that it says is much too high.

But Dr Douglas, his country's finance minister, has warned that neighbouring states which have opted for a lower rate of 15% would be severely challenged as they grapple with the ongoing economic crisis.

He said his government had considered having a 19% VAT rate.

Trade and foreign policy talks

Vincentian Prime Minister Ralph Gonsalves says a team of Venezuelan officials will visit Kingstown next month to discuss trade and foreign policy matters.

The government wants to sell some of its agricultural products to Caracas.

St Vincent and the Grenadines has a range of agreements with Venezuela under the Petro Caribe and ALBA (Bolivarian Alliance for the Americas) initiatives.

Dr Gonsalves says his country has already received $20 million as part of a $50 million loan from Venezuela.

He said that being able to access that kind of assistance was one of the reasons why St Vincent and the Grenadines had become a member of ALBA.

US/Jamaica talks

A senior US envoy is scheduled to hold talks with government and other officials in Jamaica next week following the deadly assault on Tivoli Gardens that led to the extradition of suspected drug lord Christopher Dudus Coke to the United States.

The State Department said Assistant Secretary of State for the Western Hemisphere, Arturo Valenzuela, will meet with senior government officials along with business, youth and community leaders.

Alleged drug lord Christopher Coke is likely to feature in the US/Jamaica talks Prime Minister Bruce Golding in May ordered an assault in his own constituency that killed 73 civilians.

The operation by the country's security forces was aimed at capturing Christopher Coke, who was wanted in the United States.

He was caught a month later and flown to New York to face drug and gun-trafficking charges.

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A good start

British telecoms firm Cable and Wireless Communications says it enjoyed a good start to the year due to solid performances in Macau and the Maldives that helped offset continuing problems in its key Caribbean market.

The company said it had traded in line with expectations, despite its struggles that include strong competition in the Caribbean.

Cable and Wireless Communications said the number of mobile subscribers in the Caribbean had risen by four percent on the same quarter last year, and it maintained market share.

But it said the revenue from each user fell due to increasing competition.

US offer to dissidents

Opposition activists in Havana say the United States has offered refugee status to all freed Cuban dissidents and their families.

Following a meeting on Tuesday with officials at the US Interests Section in Havana, the activists said US officials explained that 'all who want to register with the refugee programme can do so'. Ladies in White opposition group leader, Bertha Soler, welcomed the decision.

She said some of the dissidents and their relatives don't want to travel to Spain.

Her husband Angel Moya was released from a 20-year prison sentence on 7 July.

The relatives of the jailed Cuban dissidents were warned by US diplomats that they can't apply for asylum in the United States if they first go to Spain under the recent deal brokered by the Roman Catholic Church.
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**Client:** Cable and Wireless Communications

**Source:** FT.com (Web)

**Date:** 21/07/2010 00:00:00

**Page:** 0

**Headline:** C&WC faces revolt over pay for executives

Financial Times restrictions prevent this coverage from being displayed within this file. To access this coverage independently, follow the link below

http://www.ft.com/cms/s/01b3f330-94fc-11df-af3b-00144feab49a,s01=1.html

**Client:** Cable and Wireless Communications
**Source:** FinanzNachrichten.de (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## NOKIA: Nokia Q2 2010 net sales EUR 10.0 billion, non-IFRS EPS EUR 0.11 (reported EPS EUR 0.06)

Nokia Q2 2010 net sales EUR 10.0 billion, non-IFRS EPS EUR 0.11 (reported EPS EUR 0.06)
processed and transmitted by Hugin AS. The issuer is solely responsible for the content of this announcement.

Nokia operating cash flow of EUR 944 million

Nokia Corporation

Interim Report

July 22, 2010 at 13.00 (CET +1)

The complete press release with tables is available at:

http://www.nokia.com/results/Nokia_results2010Q2e.pdf
(http://www.nokia.com/results/Nokia_results2010Q2e.pdf)

Note 1 relating to non-IFRS results: Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of and ii) all business acquisitions completed after June 30, 2008. More specific information about the exclusions from the non-IFRS results may be found in this press release on pages 2-3, 14-16 and 18.

Nokia believes that these non-IFRS financial measures provide meaningful supplemental information to both management and investors regarding Nokia's performance by excluding the above-described items that may not be indicative of Nokia's business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. A reconciliation of the non-IFRS results to our reported results for Q2 2010 and Q2 2009 can be found in the tables on pages 11-12 and 14-18 of this press release. A reconciliation of our Q1 2010 non-IFRS results can be found on pages 10 and 12-16 of our Q1 2010 Interim Report of April 22, 2010.

Note 2: Nokia reported net sales were EUR 19 525 million and earnings per share (diluted) were EUR 0.16 for the period from January 1 to June 30, 2010. Further information about the results for the period from January 1 to June 30, 2010 can be found in this press release on pages 9-10, 12, 19-21 and 22.

SECOND QUARTER 2010 HIGHLIGHTS

- Nokia net sales of EUR 10.0 billion, up 1% year-on-year and 5% sequentially (down 4% and up 2% at constant currency).

- Devices&Services net sales of EUR 6.8 billion, up 3% year-on-year and 2% sequentially (down 2% and 1% at constant currency).

- Services net sales of EUR 158 million, up 7% sequentially; billings of EUR 295 million, up 29% sequentially.

- Nokia total mobile device volumes of 111.1 million units, up 8% year-on-year and 3% sequentially.

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- Nokia converged mobile device (smartphone and mobile computer) volumes of 24.0 million units, up 42% year-on-year and 12% sequentially.

- Nokia mobile device ASP (including services revenue) of EUR 61, down from EUR 62 in Q1 2010.

- Devices&Services gross margin of 30.2%, down from 34.0% in Q2 2009 and 32.4% in Q1 2010. - Devices&Services non-IFRS operating margin of 9.5%, down from 12.2% in Q2 2009 and 12.1% in Q1 2010.

- NAVTEQ non-IFRS net sales of EUR 253 million, up 71% year-on-year and 34% sequentially (up 69% and 30% at constant currency). - net sales of EUR 3.0 billion, down 5% year-on-year and up 12% sequentially (down 11% and up 10% at constant currency). - non-IFRS operating margin of 1.7%, up from 0.1% in Q2 2009 and 0.6% in Q1 2010.

- Nokia operating cash flow of EUR 944 million.

- Total cash and other liquid assets of EUR 9.5 billion at the end of Q2 2010.

- Nokia taxes were unfavorably impacted by taxes as no tax benefits are recognized for certain deferred tax items. If Nokia's estimated long-term tax rate of 26% had been applied, non-IFRS Nokia EPS would have been approximately half a Euro cent higher.

OLLI-PEKKA KALLASVUO, NOKIA CEO:

"Despite facing continuing competitive challenges, we ended the second quarter with several reasons to be optimistic about our future. For one, the global handset market has continued to grow at a healthy pace, led by some of the less mature markets where Nokia is strong. We are also encouraged by the solid second quarter performance of our Mobile Phones business, helped by an improving line-up of affordable models.

In smartphones, we continue to renew our portfolio. We believe that the Nokia N8, the first of our Symbian^3 devices, will have a user experience superior to that of any smartphone Nokia has created. The Nokia N8 will be followed soon thereafter by further Symbian^3 smartphones that we are confident will give the platform broader appeal and reach, and kick-start Nokia's fightback at the higher end of the market."

INDUSTRY AND NOKIA OUTLOOK

- Nokia expects Devices&Services net sales to be between EUR 6.7 billion and EUR 7.2 billion in the third quarter 2010.

- Nokia expects its non-IFRS operating margin in Devices&Services to be between 7% to 10% in the third quarter 2010. - Nokia and expect ' net sales to be between EUR 2.7 billion and EUR 3.1 billion in the third quarter 2010. - Nokia and expect the non-IFRS operating margin in to be between -2% and 2% in the third quarter 2010. - Nokia continues to expect industry mobile device volumes to be up approximately 10% in 2010, compared to 2009 (based on its revised definition of the industry mobile device market applicable beginning in 2010). - Nokia continues to target its mobile device volume market share to be flat in 2010, compared to 2009. - Nokia continues to expect its mobile device value market share to be slightly lower in 2010, compared to 2009. - Nokia continues to target non-IFRS operating expenses in Devices&Services of approximately EUR 5.7 billion in 2010.

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- Nokia targets Devices&Services non-IFRS operating margin of 10% to 11% in 2010. This provides quantification in line with the June 16, 2010, revised target for Devices&Services non-IFRS operating margin for 2010 to be at the lower end of, or below, the previous target of 11% to 13%. Nokia continues to expect Devices&Services non-IFRS operating margin during the fourth quarter 2010 to be higher than the currently targeted full year Devices&Services non-IFRS operating margin. - Nokia and continue to expect a flat market in Euro terms for the mobile and fixed infrastructure and related services market in 2010, compared to 2009. - Nokia and now target to maintain its market share in 2010. This is an update to Nokia and earlier target for to grow faster than the market in 2010. - Nokia and continue to target to reduce its non-IFRS annualized operating expenses and production overheads by EUR 500 million by the end of 2011, compared to the end of 2009. - Nokia and continue to target non-IFRS operating margin of breakeven to 2% in 2010.

SECOND QUARTER 2010 FINANCIAL HIGHLIGHTS

(Comparisons are given to the second quarter 2009 results, unless otherwise indicated.)

The non-IFRS results exclusions

Q2 2010 - EUR 365 million consisting of:

- EUR 114 million restructuring charge and other associated items in - EUR 116 million of intangible asset amortization and other purchase price accounting related items arising from the formation of - EUR 131 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ

- EUR 4 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications, Novarra and MetaCarta in Devices&Services

Q1 2010 - EUR 332 million (net) consisting of:

- EUR 125 million restructuring charge and other associated items in . - EUR 29 million gain on sale of assets and a business in Devices&Services.

- EUR 116 million of intangible asset amortization and other purchase price accounting related items arising from the formation of . - EUR 118 million of intangible asset amortization and other purchase price accounting related items arising from the acquisition of NAVTEQ.

- EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices&Services.

Q2 2009 - EUR 348 million (net) consisting of:

- EUR 22 million of impairment of intangible assets in Devices&Services

- EUR 83 million restructuring charge in Devices&Services

- EUR 68 million gain on sale of security appliance business in Devices&Services

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- EUR 69 million restructuring charge and other associated items in - EUR 121 million of intangible assets amortization and other purchase price related items arising from the formation of - EUR 119 million of intangible assets amortization and other purchase price related items arising from the acquisition of NAVTEQ

- EUR 2 million of intangible assets amortization and other purchase price related items arising from the acquisition of OZ Communications in Devices&Services.

Non-IFRS results exclude special items for all periods. In addition, non-IFRS results exclude intangible asset amortization, other purchase price accounting related items and inventory value adjustments arising from i) the formation of and ii) all business acquisitions completed after June 30, 2008.

Nokia Group

Nokia's second quarter 2010 net sales increased 1% to EUR 10.0 billion, compared with EUR 9.9 billion in the second quarter 2009. At constant currency, group net sales would have decreased 4% year-on-year.

The following chart sets out the year-on-year and sequential growth rates in our net sales on a reported basis and at constant currency for the periods indicated. Nokia's second quarter 2010 reported operating profit decreased to EUR 295 million, compared with EUR 427 million in the second quarter 2009. Nokia's second quarter 2010 non-IFRS operating profit decreased 15% to EUR 660 million, compared with EUR 775 million in the second quarter 2009. Nokia's second quarter 2010 reported operating margin was 2.9% (4.3%). Nokia's second quarter 2010 non-IFRS operating margin was 6.6% (7.8%).

Operating cash flow for the second quarter 2010 was EUR 944 million. The operating cash flow for the second quarter 2009 was EUR 716 million. Total cash and other liquid assets were EUR 9.5 billion at end of the second quarter 2010, compared with EUR 7.0 billion at the end of the second quarter 2009. At the end of the second quarter 2010, Nokia's net debt-equity ratio (gearing) was -27%, compared with -10% at the end of the second quarter 2009. Devices&Services

As previously disclosed and discussed below, multiple factors negatively impacted Nokia's Devices&Services business during the second quarter 2010, and we expect this to continue during the third quarter 2010. Net Sales. Second quarter 2010 Devices&Services net sales increased 3% to EUR 6.8 billion, compared with EUR 6.6 billion in the second quarter 2009. At constant currency, Devices&Services net sales would have decreased 2% year-on-year. The net sales increase resulted primarily from higher volumes in most regions driven by stronger demand, partially offset by an ASP decline, compared to the second quarter 2009. Net sales in the second quarter 2010 were adversely impacted by the competitive environment, particularly in the high end of the market.

The following chart sets out Devices&Services net sales for the periods indicated, as well as the year-on-year and sequential growth rates, by geographic area. Of our total Devices&Services net sales, services contributed EUR 158 million in the second quarter 2010, compared with EUR 148 million in the first quarter 2010. Services billings in the second quarter 2010 were EUR 295 million, compared with EUR 228 million in the first quarter 2010. Due to the divestment of the security appliance business in April 2009, services net sales of EUR 140 million and billings of EUR 207 million in the second quarter 2009 are not directly comparable to services net sales and billings in the second quarter 2010. The following chart sets out our Devices&Services net sales for the periods indicated, as well as the year-on-year and sequential growth rates, by category. Volume and Market Share. In the second quarter 2010, the total mobile device volumes of Devices&Services were 111.1 million units, representing an increase of 8% year-on-year and 3% sequentially. The overall industry mobile device volumes for the same

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period were 338 million units based on Nokia's preliminary estimate, representing an increase of 14% year-on-year and 5% sequentially. Nokia's preliminary estimated mobile device market share was 33% in the second quarter 2010, down from an estimated 35% in the second quarter 2009 and unchanged from an estimated 33% in the first quarter 2010 (based on Nokia's revised definition of the industry mobile device market share applicable beginning in 2010 and applied retrospectively to 2009 for comparative purposes only).

Of the total industry mobile device volumes, converged mobile device industry volumes in the second quarter 2010 increased to 59.0 million units, based on Nokia's preliminary estimate, compared with an estimated 41.0 million units in the second quarter 2009 and 52.6 million units in the first quarter 2010. Our own converged mobile device volumes, comprising our smartphones and mobile computers, were 24.0 million units in the second quarter 2010, an increase of 42% compared with 16.9 million units in the second quarter 2009 and 12% compared with 21.5 million units in the first quarter 2010. Nokia's preliminary estimated share of the converged mobile device market was 41% in the second quarter 2010, compared with an estimated 41% in the second quarter 2009 and an estimated 41% in the first quarter 2010. The following chart sets out our mobile device volumes for the periods indicated, as well as the year-on-year and sequential growth rates, by geographic area. Nokia's 8% year-on-year increase in global mobile device volumes was primarily driven by an improved demand environment as economic conditions had improved in most regions compared with the difficult economic conditions of the second quarter 2009. This improvement was offset to some extent by lower demand for our mobile devices in North America. On a sequential basis, Nokia's 3% increase in global mobile device volumes primarily reflected a seasonal increase in demand in Latin America, Europe and Asia-Pacific offset to some extent by a seasonal decrease in demand in Greater China and by lower demand for our mobile devices in Middle East&Africa and North America.

Average Selling Price. Our mobile device average selling price (ASP) in the second quarter 2010 was EUR 61, down from EUR 64 in the second quarter 2009 and from EUR 62 in the first quarter 2010 (including services revenue applied retrospectively to 2009 for comparative purposes only). The lower year-on-year ASP was primarily due to a higher proportion of lower-priced converged mobile device sales and price pressure, particularly in certain high-end smartphones, offset to some extent by converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010. On a sequential basis, our lower ASP was primarily driven by price pressure, particularly in certain high-end smartphones, offset to some extent by the appreciation of certain currencies against the Euro and converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010. Our converged mobile device ASP in the second quarter 2010 was EUR 143, down from EUR 155 in the first quarter 2010 and EUR 181 in the second quarter 2009. The year-on-year and sequential declines in our converged mobile devices ASPs were mainly driven by an increase in the proportion of such devices sold at lower price points consistent with our strategy to reach wider groups of consumers, as well as price pressure in certain high-end smartphones in the second quarter 2010. The following chart sets out our Devices&Services ASP for the periods indicated, as well as the year-on-year and sequential growth rates, by category. Profitability. Devices&Services gross profit (reported and non-IFRS) decreased 8% to EUR 2.1 billion, compared with EUR 2.2 billion in the second quarter 2009, with a gross margin (reported and non-IFRS) of 30.2% (34.0%). Devices&Services gross margin (reported and non-IFRS) was 32.4% in the first quarter 2010. The year-on-year and sequential gross margin declines were primarily due to price pressure, particularly in certain high-end smartphones, offset to some extent by converged mobile devices representing a greater proportion of our overall mobile device volumes in the second quarter 2010, compared to the second quarter 2009 and first quarter 2010. Sequentially, the gross margin decline was also due to the depreciation of the Euro against certain currencies, which led to higher cost of goods sold, and our foreign exchange hedging having a smaller positive one-quarter impact on the gross margin, as well as a mix shift towards sales of lower-gross margin converged mobile devices. During the latter part of the second quarter ➔

2010, Devices&Services net sales and cost of goods sold were somewhat negatively impacted by industry-wide shortages of certain components and we see this situation continuing through the third quarter 2010.

Devices&Services reported operating profit decreased 16% to EUR 643 million, compared with EUR 763 million in the second quarter 2009, with a reported operating margin of 9.5% (11.6%). Devices&Services non-IFRS operating profit decreased 19% to EUR 647 million, compared with EUR 802 million in the second quarter 2009, with a non-IFRS operating margin of 9.5% (12.2%). The 19% year-on-year decrease in non-IFRS operating profit for the second quarter 2010 was driven primarily by the lower gross margin. Our operating expenses in the second quarter 2010 were also adversely impacted by the depreciation of the Euro against certain currencies, compared to the second quarter 2009.

Nokia will deliver a family of smartphones based on the Symbian^3 software platform that is targeted to offer a clearly improved user experience, a high standard of quality, and competitive value to consumers. We plan to start shipping the Nokia N8, the first Symbian^3 device, towards the end of the third quarter 2010. The Nokia N8 will be followed soon thereafter by further Symbian^3 smartphones that will give the platform broader appeal and reach.

NAVTEQ Net Sales. Second quarter 2010 NAVTEQ reported net sales increased 71% year-on-year to EUR 252 million, compared with EUR 147 million in the second quarter 2009, benefiting from improved conditions in the automotive industry and growth in mobile device sales. At constant currency, NAVTEQ net sales would have increased 69% year-on-year. Profitability. In the second quarter 2010, NAVTEQ's reported gross profit increased to EUR 205 million, compared with EUR 125 million in the second quarter 2009, with a gross margin of 81.3% (85.7%). Non-IFRS gross profit was EUR 206 million (EUR 127 million), with a non-IFRS gross margin of 81.4% (85.8%). In the second quarter 2010, NAVTEQ's reported operating loss decreased to EUR 81 million, compared with a EUR 100 million loss in the second quarter 2009. The reported operating margin was -32.1% (-68.0%). NAVTEQ's non-IFRS operating profit was EUR 50 million (EUR 19 million), with a non-IFRS operating margin of 19.8% (12.8%) in the second quarter 2010. Net Sales. Second quarter 2010 net sales decreased 5% to EUR 3.0 billion, compared with EUR 3.2 billion in the second quarter 2009. The decrease was primarily due to the ongoing industry-wide issue related to security clearances in India, which is preventing the completion of product sales to customers, and shortages of certain components that are affecting the broader industry; we see both of these situations continuing during the third quarter 2010. At constant currency, net sales would have decreased 11% year-on-year. Of total net sales, services contributed EUR 1.4 billion in the second quarter 2010. The following chart sets out net sales for the periods indicated, as well as the year-on-year and sequential growth rates, by geographic area. Profitability. reported gross profit increased 1% to EUR 869 million, compared with EUR 860 million in the second quarter 2009, with a gross margin of 28.6% (26.9%). non-IFRS gross profit increased 4% to EUR 937 million, compared with EUR 897 million in the second quarter 2009, with a non-IFRS gross margin of 30.8% (28.0%). The higher year-on-year non-IFRS gross profit in the second quarter 2010 was primarily due to continued progress on product cost reductions and a favorable regional mix, compared to the second quarter 2009. second quarter 2010 reported operating loss was EUR 179 million, compared with a reported operating loss of EUR 188 million in the second quarter 2009, with a reported operating margin of -5.9% (-5.9%). non-IFRS operating profit was EUR 51 million in the second quarter 2010, compared with a non-IFRS operating profit of EUR 2 million in the second quarter 2009, with a non-IFRS operating margin of 1.7% (0.1%). The year-on-year improvement in non-IFRS operating result was primarily due to the improved gross margin.

Q2 2010 OPERATING HIGHLIGHTS

Devices&Services

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**Client:** Cable and Wireless Communications
**Source:** FinanzNachrichten.de (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

- Nokia continued to build the various elements of, and attract consumers to, Ovi. Highlights for the quarter included the following:

- To support the expansion of Ovi, Nokia acquired MetaCarta Inc. to obtain its geographic intelligence technology and expertise, and Novarra Inc., whose mobile browser and services platform will be used by Nokia to deliver enhanced Internet experiences on Nokia's Series 40-based mobile phones.

- Nokia continued to expand elements of Ovi into different markets. For example, Nokia brought its unlimited music downloads offering to China and India, as well as expanded the footprint of Ovi Life Tools, its data and entertainment service, to China.

- Ovi continued to gain further traction with consumers. For example, cumulative downloads of Ovi Maps, the free navigation offering, reached more than 17 million by the end of the quarter. Nokia also began including the offering in all its GPS-enabled smartphones out-of-the-box.

- Nokia took a significant step to building greater presence for Ovi on the web, announcing a worldwide strategic alliance with Yahoo! that will see the two companies leverage each others' strengths in e-mail, instant messaging and maps and navigation services. As part of the alliance, Nokia will be the exclusive, global provider of Yahoo!'s maps and navigation services, integrating Ovi Maps across Yahoo! properties, branded as "powered by Ovi", while Yahoo! will become the exclusive, global provider of Nokia's Ovi Mail and Ovi Chat services branded as "Ovi Mail / Ovi Chat powered by Yahoo!".

- Nokia and Microsoft launched Microsoft Communicator Mobile, the first application developed together as part of their alliance around mobile productivity. The application is available to owners of selected Nokia Eseries devices through Ovi Store.

- Nokia continued to grow and enhance the usability of Ovi Store for consumers and publishers. The release of Ovi Store 1.7 during the second quarter delivers improvements to browsing and search consumer experience. Nokia's most popular devices each have access to more than 13 000 content items (including apps) in the store. Ovi App Wizard achieved 1 million downloads in just 10 weeks since launch with thousands of partners publishing thousands of apps. The store has been attracting on average more than 1.7 million downloads a day. Additionally, 90% of Nokia consumers who can access Ovi Store can now do so in their local language (where Ovi Store supports at least one of the country's primary languages), while more than 80% of those with local language availability can also purchase from Ovi Store in their local currency.

- Nokia launched the Nokia N8, the first Nokia smartphone based on the next-generation Symbian^3 software that is targeted to offer a clearly improved user experience, a higher standard of quality, and competitive value to consumers. The Nokia N8 also offers industry-leading imaging, video and entertainment capabilities.

- Nokia launched a trio of Nokia C1 phones, one of which features a 2-in-1 double SIM solution. Nokia also launched the Nokia C2, a dual SIM device with dual standby capability.

- Nokia launched the Nokia Bicycle Charger Kit, an alternative charging solution built especially for people with limited access to electricity.

- Nokia started shipments of the Nokia C3, a mobile phone featuring a full QWERTY keyboard and optimized for ➔

messaging and social networking.

- Nokia launched the Nokia C6, a messaging-optimized smartphone with a 3.2-inch HD touchscreen display, a slide out four-row QWERTY keyboard and a 5 megapixel camera. - Nokia launched the Nokia E5, a messaged-optimized smartphone that builds on the success of the Nokia E71 and Nokia E72.

- Nokia strengthened its portfolio of devices based on China's TD-SCDMA standard with the launch of the Nokia X5 and the Nokia C5.

- Nokia launched the Nokia X2, featuring dual speakers, dedicated music keys, an FM stereo radio and support for up to 16GB of storage via a microSD card.

- Nokia started shipments of the Nokia E73 Mode, a QWERTY smartphone exclusively for T-Mobile customers in the United States.

NAVTEQ

- NAVTEQ announced the following:

- The launch of full, navigable map coverage of Bulgaria and Egypt, as well as a completely updated addressing system in the Kingdom of Saudi Arabia.

- The launch of NAVTEQ Traffic Patterns, NAVTEQ Lonely Planet Trips and NAVTEQ LocationPoint Advertising in Australia.

- An expanded visual content offering for its Singapore map, including 3D Landmarks, Enhanced 3D City Models, Junction View image and Sign-As-real images.

- Successful advertiser trials in Europe with McDonald's and Best Western powered by NAVTEQ's LocationPoint Advertising platform.

- Garmin's selection of NAVTEQ Traffic for its first European connected PND service.

- An expanded agreement with the United States National Geospatial Intelligence Agency under the Homeland Security Infrastructure Program for utilization of NAVTEQ map data.

- The addition of the Lonely Planet Travel Guide(TM) to the NAVTEQ map of India. - smart device solutions, which allow improved battery life, better coverage and faster download speeds, were deployed in London to improve user experience on the O2 network. Similar contracts were agreed with many operators including Elisa in Finland, Mosaic Telecom in the United States, SFR in France, Indosat in Indonesia, Cable&Wireless Communications in the UK, Cell C in South Africa and Qatar Telecom in Qatar. - signed a full operation and maintenance managed services contract with Mobile TeleSystems in Russia, a seven-year service management and equipment supply agreement with Vodafone Hutchison in Australia and a large services contract with Telefnica O2 to expand network capacity across Germany. - In April, signed a EUR 750 million frame agreement with China Mobile and China Unicom to continue providing GSM, WCDMA and TD-SCDMA mobile network equipment and solutions. - complemented its portfolio with TD-LTE support using its common software definable Flexi Multiradio Base Station including trials in China and Taiwan, interoperability tests with Samsung devices as well as launch of the TD-LTE Open Lab in China. - continued to prepare for commercial LTE deployments with technological world-first trials, including a 75 kilometer LTE call with Telstra in Australia, the launch of Self Organizing Networks offering for LTE to reduce human error and cost, and started production of LTE-ready Flexi Multiradio Base Station radio frequency modules for 800 MHz spectrum suitable for rural areas. - achieved industry firsts with the unveiling of a migration path to 400-Gigabit-per-second optical transport and a next generation packet optical transport solution to help operators cut their costs. During the quarter also delivered a major optical transport network upgrade to Aurora, Australia.

- T-Mobile UK and 3 UK awarded a GBP 400 million contract to build Europe's largest shared network (MBNL) and will offer smartphone and dongle customers the biggest 3G coverage in the United Kingdom. The HSDPA 3G network already offers outdoor coverage to more than 90% of Britain's population.

- Vodafone Portugal selected Service Broker, which is based on an OpenCloud platform and will enable the seamless convergence of legacy services with new data services, to satisfy growing subscriber demand for personalized services.

For more information on the operating highlights mentioned above, please refer to related press announcements at the following links: www.nokia.com/press (http://www.nokia.com/press), www.navteq.com/about/press.html (http://www.navteq.com/about/press.html), www.nokiasiemensnetworks.com/press (http://www.nokiasiemensnetworks.com/press)

NOKIA IN THE SECOND QUARTER 2010

(The following discussion is of Nokia's reported results. Comparisons are given to the second quarter 2009 results, unless otherwise indicated.)

Nokia's net sales increased 1% to EUR 10 003 million (EUR 9 912 million). Net sales of Devices&Services increased 3% to EUR 6 799 million (EUR 6 586 million). Net sales of NAVTEQ increased 71% to EUR 252 million (EUR 147 million). Net sales of decreased 5% to EUR 3 039 million (EUR 3 199 million).

Operating profit decreased 31% to EUR 295 million (EUR 427 million), representing an operating margin of 2.9% (4.3%). Operating profit in Devices&Services decreased 16% to EUR 643 million (EUR 763 million), representing an operating margin of 9.5% (11.6%). Operating loss in NAVTEQ was EUR 81 million (operating loss EUR 100 million), representing an operating margin of -32.1% (-68.0%). Operating loss in was EUR 179 million (operating loss EUR 188 million), representing an operating margin of -5.9% (-5.9%). Group Common Functions reported expense totaled EUR 33 million (EUR 48 million).

In the period from April to June 2010, net financial expense was EUR 68 million (EUR 61 million). Profit before tax was EUR 221 million (EUR 380 million). Profit was EUR 104 million (EUR 287 million), based on a profit of EUR 227 million (EUR 380 million) attributable to equity holders of the parent and a loss of EUR 123 million (loss of EUR 93 million) attributable to non-controlling interests. Earnings per share decreased to EUR 0.06 (basic) and to EUR 0.06 (diluted), compared with EUR 0.10 (basic) and EUR 0.10 (diluted) in the second quarter of 2009.

NOKIA IN JANUARY - JUNE 2010

(The following discussion is of Nokia's reported results. Comparisons are given to the January-June 2009 results, unless otherwise indicated.)

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**Client:** Cable and Wireless Communications
**Source:** FinanzNachrichten.de (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

Nokia's net sales increased 2% to EUR 19 525 million (EUR 19 186 million). Net sales of Devices&Services increased 6% to EUR 13 462 million (EUR 12 759 million). Net sales of NAVTEQ were EUR 441 million (EUR 279 million). Net sales of decreased 7% to EUR 5 757 million (EUR 6 189 million).

Operating profit increased 62% to EUR 783 million (EUR 482 million), representing an operating margin of 4.0% (2.5%). Operating profit in Devices&Services increased 13% to EUR 1 474 million (EUR 1 310 million), representing an operating margin of 10.9% (10.3%). Operating loss in NAVTEQ was EUR 158 million (loss of EUR 220 million), representing an operating margin of -35.8% (-78.9%). Operating loss in was EUR 405 million (loss of EUR 549 million), representing an operating margin of -7.0% (-8.9%). Corporate Common Functions reported expense totaled EUR 53 million (EUR 59 million).

In the period from January to June 2010, net financial expense was EUR 141 million (net financial expense EUR 138 million). Profit before tax was EUR 632 million (EUR 368 million). Profit was EUR 279 million (EUR 291 million), based on a profit of EUR 576 million (EUR 502 million) attributable to equity holders of the parent and a loss of EUR 297 million (loss EUR 211 million) attributable to non controlling interests. Earnings per share increased to EUR 0.16 (basic) and EUR 0.16 (diluted), compared with EUR 0.14 (basic) and EUR 0.13 (diluted) in January-June 2009.

PERSONNEL

The average number of employees during the period from January to June 2010 was 126 876, of which the average number of employees at was 64 759. At June 30, 2010, Nokia employed a total of 129 746 people (120 827 people at June 30, 2009), of which 65 251 were employed by (60 983 people at June 30, 2009).

SHARES

The total number of Nokia shares at June 30, 2010 was 3 744 956 052. At June 30, 2010, Nokia and its subsidiary companies owned 36 112 670 Nokia shares, representing approximately 1.0 % of the total number of Nokia shares and the total voting rights. 1 EUR = 1.234 USD The unaudited, consolidated interim financial statements of Nokia have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the consolidated financial statements of Nokia for 2009.

The complete press release with tables is available at:

http://www.nokia.com/results/Nokia_results2010Q2e.pdf
(http://www.nokia.com/results/Nokia_results2010Q2e.pdf) FORWARD-LOOKING STATEMENTS

It should be noted that certain statements herein which are not historical facts are forward-looking statements, including, without limitation, those regarding: A) the timing of the deliveries of our products and services and their combinations; B) our ability to develop, implement and commercialize new technologies, products and services and their combinations; C) expectations regarding market developments and structural changes; D) expectations and targets regarding our industry volumes, market share, prices, net sales and margins of products and services and their combinations; E) expectations and targets regarding our operational priorities and results of operations; F) the outcome of pending and threatened litigation; G) expectations regarding the successful completion of acquisitions or restructurings on a timely basis and our ability to achieve the financial and operational targets set →

in connection with any such acquisition or restructuring; and H) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "plans," "will" or similar expressions. These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors that could cause these differences include, but are not limited to: 1) the competitiveness and quality of our portfolio of products and services and their combinations; 2) our ability to timely and successfully develop or otherwise acquire the appropriate technologies and commercialize them as new advanced products and services and their combinations, including our ability to attract application developers and content providers to develop applications and provide content for use in our devices; 3) our ability to effectively, timely and profitably adapt our business and operations to the requirements of the converged mobile device market and the services market; 4) the intensity of competition in the various markets where we do business and our ability to maintain or improve our market position or respond successfully to changes in the competitive environment; 5) the occurrence of any actual or even alleged defects or other quality, safety or security issues in our products and services and their combinations; 6) the development of the mobile and fixed communications industry and general economic conditions globally and regionally; 7) our ability to successfully manage costs; 8) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies; 9) the success, financial condition and performance of our suppliers, collaboration partners and customers; 10) our ability to source sufficient amounts of fully functional components, sub-assemblies, software, applications and content without interruption and at acceptable prices and quality; 11) our success in collaboration arrangements with third parties relating to the development of new technologies, products and services, including applications and content; 12) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and services and their combinations; 13) our ability to manage our inventory and timely adapt our supply to meet changing demands for our products; 14) our ability to protect the complex technologies, which we or others develop or that we license, from claims that we have infringed third parties' intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and services and their combinations; 15) our ability to protect numerous Nokia, NAVTEQ and patented, standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies; 16) the impact of changes in government policies, trade policies, laws or regulations and economic or political turmoil in countries where our assets are located and we do business; 17) any disruption to information technology systems and networks that our operations rely on; 18) our ability to retain, motivate, develop and recruit appropriately skilled employees; 19) unfavorable outcome of litigations; 20) allegations of possible health risks from electromagnetic fields generated by base stations and mobile devices and lawsuits related to them, regardless of merit; 21) our ability to achieve targeted costs reductions and increase profitability in and to effectively and timely execute related restructuring measures; 22) developments under large, multi-year contracts or in relation to major customers in the networks infrastructure and related services business; 23) the management of our customer financing exposure, particularly in the networks infrastructure and related services business; 24) whether ongoing or any additional governmental investigations into alleged violations of law by some former employees of Siemens AG ("Siemens") may involve and affect the carrier-related assets and employees transferred by Siemens to ; 25) any impairment of customer relationships resulting from ongoing or any additional governmental investigations involving the Siemens carrier-related operations transferred to ; as well as the risk factors specified on pages 11-32 of Nokia's annual report Form 20-F for the year ended December 31, 2009 under Item 3D. "Risk Factors." Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

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**Client:** Cable and Wireless Communications
**Source:** FinanzNachrichten.de (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

Nokia, Helsinki - July 22, 2010

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- Nokia plans to publish its third quarter 2010 results on October 21, 2010. www.nokia.com (http://www.nokia.com/)
[sourcelink]
http://c.moreover.com/click/here.pl?z2999820300&z=950243185
[/sourcelink]

**Client:** Cable and Wireless Communications
**Source:** Guardian.co.uk (Web)
**Date:** 20 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## C&W blames coalition cuts for profit fall

Cable & Wireless Worldwide says public sector spending has slowed 'very significantly'
Profits warning follows shareholder protests about excessive executive pay

Cable & Wireless Worldwide (CWW) has become the first major company to warn on profits because of the cuts announced in the government's emergency budget last month.

Shares in the company, which provides communication services to large corporations as well as local authorities and government bodies, plunged more than 16% in early trading.

The shock profits warning will be a major issue at the group's annual meeting tomorrow. Some shareholders had already voiced concerns at the level of boardroom pay and a significant protest vote is likely.

"Following the new government's emergency budget in late June, non-contracted spending in the UK public sector has slowed very significantly. Given the nature of our public sector business, this reduction will adversely impact trading in the current year," CWW said in a statement.

As a result, the company said it expects "somewhat slower growth" in earnings before interest, tax, depreciation and amortisation (Ebitda) this year, with its forecast now around the lower end of the range of expectations.

City analysts polled by Thomson Reuters are expecting CWW to report Ebitda of between 443.5m and 484m.

CWW said in light of the downturn in public sector activity, it had stepped up efforts to cut costs and now expects total operating expenditure to be below last year.

CWW, which counts the Office for Criminal Justice Reform among its public sector clients, was formed by the demerger of Cable & Wireless this year. The firm's local phone operations in overseas territories including Panama, Macau and a number of former British colonies, were bundled together into Cable & Wireless Communications.

That demerger saw C&W's bosses receive substantial pay rises  CWW chief executive Jim Marsh received a 150,000 increase while Cable & Wireless Communications boss Tony Rice pocketed an extra 100,000.

Before the demerger, Cable & Wireless was already at the centre of a long-running fight over pay. As part of the turnaround plan put in place by chairman Richard Lapthorne, his executive team were placed within a private equity-style four-year plan. Having hit a series of debt reduction and earnings targets, the scheme lead to multi-million pound bonuses for executives, at a time when the company was axing hundreds of jobs. Last year, for instance, the long-term incentive plan paid out 32m to senior managers within the business.

This year Andy Kerr, of the Communication Workers Union, branded the bonus culture within C&W as "scandalous" and "disgraceful".

Shares in CWW were down 10.45p at 73.1p in early trading.
Cable & Wireless Public sector cuts Telecommunications industry Julia Kollewe

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**Client:** Cable and Wireless Communications
**Source:** Guardian.co.uk (Web)
**Date:** 20 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

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[Journalistname]Julia Kollewe[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** MarketWatch (Web)
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## Cable & Wireless Communications starts year well

LONDON (MarketWatch) -- Telecom group Cable & Wireless Communications said Wednesday that it has started the year well and is trading in line with expectations. Operations in Macau and Monaco and Islands are performing well in more favourable economic conditions, the firm said, and Panama is performing in line with expectations. However, conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter, it added.

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http://c.moreover.com/click/here.pl?z2996528048&z=950243185
[/sourcelink]

**Client:** Cable and Wireless Communications
**Source:** International Business Times (Web)
**Date:** 20 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## Cable & Wireless shares fall 16 pct on FTSE 100 after issuing earnings downgrade; Shares a 'hold'

Cable & Wireless Worldwide, the telecoms provider that was spun off from Cable & Wireless Communications, has issued a warning that full-year earnings would be negatively impacted by austerity cuts sendings its shares sliding 16 pct.The group which has found a niche in the public sector market, currently has contracts with the NHS, Ministry of Justice and NHS all of which will be directly affected by spending cuts announced in the Government's June 'Emergency Budget'.

"Nevertheless we are supportive of the overall approach being adopted by the government and believe that our unique product set provides us with significant opportunity in this area over the medium term." said the group's statement.

"Overall, we expect somewhat slower growth in EBITDA for the full year, with out forecast now around the lower end of expectations." they said, EDITDA consensus had been 452 to 484m. C&W Worldwide said it would also look into cost reducing including cut the number of non-payroll staff and staff bonuses, whilst operating costs are said to have been reduced by the fact there will be less bidding.
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[/sourcelink]

**Client:** Cable and Wireless Communications
**Source:** The Independent (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## CWC shareholders join the pay protesters

Cable & Wireless Communications (CWC) was forced to face down investor unrest yesterday as more than a fifth voted to scrap senior management's pay packets.

The telecoms group held its annual meeting at the Queen Elizabeth II conference centre in London, at which 21 per cent of its shareholders voted to reject the remuneration packages proposed for the managers of the newly independent group.

A spokesman for CWC said that the 78.9 per cent of votes for the remuneration report showed "good support," adding: "Our remuneration arrangements are based on a lower risk reward structure that was previously the case at Cable & Wireless. It is focused on delivering value and is strongly aligned with the interests of shareholders."

Sources close to the group said the dissent would not lead it to change its long-term incentive plan, a scheme that had caused a shareholder revolt before Cable & Wireless split.

One industry analyst expressed his surprise at the resistance: "That was more than I had anticipated. It does show the degree of investor frustration for a management in both companies who have rewarded themselves pretty nicely."

Tony Rice, CWC's chief executive, saw his pay rise to 700,000 after the split, and his bonus could be worth 150 per cent of his salary.

Yesterday's resistance did not come as a surprise to the company, after shareholder groups last week issued concerns over CWC's pay policy and the proxy votes indicated the extent of the disquiet.

During the meeting, one shareholder confronted the board over pay. He criticised chairman, Sir Richard Lapthorne, for earning more "in a week" than he did in a year. Yet there were no formal questions on the company's pay structure.

Pirc said last week that "remuneration is an issue at Cable & Wireless," and particularly focused on the role of Sir Richard. "Sir Richard is not considered independent upon appointment due to his previous executive duties and his participation in performance related share award incentive plan," it said.

The Association of British Insurers also gave signalled its concern over CWC with an "amber topped" report, which particularly focused on the pay of finance director, Tim Pennington, from 400,000 to 500,000. He could also earn a further 150 per cent of salary through his bonus.

This came as Cable & Wireless Worldwide, the other arm of the business passed its remuneration package with over 90 per cent shareholder support despite a shock profits warning the previous day.

The analyst said: "I'm surprised CWW didn't face a bigger shareholder backlash especially after Tuesday."

CWC also released its first quarter numbers yesterday as well and said it had "started the year well".
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[Journalistname]Nick Clark[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** Dow Jones
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## DJ MARKET TALK: Cable & Wireless Communications 1Q In Line

DJ MARKET TALK: Cable & Wireless Communications 1Q In Line
0646 GMT [Dow Jones] Cable & Wireless Communications (CWC.LN) 1Q trading in line with expectations, with the Caribbean operations continuing to hurt, and its business in Panama "weakening a bit", Evolution Securities analyst Steve Malcolm says. The performance of its Monaco & Islands business looks "good", helped by the volcanic ash, which meant planes couldn't take off and people roaming on their mobiles more. Group's net debt of $794m as at June 30 "looks quite high" but that's because it transferred $117m to Cable & Wireless Worldwide (CW.LN) for the fiscal 2010 dividend as anticipated under the demerger agreement. Malcolm retains his sell rating on Cable & Wireless Communications and 42p target price. Cable & Wireless Communications shares closed at 56p Tuesday. (lilly.vitorovich@dowjones.com)

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(END) Dow Jones Newswires
July 21, 2010 02:46 ET (06:46 GMT)

**Client:** Cable and Wireless Communications
**Source:** Dow Jones
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## DJ MARKET TALK: Cable & Wireless Communications Starts Year Well

DJ MARKET TALK: Cable & Wireless Communications Starts Year Well
0643 GMT [Dow Jones] Cable & Wireless Communications (CWC.LN) starts the year well and is trading in line with expectations says a trader. Says the only minor disappointment is the comment that Caribbean performance continues to be soft. Says Macau, Monaco and Islands are performing well and Panama is seeing stronger economic growth while performing above expectations. Says sceptics who have been concerned about incremental competition have been proved wrong. Shares closed on Tuesday at 56p.
(andrea.tryphonides@dowjones.com)

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(END) Dow Jones Newswires
July 21, 2010 02:43 ET (06:43 GMT)

**Client:** Cable and Wireless Communications
**Source:** Dow Jones
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## DJ UPDATE: Cable & Wireless Communications Trading In Line

=DJ UPDATE: Cable & Wireless Communications Trading In Line

(Adds analyst comments and details)
By Lilly Vitorovich
Of DOW JONES NEWSWIRES

LONDON (Dow Jones)--Cable & Wireless Communications PLC (CWC.LN) said Wednesday its new financial year has got off to a good start with trading in line with expectations, although its performance in the Caribbean continued to be weak.
The U.K.-based telecom group's businesses in Macau and Monaco & Islands are both "performing well backed by more favourable economic conditions", Chief Executive Tony Rice said.
The business in Panama is experiencing "stronger economic growth which is helping the business to perform to expectations", but "conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter" as flagged in May, Rice said.
"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," he added.
Cable & Wireless Communications first quarter trading update is in line with expectations, with the Caribbean operations continuing to hurt, and its business in Panama "weakening a bit", Evolution Securities analyst Steve Malcolm said.
The performance of its Monaco & Islands business looks "good", helped by the volcanic ash, which meant planes couldn't take off so people were roaming more, he added.
The firm's net debt, which rose by $130 million to $794 million at the end of June, "looks quite high" but that's because it transferred $117 million to Cable & Wireless Worldwide PLC (CW.LN) for the final dividend as anticipated under the demerger agreement, said Malcolm, who retains his sell rating on the stock and 42 pence target price.
The FTSE 250 group, which provides services to around 8.3 mobile, 0.6 million broadband and 1.8 million fixed line customers, was spun-off from Cable & Wireless PLC in March.
The other company that was spun-off, Cable & Wireless Worldwide PLC (CW.LN), on Tuesday issued a profit warning because of spending cuts by the U.K. government, triggering a sharp share price drop.
Cable & Wireless Communications also announced that director George Battersby would be stepping down from the board after the group's annual shareholder meeting on Wednesday.
The group will report its interim results on Nov. 4.
At the start of trade on the London Stock Exchange, Cable & Wireless Communications shares were up 2 pence at 58 pence, valuing the company at GBP1.47 billion.
-By Lilly Vitorovich, Dow Jones Newswires; 44-0-207 842 9290; lilly.vitorovich@dowjones.com



(END) Dow Jones Newswires
July 21, 2010 03:05 ET (07:05 GMT)

**Client:** Cable and Wireless Communications
**Source:** The Daily Telegraph (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## C&W taken to task over pay

Shareholders representing almost a quarter of the share capital of Communications (CWC), which predominately operates telecoms services in the Caribbean, failed to back the company's pay policy. Worldwide, which operates principally in the UK, fared slightly better with 12pc abstaining or voting against its remuneration report.

The boards of both companies were taken to task over executive pay and the groups' highly controversial private-equity style long-term incentive plan (LTIP), which paid out 32m to senior managers last year.

One private shareholder confronted Tony Rice, chief executive of CWC, over his 700,000 basic pay. "Your weekly salary is [the same as] what I get as a pension annually," she said at the company's annual meeting in London yesterday.

Sir Richard Lapthorne, CWC chairman, said the company was forced to pay high salaries in order to attract the best talent. "Of course I'm a very lucky individual. I've worked very hard, so have a lot of other people who haven't ended up in the same position I have," he added.

John Pluthero, chairman of CWW, which issued a shock profits warning on Tuesday, declined to tell shareholders how much he had collected from the company's LTIP over the last four years. He said the information was publicly available to shareholders via the group's annual reports. "What I can tell you, is the impact of this on the performance of this business. Earnings before interest, tax and depreciation has gone up ten-fold," he said. The C&W companies are just the latest to feel shareholders' wrath over remuneration policies BT, Tesco and Marks & Spencer have all been in the spotlight in recent weeks.

Shares in CWC closed up 1.8p, or 3.2pc, to 57.75p. CWW closed up 1.8p to 57.75p.
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[/sourcelink]

[Journalistname]Rupert Neate[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** Guardian.co.uk (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## Investor protest over Experian boss

More than 12% of Experian shareholders voted against Tyler
On average dissent on elections of directors is 2.3%

David Tyler, a boardroom veteran and chairman of two major companies,faced an embarrassing revolt over his continued tenure on the board of credit checking firm Experian, on a day when shareholders also rebelled against pay schemes at Network Rail and the two demerged arms of Cable & Wireless.

Nearly one in three Experian investors failed to endorse Tyler's re-election to the board as a non-executive one of the biggest protest votes against a director this year. According to Manifest, the corporate governance experts, the average dissent on director elections is only 2.3%.

More than 12% of shareholders in Experian voted against Tyler's re-election but, when deliberate abstentions were included, the protest rose to 30%.

Experian was spun out of GUS in 2006 which has prompted shareholders to question Tyler's independence as he was finance director of GUS.

Experian insisted that Tyler, who is Chairman of J Sainsbury and Logica, was an "excellent non-executive and brings a huge amount of expertise and depth of knowledge".

At Network Rail, the Department for Transport made a rare intervention by abstaining on the remuneration report to protest against the 613,000 bonus to chief executive Iain Coucher. Network Rail has 100 "members" who in effect act as shareholders. DfT, which is one, said it had abstained because dissent would have "meant that we would be voting against a pay freeze for Network Rail's executives and their plans to review their management incentive plan."

Some 77 of the 100 Network Rail members voted, with 37 in favour, 31 against and nine abstentions.

Cable & Wireless Worldwide and Cable & Wireless Communications also felt shareholder ire at their first annual meetings as separate firms. At CWC, which runs networks around the globe, one in five shareholders voted against its remuneration report with another 4% abstaining. Corporate governance group Pirc had warned salaries were too high, and objected to bonuses linked to absolute shareholder return with no requirement to outperform other companies in the telecoms sector.

Cable & Wireless angered investors three years ago over a lucrative "long-term incentive plan" which has paid out 8.3m to then chief executive John Pluthero. He now chairs CWW, the UK arm which issued a profit warning , and was rebuked by some investors. More than 12% of CWW's investors either voted against its remuneration report or abstained. Its chief executive Jim Marsh had a 150,000 pay rise to 650,000.

"The pay of FTSE100 executives is completely out of kilter, and I believe it is becoming a social evil," said John Farmer, a shareholder. Pluthero, who admitted he did not know how much he had earned since joining C& W, insisted that executive pay was in line with shareholder interests.
Experian Corporate governance Executive pay and bonuses Cable & Wireless J Sainsbury Logica Jill Treanor Graeme Wearden
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**Client:** Cable and Wireless Communications
**Source:** Guardian.co.uk (Web)
**Date:** 22 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

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[Journalistname]Jill Treanor Graeme Wearden[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** FOXBusiness.com (Web)
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
**Keyword:** Cable & Wireless Communications

## Cable & Wireless Communications Starts Year Well

LONDON -- Telecom group Cable & Wireless Communications said Wednesday that it has started the year well and is trading in line with expectations. Operations in Macau and Monaco and Islands are performing well in more favourable economic conditions, the firm said, and Panama is performing in line with expectations. However, conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter, it added.
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[Journalistname]Sarah Turner[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** FOXBusiness.com (Web)
**Date:** 21 July 2010
**Category:** CABLE & WIRELESS COMMUNICATIONS
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# UPDATE: Cable & Wireless Communications Trading In Line

(Adds analyst comments and details)

Of DOW JONES NEWSWIRES

LONDON -(Dow Jones)- Cable & Wireless Communications PLC (CWC.LN) said Wednesday its new financial year has got off to a good start with trading in line with expectations, although its performance in the Caribbean continued to be weak.

The U.K.-based telecom group's businesses in Macau and Monaco & Islands are both "performing well backed by more favourable economic conditions", Chief Executive Tony Rice said.

The business in Panama is experiencing "stronger economic growth which is helping the business to perform to expectations", but "conditions remain challenging in the Caribbean and the trading performance continued to be soft in the first quarter" as flagged in May, Rice said.

"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," he added. Cable & Wireless Communications first quarter trading update is in line with expectations, with the Caribbean operations continuing to hurt, and its business in Panama "weakening a bit", Evolution Securities analyst Steve Malcolm said.

The performance of its Monaco & Islands business looks "good", helped by the volcanic ash, which meant planes couldn't take off so people were roaming more, he added.

The firm's net debt, which rose by $130 million to $794 million at the end of June, "looks quite high" but that's because it transferred $117 million to Cable & Wireless Worldwide PLC (CW.LN) for the final dividend as anticipated under the demerger agreement, said Malcolm, who retains his sell rating on the stock and 42 pence target price.

The FTSE 250 group, which provides services to around 8.3 mobile, 0.6 million broadband and 1.8 million fixed line customers, was spun-off from Cable & Wireless PLC in March.

The other company that was spun-off, Cable & Wireless Worldwide PLC (CW.LN), on Tuesday issued a profit warning because of spending cuts by the U.K. government, triggering a sharp share price drop. Cable & Wireless Communications also announced that director George Battersby would be stepping down from the board after the group's annual shareholder meeting on Wednesday.

The group will report its interim results on Nov. 4.

At the start of trade on the London Stock Exchange, Cable & Wireless Communications shares were up 2 pence at 58 pence, valuing the company at GBP1.47 billion.
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[Journalistname]Lilly Vitorovich[/Journalistname]

**Client:** Cable and Wireless Communications
**Source:** Computer Weekly (Web)
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**Keyword:** Cable & Wireless NICW C&W Worldwide / Communications

## Could public sector IT suppliers be up that well known creek?

Cable & Wireless was the first supplier, which recently met the government to discuss cost cutting, to come out and state the obvious. That profits would be impacted, in a negative fashion, by the government cuts in spending. 'Following the new government's Emergency Budget in late June, non-contracted spending in the UK public sector has slowed very significantly. Given the nature of our public sector business, this reduction will adversely impact trading in the current year,' said the company in a statement.

Now Capita, which also attended the government meeting, has come out and said: 'current pressures on public spending may potentially affect growth in the short term,' in its latest results statement.

But these two and the other top suppliers can probably weather this type of storm

But according to Mark Lewis, a Lawyer at Berwin Leighton Paisner specialising in outsourcing, it is the mid sized and small IT forms that depend on UP public sector business that could be hit the hardest.

Could this be bad end users. The disapearance of smaller suppliers will reduce competition, wipe out some service innovation and hit SME IT users the hardest.
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**Client:** Cable and Wireless Communications
**Source:** Evening Standard (Main)
**Date:** 22 July 2010
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**Category:** CABLE & WIRELESS OTHER
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# Chopping jobs is just not going to work, Mr Osborne

Jim Armitage

ANOTHER social gathering, another friend telling of how she'd just been laid off as part of the cutbacks in London public-sector workers. She's the third in my circle to get the chop in as many weeks, working for an arts archive that's been ordered to cut back. Doubtless there are thousands like her across the capital, suddenly facing a summer of worry about paying the mortgage.

Civil-service friends of mine talk of how they've not been allowed to replace people for months already. Government departments have not been cutting staff in huge numbers yet because they've had so much work to do, at the behest of Cameron & Co, figuring out how on earth they might implement budget reductions of 25% and 40%.

Chop, chop, chop.

We don't like doing this, say the Bullingdon boys in Downing Street, but we must. We have to cut back on the Whitehall waste built up by our deranged predecessors. Just look at the deficit – £155 billion! Something drastic must be done. We must cut back faster and deeper (mainly on stuff we don't actually use ourselves).

Private-sector dynamism will rebuild our economy, they say. Entrepreneurs will employ those who've spent the last decade pen-pushing at the taxpayer's expense. But there's a catch to this theory. And it's a huge one. You see, the trouble is immense swathes of the private sector are massively reliant on public spending. It's a total myth that the public and private sectors are separate entities.

The profit warnings and cautious statements coming out of some of our biggest companies over these past few weeks highlight this to an astonishing degree. It's not only been the obvious ones – building contractors such as Balfour Beatty and Connaught – but also many others you'd never have thought of: media firms hit by the lack of public-sector job ads, IT companies selling to schools.

For me, though, it was this week's shocker from Cable & Wireless that really hit home. One of the most fiercely capitalistic of firms on the planet, with its reputation for massive private equity-style bonuses in the boardroom, C&W warned that its revenues from supplying communications services to local authorities and government bodies was falling dramatically – perhaps by as much as £40 million. Its shares fell 17%, stripping the equivalent of £370 million off its value.

If C&W is suffering, surely so must BT, Logica, Capgemini and many other businesses attached barnacle-like to our public services. Make no mistake; these companies will waste no time shedding employees and contractors. Pretty soon, much of the public-sector "savings" will have been used up in welfare payments. And those who are out of work, or scraping by on part-time incomes, will be too skint to shop for goods and services, meaning more pain for private-sector businesses – perhaps even upmarket ones such as Osborne & Little and Smythson of Bond Street.

But never mind, our private-sector businesses will export us out of recession. A nice idea, except that it too is unlikely because politicians across Europe are carrying out the same daft austerity programmes as we are.

I'm not alone in despairing at the brutal withdrawal of Gordon Brown's economic stimulus. The media mainly feature the views of the economists in our investment banks (those institutions that got us into this mess in the first place). But legions of university economists are equally distraught.

Think again, Mr Osborne. And stop making my friends redundant.

**Client:** Cable and Wireless Communications
**Source:** CNBC UK (Main)
**Date:** 22 July 2010
**Page:** 223117
**Reach:** 0
**Size:** 1cm2
**Value:** 0

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|---|---|
| **Headline** | Cable & Wireless compared to Capita Group |
| **Summary** | Cable & Wireless is mentioned as having affected the sell-off of Capita Group shares, as the company announced earlier in the week that public sector contracts will have had a negative impact on C&W results. Capita has given a bullish statement on its performance. |
| **Station** | CNBC UK |
| **Type** | TV |
| **Programme Name** | Squawk Box Europe |
| **Programme Start** | 22/07/2010 06:00:00 |
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**Client:** Cable and Wireless Communications
**Source:** CNBC UK (Main)
**Date:** 22 July 2010
**Page:** 223097
**Reach:** 0
**Size:** 1cm2
**Value:** 0

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|---|---|
| **Headline** | Comments on Capita - Cable and Wireless mentioned |
| **Summary** | A reporter comments on Capita, citing Cable and Wireless. Capita has announced a pre-tax profit increase of 15pc. This comes despite news from Cable and Wireless last week depicting a slower quarter due to government budget cuts. |
| **Station** | CNBC UK |
| **Type** | TV |
| **Programme Name** | Squawk Box Europe |
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| **Clip Duration** | 00:00:44 |