

**Cable and Wireless International Finance B.V.**

**Interim Financial Statements September 30, 2016**

**Amsterdam, the Netherlands**

Cable and Wireless International Finance B.V.  
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Chamber of Commerce: 33.214.341

***Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016***

**Table of contents**

<b>1.</b>	<b>Directors' report</b>	
1.1	Directors' report	2
<b>2.</b>	<b>Financial statements</b>	
2.1	Balance sheet as at September 30, 2016	4
2.2	Statement of income for the period April 1, 2016 up to and including September 30, 2016	6
2.3	Cash flow statement for the period April 1, 2016 up to and including September 30, 2016	7
2.4	Notes to the financial statements	8
2.5	Notes to the balance sheet	12
2.6	Notes to the statement of income	17

# ***Cable and Wireless International Finance B.V. Interim Financial Statements September 30, 2016***

## **1.1 Directors' report**

### **General**

Management hereby presents to the shareholder the unaudited interim financial statements ("the financial statements") of Cable and Wireless International Finance B.V. (the "Company") for the period April 1, 2016 up to and including September 30, 2016 as required under the Transparency Directive Implementation Act (Transparency Directive).

The Company was incorporated with limited liability on September 28, 1989 under the laws of the Netherlands. The objective of the Company is to act as a finance company. The group structure is further detailed in note 2.4 of the financial statements.

### **Activities and results**

During the period under review, the Company continued its activities with respect to the 2019 Bonds (as defined and described in note 2.5 [5] of the financial statements). These 2019 Bonds are listed on the London, Hong Kong and Frankfurt stock exchanges and are due for redemption in 2019. The Bonds are guaranteed by the shareholder of the Company, Cable & Wireless Limited. In turn, Cable & Wireless Limited is a wholly owned subsidiary of Cable & Wireless Communications Limited (formerly Cable & Wireless Communications Plc) (hereinafter "CWC"), one of the world's leading telecommunications companies.

During the period under review, the Company realized a net result of USD 91,399 (corresponding period USD 167,840) and the equity ratio increased from 3.69% at March 31, 2016 to 3.87% at September 30, 2016. The activities of the Company developed in line with expectations.

On May 16, 2016, pursuant to a scheme of arrangement and following shareholder approvals, a subsidiary of Liberty Global plc ("Liberty Global") acquired CWC for shares of Liberty Global (the "Liberty Global Transaction").

### **Personnel related information**

The Company employed no personnel during the period (previous period: nil).

### **Research and development costs**

The Company does not perform any research and development.

### **Future outlook**

No material change in activities is contemplated for the coming period. It is expected that the full year result will be in line with that of the reporting period. Furthermore, management has no current plans that would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

### **Subsequent events**

Management is not aware of significant events that have occurred since the balance sheet date that were not included in the financial statements.

# ***Cable and Wireless International Finance B.V. Interim Financial Statements September 30, 2016***

## **1.1 Directors' report**

### **Financial risks**

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited were not to meet its obligations in respect of the GBP Shareholder Loan (as defined and described in note 2.5 [1] of the financial statements) and the 2019 Bonds. At September 30, 2016, management has no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

The Company has agreements in Pound Sterling ("GBP") for the GBP Shareholder Loan and the 2019 Bonds, each in the principal amount of GBP 200,000,000. The GBP Shareholder Loan carries a fixed interest rate at 8.75% per annum, whilst the 2019 Bonds carry a fixed interest rate at 8.625% per annum. Accordingly, the Company does not consider the foreign currency and interest risks to be significant.

The Company does not enter into derivative financial instruments to protect itself against changes in exchange rates or interest rates. Risks in connection with anticipated significant classes of transactions are not hedged.

For further elaboration on the Company's risks, please refer to note 2.4 of the financial statements.

### **Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het Financieel Toezicht")**

To our knowledge,

1. the interim financial statements give a true and fair view of the assets, liabilities, financial position and result of the Company;
2. the Directors' report gives a true and fair view of the position as per September 30, 2016 and the developments during the half-year ended September 30, 2016 of the Company and the Directors' report describes the material risks that the Company is facing.

Amsterdam, November 30, 2016

Managing directors,

B.H.Y. Bradberry

Rokin Corporate Services B.V.

Intertrust Management B.V.

**Cable and Wireless International Finance B.V.**  
**Interim Financial Statements September 30, 2016**

**2.1 Balance sheet as at September 30, 2016**

(Before result appropriation)

	Note	September 30, 2016		March 31, 2016	
		USD	USD	USD	USD
<b>ASSETS</b>					
<b>Fixed assets</b>					
<i>Financial fixed assets</i>	[1]				
Loans due from shareholder		259,538,022		282,286,521	
Due from shareholder		<u>9,862,054</u>		<u>9,830,511</u>	
			269,400,076		292,117,032
<b>Current assets</b>					
<i>Receivables</i>	[2]				
Due from shareholder		12,538,290		1,428,481	
Income taxes receivable		39,439		2,293	
Prepaid expenses and other receivables		<u>4,901</u>		<u>1,312</u>	
			12,582,630		1,432,086
Cash and cash equivalents	[3]		54,243		4,514
			<u>282,036,949</u>		<u>293,553,632</u>

**Cable and Wireless International Finance B.V.**  
**Interim Financial Statements September 30, 2016**

**2.1 Balance sheet as at September 30, 2016**

(Before result appropriation)

	Note	September 30, 2016		March 31, 2016	
		USD	USD	USD	USD
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>	[4]				
Share capital		819,686		814,644	
Share premium		23,747,102		23,747,102	
Other reserve		145,105		150,147	
Accumulated deficit		(13,888,362)		(14,128,270)	
Unappropriated result		<u>91,399</u>		<u>239,908</u>	
			10,914,930		10,823,531
<b>Long term liabilities</b>	[5]				
Bonds		<u>259,538,022</u>		<u>282,286,521</u>	
			259,538,022		282,286,521
<b>Current liabilities</b>	[6]				
Interest payable		11,565,663		405,787	
Accrued expense and other liabilities		<u>18,334</u>		<u>37,793</u>	
			11,583,997		443,580
			<u><u>282,036,949</u></u>		<u><u>293,553,632</u></u>

**Cable and Wireless International Finance B.V.**  
**Interim Financial Statements September 30, 2016**

**2.2 Statement of income for the period April 1, 2016 up to and including September 30, 2016**

	Note	Six months ended September 30, 2016		Six months ended September 30, 2015	
	<u>          </u>	USD	USD	USD	USD
<b>Income</b>					
Interest income	[7]	11,421,415		13,328,319	
Foreign currency transaction gains	[8]	<u>          -</u>		<u>23,798</u>	
			11,421,415		13,352,117
<b>Expense</b>					
Interest expense	[8]	(11,192,577)		(13,093,973)	
Foreign currency transaction losses		<u>(64,315)</u>		<u>          -</u>	
			<u>(11,256,892)</u>		<u>(13,093,973)</u>
<b>Net operating result</b>			164,523		258,144
Management and administration fee		(27,990)		(21,918)	
Tax advisory fee		(11,094)		(10,795)	
Audit fees		(1,047)		-	
Bank charges		(431)		(451)	
Other operating expenses		<u>(8,642)</u>		<u>(14,651)</u>	
			<u>(49,204)</u>		<u>(47,815)</u>
<b>Result before income taxes</b>			115,319		210,329
Income tax expense	[9]		(23,920)		(42,489)
<b>Net result</b>			<u>          91,399</u>		<u>          167,840</u>

**Cable and Wireless International Finance B.V.**  
**Interim Financial Statements September 30, 2016**

**2.3 Cash flow statement for the period April 1, 2016 up to and including September 30, 2016**

The cash flow statement is prepared according to the indirect method.

	<b>Six months ended September 30, 2016</b>		<b>Six months ended September 30, 2015</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Net result</b>		91,399		167,840
Adjusted for changes in:				
Income tax expense	23,920		42,489	
Prepaid expense and other receivables	(3,589)		(6,387)	
Interest payable	11,159,876		13,101,655	
Accrued expenses and other liabilities	(19,459)		(23,071)	
Amounts due from shareholder	<u>(11,141,352)</u>		<u>(13,261,450)</u>	
		<u>19,396</u>		<u>(146,764)</u>
		110,795		21,076
Income taxes paid		<u>(61,066)</u>		<u>(80,601)</u>
<b>Cash flow from operating activities</b>		<u>49,729</u>		<u>(59,525)</u>
<b>Cash flow from investing activities</b>		<u>-</u>		<u>-</u>
<b>Cash flow from financing activities</b>		<u>-</u>		<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		49,729		(59,525)
Cash and cash equivalents at April 1		4,514		72,450
Cash and cash equivalents at September 30		<u><u>54,243</u></u>		<u><u>12,925</u></u>



# ***Cable and Wireless International Finance B.V. Interim Financial Statements September 30, 2016***

## **2.4 Notes to the financial statements**

### **General information**

Cable and Wireless International Finance B.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on September 28, 1989. The registered office of the Company is in Amsterdam, the Netherlands.

The objectives of the Company are to act as a finance company.

The Company qualifies as a public interest entity (Organisatie van Openbaar Belang) within the meaning of Article 1, par 1, sub I "Wet toezicht accountantsorganisaties" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Company is required to have an Audit Committee. The Company uses the exemption granted in Article 3 of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the ultimate parent company (Liberty Global plc, London, United Kingdom) (hereinafter "Liberty Global") has instituted an Audit Committee, which is the case as at September 30, 2016.

The Company is registered at the trade register of the Dutch Chamber of Commerce under number 33.214.341.

### **Group structure**

The Company is a subsidiary of Cable & Wireless Limited (the "Parent Company"), London, United Kingdom, which owns 100% of the Company's shares. In turn, Cable & Wireless Limited is a wholly owned subsidiary of CWC, which is ultimately 100% owned by Liberty Global (the "Ultimate Parent Company"). The Company's figures are taken up in the consolidated accounts of Liberty Global. The consolidated accounts of Liberty Global can be obtained from their website: [www.libertyglobal.com](http://www.libertyglobal.com). The consolidated accounts of CWC can be obtained from their website: [www.cwc.com](http://www.cwc.com).

### **Related parties**

The Company is engaged in the financing of its shareholder by issuing unsecured bonds secured by its shareholder. The conditions of these loans are all at arm's length. Please refer to the Notes to the balance sheet items for further details.

### **Solvency**

The Company acts as a group financing company. As such, the Company is economically and organizationally linked to the CWC Group and, indirectly, to Liberty Global. Therefore the solvency of the CWC Group and that of Liberty Global should be considered when assessing the Company's solvency.

### **Going concern**

These financial statements have been prepared on the basis of the going concern assumption.

### **Comparison with previous period**

The accounting principles remained unchanged compared to the previous period.

### **Change of year end**

The Board of the Company has resolved to change the accounting year end reference date from March 31 to December 31. The change conforms the Company's financial year end with that of Liberty Global.

# ***Cable and Wireless International Finance B.V.***

## ***Interim Financial Statements September 30, 2016***

### **2.4 Notes to the financial statements**

#### **Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

#### **Functional and presentation currency**

The functional currency of the Parent Company, CWC, and Liberty Global is the US Dollar ("USD"). In respect of the Company, the Directors consider the USD to be the functional currency reflecting the economic effects of the underlying transactions, events and conditions for the Company. The Company therefore presents its financial statements in USD.

#### **Basis of preparation**

The Company qualifies as a large sized company and the financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands ("Dutch Gaap") and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared on a historical cost basis and presented in USD. Assets and liabilities are stated at nominal value, unless otherwise stated.

#### **Payables and receivables**

Payables are stated at nominal value. Short term payables and receivables are reclassified to long term if it is expected that the amounts will not be repaid or recovered within 12 months after the balance sheet date.

The receivables due from shareholder and other receivables are initially valued at fair value, and subsequently valued at amortised cost, which is similar to the nominal value, after deduction of any provisions, if necessary.

#### **Revenue recognition**

Interest income and expense are recognized in the income statement based on accrued amounts. Operating expenses are accounted for in the period in which they are incurred. Losses are accounted for in the period in which they are identified.

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities that result from transactions in foreign currencies are translated at the rate prevailing on the date of the transaction. These balance sheet items are valued at cost.

#### **Bonds**

The 2019 Bonds are recognised initially at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost. The 2019 Bonds are amortised to the settlement amount using the effective interest method.

Current debt represents amounts that are due within 12 months. Non-current debt represents amounts that are expected to be settled after more than 12 months from the reporting date.

# ***Cable and Wireless International Finance B.V.***

## ***Interim Financial Statements September 30, 2016***

### **2.4 Notes to the financial statements**

#### **Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- currency risk
- credit risk
- liquidity risk
- interest risk

#### Currency risk

The Company is exposed to movements in exchange rates in relation to non-USD denominated assets, liabilities, income and expenses. Where appropriate, the Company manages its exposure to movements in exchange rates on a net basis. Affiliates of the Company use forward foreign exchange contracts and other derivative and financial instruments to reduce the exposures created when currencies do not naturally offset in the short term. Affiliates of the Company will undertake hedges to minimise the exposure to individual transactions that create significant foreign exchange exposures for the Company where appropriate.

#### Credit risk

Cash deposits and similar financial instruments give rise to credit risk, which represents the loss that would be recognised if a counterparty failed to perform as contracted. The carrying amount of the financial assets of the Company represents the maximum credit exposure of the Company. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Company's financial instruments are core relationship banks. These banks are awarded a maximum credit limit based on ratings by Standard & Poor's and Moody's, the level of banks' credit default swap (CDS) and its associated level of tier one capital. The credit limit assigned to counterparties is monitored on a continuing basis. The credit risk on the loan receivable from the Company's shareholder is considered low due to the shareholder's financial position.

#### Liquidity risk

The Company manages its own liquidity to meet its financial obligations of servicing and repaying external debt. Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. The Directors also regularly assess the balance of capital and debt funding of the Company.

#### Interest risk

The Company is exposed to movements in interest rates on its surplus cash balances and variable rate loans although there is a degree of offset between the two. Accordingly, the Company does not consider interest risk to be significant. The Company may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate.

The Company does not currently use derivative financial instruments.

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited were not to meet its obligations in respect of the GBP Shareholder Loan and the 2019 Bonds, as further described in note 2.5 [1] and [5], respectively. At 30 September 2016, management has no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

# ***Cable and Wireless International Finance B.V.***

## ***Interim Financial Statements September 30, 2016***

### **2.4 Notes to the financial statements**

#### **Financial fixed assets**

Financial fixed assets are valued at nominal value.

#### **Equity**

##### *Share capital*

Ordinary shares are classified as share capital.

##### *Share premium*

An amount of USD 23,747,102 is classified within equity as share premium.

##### *Other reserves*

Gains and losses resulting from the translation of the issued and paid-up capital from Euro ("EUR") into USD is recorded in other reserves.

#### **Income taxes**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on rates that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are offset in the balance sheet.

#### **Estimates**

The preparation of the financial statements in accordance with Dutch GAAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. They form the basis of judgements about the carrying values of assets and liabilities that are not readily available from the other sources. Actual results may differ from these estimates.

#### **Principles for preparation of the cash flow statement**

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered highly liquid investments. Cash flows in foreign currencies are translated at the exchange rates prevailing at the date of the transactions.

**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.5 Notes to the balance sheet**

**ASSETS**

**Fixed assets**

**Financial fixed assets [1]**

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
	<b>USD</b>	<b>USD</b>
<b>Loan due from shareholder</b>		
Opening balance as at April 1	282,286,521	298,284,862
Foreign currency translation adjustment	(22,748,499)	(15,998,341)
Balance as at September 30	259,538,022	282,286,521

The loans due from shareholder relates to a loan due from Cable & Wireless Limited in the amount of GBP 200,000,000 (USD 259,538,022) (the "GBP Shareholder Loan"). The GBP Shareholder Loan is fully repayable on June 1, 2019 and carries a fixed interest at 8.75% per annum.

**Due from shareholder**

Details of the amount due from shareholder are as follows:

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	9,830,511	9,772,758
Interest for the period	31,543	57,753
Balance as at September 30	9,862,054	9,830,511

The amount due from shareholder relates to an USD 8,000,000 loan due from Cable & Wireless Limited, which is unsecured. The interest rate on this loan is the three-month LIBOR USD rate. The average interest rate during the period was 0.641%. Unpaid interest is generally transferred to the loan balance on March 31 of each year.

The loan is generally callable on demand, with a term of three months. The loan is classified under financial fixed assets as Cable & Wireless Limited is a related company, has the same management as the Company, and the intent to settle the loan in connection with the maturity of the 2019 Bonds and GBP Shareholder Loan. The fair value of this loan was not subject to reasonable estimation due to the related-party nature of the loan.

**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.5 Notes to the balance sheet**

**Receivables [2]**

**Due from shareholder**

The amount due from shareholder is as follows:

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
	<b>USD</b>	<b>USD</b>
Accrued interest due from Cable & Wireless Limited	12,536,018	390,225
Other amounts due from Cable & Wireless Limited	2,272	1,038,256
	<hr/>	<hr/>
	12,538,290	1,428,481
	<hr/>	<hr/>

It is expected that the amounts due from Cable & Wireless Limited will be repaid within one year after the balance sheet date.

	<b>September 30, 2016</b>	<b>March 31, 2016</b>
	<b>USD</b>	<b>USD</b>
<b>Corporate income tax receivable</b>		
Corporate income tax receivable - prior	2,307	-
Corporate income tax receivable - current	37,132	2,293
	<hr/>	<hr/>
	39,439	2,293
	<hr/>	<hr/>

**Cash and cash equivalents [3]**

The cash and cash equivalents relate to bank balances and are available on demand.

Cash and cash equivalents comprise cash in hand and at bank, short-term deposits and money market funds with a maturity of three months or less. They are highly liquid monetary investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents in the balance sheet is considered to approximate fair value.

**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.5 Notes to the balance sheet**

**SHAREHOLDER'S EQUITY AND LIABILITIES**

**Shareholder's equity [4]**

Details of shareholder's equity are as follows:

**Share capital**

The authorized capital amounts to EUR 3,640,000 consisting of 8,000 ordinary shares of EUR 455 each, of which 1,601 shares are issued and paid-up.

In accordance with article 373, paragraph 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the period-end rate spot rate of 1.1252 (March 31, 2016: 1.11832). Gains or losses resulting from this translation are recorded in other reserves.

	<b>6 months to September 30, 2016</b>	<b>6 months to September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	814,644	800,412
Other reserve amount	5,042	15,053
Balance as at September 30	<u>819,686</u>	<u>815,465</u>

**Share premium**

Details of share premium are as follows:

	<b>6 months to September 30, 2016</b>	<b>6 months to September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	23,747,102	23,747,102
Movement during the period	-	-
Balance as at September 30	<u>23,747,102</u>	<u>23,747,102</u>

**Other reserves**

Details of other reserves are as follows:

	<b>6 months to September 30, 2016</b>	<b>6 months to September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	150,147	164,379
Movement during the period	(5,042)	(15,053)
Balance as at September 30	<u>145,105</u>	<u>149,326</u>

**Cable and Wireless International Finance B.V.**  
**Interim Financial Statements September 30, 2016**

**2.5 Notes to the balance sheet**

**Accumulated deficit**

	<b>6 months to September 30, 2016</b>	<b>6 months to September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	(14,128,270)	(14,321,405)
Appropriation of result	239,908	193,135
Balance as at September 30	<u>(13,888,362)</u>	<u>(14,128,270)</u>

**Unappropriated result**

Details of the unappropriated result are as follows:

	<b>6 months to September 30, 2016</b>	<b>6 months to September 30, 2016</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1		
Proposal profit appropriation	239,908	193,135
Appropriation of prior period result	91,399	167,840
	(239,908)	(193,135)
Balance as at September 30	<u>91,399</u>	<u>167,840</u>

**Long-term liabilities [5]**

**Bonds**

In June 1994, the Company issued GBP 200,000,000 8.625% bonds due in 2019 (the "2019 Bonds"), which are secured by a guarantee given by Cable & Wireless Limited. The proceeds of the 2019 Bonds were loaned to Cable & Wireless Limited. The 2019 Bonds are listed on the London, Hong Kong and Frankfurt stock exchanges.

The movement in the carrying value of the 2019 Bonds is detailed as follows:

	<b>6 months to September 30, 2016</b>	<b>12 months to March 31, 2016</b>
	<b>USD</b>	<b>USD</b>
Opening balance as at April 1	282,286,521	298,284,862
Foreign currency translation adjustments	(22,748,499)	(15,998,341)
Balance as at September 30	<u>259,538,022</u>	<u>282,286,521</u>



**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.5 Notes to the balance sheet**

As at September 30, 2016 Cable & Wireless Limited is one of the bondholders of the 2019 Bonds with a face value of USD 69,166,883 (GBP 53,300,000).

The following table summarises the movement in the principal balance of the 2019 Bonds from the original issue date up until September 30, 2016:

	<u>GBP</u>
Issued in 1994	200,000,000
Repurchased in 2005	(19,900,000)
Repurchased in 2007	(1,500,000)
Repurchased in 2008	(31,900,000)
Sold during 2008/2009	53,300,000
	<u>200,000,000</u>

The amounts presented as repurchased in the relevant years are stated at par value. Any differences between the par value and market price on the date of repurchase were expensed by Cable & Wireless Limited.

As at September 30, 2016, the market value of the 2019 Bonds was USD 283,545,289 (GBP 218,500,000) (March 31, 2016: USD 310,529,207 (GBP 220,010,000)).

**Current liabilities [6]**

**Interest payable**

Interest payable includes amounts due to (i) holders of the 2019 Bonds of USD 8,483,414 equal to GBP 6,537,319 (March 31, 2016: USD 297,645 equal to GBP 210,881), which are due and payable on March 25, 2017, and (ii) our shareholder of USD 3,082,249 equal to GBP 2,375,181 (March 31, 2016: USD 108,142 equal to GBP 76,619).

**Accrued expenses and other liabilities**

	<u>September 30, 2016</u>	<u>March 31, 2016</u>
	<u>USD</u>	<u>USD</u>
Audit fee payable	-	30,365
Tax advisory fee payable	12,891	6,710
Management and administration fee payable	1,774	718
Other expenses payable	3,669	-
	<u>18,334</u>	<u>37,793</u>

**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.6 Notes to the statement of income**

**Financial income and expense**

**Income [7]**

**Interest income**

	<b>Six months ended September 30, 2016</b>	<b>Six months ended September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Interest income from Cable & Wireless Limited	11,420,396	13,328,319
Discount on the CIT payable for the period	1,019	-
	<b>11,421,415</b>	<b>13,328,319</b>

**Expense [8]**

**Interest expense**

	<b>Six months ended September 30, 2016</b>	<b>Six months ended September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Interest expense – 2019 Bonds	11,192,577	13,093,973
	<b>11,192,577</b>	<b>13,093,973</b>

The interest expense related to the 2019 Bonds is settled by Cable & Wireless Limited.

**Foreign currency transactions losses/ (gains)**

	<b>Six months ended September 30, 2016</b>	<b>Six months ended September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Exchange loss/(gain) on the GBP Shareholder Loan	22,844,995	(5,364,524)
Exchange (gain)/loss on 2019 Bonds	(22,781,199)	5,351,178
Exchange loss/(gain) others	519	(10,452)
	<b>64,315</b>	<b>(23,798)</b>

**Cable and Wireless International Finance B.V.  
Interim Financial Statements September 30, 2016**

**2.6 Notes to the statement of income**

**Income tax expense [9]**

	<b>Six months ended September 30, 2016</b>	<b>Six months ended September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Charge for the period	23,920	42,489

The effective tax rate for the period amounts to 20.74% (previous period 20.20%).

The Company concluded a tax ruling with the Dutch tax authorities on August 14, 2015 wherewith the method of the determination of the taxable result was agreed. This tax ruling will expire on December 31, 2019.

The Company has filed its corporate income tax returns for all years except for 2015/2016, which is not yet due as of the date of this report. The Company has received its latest final Dutch Corporate Income Tax (CIT) assessment on March 5, 2016 for the 2013/2014 tax year, which was consistent with the originally filed return.

**Audit fee disclosure [10]**

The following fees for 2015/2016 have been or will be charged by Grant Thornton Accountants en Adviseurs B.V. to the Company:

	<b>Six months ended September 30, 2016</b>	<b>Six months ended September 30, 2015</b>
	<b>USD</b>	<b>USD</b>
Statutory audit of annual accounts	1,047	-

**Employees and directors [11]**

During the period under review, the Company did not employ any personnel (previous period: nil). The Company has three statutory directors. The three directors received a total remuneration of USD 4,339 for services provided as director of the Company during the period.

The Company has no supervisory board.

**Subsequent events [12]**

Management is not aware of any significant events that have occurred since the balance sheet date that were not included in the financial statements.

Amsterdam, November 30, 2016

Managing directors,

B.H.Y. Bradberry

Rokin Corporate Services B.V.

Intertrust Management B.V.