



ANNOUNCEMENT
26 August 2014

CABLE & WIRELESS COMMUNICATIONS, PLC, THROUGH ITS CABLE & WIRELESS PANAMA, S. A. SUBSIDIARY, ACQUIRES GRUPO SONITEL

Panama's leading Telecommunications Company adds IT services to its Data and Telecoms offering for Businesses and Governments and enters the El Salvador, Peru, and Nicaragua B2B markets

Cable & Wireless Communications, Plc (CWC), through its subsidiary Cable & Wireless Panamá, S. A. (CWP), today announces that it has agreed to acquire Panama-based Grupo Sonitel for US\$36 million plus contingent consideration of up to an additional US\$5 million. Grupo Sonitel operates SSA Sistemas, a provider of end-to-end managed IT solutions and telecoms services to business and government customers in Panama, as well as in El Salvador, Nicaragua and Peru; and Sonset, a provider of IT solutions and services to Small and Medium Enterprise (SME) customers in Panama. Logistica, an IT hardware reseller and a small number of other non-core Grupo Sonitel companies, are not included as part of the transaction.

Phil Bentley, CEO of Cable & Wireless Communications said: "This transaction is in line with the strategy we outlined in May to grow our business (B2B) and government (B2G) capabilities. Business customers have increasingly complex needs as telecommunications and IT services converge, and as they look for hosted, integrated solutions to deliver greater innovation and efficiencies. Governments, too, are recognizing and embracing the power of managed services to deliver policy objectives in areas such as health, security, education, and e-government, where our Panama business has already pioneered a number of market-leading developments. Adding more than 350 IT software and telecoms service engineers to our team will considerably boost our capabilities in this field; and I'm delighted that Julio Speigel F., who has been working with Grupo Sonitel for 20 years and serves as Executive Vice President, has agreed to lead the business".

CWC recently announced Project Marlin, its US\$1 billion three year investment-led strategy to upgrade its networks and enhance its offer to customers. Within B2B, improved core connectivity opens opportunities to add IT services and telecoms solutions – Grupo Sonitel's specialist area of expertise.

Bringing together CWP's networks, connectivity expertise, and customer scale, with Grupo Sonitel's end-to-end managed services and solutions will create a market-leading proposition for customers in Panama. There are also opportunities to grow the business in El Salvador, where the two companies already partner on the government's 911 project, as well as in Peru, Nicaragua and the Caribbean markets where CWC is the leading provider of telecoms services to businesses. Combining the most extensive MPLS and international connectivity network in the region, with Grupo Sonitel's capabilities, will provide further growth opportunities.

Julio Spiegel R., President of Grupo Sonitel said, “Along with its people, Grupo Sonitel’s key assets are our renowned brands; strong relationships with key suppliers; certified specialists; and over 50 years of customer relationships. With our customers and team in mind, joining Cable & Wireless Communications, was the best choice to secure the future of Grupo Sonitel. By bringing together CWC’s communications and network capabilities with Grupo Sonitel’s hosted solutions and IT expertise, we will be able to deliver an unbeatable offer to our customers. The transaction represents a significant commitment to the Panama market, to our business and government customers, and to our people. Grupo Sonitel’s management is as excited and committed to the transaction as I am and we see great opportunities for the new company to grow and develop our services”.

About Cable & Wireless Communications (CWC)

CWC is a full-service communications business. We offer mobile, broadband and domestic and international fixed line services in most of our markets as well as pay TV, data centre and hosting, carrier and managed service solutions. We are the market leader in most of the products we offer and territories we serve. For more information visit www.cwc.com.

According to IDC, the Information and Communications Technology (ICT) market in Central America is expected to grow 11% per annum between 2013 and 2016. CWC’s strategy for business solutions is to evolve its product offering to continue to lead the market and capture the opportunities new trends present. For this reason, earlier this year the company formed the Cable & Wireless Business Solutions unit to bring the necessary focus to its business and government customers’ needs and to drive the required investment in networks and capabilities.

About Grupo Sonitel

Grupo Sonitel, established in 1957, is the leading System Integrator of Hardware, Software and Services for the Telecommunications, Financial Services and Government Industries in Panama and is also present in El Salvador, Nicaragua and Peru. We have over 350 professionals that share the passion for client satisfaction, technology innovation and solutions that ensure the critical processes of our customers are part of their competitive advantage. Grupo Sonitel has the highest level of commitment with industry standards of certification and is today a Cisco Gold Partner, Oracle Platinum Partner, VMWare Enterprise Partner, and HP Platinum Partner; among other leading vendor certifications.

For the year ended December 31, 2013, the businesses included in the transaction had revenues of US\$77 million from continuing operations.

About Cable & Wireless Panama

Cable & Wireless Panama (CWP) is jointly owned by Cable & Wireless Communications (49%), the Government of the Republic of Panama (49%) and the Trust on behalf of the employees (2%). Cable & Wireless Communications has both management and board control. CWP is the market leader in the provision of fixed, mobile and broadband services in Panama and is also a major supplier of pay TV and enterprise services. CWP is committed to contributing towards the social and economic development of the country through investing in projects and programs that widen access to telecommunications services. For more information, please visit: www.cwpanama.com.

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