

ANNOUNCEMENT
21 JULY 2015

CABLE & WIRELESS COMMUNICATIONS PLC
FIRST QUARTER TRADING UPDATE

Trading in line with outlook and Columbus integration progressing well

This announcement provides an update on the First Quarter performance and financial position of the Group since the year ended 31 March 2015. Interim results for the period ending 30 September 2015 are expected to be announced on 5 November 2015.

Highlights

- Group revenue of US\$583 million, up 4%
 - CWC (excluding Columbus) revenue grew by 2%, Columbus up 12%
- Mobile revenue flat against prior year with mobile data up 16% and 5% subscriber growth
 - LIME revenue growth of 10%, offset by a 9% decline in BTC due to reduced roaming rates
- 7% broadband and 2% video subscriber growth across Group
- Managed services revenue grew by 14% but Government contract awards in Panama were slow
- Integration progressing well; new management and organisation in place – c.140 management FTEs identified as leavers

Phil Bentley, Chief Executive of CWC, commented

“In the First Quarter we have made a good start on integration and have maintained momentum through organic growth. Mobile revenue was flat against the prior year and good progress was made in broadband and video. In Panama, we saw a delay in Government contracts being awarded. However we have invested in our Latin American managed services sales and marketing teams and continued to see strong revenue growth there. Cost synergies have been identified and embedded in management targets for the year; a new retail store format has been developed with plans in place to harmonise our product offering under the FLOW brand; and early results from cross-selling initiatives have been positive. Based on the First Quarter’s trading we maintain our guidance for the year.”

Group Trading Performance

Mobile (40% of total Group revenue) was flat in the First Quarter as strong growth in LIME, up 10%, was offset by a 9% decline in BTC. LIME growth was driven by continued subscriber additions in Jamaica (+17%) where investment in our mobile network led to revenue growth of 24%, whilst in our latest LTE market of Antigua, mobile data grew by 100% and ARPU was up 22%. Panama mobile performance was in line with the prior year as postpaid growth driven by increased subscribers (up 12%) was offset by continued prepaid competition. As expected, total mobile revenue in BTC was impacted by reduced international roaming rates (roaming revenue down 40%) in advance of a new mobile competitor entering the market later this calendar year.

Fixed voice (15% of Group revenue) declined 5% versus the prior year, as pressure from mobile substitution led to reduced ARPU, particularly in Panama.

Broadband (13% of Group revenue) was 14% higher against the prior year, as subscribers grew across all regions. In Panama and LIME, we saw continued subscriber growth (+2% and +4% respectively) drive revenue

higher as we focused on marketing strategies that targeted double and triple play bundles. In BTC, growth in broadband subscribers was offset by lower ARPU due to promotional strategies aimed at increasing market share. FLOW revenue growth was driven by subscriber additions in Trinidad, Barbados and Jamaica, and increased demand for higher tier data packages to enable running multiple connections and streaming content.

Video (9% of Group revenue) grew 11%. In Panama, subscribers were up 41%, and revenue rose 25%, driven by further penetration of our prepaid DTH service. We have recently launched an IPTV service in the Seychelles and plan to launch video across a number of Caribbean markets later this calendar year. FLOW revenue growth was driven by the phased implementation of higher ARPU Advanced Video Services (AVS) replacing legacy Video services. This increase was offset by lower subscribers due to adopting a more aggressive disconnection and debtor management process.

Managed Services (16% of Group revenue), grew 14% and was strengthened against the prior year by the acquisition of Sonitel in Panama. However there continued to be delays in awarding Government contracts in the First Quarter. Colombia performance was up 28%, aided by the Promitel acquisition in May 2014, whilst revenue in other Latin American markets, excluding Colombia, grew organically by 26%.

Wholesale (7% of Group revenue) grew 9% as rising demand for capacity more than offset unit price compression.

Capex: we invested US\$158 million of capital expenditure in the First Quarter, up 5% on the prior year. Investments are weighted to the early part of the year as we combine legacy CWC and Columbus networks. However total spend for FY2015/16 is expected to be lower than FY2014/15. Of the total, 41% has been spent on expanding our mobile networks, improving network resiliency and optimising our traffic management, whilst 46% has been spent on improving our broadband and video offering through expansion of our fixed fibre networks. We continue to deploy fibre access points in Jamaica, The Bahamas, Panama, Barbados, Trinidad and St. Kitts and Nevis in preparation for further broadband and video expansion.

Integration: we have agreed the new Group organisation structure with senior management now accountable for individual synergy targets. On 17 July we launched our first unified, quad-play product suite under the FLOW brand in Barbados and will roll-out similar offerings across our other Caribbean markets through the year. We have also begun to cross-sell mobile products in Barbados to FLOW video customers and have seen positive initial results with a call success rate greater than 10% and over 1,000 new mobile postpaid subscribers added.

The Group is on-track to achieve our initial synergy target of US\$85 million on a run-rate basis by the end of 2017/18 with c.140 FTEs at management levels identified as leavers. Further reductions are anticipated as the new organisational structure is implemented. Progress is also being made in combining fixed networks in markets such as Barbados and plans to create more efficient field force and back office operations are well underway.

Finally, further to the conditions for regulatory approval of the Columbus acquisition, we have appointed advisors to begin the marketing and disposal of our 49% stake in TSTT and of certain fibre assets in Barbados.

Group Net Debt

At 30 June 2015, Group net debt was US\$2,605 million, an increase of US\$239 million since 31 March 2015. Net debt comprised US\$2,800 million gross debt and US\$195 million cash, compared to US\$2,768 million and US\$402 million respectively at 31 March 2015. The increase in net debt was primarily due to costs associated with the acquisition of Columbus and a scheduled pension top-up payment of £31 million.

Key Performance Indicators

Subscribers (000s)	Panama		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	2,073	2,087	2,052
Broadband	135	132	132
Video	62	56	44
Fixed line	367	366	369
ARPU ²	30 Jun 15	31 Mar 15	30 Jun 14
Mobile	\$14.0	\$13.6	\$14.6
Broadband	\$28.9	\$29.3	\$28.8
Video	\$31.1	\$33.3	\$33.8
Fixed line	\$22.6	\$23.1	\$24.4

Subscribers (000s)	LIME		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	1,360	1,328	1,211
Broadband	224	224	216
Video	27	27	25
Fixed line	577	578	574
ARPU ²	30 Jun 15	31 Mar 15	30 Jun 14
Mobile	\$19.1	\$19.0	\$19.4
Broadband	\$36.9	\$35.1	\$36.3
Video	\$22.3	\$22.2	\$25.7
Fixed line	\$27.5	\$27.7	\$28.6

Subscribers (000s)	BTC		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	315	318	308
Broadband	26	25	24
Video	-	-	-
Fixed line	95	99	103
ARPU ²	30 Jun 15	31 Mar 15	30 Jun 14
Mobile	\$57.1	\$59.9	\$64.8
Broadband	\$45.6	\$48.5	\$54.8
Video	-	-	-
Fixed line	\$38.8	\$43.5	\$38.7

Subscribers (000s)	FLOW		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	-	-	-
Broadband	273	270	243
Video	369	377	380
Fixed line	71	71	63
ARPU ²	30 Jun 15	31 Mar 15	30 Jun 14
Mobile	-	-	-
Broadband	\$29.8	\$29.4	\$29.7
Video	\$38.1	\$37.6	\$37.5
Fixed line	\$16.6	\$16.5	\$17.1

Subscribers (000s)	Seychelles		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	87	87	83
Broadband	7	7	7
Video	-	-	-
Fixed line	18	17	17
ARPU ²	30 Jun 15	31 Mar 15	30 Jun 14
Mobile	\$27.4	\$26.3	\$31.6
Broadband	\$143.7	\$131.1	\$131.2
Video	-	-	-
Fixed line	\$40.9	\$32.4	\$39.0

Subscribers (000s)	TOTAL GROUP		
	30 Jun 15	31 Mar 15	30 Jun 14
Mobile ¹	3,835	3,820	3,654
Broadband	665	658	622
Video	458	460	449
Fixed line	1,128	1,131	1,126
Total	6,086	6,069	5,851

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

² ARPU is average revenue per user per month, Columbus ARPU is for residential customers only

Conference Call Details

Cable & Wireless Communications will also host a conference call for investors and analysts. The details are:

Date: Tuesday 21 July 2015
Time: 7:30 (BST)
Details: Cable & Wireless Communications Plc Q1 Trading Update
UK: +44(0)20 3427 1905
US: +1 646 254 3367
Confirmation Code: 9702522

Participants will have to quote the above code when dialling into the conference.

Audio playback of the call will be available shortly after the call finishes until Tuesday 28 July 2015. The details for the playback are:

UK: +44 (0)20 3427 0598
US: +1 347 366 9565
Replay Access Code: 9702522

About Cable & Wireless Communications

Cable & Wireless Communications Plc (CWC) is a full service communications and entertainment provider, operating in the Caribbean and Latin America. With annual sales of over \$2.4bn, it operates both mobile and fixed networks, supported by submarine and terrestrial optical fibre backhaul capacity. Through the acquisition of Columbus International Inc. on 31 March 2015, CWC now delivers superior high-speed mobile data, broadband and video services. It has leading market positions in Mobile, Fixed Line, Broadband and Video consumer offers. Through its business division, CWC provides data centre hosting, domestic and international managed network services, and customised IT service solutions, utilising cloud technology to serve business and government customers.

The company also operates a state-of-the-art subsea fibre optic cable network that spans more than 42,000 km – the most extensive in the region – as well as 38,000 km of terrestrial fibre providing wholesale and carrier backhaul capacity.

CWC has more than 7,000 employees serving over 6 million customers (Mobile 3.8m; Fixed Line 1.1m ; Video 460k and Broadband 665k) as well as over 125k corporate clients across 42 countries. The Company's leading brands include; LIME and Flow in the Caribbean; BTC in The Bahamas; Mas Movil in Panama; C&W Business and C&W Networks. CWC is the market leader in most products offered and territories served. It is a major contributor to local communities through its corporate social responsibility programmes.

Cable & Wireless Communications' shares are quoted on the London Stock Exchange under the ticker CWC. The company is headquartered in London with its operational hub located in Miami, within close proximity to the Caribbean and Latin America.

For more information visit: www.cwc.com.

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