



**CABLE & WIRELESS**

## **Announcement**

**17 JULY 2007**

### **INTERIM MANAGEMENT STATEMENT**

Cable and Wireless plc confirms that it is trading in line with expectations and is on track to achieve its guidance for Group EBITDA of between £573 million and £608 million for the current financial year to 31 March 2008, an increase of between 16% and 24% on the prior year.

Richard Laphorne, Chairman of Cable and Wireless plc, said:

“We have made a pleasing start to the financial year with both business units making good progress in continuing to execute on their strategic plans.”

Highlights since 1 April 2007 include:

#### Cable & Wireless Europe, Asia & US

- The announcement of the 25 year sale and leaseback of nine UK properties for which we received £88 million. Lease payments will be £4.5 million per year for the next five years with reviews every five years thereafter.
- The announcement of a four year agreement to become Virgin Media’s exclusive unbundled local loop (LLU) network provider on a wholesale basis until 2011.
- The signing of a groundbreaking five year IPTV via broadband deal with Inuk Networks.
- On 13 July, Tiscali acquired the consumer business of Pipex, our wholesale broadband customer. The contractual arrangements with Pipex remain in place and we are working with Tiscali on other commercial opportunities.

#### Cable & Wireless International

- Overall, International is trading in line with the 2007/08 guidance given on 24 May 2007.
- There have been changes in the geographical mix with some weakness in Jamaica offset by the stronger performance in Panama and other markets.
- In Jamaica, we are experiencing tougher market conditions and consequent pressure on margins. We are putting in place plans that we expect will improve the trading position over the coming months.
- The launch of mobile services in the British Virgin Islands on 2 June 2007 and in the Isle of Man on 3 July 2007.

#### Cable & Wireless Group

- Under the terms of the 4% Convertible bond due 2010, bondholders have converted bonds with a face value of £119,817,00 leading to the issue of 82,632,414 shares in the Company.

Separately, Cable and Wireless plc has purchased for cash, and cancelled, bonds with a face value of £137,885,000 for a total cash consideration of £190,314,000.

On 22 June, Cable and Wireless plc gave notice to the holders of the outstanding bonds that the Company will exercise its right to redeem the bonds at par plus accrued interest on 23 July. As a result, the remaining bonds with a face value of £12,000 will convert into 8,275 shares in the Company following instruction from the Trustee.

## ABOUT CABLE & WIRELESS

Cable & Wireless is one of the world's leading international communications companies. It operates through two standalone business units - Europe, Asia & US and International.

The Europe, Asia & US business unit (formerly known as the "UK" business) provides enterprise and carrier solutions to the largest users of telecoms services across the UK, US, continental Europe and Asia, and wholesale broadband services in the UK. With experience of delivering connectivity to 153 countries - and an intention to be the first customer-defined communications services business - the focus is on delivering customers a service experience that is second to none.

The International business unit operates integrated telecommunications companies in 33 countries offering mobile, broadband, domestic and international fixed line services to residential and business customers, with principal operations in the Caribbean, Panama, Macau, Monaco and the Channel Islands.

For more information about Cable & Wireless, go to [www.cw.com](http://www.cw.com)

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