

6 June 2008

## **CABLE AND WIRELESS PLC**

### **UPDATE REGARDING PROPOSAL TO THUS**

Cable and Wireless plc ("Cable & Wireless") confirms that on 28 May 2008 it approached the Board of Thus Group plc ("Thus") in relation to a possible cash offer for the company at a price of 165 pence per share. Thus has since informed Cable & Wireless that it would not be prepared to recommend an offer at this level or enter into discussions.

Cable & Wireless is disappointed in Thus' response since it strongly believes that 165 pence, representing a 50 per cent premium to the Thus share price on the day before its approach, is an attractive reflection of the value of Thus' standalone business and the benefits of the proposed business combination.

Cable & Wireless believes that, in the changing telecoms environment, scale is critical and only operators with significant scale and cost advantage will be able to sustain the investment required to attract higher margin revenues. Accordingly, Cable & Wireless believes that its proposal offers an attractive future for Thus and its customers, as Thus would become part of a larger, stronger group with greater scale, product and service capability and financial strength.

For Cable & Wireless, an acquisition of Thus would allow it to develop further the value of its Europe, Asia & US business ("EAUS") within its established strategic framework and accelerate its growth plans. In particular, the acquisition of Thus would:

- Accelerate EAUS' growing market share of large enterprise and government customers; and
- Produce savings in outpayments, operating costs and capital expenditure.

Cable & Wireless is also comfortable that its existing EAUS business is a strong platform from which to deliver the long term targets that have been set for the business on a standalone basis. As such, Cable & Wireless views Thus as an incremental opportunity that would be additive to its existing plans for value realisation. However, Cable & Wireless is also keen to ensure that its existing timetable to consider value realisation options in 2008/09 is unaffected by the proposed acquisition.

Against this background, Cable & Wireless considers that it is not in its shareholders' interests to engage in an extended process to try to persuade the Board of Thus to enter into discussions. Cable & Wireless is therefore today announcing a self-imposed deadline of 5:00pm on 30 June 2008 either to announce a firm intention to make an offer for Thus under Rule 2.5 of the City Code on Takeovers and Mergers (the "Code") or to announce that it does not intend to make an offer for Thus\*, unless the Takeover Panel otherwise agrees.

Cable & Wireless considers that its proposal represents a full and fair offer which unlocks value for Thus shareholders which would not be available to them on a standalone basis. Accordingly, Cable &

Wireless hopes that the Board of Thus will reconsider its refusal to discuss the Cable & Wireless proposal.

This announcement does not amount to a firm intention to make an offer and accordingly there can be no certainty that any offer will be made. A further announcement will be made in due course if appropriate.

#### **Contacts:**

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\* In the event that Cable & Wireless announces that it does not intend to make an offer for Thus, pursuant to Rule 2.8 of the Code, Cable & Wireless reserves the right to announce an offer or possible offer for Thus and/or to take any other action otherwise precluded under Rule 2.8 of the Code within six months of the date of such announcement if there is a material change in circumstances or if any of the following events occur:

- (i) the Board of Directors of Thus agrees to the making of such an announcement or the taking of such action; or
- (ii) a third party or Thus announces an offer or a possible offer for Thus or Thus makes a public announcement that it is seeking an offer for its entire share capital; or
- (iii) Thus or a third party announces a whitewash proposal (as described in Note 1 of the Notes on Dispensations from Rule 9 in the Code) or a reverse takeover (as described in Note 2 to Rule 3.2 of the Code) in respect of Thus; or
- (iv) Thus undertakes or announces an intention to undertake an acquisition, disposal, merger, joint venture, scheme of arrangement or other transaction involving a material amount (where material is defined in Note 2 to Rule 21.1 of the Code).

#### **Dealing disclosure requirements**

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Thus, all "dealings" in any "relevant securities" of Thus (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Thus, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Thus by Cable & Wireless or Thus, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.