



**CABLE & WIRELESS**

15 July 2008

### **CABLE & WIRELESS 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 £702 million and £725 million for the current financial year to 31 March 2009, an increase of between 16% and 20% on the previous year. This guidance is unchanged since the full year results on 22 May 2008 and comprises: International between £447 million and £455 million (assuming an exchange rate of US\$2.00 to £1.00); Europe, Asia & US between £285 million and £295 million; and an EBITDA cost of between £30 million and £25 million in Central.

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

“Both business units have made a pleasing start to the financial year. Europe, Asia & US has announced some significant customer wins demonstrating that the enterprise pure play strategy is resonating with our customers while International has taken the first steps in creating a single pan-Caribbean telecoms provider. These strong performances and outlook provide the Board with the momentum to consider the next steps to deliver further value to shareholders.”

Highlights since 1 April 2008 include:

- **Aviva contract renewal:** Europe, Asia & US signed a six-year c.£300 million contract with Aviva to provide a full communications suite – including voice telephony, data, IP networks and international services - for Aviva’s 35,000 staff based in the UK and India.
- **Tesco customer win:** Europe, Asia & US signed a five-year £100 million partnership contract with Tesco to become the exclusive supplier of data, fixed and mobile voice telecommunications to Tesco in the UK, and to create a new next generation network connecting 1,800 Tesco sites in more than 14 countries.
- **Cisco customer win:** The announcement of a three-year global contract with Cisco Systems for Europe, Asia & US to provide a new MPLS (data network) service to support Cisco’s expansion across Europe, the Middle East and Africa. The contract will involve the development of a network across the Middle East, increasing our network capacity and reach in this high-growth region.

- **Appointment of International CFO:** The appointment of Tim Pennington to the role of Chief Financial Officer for International who will join the International Operating Board when he takes up his appointment in September 2008. Tim joins International from Hutchison Telecommunications International Ltd, where he was Chief Financial Officer and an Executive Director.
- **Creation of a single pan-Caribbean telecoms provider:** The announcement in the Caribbean that our International business will build, from our existing operations across the region, a single, pan-Caribbean telecoms provider that aims to deliver world-class products and customer service to the people of the Caribbean. By combining the best of our products and services as well as the skills, resources and experience we have in the region, we will create a stronger business with a single brand.
- **Cash offer for Thus:** On 30 June 2008, Cable and Wireless plc announced the terms of a cash offer to acquire THUS Group plc ("Thus") at a price of 180 pence per share. The Thus Board has referred this offer to its shareholders for consideration. If the offer is accepted by the Thus shareholders the transaction is likely to complete in September 2008. Additionally, Cable and Wireless plc has acquired 54,726,677 shares in Thus for £98.5 million, representing 29.9% of the issued share capital of Thus.

The acquisition of Thus would represent an acceleration of the existing strategy of our Europe, Asia & US business and would allow both Cable and Wireless plc and Thus shareholders to benefit from the value created. Cable & Wireless views Thus as an incremental opportunity that would be additional to its existing plans and we are confident that integration would not interfere with value realisation.

- **Bank facility:** As one of the steps in the value realisation process, Cable & Wireless has put in place an underwritten three-year bank facility of US\$300 million.

**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 39 countries offering mobile, broadband, domestic and international fixed line services to residential and business customers, with four major operations in the Caribbean, Panama, Macau and Monaco & Islands.

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

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