

ANNOUNCEMENT
16 NOVEMBER 2015

FASTER GROWTH AND ENHANCED CUSTOMER BENEFITS EXPECTED FROM PROPOSED LIBERTY GLOBAL ACQUISITION OF CWC

The Board of Cable & Wireless Communications Plc (“CWC”) today announces that it has reached agreement on the terms of a recommended acquisition for the entire issued and to be issued share capital of CWC by Liberty Global (“the Transaction”).

Highlights

- The Recommended Offer delivers 86.82¹ pence per share to free float shareholders comprising shares in Liberty Global and a 3 pence per share Special Dividend²
- Represents a premium of approximately 50 per cent. to the undisturbed price of CWC on 21 October 2015
- The non-free float shareholders³ have irrevocably undertaken to accept the alternative offers resulting in an overall blended offer price for CWC of 81.91¹ pence per share
- Highly attractive LTM EV/EBITDA multiple of 12.3 times⁴
- Including the Special Dividend², transaction values CWC at approximately \$8.2 billion¹, including debt⁵
- Transaction expected to complete by calendar Q2 2016

The Board of Cable & Wireless Communications, having been approached directly by Liberty Global, has concluded that it is in the long-term best interests of the company, its shareholders, employees and customers, alike, to sell the business for an overall price of approximately \$8.2 billion¹. This equates to 86.82¹ pence per share in cash and Liberty Global shares for our free float shareholders and represents a premium of approximately 50 per cent. to our undisturbed share price, i.e. the price the day before Liberty Global’s interest in acquiring CWC became public, and a premium of approximately 18% to where CWC shares were trading last Friday, 13 November 2015.

Liberty Global is the world’s largest international cable television company, with nearly 27 million subscribers receiving over 57 million distinct services and generating approximately \$18 billion of annual revenues, with operations mainly in Europe, but growing ambitions in Latin America and the Caribbean.

By joining forces at this time, we combine our high growth assets in Latin America and the Caribbean, with the scale and complementary skills of a truly world class global player, materially improving our ability to offer leading products and services to customers in the region we serve. And by adding their strength and 1.5 million customers in Puerto Rico and Chile, backed by our strengths in adjoining markets and in leading submarine and terrestrial fibre networks, together we expect to grow our Consumer and B2B offers even faster.

¹ Based on the 10 day volume weighted average prices of the relevant Liberty Global shares on 13 November 2015 and a £ / \$ exchange rate of 1.5206

² The Special Dividend will be payable to CWC shareholders on the register at 6pm (London time) on the business day immediately prior to the date on which the Scheme becomes effective

³ John Risley, John Malone and Brendan Paddick

⁴ Based on proportionate LTM EBITDA of \$668 million

⁵ Proportionate net debt of \$2.7 billion as at 30 September 2015

Sir Richard Laphorne, Chairman of CWC, commented

“While we remain confident that CWC's unique and highly attractive business has a substantial long-term growth opportunity ahead of it, we believe the Recommended Offer represents an attractive premium for shareholders and secures earlier delivery of our long-term value potential, hence the Board's recommendation today.

“Taken alongside the irrevocable commitments made by John Risley, John Malone and Brendan Paddick, this offer will deliver a price per share of 87 pence to CWC's free float investors and a 50% takeover premium to the undisturbed price on 21 October 2015.”

Phil Bentley, Chief Executive of CWC, said

“Since we launched our new strategy two years ago, CWC has transformed itself into a leading regional quad play operator. The disposal of Monaco, the creation of our regional hub in Miami and the recent acquisition of Columbus accelerated our competitive positioning whilst at the same time generating significant value for shareholders and enhanced service levels for our customers.

“Liberty Global offers scale and world class capabilities and will be an outstanding custodian of our business, both for our people and our customers. The years ahead should bring new opportunities for further success, faster growth and enhanced customer benefits, built on the strong foundation we have created.

“I would like to take this opportunity to thank all the employees of CWC for their hard work to position our company for success, culminating in the substantial shareholder value creation announced today.”

Shareholder returns

CWC has created significant value for shareholders over recent years. The market capitalisation of CWC has grown from c.£1.1bn on 21 October 2013 to c.£2.5bn on 21 October 2015, the day before Liberty Global's interest in CWC became public. The total shareholder return over the last two years leading up to this date was c.46% in comparison with c.16% for the FTSE 250 over the same period. Incorporating the headline recommended offer price, CWC's share price has grown to 86.82 pence, implying a total shareholder return of c.119% since 21 October 2013.

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Further information

- Free float shareholders will also have the option to elect for new LiLAC shares in accordance with the LiLAC Alternative or, if they so choose, either of the non-recommended Offers but are advised to consult their financial advisers before so doing
- CHLLC, a company controlled by John Malone, has irrevocably undertaken to accept the First Dual Alternative Offer and the Clearwater entities (Clearwater Holding Ltd and CVBI Holding Inc.), being companies controlled by John Risley, and Brendan Paddick have irrevocably undertaken to accept the Second Dual Alternative Offer. The CWC Board is not recommending these two Alternative Offers
- Irrevocable commitments to accept the Offers have been received from 36 per cent. of CWC shareholders, including Brendan Paddick, the investment vehicles of John Risley and John Malone
- Evercore Partners International LLP (“Evercore”) is acting as Lead Financial and Rule 3 Advisor, J.P. Morgan Cazenove (“J.P. Morgan Cazenove”) is acting as Financial Advisor and Corporate Broker, and Deutsche Bank AG, London Branch (“Deutsche”) is acting as Corporate Broker to CWC
- The CWC Directors, who have been so advised by Evercore, consider the financial terms of the Recommended Offer to be fair and reasonable. In providing its advice to the CWC Directors, Evercore has taken into account the commercial assessments of the CWC Directors. Accordingly, the CWC Directors intend unanimously to vote in favour of the Scheme at the Court Meeting and the resolution(s) relating to the Transaction to be proposed at the CWC General Meeting and to elect to receive the Recommended Offer
- The transaction will be implemented by way of a two-step, integrated process comprising a Scheme of Arrangement under Part 26 of the Companies Act, followed by a merger by formation of a new company under the Cross Border Regulations and Part 3A of Title 7 of Book 2 of the Dutch Civil Code
- It is currently anticipated that shareholder meetings will take place at the end of calendar Q1 or at the beginning of calendar Q2 2016 and completion is expected to take place shortly thereafter
- For further details and definitions (capitalised terms have the same meaning as those given to them in the Rule 2.7 announcement), please read the Rule 2.7 announcement released separately today

About Cable & Wireless Communications

Cable & Wireless Communications Plc (CWC) is a full service communications and entertainment provider, operating in Latin America and the Caribbean. 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 7,200 employees serving over 6.3 million customers (Mobile 4.1m; Fixed Line 1.1m ; Video 465k and Broadband 680k) 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.