



CABLE & WIRELESS

10 February 2009

CABLE & WIRELESS RECONFIRMS EBITDA GUIDANCE FOR 2008/09

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

“Our two businesses are performing very much in line with our expectations. We remain alert to the economic environment but we continue to trade strongly.

“Europe, Asia & US has maintained its progress, winning significant new business and gaining market share, as well as renewing contracts with major customers. Our customers are benefiting from a compelling proposition of market leading IP products, high service standards and the opportunity to reduce their cost base.

“In International we benefit from a wide spread of geographies, products and customers and we have, in the main, seen resilient trading. We are pleased with the performance in Panama, despite the advent of further competition. Monaco & Islands and Macau are performing broadly in line with our expectations. In the Caribbean the restructuring programme is underway and the early results are encouraging, mitigating some softening in the tourist led economies.

“Consequently, we are confident that we are well positioned going into 2009/10.”

Financial highlights:

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 at least £780 million for the current financial year to 31 March 2009 assuming an average exchange rate for the year of US\$1.88 to £1.00. This guidance remains unchanged since the interim results announced on 10 November 2008 and comprises: International EBITDA of at least US\$910 million; EBITDA for Europe, Asia & US, including Thus, of at least £325 million and an EBITDA cost in Central of no more than £29 million.

The Group has significant US dollar denominated profits, cash flow and net assets. The recent strengthening of the US dollar against sterling¹ will have a favourable impact on the translation of our International US dollar revenue and EBITDA. This benefit will be offset to some extent by exceptional finance expense from the hedging of a proportion of our US dollar surplus cash flows and debt draw-downs, as these contracts are closed out or marked to the year end exchange rate as required by IFRS.

Operational highlights:

- **Acquisition of Thus Group plc:** On 1 October 2008, Cable & Wireless declared its offer for Thus Group plc unconditional in all respects. The work to integrate Thus into Europe, Asia & US is progressing well, and will deliver our guidance of Thus EBITDA of £23 million and synergies of £7 million in the six months to 31 March 2009. As a result of the integration, approximately 600 colleagues have been notified that they will leave the business.
- **Europe, Asia & US recent customer wins:** a five year £79 million contract to become the supplier of telecommunications for **Centrica** in the UK; a three year contract to provide a managed voice and data network solution to **Morrisons**, the leading supermarket chain; a three year contract to deliver a next generation call centre solution to **Lloyds TSB Asset Finance**.
- **Launch of our Multi-Service Platform in India:** Europe, Asia & US has announced the launch of its Multi-Service Platform in India. We are the first international telecoms provider to receive all the necessary security clearances from India's Department of Telecommunications allowing us to provide advanced IP-based solutions, delivered directly in India.
- **International customer win:** The Government of Panama has awarded Cable & Wireless Panama SA, in partnership with MER Security Communications Systems Ltd, a four year, US\$28 million contract for the design, implementation and supervision of a 911 medical emergency service for Panama City, Colon City and surrounding areas.
- **Maldives licence extension:** Dhiraagu has signed a 15 year extension of the licence in the Maldives on terms that are materially unchanged.

¹ If the exchange rate on 9 February 2009 of US\$1.49 continues to 31 March 2009 the average full year exchange rate for Cable & Wireless 2008/09 reporting would be US\$1.76 to £1.00.

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 provides enterprise and carrier solutions to the largest users of telecoms services across the UK, US, continental Europe and Asia. 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 visit www.cw.com

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