



CABLE & WIRELESS

Interim Results

13 November 2007



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Richard Laphorne

Chairman of Cable and Wireless plc



CABLE & WIRELESS

Tony Rice

Joint Group Managing Director,
Central and Finance Director

Agenda for today

- Group financial headlines Tony Rice
- International John Pluthero
- Europe, Asia & US John Pluthero
- Central and other Group matters Tony Rice
- Guidance and summary Tony Rice



Group highlights

- Group EBITDA¹ up 29% to £284 million; 40% at constant currency
- Europe, Asia & US EBITDA¹ quadrupled to £99 million
- International EBITDA¹ up 6% to US\$398 million
- Interim dividend increase of 47% to 2.5p. Full year dividend expected to be up 28%
- Europe, Asia & US EBITDA guidance up £35 million to between £205 million and £215 million
- International guidance down US\$20 million to between US\$820 million and US\$840 million
- Shareholder value² up by £1.8 billion from 1 April 2006 to 30 Sept 2007 and up by nearly £2 billion to 12 Nov 2007



Group financial headlines

£m	2007/08 H1	2006/07 H1	Change ¹ %
Revenue	1,563	1,718	(9)%
EBITDA ²	284	221	29%
LTIP	(30)	(5)	nm
Profit before tax	166	79	110%
Earnings per share (pence)	4.3p	1.3p	231%
Dividend per share (pence)	2.5p	1.7p	47%



Group EBITDA¹

	2007/08 H1	2006/07 H1	Change ² %
US\$m			
International	398	377	6%
£m			
International	200	206	(3)%
Europe, Asia & US	99	24	313%
Central	(15)	(9)	(67)%
Group reported EBITDA	284	221	29%
Currency impact³	-	(18)	-
Group EBITDA at constant currency	284	203	40%



¹ Excluding exceptional charges of £8m in H1 2007/08 and £22m in H1 2006/07 and LTIP charge

² Positive percentage represents improvement

³ Currency impact is the effect of restating 2006/07 at H1 2007/08 exchange rates

John Pluthero

Executive Chairman International
Joint Group Managing Director



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International headlines

\$m	H1 2007/08	H1 2006/07	Change ¹ %
Revenue	1,211	1,133	7%
Gross margin <i>% of revenue</i>	795 <i>(66%)</i>	748 <i>(66%)</i>	6%
Operating costs	(397)	(371)	(7)%
EBITDA² <i>% of revenue</i>	398 <i>(33%)</i>	377 <i>(33%)</i>	6%
JVs and associates³	38	18	nm
Total mobile customers	5,749,000	4,290,000	34%
Total broadband customers	439,000	338,000	30%

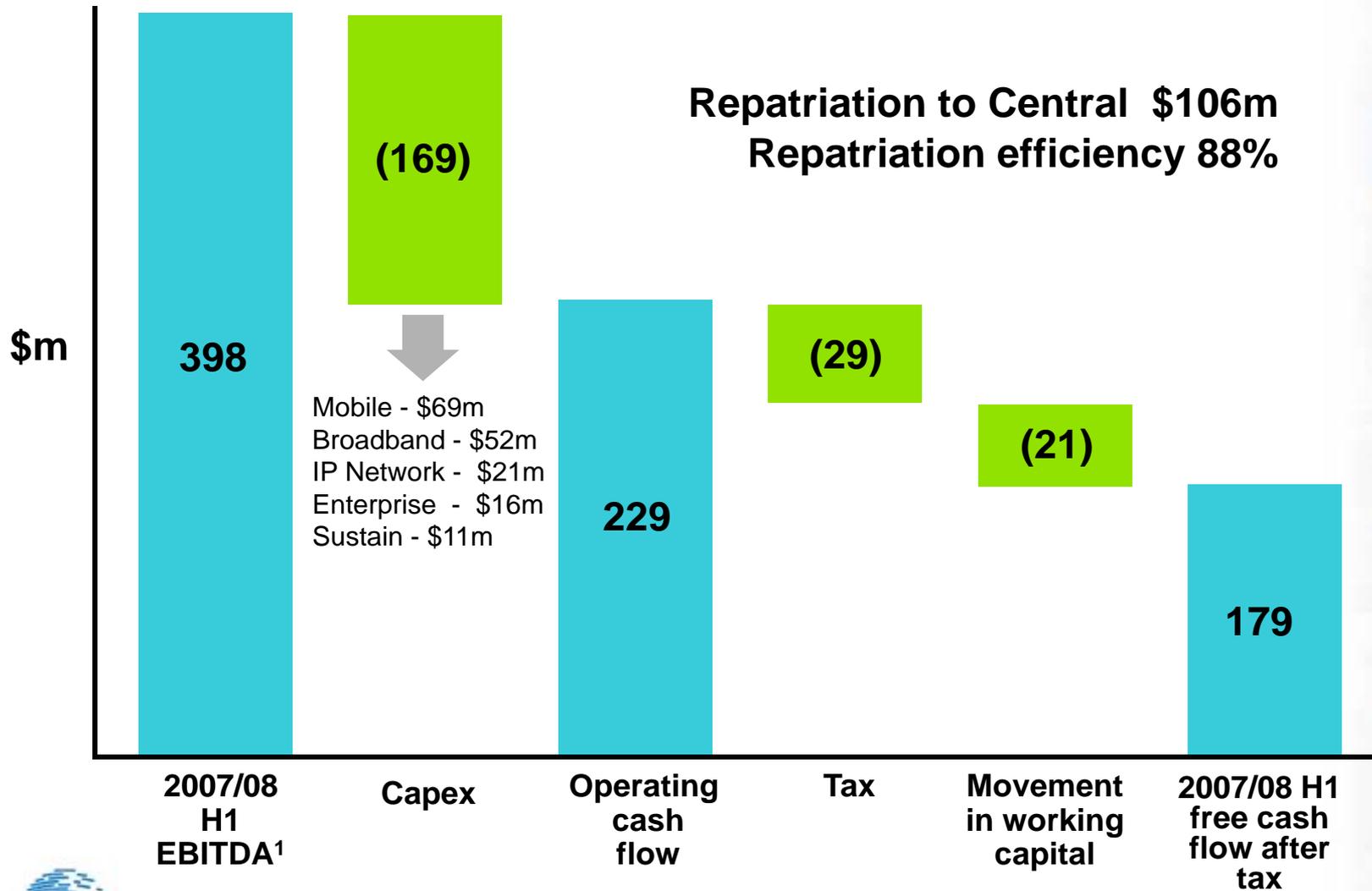
¹ Positive percentage represents improvement

² EBITDA excluding exceptionals and LTIP charge

³ For ease of comparison, excludes Batelco - sold in January 2007

nm Not meaningful

International H1 2007/08 cash flow



Jamaica

Mobile customers up 37%, broadband customers up 48%

Key performance issues:

- International interconnect pricing pressure
- Poor performance of pre-paid fixed line product, withdrawn in July
- Outsource of directory services
- Higher customer acquisition costs
- Increased marketing and call centre costs

New CEO appointed in August 2007, previously CEO of our Macau business

- New senior management team now in place
- Aggressive action being taken to remedy fixed line issues
- Get well plan - service quality, channels-to-market, product and pricing

Expect improvement in EBITDA in H2

	H1 07/08	H1 06/07	Change
Revenue \$m	164	188	(13)%
EBITDA \$m	20	52	(62)%



Rest of the Caribbean

Mobile customers increased 31% to 648,000

- Mobile revenue up 19%
- BVI achieved 41% mobile market share in four months
- Fixed to mobile substitution increasing

Broadband customers up 38% to 94,000

- Broadband revenue up 32%
- 1Mbps programme launched

Other developments

- Network operations centre opened in Barbados
- St Kitts & Nevis equity increased by 12% to 77%

EBITDA increased 4% to \$117 million

- EBITDA margin up 1 percentage point to 34% of revenue

	H1 07/08	H1 06/07	Change
Revenue \$m	346	339	2%
EBITDA \$m	117	112	4%



Panama

Mobile customers increased 65% to 1.3m

- Mobile revenue growth of 22%
- Increased market penetration

Broadband customers increased 22% to 95,000

- Broadband revenue growth 31%
- Low penetration of 15% provides further growth opportunities

Gross margin improvement due to product mix

EBITDA up 25% to \$128 million

- EBITDA margin up 3 percentage points to 41% of revenue

	H1 07/08	H1 06/07	Change
Revenue \$m	310	266	17%
EBITDA \$m	128	102	25%



Monaco & Islands

Mobile customers up 25% to 156,000

Monaco

- Successful renegotiation of concession, including 50% licence fee reduction and repositioning of domestic pricing
- Improved network quality and coverage have enabled new product offerings, re-branding and retail refresh

Other developments

- New mobile service in Isle of Man and Jersey progressing to plan
- Seychelles – first distribution since 1996 - \$48m
- Data centres opened – Guernsey and Bermuda

EBITDA up 8% to \$67 million

- EBITDA margin 26% of revenue

	H1 07/08	H1 06/07	Change
Revenue \$m	259	221	17%
EBITDA \$m	67	62	8%



Macau (CTM)

Mobile customers up 19% to 281,000

- Despite market penetration of over 100% of population
- 3G launch in June 07 – first to market

Broadband customers up 19% to 112,000

Gross margin up 6 percentage points

EBITDA up 18% to \$58 million

- EBITDA margin up from 38% to 42% of revenue

	H1 07/08	H1 06/07	Change
Revenue \$m	137	130	5%
EBITDA \$m	58	49	18%



A growth business

Growth in revenues

- Three consecutive 6-month periods of growth
- Mobile and broadband revenue now 43% of total revenue
- Mobile revenue up 20% to \$436m
- Mobile customers up 34% to over 5.7m
- Broadband revenue up 33% to \$88m
- Broadband customers up 30% to more than 439,000

Growth in EBITDA

- EBITDA up 6%
- Panama up \$26m; Macau up \$9m –more than offsetting Jamaica's poor performance



The way forward

Drive further growth in value

- Transform service and brand
- Transform Jamaica
- Mobile – increase market share and usage
- Broadband – improve capability and penetration

More to come at the investor update on 4 March 2008



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JOHN PLUTHERO

JOINT GROUP MANAGING DIRECTOR
EXECUTIVE CHAIRMAN, EUROPE, ASIA & US

Cable&Wireless

MONTHS 17 TO 22 OF OUR TURNAROUND

31 Mar
2006

30 Sept
2006

31 Mar
2007
Month 17

30 Sept
2007
Month 22

TRANSFORMATION

- Hosted IPCC solutions integrated with IP Voice
- First corporate LLU contract
- First global WAN contracts in over 3 years
- Sale of Allnet and WTG
- Integration of C&W Access

RECOVERY

INTEGRATION



EUROPE, ASIA & US FINANCIAL HEADLINES

Financials include the combined result for Europe, Asia & US and C&W Access

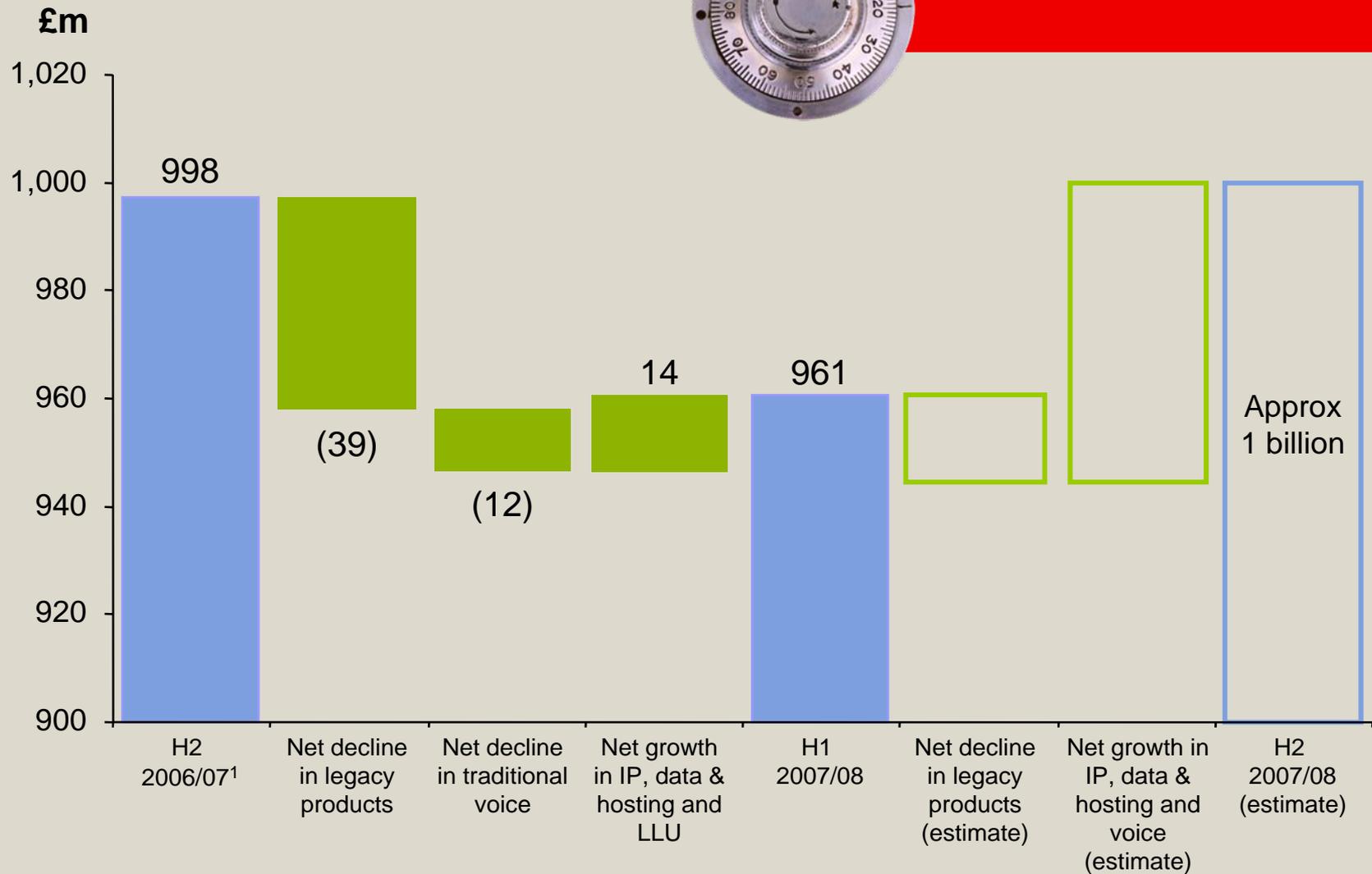
	H1 2007/08		H1 2006/07	
	£m	%	£m	%
Revenue	961	100%	1,107²	100%
Cost of sales	(563)	(59%)	(715)	(65%)
Gross margin	398	41%	392	35%
Operating costs	(299)	(31%)	(368)	(33%)
EBITDA¹	99	10%	24	2%



(1) EBITDA excluding exceptionals and LTIP charge

(2) Includes £31m of revenue from non-core businesses sold in February and April 2007

REVENUE



(1) For ease of comparison, this excludes revenue of £34m from WTG and Allnet which were sold in February and April 2007 respectively

SALES PROGRESS

Total incremental sales up 37% on H1 2006/07

IP, data & hosting incremental sales:

- Up 51% on H1 2006/07
- 56% of total incremental sales (52% in H2 2006/07)

First global WAN contracts in over 3 years signed

Leveraging NGN outside of wholesale broadband proposition

- First corporate LLU contract signed

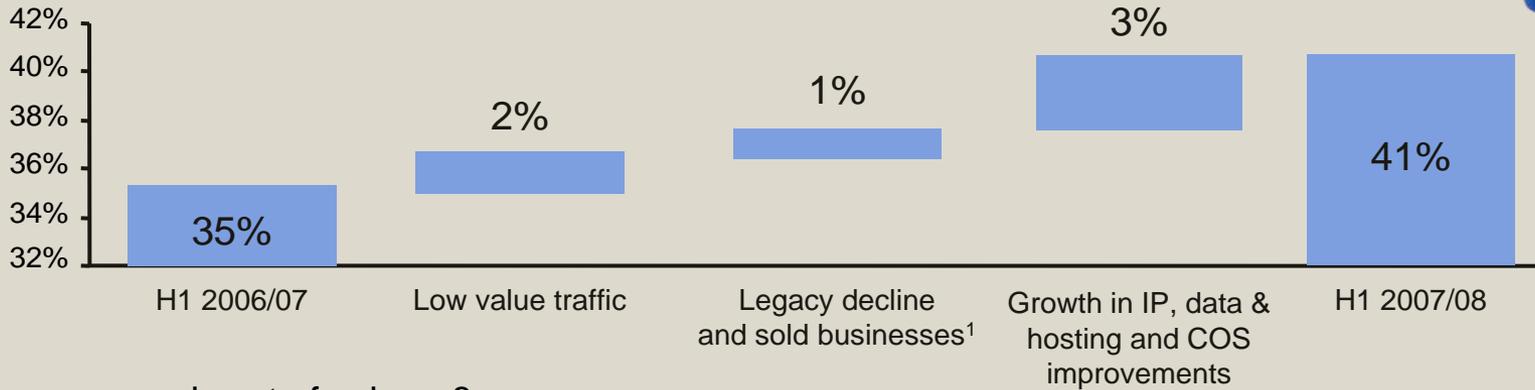
Won largest integrated IP contact centre/IP voice solution in the UK



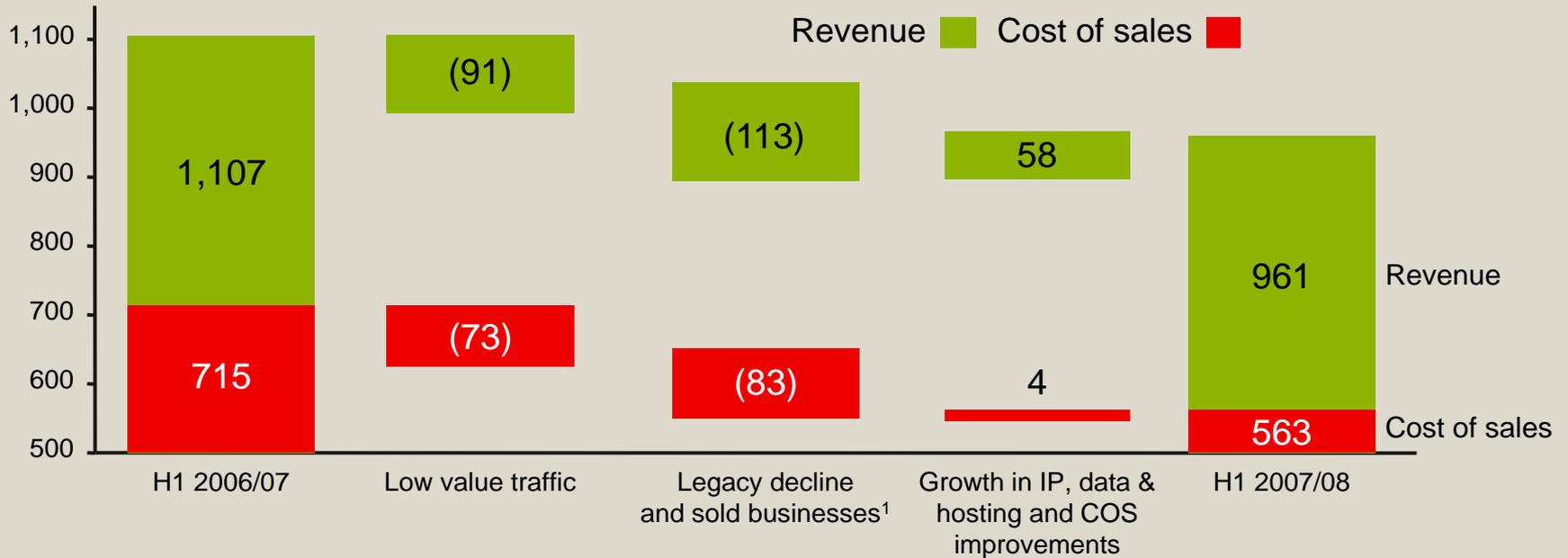
GROSS MARGIN



Gross margin %

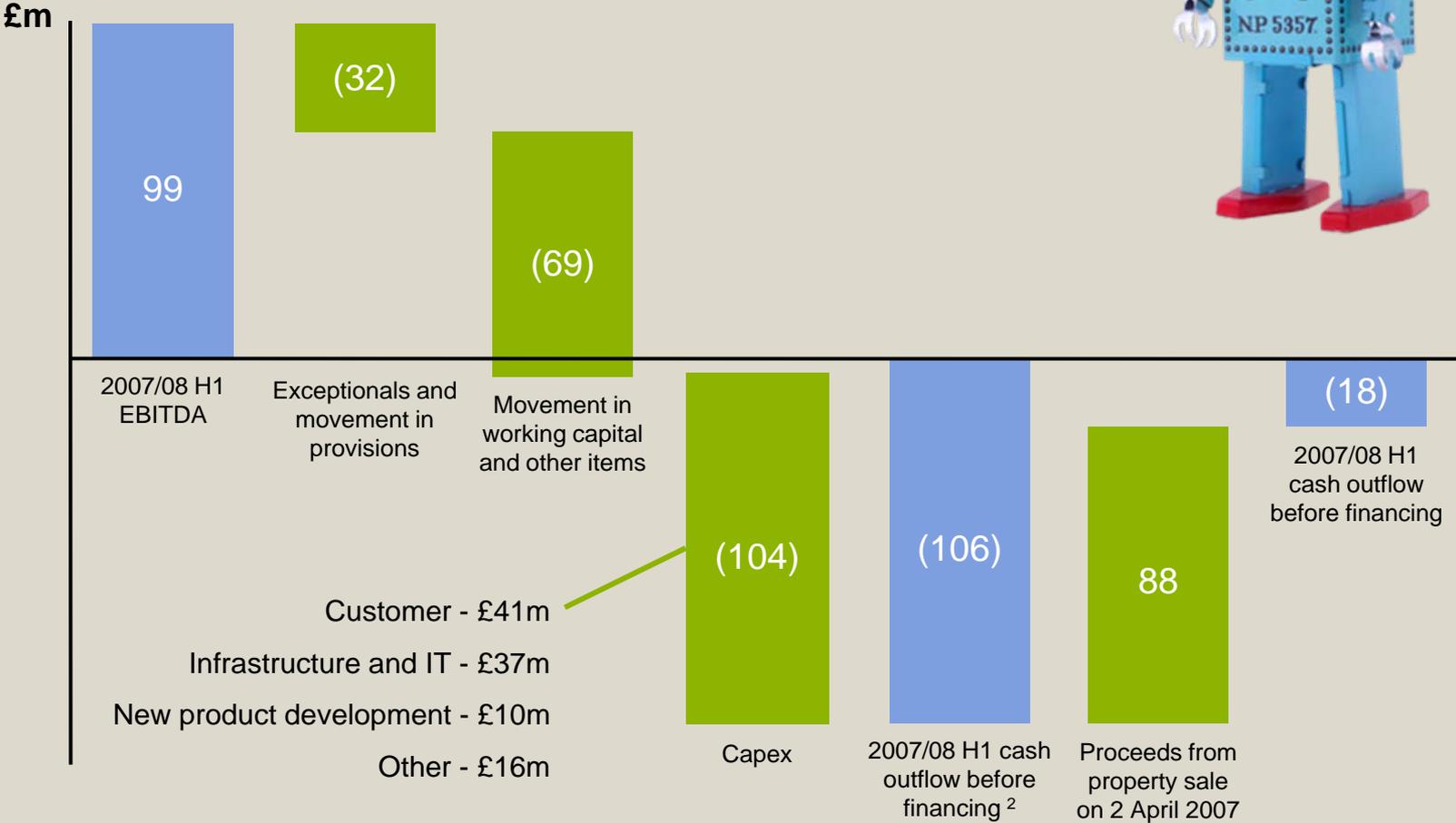
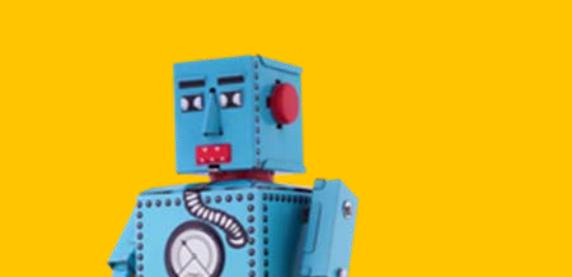


Revenue and cost of sales - £m



(1) Includes reduction from Allnet and WTG

EUROPE, ASIA & US H1 2007/08 CASH FLOW



(1) EBITDA excluding exceptionals and LTIP charge

(2) Excludes proceeds from property sale of £88m on 2 April 2007

EUROPE, ASIA & US 2007/08 GUIDANCE



£m	Current guidance	Previous guidance 25 May 2007
EBITDA¹	205 - 215	165 - 185
Net cash outflow before financing²	c. (140)	c. (150)
Total cash envelope³	c. (280)	c. (280)

Net cash flow before financing² for the Europe, Asia & US business (excluding CW Access) expected to be positive in H2 2007/08

(1) EBITDA excluding exceptionals and LTIP charge

(2) Excludes proceeds from property sale of £88m on 2 April 2007

(3) Total cash envelope (excluding C&W Access) from 1 April 2006 onwards of not more than £280m, including approximately £180m of exceptionals

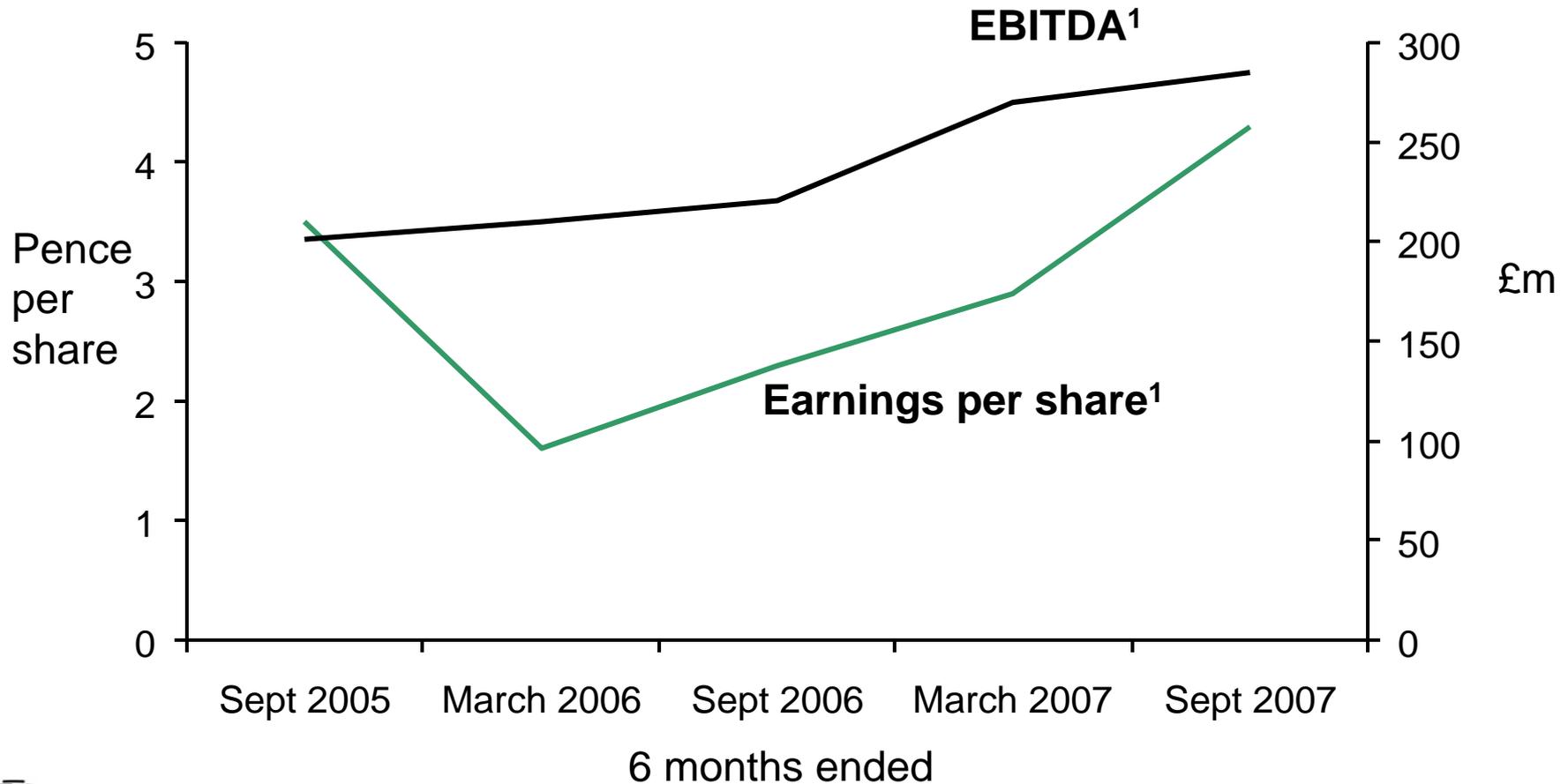


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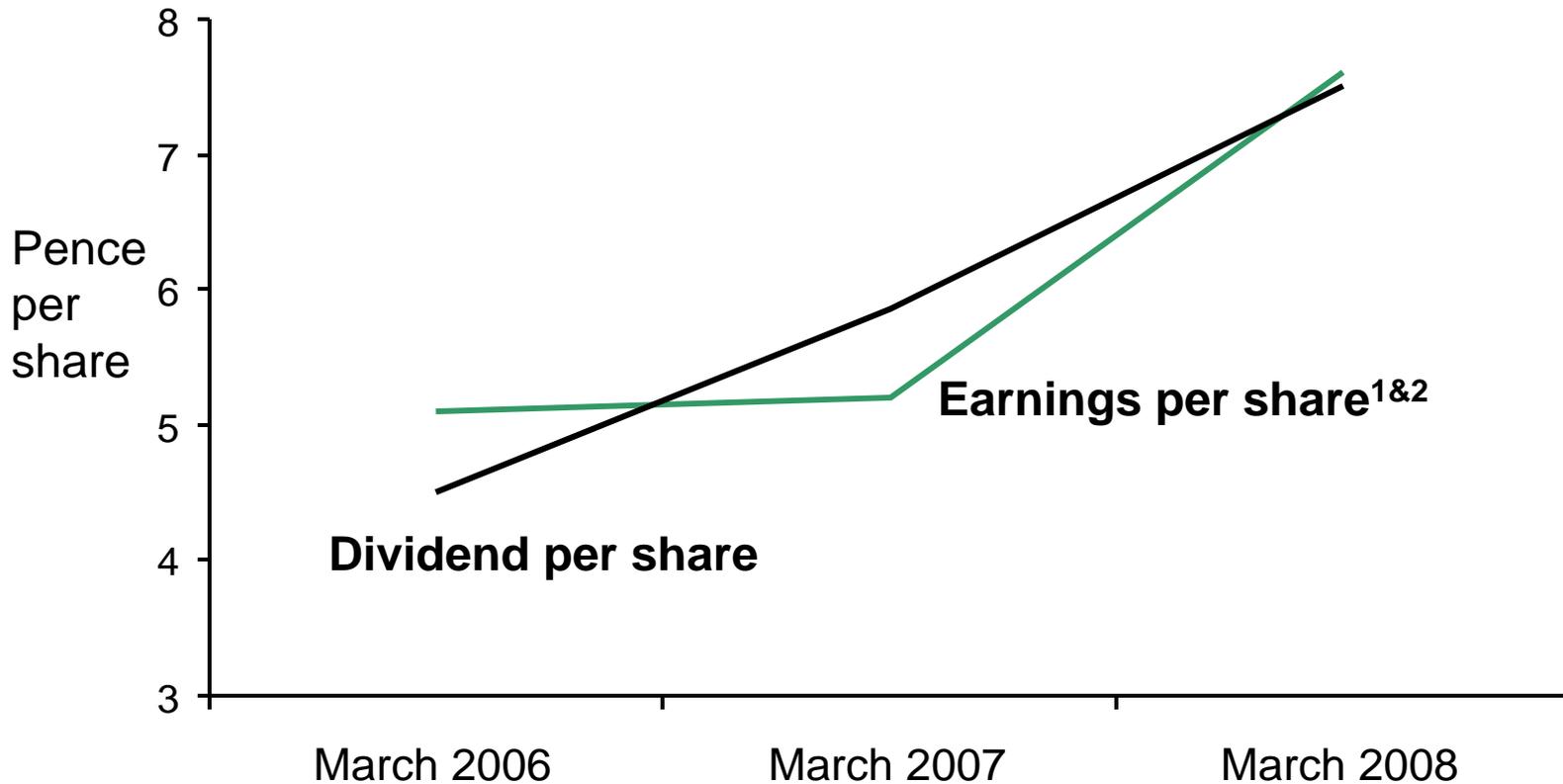
Tony Rice

Joint Group Managing Director,
Central and Finance Director

Group EBITDA and earnings per share



Group earnings and dividend per share



Dividend

- Interim dividend of 2.5p per share
 - Increase of 47% over 2006/07 interim dividend
 - Intention is to return to approximately 1/3rd interim and 2/3rd final payout
 - Subject to second half trading, we will recommend a final dividend of 5.0p giving 7.5p for the full year - a 28% increase
- Dividend policy
 - Maintain progressive dividend payout
 - Dividend cover growing with EPS being progressively driven by tax free UK earnings



Pensions

- Main UK defined benefit scheme:
 - IAS 19 surplus of £211 million
 - Conservative mortality assumptions
 - Net pension credit of £10 million in H1; expect £19 million full year
- Other schemes
 - UK unfunded scheme's IAS 19 deficit of £21 million; Overseas schemes' IAS 19 surplus of £5 million
- Actively managing our pension position
 - Financial risk reduced by moving asset mix towards bonds and cash and implementing a swap overlay
 - Triennial valuation now to be based on March 2007 position to provide up to date basis for further risk management decisions



EBITDA guidance for 2007/08

	Full year 2006/07 Actual	H1 2007/08 Actual	Full year 2007/08 Low High	
International \$m	810	398	820	840
Exchange rate \$/£			2.00	2.00
£m				
International	430	200	410	420
Europe, Asia & US	84	99	205	215
Central	(22)	(15)	(30)	(25)
Group EBITDA¹	492	284	585	610
Currency impact²	-	-	17	17
EBITDA at constant currency	492	284	602	627
<i>Previous guidance</i>			578	608



Summary

- Europe, Asia & US is starting to deliver
 - EBITDA¹ quadrupled to £99 million
 - 2007/08 guidance increased to a range of £205 million to £215 million
- International - strong growth in mobile and broadband
 - EBITDA¹ up 6% to US\$398 million
 - Implementing recovery plan for Jamaica
- Group EBITDA guidance effectively unchanged despite poor Jamaica performance and a weaker dollar
- Interim dividend reflects our confidence
- Europe, Asia & US and International investor update on 4 March 2008



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