CABLE & WIRELESS

ANNOUNCEMENT

CABLE AND WIRELESS plc
RESULTS FOR THE YEAR ENDED 31 MARCH 2009

- Group revenue up 16% to £3,646 million
- Group EBITDA before exceptionals £822 million up £217 million (36%), driven by:
  - £138 million (23%) of growth, £78 million from Worldwide (formerly Europe, Asia & US) and £60 million from CWI (formerly International)
  - £29 million (5%) of additional EBITDA following Worldwide's acquisition of Thus and the associated EBITDA synergies
  - £50 million (8%) from the beneficial effect of foreign currency translation on CWI
- Group, Worldwide and CWI EBITDA all ahead of our guidance for 2008/09. Worldwide EBITDA up 49% on last year to £326 million and CWI EBITDA up 11% to US$921 million
- Group EBITDA guidance for 2009/10 of approximately £1,025 million
- Strong balance sheet with excellent liquidity
- Recommended 13% increase in the full year dividend to 8.50 pence per share, with recommended final dividend of 5.67 pence per share

CHAIRMAN'S STATEMENT

Commenting on the results, Richard Lapthorne, Chairman of Cable and Wireless plc, said:

"Each of our businesses has produced another strong set of results. Worldwide has improved every aspect of its performance with growth in EBITDA and trading cash flow. This performance reflects management's commitment to customer service, the managed IP product set and continuing strong cost management. Moreover, the integration of Thus, which we acquired in October 2008, is going well and is on track to deliver the synergies that we expected.

"CWI has also taken a substantial step forward producing double digit growth in EBITDA. I'm particularly pleased with our performance in Panama, where we have grown our mobile revenue despite increased competition and also the progress of the 'One Caribbean' programme which has made a good start in reducing our cost base.

"We're well aware that the recession provides a degree of uncertainty but our current view is that we have a robust set of plans that will allow us to progress further in 2009/10. Consequently, we're guiding to an increase in EBITDA to over £1 billion and we expect a substantial increase in cash generation.

"Whilst our trading position is in good health, as announced last autumn we have postponed, but not cancelled, our value realisation plans until we can foresee a sustained period of normality returning to the credit and equity markets. In the meantime, we'll continue to execute our plans, growing shareholder value as we go.

"Finally, we're delighted to recommend a full year dividend of 8.50 pence per share, an increase of 13% on last year, demonstrating the Board's confidence in the Group's prospects."

CONTENTS

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GROUP RESULTS

The Group results presented below should be read in conjunction with the Group's consolidated income statement, balance sheet and cash flow statement and related notes on pages 27 to 34.

	2008/09 Pre-exceptionals £m	2008/09 Exceptionals[1] £m	2008/09 Total £m	2007/08 Pre-exceptionals £m	2007/08 Exceptionals[1] £m	2007/08 Total £m
Revenue	3,646	-	3,646	3,152	-	3,152
Cost of sales	(1,759)	-	(1,759)	(1,543)	-	(1,543)
Gross margin	1,887	-	1,887	1,609	-	1,609
Operating costs (excluding LTIP charge)	(1,065)	(133)	(1,198)	(1,004)	(53)	(1,057)
EBITDA[2]	**822**	**(133)**	**689**	**605**	**(53)**	**552**
LTIP charge	(17)	-	(17)	(27)	-	(27)
Depreciation and amortisation	(379)	-	(379)	(299)	(37)	(336)
Net other operating (expense)/income	(2)	-	(2)	5	53	58
Group operating profit/(loss)	**424**	**(133)**	**291**	**284**	**(37)**	**247**
Share of profit after tax of joint ventures	34	-	34	37	-	37
Total operating profit/(loss)	**458**	**(133)**	**325**	**321**	**(37)**	**284**
Net finance expense	(46)	(56)	(102)	(22)	(10)	(32)
Gain on sale of non-current assets	7	-	7	1	-	1
Gain on termination of operations	3	-	3	8	6	14
Profit/(loss) before income tax	**422**	**(189)**	**233**	**308**	**(41)**	**267**
Income tax (expense)/credit	(24)	7	(17)	(56)	9	(47)
Profit/(loss) for the year from continuing operations	**398**	**(182)**	**216**	**252**	**(32)**	**220**
Profit for the year from discontinued operations	10	-	10	-	-	-
Profit/(loss) for the year	**408**	**(182)**	**226**	**252**	**(32)**	**220**
Attributable to equity holders of the Company	322	(179)	143	191	(27)	164
Attributable to minority interests	86	(3)	83	61	(5)	56
Profit/(loss) for the year	**408**	**(182)**	**226**	**252**	**(32)**	**220**
Earnings/(loss) per share attributable to equity holders (pence)	13.0p	(7.2)p	5.8p	7.9p	(1.1)p	6.8p
Earnings/(loss) per share from continuing operations attributable to equity holders excluding LTIP charge (pence)	13.2p	(7.2)p	6.0p	9.0p	(1.1)p	7.9p
Dividend per share (pence)			8.5p			7.5p
Capital expenditure (£m)			(457)			(411)

1 Exceptionals comprise items considered exceptional by virtue of their size, nature or incidence. Exceptional items include restructuring and impairment charges, provision charges and credits and profits and losses on disposal of non-current assets and foreign exchange contracts. For further details on exceptionals, refer to pages 6 and 7

2 Earnings before interest, tax, depreciation and amortisation, Long Term Incentive Plan (LTIP) charge and net other operating income/expense

ANALYSIS OF GROUP RESULTS

The Group's financial performance for the year ended 31 March 2009 and 2009/10 outlook are described on pages 4 to 10 and are discussed in more detail in the CWI and Worldwide sections that follow on pages 11 to 16 and 17 to 21 respectively.

The results for Worldwide for 2008/09 include the results of Thus Group plc (Thus) for the six months from 1 October 2008, the date it was acquired.

The commentary that follows refers to the Group's results before exceptional items, highlighting the effect on the results from performance, the acquisition of Thus and the impact of foreign currency translation on the results of CWI (the impact of foreign currency translation on the results of Worldwide and Central was not material). For analysis of exceptional items, see pages 6 and 7.

Group results before exceptional items

Revenue
Group revenue grew by £494 million (16%) to £3,646 million in 2008/09 due to growth in both Worldwide and CWI (£107 million), Worldwide's acquisition of Thus (six months revenue to 31 March 2009 of £237 million after £11 million of eliminations) and the beneficial effect of foreign currency translation on CWI revenue (£150 million).

Of the £107 million growth in underlying revenue, Worldwide's revenue grew by £90 million, as we continue to win and deliver significant new IP, data and hosting contracts to our enterprise customers. CWI's revenue grew by £13 million, predominantly due to Panama as our mobile revenue grew despite the entry of two additional mobile competitors in the year.

Gross margin
The £278 million increase in Group gross margin to £1,887 million is due to £83 million of growth from Worldwide and CWI, £100 million of additional gross margin from Thus and £95 million from the beneficial effect of foreign currency translation on CWI gross margin.

We improved Group gross margin as a percentage of revenue by one percentage point to 52%.

Operating costs
In 2008/09, Group operating costs increased by 6% (£61 million) to £1,065 million. This masks a £55 million reduction in operating costs in Worldwide and CWI. Worldwide's acquisition of Thus increased operating costs by £71 million and the adverse effect of foreign currency translation on CWI operating costs was an increase of £45 million.

Of the £55 million reduction in underlying operating costs, there was a £36 million decrease in Worldwide as a result of our focus on improving efficiency through key initiatives such as optimising our network costs. We reduced our operating costs in CWI by £19 million as the 'One Caribbean' transformation programme started to take effect.

In the year, we reduced Group operating costs as a percentage of revenue by three percentage points to 29%.

In 2008/09, our operating costs benefited from an IAS 19 net pension credit of £12 million in relation to the main UK defined benefit scheme; £8 million in Worldwide and £4 million in CWI compared with £14 million and £5 million in 2007/08 respectively. In 2009/10, we expect to incur an IAS 19 net pension charge of £4 million in relation to the main UK defined benefit scheme, all of which will be incurred by Worldwide.

EBITDA
Group EBITDA increased by £217 million (36%) to £822 million with the £138 million improvement in the performance of Worldwide (£78 million) and CWI (£60 million) being the largest contributing factor. Worldwide's acquisition of Thus and the first six months of integration synergies contributed an additional £29 million of EBITDA and the beneficial effect of foreign currency translation in CWI increased EBITDA by £50 million. For further detail on foreign exchange movements, please refer to page 7.

We have improved the Group EBITDA margin by four percentage points to 23% reflecting rising profitability in both businesses.

Long term incentive plan (LTIP) charge
The LTIP charge for 2008/09 is £17 million, all of which was incurred by Worldwide. The 2009 payment of £32 million (£30 million in Worldwide and £2 million in CWI) will be made to participants in the plan. For more details on the calculation of the LTIP pool, please refer to page 32.

As we announced on 19 May 2009, we are proposing a one year extension of the LTIP to 2011 with delayed payments in earlier years for which we will be seeking shareholder approval at this year's Annual General Meeting in July. This extension reflects the delay in our value realisation timetable caused by the unprecedented turmoil in credit and equity markets and brings it into line with our Worldwide three to five year turnaround plan. The extension of the LTIP will provide a seamless transition into new, more conventional incentive arrangements which begin to vest from 2012 onwards. The vesting of these annual awards of performance shares depends on the achievement of absolute total shareholder return above a minimum threshold.

Depreciation and amortisation
Depreciation and amortisation has increased by £80 million in the year to £379 million. This includes a £45 million increase following the recent levels of capital expenditure, a £19 million depreciation charge on the acquired Thus fixed assets and the effect of foreign currency translation on CWI of £16 million.

Share of profit after tax of joint ventures
Our share of profit after tax of joint ventures decreased by £3 million to £34 million. For more details on the performance of our joint ventures, please refer to page 15.

Net finance expense
The £46 million net finance expense for the year is £24 million higher than 2007/08 and consists of finance income of £29 million (£53 million in 2007/08) and finance expense of £75 million (£75 million in 2007/08). The decrease in finance income relates to lower average cash balances and reduced interest rates.

Income tax expense
The Group tax charge of £24 million for continuing operations (£56 million for 2007/08) comprises a £37 million credit in respect of previously unrecognised UK deferred tax assets (£7 million for 2007/08) and a charge of £61 million (£63 million in 2007/08) for overseas taxes.

Profit from discontinued operations
The profit of £10 million from discontinued operations includes the reversal of unutilised provisions relating to previously discontinued businesses including the Group's former US operations.

Pensions
As at 31 March 2009, the main UK defined benefit scheme had an IAS 19 deficit of £32 million compared with a surplus of £375 million at 31 March 2008, mainly as a result of lower asset values. The IAS 19 valuation uses a discount rate of 6.7%. In the prior year, we applied the asset ceiling provisions of IAS 19 and reduced the surplus to nil on the balance sheet. A full actuarial valuation of the main UK defined benefit scheme as at 31 March 2007 was completed in March 2008 and, following a cash contribution of £19 million, the scheme was fully funded on an ongoing basis.

In September 2008, the Pension Trustees of the main UK defined benefit scheme agreed a buy-in of the UK pensioner element of the scheme with Prudential Insurance. The buy-in involved the purchase of a bulk annuity policy which effectively matches the scheme's liabilities to the c.5,000 UK pensioners, thereby materially reducing the scheme's and shareholders' exposure to future risks relating to the pensioner element of the scheme. The pensioner liabilities and the matching annuity policy remain within the scheme.

The fund assets at 31 March 2009 were invested 50% in the bulk annuity policy described above, 31% in equities, and 19% in bonds, property, swaps and cash.

We have unfunded pension liabilities in the UK of £19 million (£20 million at 31 March 2008). Other defined benefit schemes have a net IAS 19 deficit of £7 million (£6 million surplus at 31 March 2008).

Group exceptional items

	CWI £m	Worldwide £m	Central £m	2008/09 Total £m
Operating items:				
Restructuring	(49)	(46)	-	(95)
Thus integration charges	-	(30)	-	(30)
Onerous property lease obligation	-	-	(8)	(8)
Exceptional items within total operating profit	**(49)**	**(76)**	**(8)**	**(133)**
Non-operating items:				
IAS 39 expense on foreign exchange contracts	-	-	(56)	(56)
Exceptional items below total operating profit	**-**	**-**	**(56)**	**(56)**
Total exceptional items before tax	**(49)**	**(76)**	**(64)**	**(189)**
Tax credit on exceptional items	7	-	-	7
Total exceptional items	**(42)**	**(76)**	**(64)**	**(182)**

The CWI transformation programme continued with gross restructuring costs of £57 million primarily relating to our 'One Caribbean' transformation programme, the streamlining of our London office including a 27% reduction in headcount, and efficiency programmes in Panama and Monaco & Islands. These costs were partially offset by a £8 million exceptional net gain primarily from the restructuring of the Jamaican retirement funds. A £7 million tax credit was recorded against the CWI restructuring charges.

Restructuring costs of £46 million relating to Worldwide's transformation programme were recognised in the period. These primarily comprised property and network rationalisation (£32 million) and redundancies (£12 million). Exceptional costs of £30 million were incurred in relation to the integration of Thus into our Worldwide business, £24 million of these were recognised in Thus and £6 million in the existing Worldwide business.

During the period, Central recognised a one-off charge of £8 million in relation to an onerous property lease.

The Group recognised an exceptional finance expense of £56 million from the IAS 39 marking to market of forward exchange contracts used for hedging purposes. In 2008/09, we entered into US$815 million of forward contracts at average US dollar to sterling exchange rates of between 1.72 and 1.86 to lock in the sterling value of our forecast cash repatriation from overseas operations and draw-downs on the Group's US$415 million bank facility. £31 million of the finance expense results from the expiry of US$590 million of contracts in 2008/09, offsetting some of the foreign currency translation benefit in 2008/09. The remaining £25 million relates to the marking to market at the year end US dollar to sterling exchange rate of 1.4498 of US$225 million of open forward contracts to hedge 2009/10 cash repatriation. In accordance with the Board's policy on hedging and derivatives, we hedge only transaction exposure at the point we have good visibility of the transaction flows.

We expect the total costs of the CWI 'One Caribbean' transformation programme to be approximately US$90 million and the total costs of the integration of Thus into Worldwide to be approximately £78 million, of which £12 million is capital expenditure.

The table below details the expected and actual exceptional charges and cash flows for 2009/10 and 2008/09 respectively. We expect exceptional charges after 2009/10 to be considerably lower.

Exceptional items	2009/10 Guidance	2008/09 Actuals
CWI (approximately)	**US$m**	**US$m**
Net P&L exceptionals	(40)	(87)
Timing differences		
- movement in exceptional provisions	(30)	(4)
Cash exceptionals	(70)	(91)
Worldwide (approximately)	**£m**	**£m**
Net P&L exceptionals	(70)	(76)
Timing differences		
- movement in exceptional provisions	(20)	5
Cash exceptionals	(90)	(71)

In any financial year, exceptional items in the income statement can differ from cash payments or receipts due to timing differences. Some timing differences may continue over several financial years, for example an exceptional charge for onerous property leases then leads to lease payments over the remaining life of the onerous lease.

Group exchange rate movements

	2009/10 Planning rate	2008/09 Actual rate	2007/08 Actual rate
US dollar : sterling			
Average	1.5000	1.7581	2.0041
Year end		1.4498	1.9997

During the year, we saw extreme volatility in foreign exchange rates with strengthening of the US dollar against sterling and other currencies. These movements have had a significant effect on our 2008/09 financial performance and will continue to affect EBITDA in 2009/10 as the majority of the exchange movement occurred in the last six months of 2008/09.

2008/09 Group EBITDA includes £50 million net benefit from foreign currency translation of CWI's EBITDA, predominantly due to the 12% depreciation of the average sterling to US dollar exchange rate for 2008/09 against 2007/08, as approximately three quarters of CWI's EBITDA comes from US dollar or US dollar linked economies. The majority of this strengthening of the US dollar occurred in the last six months of the financial year with the consequence that the average translation rate was 1.7581 whilst the closing rate was 1.4498.

The strengthening of the dollar against sterling also resulted in an exceptional charge of £56 million relating to US dollar forward contracts as discussed on page 6 and an increase in reported net debt of £46 million primarily from revaluing US dollar cash and debt in sterling as discussed on page 9.

Dividend

We are recommending a full year dividend of 8.50 pence per share, an increase of 13% over the 2007/08 full year dividend, demonstrating the Board's confidence in the future prospects for the Group, as well as progress made in 2008/09. Of this year's proposed dividend of 8.50 pence per share, 2.83 pence per share was paid as an interim dividend on 23 January 2009.

The final dividend of 5.67 pence per share will be paid on 7 August 2009 to ordinary shareholders on the register as at 5 June 2009.

Dividend per share (pence)	2008/09	2007/08	2006/07	2005/06
Interim	2.83	2.50	1.70	1.40
Final	5.67	5.00	4.15	3.10
Full year	**8.50**	**7.50**	**5.85**	**4.50**

The scrip dividend scheme will be offered in respect of the final dividend. Those shareholders who have previously elected to join the scheme will automatically have the final dividend sent to them in this form. Shareholders wishing to join the scheme for the final dividend (and all future dividends) should return a completed mandate form to: Equiniti Ltd, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 10 July 2009. Copies of the mandate form, and the scrip dividend brochure, can be obtained from Equiniti Ltd. UK callers: 0870 600 3975; overseas callers: +44 (0)121 415 7047 or from our website www.cw.com.

Reconciliation of Group EBITDA to net cash flow before financing

	2008/09[1] £m
EBITDA[2]	822
Exceptional items	(133)
EBITDA[2] less exceptional items	**689**
Movement in exceptional provisions	11
Movement in working capital and other provisions	(21)
Income taxes paid	(65)
Investment income	39
Purchase of property, plant, equipment and intangible assets	(449)
Other income	3
Trading cash inflow	**207**
Acquisitions and disposals	(340)
Contribution to pension buy-in	(10)
Net cash outflow before financing activities	**(143)**

[1] Based on our management accounts
[2] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income

The Group trading cash inflow was £207 million including a £218 million inflow from CWI and a £13 million inflow from Worldwide, partially offset by a £24 million outflow in Central. Further details in respect of CWI and Worldwide are included on pages 16 and 21 respectively.

The net cash outflow in Central of £24 million predominantly relates to operating costs and working capital outflows, offset by interest income.

The Group net cash outflow before financing activities was £143 million following £340 million of cash outflow on acquisitions, principally relating to the acquisition of Thus, and the £10 million cash contribution to the pension buy-in.

Group cash and debt

	As at 31 March 2008				As at 31 March 2009
	Group £m	CWI £m	Worldwide £m	Central £m	Group £m
Cash and cash equivalents	**699**	**113**	**144**	**288**	**545**
Debt due in less than 1 year	(59)	(72)	(18)	-	**(90)**
Debt due in more than 1 but less than 2 years	(24)	(20)	(9)	(35)	**(64)**
Debt due in more than 2 but less than 5 years	(215)	(43)	(99)	(473)	**(615)**
Debt due in more than 5 years	(158)	(5)	(2)	(146)	**(153)**
Total debt	**(456)**	**(140)**	**(128)**	**(654)**	**(922)**
Total net cash / (debt)	**243**	**(27)**	**16**	**(366)**	**(377)**

Net cash/(debt) reconciliation[1]

	As at 31 March 2008 £m	Trading cash flow £m	Dividends £m	Acquisitions / disposals £m	Third party debt & interest £m	Pension contribution and other £m	Exchange movements £m	As at 31 March 2009 £m
Total net cash / (debt)	**243**	**207**	**(224)**	**(459)**	**(91)**	**(7)**	**(46)**	**(377)**

[1] Based on our management accounts

In the year, the Group moved from a net cash position of £243 million to a closing net debt position of £377 million. During the year, we had a trading cash inflow of £207 million and paid £224 million in dividends (£147 million to shareholders and £77 million to minorities). The £459 million movement in net debt from acquisitions and disposals mainly relates to the £330 million purchase of the entire share capital of Thus, as well as the £113 million payment to refinance Thus' debt and other related charges. The £91 million movement in third party debt and interest comprises £79 million of interest paid and £12 million of finance lease payments. There was a £10 million outflow relating to the purchase of the bulk annuity policy for the main UK defined benefit pension scheme, offset by £3 million of other income. The effect of translating our non-sterling cash and debt balances, principally US dollars, into sterling increases our net debt by £46 million.

We continue to have a strong balance sheet with good liquidity and no major debt maturities within the next two years. Our net debt to EBITDA ratio is below 0.5x and we have EBITDA interest cover of 11 times. As at 31 March 2009, we had £545 million of cash and cash equivalents and undrawn credit facilities of over £100 million, following the arrangement of a £200 million facility in Worldwide, of which we have drawn down £99 million.

GROUP OUTLOOK FOR 2009/10

Our guidance is based on our current view of the economy including the IMF's view that the economic climate will start to improve in the first half of calendar year 2010. We have also based our guidance on our planning exchange rates for 2009/10 detailed on pages 7 and 15. To the extent that actual exchange rates differ from our planning rate or the economy deteriorates further, our 2009/10 guidance will change:

	CWI	Worldwide	Central	Group
	US$m	£m	£m	£m
EBITDA[1] (approximately)	935[2]	430	(28)	**1,025**[2]
Capital expenditure (approximately)	(325)[2]	(260)	n/a	**(477)**[2]
Cash exceptionals (approximately)	(70)[2]	(90)	-	**(137)**[2]

1 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income and exceptional items
2 Using Cable & Wireless' 2009/10 planning exchange rates, see pages 7 and 15

CWI's 2009/10 EBITDA guidance of US$935 million represents an increase of 6% at constant currency, assuming 2009/10 planning exchange rates were in effect throughout 2008/09.

Worldwide's 2009/10 EBITDA guidance of £430 million represents an increase of 32% over 2008/09 and reflects the £12 million reduction in net pension credit, the c.£5 million short-term adverse impact of regulatory changes and the c.£30 million adverse impact on Thus' results of adopting Cable & Wireless' accounting policies as well as short-term Thus trading weakness.

DIRECTORS' SHAREHOLDINGS

On 21 May 2009, 5.2 million total performance and restricted shares (including dividend shares) held by George Battersby, John Pluthero and Tony Rice will vest due to the satisfaction of performance and time conditions. The Cable & Wireless Employee Share Ownership Trust will automatically sell sufficient of these shares to pay the income tax and national insurance owed by the Directors. For personal tax planning purposes, Tony Rice will sell his vested shares after tax. George Battersby and John Pluthero will retain all their vested shares after tax.

Also on 21 May 2009, 6.6 million share options held by John Pluthero and Tony Rice become exercisable. They have both decided to retain their share options without exercise.

Following the above, the Directors' shareholdings in Cable and Wireless plc will increase as follows:

	George Battersby	John Pluthero	Tony Rice
Shareholding at 31 March 2009	446,724	1,600,334	3,502,018
Expected net shares acquired	541,000	744,000	-
Expected shareholding at 22 May 2009	987,724	2,344,334	3,502,018
Multiple of base salary[1]	3.69	6.13	9.16

1 Based on 20 May 2009 closing share price of 157 pence

Full details including the actual share dealing price will be disclosed in a separate announcement following the share dealing.

CWI (FORMERLY INTERNATIONAL)

To aid understanding of the trading performance, the CWI commentary focuses on changes at constant currency. The effect of currency on the CWI reported EBITDA result is described on page 15.

Highlights:

- Revenue stable at circa US$2.5 billion
- An increasingly efficient business, with margin progression
    - Gross margin up two percentage points to 68% of revenue
    - Operating costs as a percentage of revenue down two percentage points to 30%
    - EBITDA margin up by four percentage points to 38% of revenue
- EBITDA increased by 13% to US$921 million
- ‘One Caribbean’ programme delivering in difficult market conditions
- Panama mobile market share growing despite more competition
- Macau concession renewal agreed subject to the ratification process

Commenting on the results for the year ended 31 March 2009, Tony Rice, Chief Executive of CWI, said:

"I’m delighted with what CWI has achieved in 2008/09, we’ve responded robustly to the recessionary background with a double digit increase in EBITDA and rising margins. We’ve held our revenue by focusing on the customer and we’ve borne down on our cost base, particularly in the Caribbean. The agreement to renew our concession in Macau subject to the ratification process is excellent news as is the performance of Panama in growing mobile market share despite increased competition.

“For 2009/10, we’ll build on this progress despite the difficult market conditions that we face in certain of our businesses. We have a strong competitive position with more costs to take out in a number of our businesses which gives us the confidence to guide to a constant currency improvement of over 6% in EBITDA with a healthy increase in cash flow."

CWI income statement

	2008/09 US$m	2007/08 US$m	*Change*[1] *%*	*Constant currency change*[1] *%*
Caribbean	975	1,021	*(5)%*	*(3)%*
Panama	667	617	*8%*	*8%*
Macau	302	291	*4%*	*4%*
Monaco & Islands[2]	506	526	*(4)%*	*0%*
Other[3]	(3)	7	*nm*	*nm*
Total revenue	**2,447**	**2,462**	***(1)%***	***1%***
Cost of sales	(791)	(847)	*7%*	*5%*
Gross margin	**1,656**	**1,615**	*3%*	*4%*
Operating costs (excluding LTIP charge)	(735)	(785)	*6%*	*4%*
EBITDA[4]	**921**	**830**	***11%***	***13%***
LTIP charge	-	(16)	*nm*	*nm*
Depreciation and amortisation	(294)	(284)	*(4)%*	*(5)%*
Net other operating (expense)/income	(3)	3	*nm*	*nm*
Operating profit before joint ventures	**624**	**533**	***17%***	***18%***
Share of profit after tax of joint ventures	60	77	*(22)%*	*(20)%*
Operating profit	**684**	**610**	***12%***	***13%***
Exceptional items	(87)	(101)	*14%*	*7%*
Total operating profit	**597**	**509**	***17%***	***17%***
Capital expenditure	(337)	(381)	*12%*	*9%*
Headcount (full time equivalents at 31 March)	6,962	8,048	*13%*	*13%*

[1] Positive percentages represent improvement
[2] Islands comprises operations in Bermuda, the Channel Islands, Isle of Man and the Indian, Atlantic and Pacific Oceans
[3] Other includes intra CWI revenue adjustments and movements in centrally held accruals
[4] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income and exceptional items

CWI customer numbers

As at:	**31 March 2009 ('000)**	**31 March 2008 ('000)**
Total active[1] GSM mobile customers	**8,688**	**6,350**
Subsidiaries	4,141	3,342
Joint ventures	4,547	3,008
Total broadband customers	**553**	**466**
Subsidiaries	476	434
Joint ventures	77	32
Total fixed line connections	**1,825**	**1,875**
Subsidiaries	1,476	1,522
Joint ventures	349	353

[1] An active customer is defined as one having performed a revenue-generating event in the previous 60 days

Caribbean
Our Caribbean business has delivered EBITDA growth of 16% to US$337 million led by the significant progress of our 'One Caribbean' transformation programme. This programme is bringing together our 13 Caribbean subsidiaries under one management structure with a new common brand called LIME (Landline, Internet, Mobile, Entertainment). The aim is to improve service to customers, reduce costs and improve efficiency. This project began in 2008/09 and we are making good progress, including a headcount reduction of 21% by 31 March 2009.

Revenue decreased by 3% to US$975 million in 2008/09 due to lower traffic, particularly in prepaid mobile and international voice, reflecting a softening of demand and lower tourist numbers in the Caribbean islands.

Despite this fall in revenue, gross margin grew by 2% to US$718 million, representing a four percentage point increase to 74% of revenue. We reduced cost of sales by 15% following the fall in interconnect and mobile termination rates, as well as lower customer equipment costs.

We also reduced our operating costs by 7% to US$381 million as a result of the 'One Caribbean' programme, including savings generated from an integrated pan-Caribbean advertising and marketing approach and the decrease in headcount. Our aim is to reduce headcount to 2,500 by March 2010.

The EBITDA increase of 16% to US$337 million represents a six percentage point increase in EBITDA margin to 35%. This includes a 34% increase in Jamaica's EBITDA to US$63 million, as gross margins were restored and operating costs reduced after the poor performance in 2007/08.

Panama
Our operation in Panama has continued to perform strongly with EBITDA up 9% to US$276 million as we grew our mobile market share in an expanding market despite increased levels of competition. According to the IMF World Economic Outlook published in April 2009, Panama's gross domestic product is expected to grow by 3% in 2009, despite the global recession.

Revenue grew by 8% to US$667 million driven by mobile and enterprise services. Mobile revenue increased by 12% to US$301 million following the addition of nearly 700,000 customers in the year reflecting our superior customer service and enhanced product offerings.

Enterprise, data and other revenue increased by 30% to US$125 million as we rolled out large government contracts including those for video surveillance, e-learning and the 911 emergency services centre.

Gross margin increased by 10% to US$441 million and improved by one percentage point to 66% of revenue reflecting the growth in revenue and improvements in the product mix.

Panama's operating costs increased by 13% to US$165 million as we invested in service and distribution in preparation for the entry of additional mobile competition. US$5 million of non-recurring cost occurred in the first half of 2008/09 and our operating costs returned to more sustainable levels in the second half as cost saving initiatives (including a 4% reduction in headcount) began to take effect.

As well as increasing EBITDA by 9% to US$276 million in 2008/09, we have maintained our EBITDA margin at 41%.

Macau
CTM, our business in Macau, has continued to perform strongly with EBITDA up 12% to US$139 million, largely driven by improving product mix. We have agreed an extension of our concession agreement with the government, which is now going through the ratification process.

Total revenue increased by 4% to US$302 million, despite the economy slowing due to the restriction in visitor numbers to the region. The revenue growth was driven by increases in mobile and broadband revenue of 9% and 13% respectively.

The growth in mobile and broadband revenue was partially offset by a US$4 million decline in enterprise revenue to US$51 million as a number of high profile hotel and casino projects were put on hold.

Our gross margin increased by 8% to US$192 million representing 64% of revenue, up from 61% in 2007/08, largely driven by the increased demand for our mobile data and value added services – 40% of our mobile customers in Macau are using 3G compared with 14% in 2007/08.

We reduced our operating costs by 2% to US$53 million and by one percentage point to 18% of revenue.

EBITDA grew by 12% to US$139 million representing 46% of revenue compared with 43% in 2007/08.

Monaco & Islands
At constant currency, EBITDA in our Monaco & Islands portfolio increased by 5% to US$137 million as the businesses increased their focus on improving margins. Monaco & Islands includes Monaco, the Channel Islands and Isle of Man, Bermuda, Seychelles, the South Atlantic Region and Diego Garcia, which operate in a number of non-US dollar currencies. This operation has therefore been the most affected by the movements in foreign exchange rates during the year.

Revenue was stable at US$506 million in 2008/09 as the growth in mobile (12%) and broadband revenue (16%) was offset by a decline in international voice and enterprise, data and other revenue.

Gross margin grew by 3% to US$305 million as we benefited from a shift in product mix from lower margin international management contracts within enterprise, data and other towards higher margin mobile and broadband products.

Operating costs increased by 1% to US$168 million mainly due to the costs associated with the launch of residential fixed line services in the Isle of Man in August 2008.

The EBITDA increase of 5% to US$137 million represents a one percentage point increase in EBITDA margin to 27%.

Exceptional items
We incurred net exceptional charges of US$87 million in 2008/09, comprising US$101 million of restructuring costs, partially offset by a US$14 million credit primarily from the restructuring of the Jamaican retirement funds. For more detail, see pages 6 and 7.

Capital expenditure and depreciation and amortisation
Capital expenditure was US$337 million, a 9% reduction from 2007/08 and below 14% of revenue, in line with our guidance provided at the interim results. Our investment focused on supporting our transformation activities, including investments in our IT systems to ensure that the cost and headcount efficiency programmes are sustainable. We also continued to upgrade and expand our networks to enable improved mobile, broadband and enterprise services.

Depreciation and amortisation increased by 5% in 2008/09 to US$294 million due to the increase in our capital expenditure in recent years.

Joint ventures

	Effective ownership as at 31 March 2009	Our share of revenue		Our share of profit/(loss) after tax	
		2008/09	2007/08	2008/09	2007/08
	%	US$m	US$m	US$m	US$m
Trinidad & Tobago (TSTT)	*49%*	238	219	30	44
Afghanistan (Roshan)	*37%*	77	71	(4)	3
The Maldives (Dhiraagu)	*45%*	62	54	28	24
Fiji (Fintel)	*49%*	13	15	4	3
Others		19	16	2	3
Total		**409**	**375**	**60**	**77**

Our share of profit after tax from joint ventures was US$60 million in 2008/09 compared with US$77 million in 2007/08. This reduction was driven by TSTT (Trinidad and Tobago) and Roshan (Afghanistan), partially offset by growth in Dhiraagu (The Maldives).

TSTT contributed US$30 million to our share of profit after tax compared with US$44 million in 2007/08 (which included the release of a US$9 million provision). In Roshan, the US$4 million loss after tax is largely due to a US$5 million write down of obsolete network equipment. Our share of profit after tax in Dhiraagu grew by US$4 million to US$28 million in 2008/09, mainly due to the 19% growth in mobile customers.

CWI exchange rate movements

	2009/10 Planning rate	2008/09 Actual rate	2007/08 Actual rate
Sterling : US dollar			
Average	0.6667	0.5688	0.4990
Year end		0.6898	0.5001
Seychelles rupee : US dollar			
Average	16.67	10.59	7.09
Year end		16.29	8.01
Jamaican dollar : US dollar			
Average	93.33	74.77	69.64
Year end		88.17	71.09

During the year, there was extreme volatility in foreign exchange rates with strengthening of the US dollar against sterling and other currencies. About a quarter of CWI's EBITDA arises from non-US dollar currencies, most of which have depreciated against the US dollar notably sterling, the Seychelles rupee and the Jamaican dollar. Translation of these currencies into US dollars gives rise to an adverse foreign currency translation of US$12 million in 2008/09. Had our 2009/10 planning rates been the average exchange rates during 2008/09, then our CWI 2008/09 EBITDA would have been US$41 million lower at US$880 million.

Reconciliation of CWI EBITDA to net cash flow before financing

	2008/09[1] US$m
EBITDA[2]	921
Exceptional items	(87)
EBITDA[2] less exceptionals	**834**
Movement in exceptional provisions	(4)
Movement in working capital and other provisions	(18)
Income taxes paid	(110)
Purchase of property, plant, equipment and intangible assets	(357)
Investment income	37
Trading cash inflow	**382**
Acquisitions and disposals	(16)
Contribution to pension buy-in	(4)
Net cash inflow before financing activities	**362**

[1] Based on our management accounts
[2] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income

We generated a trading cash inflow of US$382 million in 2008/09. Following a US$16 million outflow from acquisitions and disposals, predominantly dividends paid to minority shareholders in Monaco Telecom, and a US$4 million contribution to the pension buy-in for the main UK defined benefit scheme, our net cash inflow before financing was US$362 million.

The US$91 million outflow for exceptional items and provisions relates largely to restructuring charges associated with business transformation, primarily the 'One Caribbean' programme.

We reported a US$18 million outflow due to the movement in working capital and other provisions, a US$41 million improvement on our position in the first half of 2008/09.

We paid US$110 million of income tax in 2008/09 and invested US$357 million in capital expenditure. For more details on capital expenditure, see page 14.

Investment income of US$37 million includes US$30 million of dividends received from joint ventures and US$8 million of interest from third parties.

WORLDWIDE (FORMERLY EUROPE, ASIA & US)

The results for Worldwide include six months of Thus following the acquisition on 1 October 2008.

Highlights:

- The acquisition of Thus for additional enterprise scale and synergy benefits
- Increased share of the UK enterprise market to 19% (including Thus) with major contract wins for our leading product set including fixed mobile convergence, high definition video conferencing and applications performance management
- The continued roll out of our Multi Service Platform, now used by over 150 enterprise customers
- EBITDA up £107 million (£29 million from Thus) to £326 million
- Improving margins: gross margin up one percentage point to 42% and EBITDA margin up three percentage points to 14%
- Positive trading cash flow - £35 million excluding Thus, £13 million including Thus

Commenting on the results for the year ended 31 March 2009, John Pluthero, Executive Chairman of Worldwide said:

"Much has changed over the last three years – so much so that our customers now look to us as the industry's safe pair of hands. We're providing mission critical telecoms for many of the UK's largest organisations and, increasingly, to multinational organisations around the globe. Our acquisition of Thus during the year is providing greater scale in the UK with further enterprise customers and significant cost saving opportunities from the integration.

"None of our success means that we're immune to the recession but in 2009/10 we'll build on our achievements, look after our customers and watch our costs. The position that we've now established gives us the confidence to look forward to another year of increasing EBITDA and cash flow."

Worldwide income statement

	2008/09 £m	2007/08 £m	Change[1] %	Change (excluding Thus)[1] %
IP, data and hosting	987	774	*28%*	*17%*
Traditional voice	1,121	1,071	*5%*	*(2)%*
Legacy products	81	96	*(16)%*	*(18)%*
Total Worldwide enterprise revenue	2,189	1,941	*13%*	*5%*
Mid market	79	-	*nm*	*nm*
Total revenue	**2,268**	**1,941**	***17%***	***5%***
Cost of sales	(1,323)	(1,138)	*(16)%*	*(4)%*
Gross margin	945	803	*18%*	*5%*
Operating costs (excluding LTIP charge)	(619)	(584)	*(6)%*	*6%*
EBITDA[2]	**326**	**219**	***49%***	***36%***
LTIP charge	(17)	(19)	*11%*	*11%*
Depreciation and amortisation	(212)	(157)	*(35)%*	*(23)%*
Net other operating income	-	2	*nm*	*nm*
Operating profit before joint ventures	**97**	**45**	***116%***	***93%***
Share of loss after tax of joint ventures	-	(1)	*nm*	*nm*
Operating profit	**97**	**44**	***120%***	***98%***
Exceptional items	(76)	13	*nm*	*nm*
Total operating profit	**21**	**57**	***(63)%***	***(39)%***
Capital expenditure	(265)	(221)	*(20)%*	*(9)%*
Headcount (full time equivalents at 31 March)	6,717	5,019	*(34)%*	*(5)%*

nm represents % change not meaningful
[1] Positive percentages represent improvement
[2] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income and exceptional items

Worldwide key performance indicators

		2008/09	2007/08
% IP, data and hosting revenue		45%[1]	40%
Gross margin %		42%	41%
Operating costs as a percentage of revenue		27%	30%
EBITDA margin %		14%	11%
Synergies achieved following the acquisition of Thus – Total		£20m	n/a
Of which	*- EBITDA*	*£8m*	*n/a*
	- Capital expenditure	*£12m*	*n/a*
Costs incurred to achieve synergies	- Total	(£39m)	n/a
Of which	*- Exceptional items*	*(£30m)*	*n/a*
	- Capital expenditure	*(£9m)*	*n/a*

[1] Calculated as a percentage of total Worldwide enterprise revenue

Revenue
We grew our revenue in 2008/09 by 17% to £2,268 million compared with 2007/08. This increase comprises £90 million of revenue growth and £237 million from Thus (after £11 million of eliminations).

Excluding Thus, revenue in 2008/09 increased by 5%. We continue to see good demand for our higher margin IP, data and hosting products from our core market of large enterprise customers with this revenue increasing by £132 million compared with 2007/08. This growth has been partially offset by lower revenue from traditional voice and legacy products.

During 2008/09 we successfully implemented a number of major contracts including fixed mobile convergence for Tesco, the roll out of local loop unbundling for Virgin Media and the deployment of Microsoft Exchange for NHSMail which went live in February 2009.

Since our interim results announcement in November, we have won a number of significant contracts including:

- Centrica – a five year £79 million contract to provide a next generation telecoms network for their UK operations;

- Lloyds TSB Asset Finance – a three year multi-million pound contract to deliver a next generation call centre;

- Morrisons – a three year multi-million pound contract to provide a managed voice and data network solution to connect 114,000 employees at over 430 UK sites;

- Regus – a five year joint initiative to install our market-leading high definition video conferencing suites for Regus in its premier locations around the world. We expect this joint initiative to generate revenue of approximately £32 million over five years; and

- UK Government – we are a key member of the consortium of companies, led by Lockheed Martin UK, providing services to the Office for National Statistics to support the 2011 Census.

In January 2009 we became the first overseas carrier in India to obtain full network security clearance from the Indian Government allowing us to deliver our IP-based solutions directly in India.

A number of regulatory changes are due to take effect in 2009/10. Please refer to the regulation section on page 21 for more information on their effect on revenue and cost of sales.

IP, data and hosting
IP, data and hosting grew by £213 million to £987 million in 2008/09, representing 45% of our total enterprise revenue, excluding mid market revenue, of £2,189 million.

Excluding revenue from Thus and eliminations, IP, data and hosting revenue grew by 17% to £906 million. Our Multi Service Platform (MSP) is now used by over 150 customers and extends well beyond the UK having been launched in the Middle East, India, the Far East and North America.

A number of our market-leading products are delivered over the MSP including our managed high definition video conferencing, IP contact centres, IP voice and fixed mobile convergence. The MSP also enables our customers to run and manage their own business applications such as EPOS, CRM, Oracle and SAP.

Traditional voice
Traditional voice revenue increased by £50 million to £1,121 million. Excluding eliminations and revenue from Thus of £75 million, traditional voice revenue fell by £25 million. This reduction reflects some price erosion and our customers' continuing migration to IP voice services.

Legacy products
Revenue from our legacy products declined by £15 million to £81 million. Excluding revenue from Thus of £2 million, revenue from legacy products reduced by 18%.

Mid market
This represents the revenue from our Thus mid market business which amounted to £79 million.

Gross margin
Gross margin increased by £142 million in 2008/09 to £945 million, comprised of £42 million of growth and £100 million from Thus. Excluding Thus, the increase of £42 million is due to revenue growth and continued improvement in product mix. Gross margin as a percentage of revenue increased to 42% from 41% reflecting a growing proportion of higher margin IP, data and hosting revenue.

Operating costs
Operating costs in 2008/09 increased by £35 million to £619 million. The increase comprises £71 million from Thus, partially offset by a £36 million reduction in costs in our existing business.

Excluding Thus, the operating cost fall of £36 million to £548 million is due to the delivery of a number of cost saving initiatives including the renegotiation of network maintenance contracts and rationalisation of our network. These cost reductions have been partly offset by an increase in energy charges of £11 million in the second half of the year, this increase should reverse in the first half of 2009/10.

At 31 March 2009, there were 6,717 colleagues in the business. Excluding Thus colleagues, the total was 5,248, an increase of 5% compared with the 2007/08 level. This increase reflects colleagues transferred to us from customers as we win more managed service contracts as well as a significant move towards insourcing key service activities.

EBITDA
EBITDA before exceptionals increased by £107 million to £326 million in 2008/09. The increase comprises £78 million from improved performance and £29 million from Thus (including £8 million of integration synergies).

Though we are not immune to the current economic climate, most of our recession indicators remain healthy and any declines have been offset by growth in demand for our cost out propositions, for example high definition video conferencing and fixed mobile convergence, and our increasing market share.

During the year, our EBITDA margin improved by three percentage points to 14% compared with 2007/08. Excluding Thus, EBITDA margin rose by four percentage points to 15%.

Exceptional items
Net exceptional charges in 2008/09 were £76 million.

Excluding Thus integration costs of £30 million, net exceptional charges totalled £46 million compared with net exceptional income of £13 million in 2007/08. The £46 million charge relates to redundancies, property rationalisation and other transformation costs as we continue to restructure the Worldwide business. For more details, please refer to pages 6 and 7.

Capital expenditure and depreciation and amortisation
Capital expenditure of £265 million is £44 million higher than 2007/08 and represents 12% of revenue. This increase over our guidance of approximately 10% of revenue is predominantly due to the purchase of additional international capacity and the £9 million of cost to achieve the Thus integration from investment in additional capacity required for the migration of Thus' enterprise customers onto Worldwide's network.

Capital expenditure related to customer specific contracts was 44% of total capital expenditure, reflecting our recent success in winning IP, data and hosting contracts.

Depreciation and amortisation was £212 million for 2008/09, compared with £157 million in 2007/08. Excluding Thus, depreciation was £193 million in 2008/09, an increase of £36 million reflecting the level of capital expenditure in recent years.

Reporting in 2009/10

In 2009/10, the results of Worldwide will be presented including the integrated Thus enterprise business reflecting how we now manage the business. The results of the mid market business will continue to be disclosed separately. On this basis, the summary income statement for the second half of 2008/09 would be as follows:

£million	Worldwide	Thus enterprise[1]	Total enterprise	Mid market[1]	Elims	Total
Revenue	1,028	169	1,197	79	(11)	1,265
Gross margin	431	71	502	29	-	531
Opex	(276)	(44)	(320)	(27)	-	(347)
EBITDA	155	27	182	2	-	184

[1] Based on our management accounts

Regulation

There have been a number of recent regulatory decisions that will affect our revenue from August 2009 onwards (approximately £100 million in 2009/10). There is a compensating effect on our cost of sales such that there is approximately a £5 million short-term adverse impact on our gross margin whilst we migrate our customers to alternative number ranges. These decisions include changes to 0845, 0870 and mobile termination rates.

Reconciliation of Worldwide EBITDA to net cash flow before financing

	2008/09[1] £m
EBITDA[2]	326
Exceptional items	(76)
EBITDA[2] less exceptionals	**250**
Movement in exceptional provisions	5
Movement in working capital and other provisions	(4)
Income taxes paid	-
Purchase of property, plant, equipment and intangible assets	(245)
Investment and other income	7
Trading cash inflow	**13**
Acquisitions and disposals	(331)
Contribution to pension buy-in	(8)
Net cash outflow before financing activities	**(326)**

[1] Based on our management accounts
[2] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income

We generated a trading cash inflow of £13 million in 2008/09 - a trading cash inflow of £35 million excluding Thus.

After the £330 million expenditure to acquire Thus and an £8 million outflow in respect of the pension buy-in for the main UK defined benefit scheme, we had a net cash outflow before financing of £326 million.

Exceptional items and the movement in exceptional provisions of £71 million, are largely attributable to restructuring costs and the costs of the Thus integration. For more detail, refer to pages 6 and 7.

Cash capital expenditure of £245 million reflects a mix of investments in both customer and infrastructure projects. For further detail on capital expenditure, please refer to page 20.

GROUP RESULTS DETAIL

£m	2008/09				2007/08				Change (%)[1]			
	CWI	Worldwide[2]	Central[3]	Group Total	CWI	Worldwide	Central[3]	Group Total	CWI	Worldwide[2]	Central[3]	Group Total
Revenue	1,392	2,268	(14)	3,646	1,229	1,941	(18)	3,152	*13%*	*17%*	*22%*	*16%*
Cost of sales	(450)	(1,323)	14	(1,759)	(423)	(1,138)	18	(1,543)	*(6)%*	*(16)%*	*(22)%*	*(14)%*
Gross margin	942	945	-	1,887	806	803	-	1,609	*17%*	*18%*	-	*17%*
Operating costs	(418)	(619)	(28)	(1,065)	(392)	(584)	(28)	(1,004)	*(7)%*	*(6)%*	*0%*	*(6)%*
EBITDA[4]	**524**	**326**	**(28)**	**822**	**414**	**219**	**(28)**	**605**	***27%***	***49%***	***0%***	***36%***
LTIP charge	-	(17)	-	(17)	(8)	(19)	-	(27)	*nm*	11%	-	37%
Depreciation & amortisation	(167)	(212)	-	(379)	(142)	(157)	-	(299)	*(18)%*	*(35)%*	-	*(27)%*
Net other operating income/(expense)	(2)	-	-	(2)	2	2	1	5	*nm*	*nm*	*nm*	*nm*
Operating profit/(loss) before joint ventures[5]	**355**	**97**	**(28)**	**424**	**266**	**45**	**(27)**	**284**	***33%***	***116%***	***(4)%***	***49%***
Joint ventures	34	-	-	34	38	(1)	-	37	*(11)%*	*nm*	-	*(8)%*
Total operating profit/ (loss)[5]	**389**	**97**	**(28)**	**458**	**304**	**44**	**(27)**	**321**	***28%***	***120%***	***(4)%***	***43%***
Exceptional items	(49)	(76)	(8)	(133)	(50)	13	-	(37)	*2%*	*nm*	-	*nm*
Total operating profit/(loss)	**340**	**21**	**(36)**	**325**	**254**	**57**	**(27)**	**284**	***34%***	***(63)%***	***(33)%***	***14%***
Capital expenditure	(192)	(265)	-	(457)	(190)	(221)	-	(411)	*(1)%*	*(20)%*	-	*(11)%*
Headcount[6]	6,962	6,717	85	13,764	8,048	5,019	85	13,152	*13%*	*(34)%*	*0%*	*(5)%*

nm represents % change not meaningful
1 Positive percentages represent improvement
2 Worldwide includes the results of Thus Group plc from the date of its acquisition (1 October 2008)
3 "Central" comprises the corporate centre and intra-group eliminations between the businesses
4 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income/(expense) and exceptional items
5 Excluding exceptional items
6 Full time equivalents as at 31 March

CWI RESULTS DETAIL

US$m	Caribbean 2008/09	Caribbean 2007/08	Caribbean Reported change	Caribbean Constant Currency change	Panama 2008/09	Panama 2007/08	Panama Reported change[2]	Macau 2008/09	Macau 2007/08	Macau Reported change[2]	Monaco & Islands[1] 2008/09	Monaco & Islands[1] 2007/08	Monaco & Islands[1] Reported change	Monaco & Islands[1] Constant currency change
Mobile	354	367	*(4)%*	*(2)%*	301	268	*12%*	117	107	*9%*	134	132	*2%*	*12%*
Broadband	93	89	*4%*	*7%*	41	36	*14%*	43	38	*13%*	22	20	*10%*	*16%*
Domestic voice	276	276	*0%*	*3%*	160	177	*(10)%*	34	34	*0%*	49	54	*(9)%*	*2%*
International voice	107	133	*(20)%*	*(18)%*	40	40	*0%*	57	57	*0%*	43	52	*(17)%*	*(12)%*
Enterprise, data & other	145	156	*(7)%*	*(6)%*	125	96	*30%*	51	55	*(7)%*	258	268	*(4)%*	*(4)%*
Revenue	**975**	**1,021**	***(5)%***	***(3)%***	**667**	**617**	***8%***	**302**	**291**	***4%***	**506**	**526**	***(4)%***	***0%***
Cost of sales	(257)	(310)	*17%*	*15%*	(226)	(217)	*(4)%*	(110)	(113)	*3%*	(201)	(210)	*4%*	*4%*
Gross margin	**718**	**711**	***1%***	***2%***	**441**	**400**	***10%***	**192**	**178**	***8%***	**305**	**316**	***(3)%***	***3%***
Operating costs	(381)	(419)	*9%*	*7%*	(165)	(146)	*(13)%*	(53)	(54)	*2%*	(168)	(177)	*5%*	*(1)%*
EBITDA[3]	**337**	**292**	***15%***	***16%***	**276**	**254**	***9%***	**139**	**124**	***12%***	**137**	**139**	***(1)%***	***5%***
LTIP charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	(119)	(117)	*(2)%*	*(3)%*	(78)	(75)	*(4)%*	(38)	(34)	*(12)%*	(54)	(52)	*(4)%*	*(13)%*
Net other operating income/(expense)	(4)	2	*nm*	*nm*	1	1	*0%*	-	-	-	-	-	-	-
Operating profit before joint ventures[4]	**214**	**177**	***21%***	***20%***	**199**	**180**	***11%***	**101**	**90**	***12%***	**83**	**87**	***(5)%***	***1%***
Joint ventures	30	44	*(32)%*	*(29)%*	-	-	-	-	-	-	30	33	*(9)%*	*(9)%*
Total operating profit[4]	**244**	**221**	***10%***	***11%***	**199**	**180**	***11%***	**101**	**90**	***12%***	**113**	**120**	***(6)%***	***(2)%***
Exceptional items	(54)	(89)	*39%*	*35%*	(5)	-	-	-	-	-	(4)	(3)	*(33)%*	*(33)%*
Total operating profit	**190**	**132**	***44%***	***39%***	**194**	**180**	***8%***	**101**	**90**	***12%***	**109**	**117**	***(7)%***	***(3)%***
Capital expenditure	(150)	(176)	*15%*	*12%*	(83)	(103)	*19%*	(35)	(37)	*5%*	(59)	(55)	*(7)%*	*(13)%*
Headcount[5]	3,091	3,936	*21%*	*21%*	1,811	1,891	*4%*	884	900	*2%*	1,064	1,167	*9%*	*9%*

nm represents % change not meaningful

1 Islands comprises operations in Bermuda, the Channel Islands, Isle of Man and the Indian, Atlantic and Pacific Oceans

2 As these currencies are US dollar denominated or linked to the US dollar, there is no difference between the reported and constant currency changes

3 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income/expense and exceptional items

4 Excluding exceptional items

5 Full time equivalents as at 31 March

CWI RESULTS DETAIL (CONTINUED)

US$m	Other[1]					TOTAL CWI					Memo: Jamaica			
	2008/09	2007/08	Reported change	Constant currency change		2008/09	2007/08	Reported change	Constant currency change		2008/09	2007/08	Reported change	Constant currency change
Mobile	1	9	*(89)%*	*(88)%*		907	883	*3%*	*5%*		66	88	*(25)%*	*(20)%*
Broadband	-	-	-	-		199	183	*9%*	*11%*		27	29	*(7)%*	*0%*
Domestic voice	-	-	-	-		519	541	*(4)%*	*(2)%*		126	121	*4%*	*12%*
International voice	(2)	-	*nm*	*nm*		245	282	*(13)%*	*(11)%*		42	52	*(19)%*	*(16)%*
Enterprise, data & other	(2)	(2)	*0%*	*0%*		577	573	*1%*	*1%*		33	39	*(15)%*	*(11)%*
Revenue	**(3)**	**7**	***nm***	***nm***		**2,447**	**2,462**	***(1)%***	***1%***		**294**	**329**	***(11)%***	***(5)%***
Cost of sales	3	3	*0%*	*(25)%*		(791)	(847)	*7%*	*5%*		(101)	(138)	*27%*	*23%*
Gross margin	**-**	**10**	***nm***	***nm***		**1,656**	**1,615**	***3%***	***4%***		**193**	**191**	***1%***	***8%***
Operating costs	32	11	*nm*	*nm*		(735)	(785)	*6%*	*4%*		(130)	(140)	*7%*	*1%*
EBITDA[2]	**32**	**21**	***52%***	***68%***		**921**	**830**	***11%***	***13%***		**63**	**51**	***24%***	***34%***
LTIP charges	-	(16)	*nm*	*nm*		-	(16)	*nm*	*nm*		-	-	-	-
Depreciation & amortisation	(5)	(6)	*17%*	*17%*		(294)	(284)	*(4)%*	*(5)%*		(33)	(38)	*13%*	*6%*
Net other operating income/(expense)	-	-	-	-		(3)	3	*nm*	*nm*		(1)	(4)	*75%*	*75%*
Operating profit before joint ventures[3]	**27**	**(1)**	***nm***	***nm***		**624**	**533**	***17%***	***18%***		**29**	**9**	***nm***	***nm***
Joint ventures	-	-	-	-		60	77	*(22)%*	*(20)%*		-	-	-	-
Total operating profit[3]	**27**	**(1)**	***nm***	***nm***		**684**	**610**	***12%***	***13%***		**29**	**9**	***nm***	***nm***
Exceptional items	(24)	(9)	*nm*	*nm*		(87)	(101)	*14%*	*7%*		3	(82)	*nm*	*nm*
Total operating profit	**3**	**(10)**	***nm***	***nm***		**597**	**509**	***17%***	***17%***		**32**	**(73)**	***nm***	***nm***
Capital expenditure	(10)	(10)	*0%*	*11%*		(337)	(381)	*12%*	*9%*		(67)	(88)	*24%*	*18%*
Headcount[4]	112	154	*27%*	*27%*		6,962	8,048	*13%*	*13%*		1,056	1,301	*19%*	*19%*

nm represents % change not meaningful

[1] Other includes intra CWI revenue and cost adjustments, the movements in centrally held accruals, net pension credit, LTIP charges and central capital expenditure. The operating costs of the London office are recharged to the businesses. Headcount numbers are shown as a memo item

[2] Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income/expense and exceptional items

[3] Excluding exceptional items

[4] Full time equivalents as at 31 March

CWI RESULTS DETAIL (CONTINUED)

	GSM ACTIVE[1] MOBILE CUSTOMERS ('000s)			BROADBAND CUSTOMERS ('000s)			FIXED LINE CONNECTIONS ('000s)		
	As at 31 March 2009	As at 31 March 2008	% Change	As at 31 March 2009	As at 31 March 2008	% Change	As at 31 March 2009	As at 31 March 2008	% Change
Caribbean	1,254	1,260	(0)%	199	187	6%	662	696	(5)%
Panama	2,337	1,638	43%	120	99	21%	422	432	(2)%
Macau	397	305	30%	125	119	5%	179	182	(2)%
Monaco & Islands	153	139	10%	32	29	10%	213	212	0%
CWI subsidiaries	**4,141**	**3,342**	**24%**	**476**	**434**	**10%**	**1,476**	**1,522**	**(3)%**
TSTT	888	899	(1)%	63	23	174%	301	304	(1)%
Roshan	3,311	1,814	83%	-	-	-	-	-	-
Dhiraagu	288	242	19%	11	7	57%	32	33	(3)%
Solomon Telekom	35	21	67%	1	1	0%	9	9	0%
Telecom Vanuatu	25	32	(22)%	2	1	100%	7	7	0%
CWI joint ventures	**4,547**	**3,008**	**51%**	**77**	**32**	**141%**	**349**	**353**	**(1)%**
Total CWI	**8,688**	**6,350**	**37%**	**553**	**466**	**19%**	**1,825**	**1,875**	**(3)%**

[1] An active customer is defined as one having performed a revenue-generating event in the previous 60 days

WORLDWIDE RESULTS DETAIL

£m	2008/09				2007/08				Change (%)			
	Cable & Wireless Worldwide	Thus[1]	Elims	Worldwide Total	Cable & Wireless Worldwide	Thus	Elims	Worldwide Total	Cable & Wireless Worldwide	Thus	Elims	Worldwide Total
IP, data and hosting	906	86	(5)	987	774	-	-	774	*17%*	*n/a*	-	*28%*
Traditional voice	1,046	81	(6)	1,121	1,071	-	-	1,071	*(2)%*	*n/a*	-	*5%*
Legacy products	79	2	-	81	96	-	-	96	*(18)%*	*n/a*	-	*(16)%*
Mid market	-	79	-	79	-	-	-	-	-	*n/a*	-	*nm*
Revenue	**2,031**	**248**	**(11)**	**2,268**	**1,941**	**-**	**-**	**1,941**	***5%***	***n/a***	**-**	***17%***
Cost of sales	(1,186)	(148)	11	(1,323)	(1,138)	-	-	(1,138)	*(4)%*	*n/a*	-	*(16)%*
Gross margin	**845**	**100**	**-**	**945**	**803**	**-**	**-**	**803**	***5%***	***n/a***	**-**	***18%***
Operating costs	(548)	(71)	-	(619)	(584)	-	-	(584)	*6%*	*n/a*	-	*(6)%*
EBITDA[2]	**297**	**29**	**-**	**326**	**219**	**-**	**-**	**219**	***36%***	***n/a***	**-**	***49%***
LTIP charge	(17)	-	-	(17)	(19)	-	-	(19)	11%	*n/a*	-	11%
Depreciation & amortisation	(193)	(19)	-	(212)	(157)	-	-	(157)	*(23)%*	*n/a*	-	*(35)%*
Net other operating income	-	-	-	-	2	-	-	2	*nm*	*n/a*	-	*nm*
Operating profit before joint ventures[3]	**87**	**10**	**-**	**97**	**45**	**-**	**-**	**45**	***93%***	***n/a***	**-**	***116%***
Joint ventures	-	-	-	-	(1)	-	-	(1)	*nm*	*n/a*	-	*nm*
Total operating profit[3]	**87**	**10**	**-**	**97**	**44**	**-**	**-**	**44**	***98%***	***n/a***	**-**	***120%***
Exceptional items	(52)[4]	(24)	-	(76)	13	-	-	13	*nm*	*n/a*	-	*nm*
Total operating profit/(loss)	**35**	**(14)**	**-**	**21**	**57**	**-**	**-**	**57**	***(39)%***	***n/a***	**-**	***(63)%***
Capital expenditure	(241)	(24)	-	(265)	(221)	-	-	(221)	*(9)%*	*n/a*	-	*(20)%*
Headcount[5]	5,248	1,469	-	6,717	5,019	-	-	5,019	*(5)%*	*n/a*	-	*(34)%*

nm represents % change not meaningful
1 The results of Thus Group plc are included from the date of its acquisition (1 October 2008)
2 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income and exceptional items
3 Excluding exceptional items
4 Includes £6 million of Thus integration charges
5 Full time equivalents as at 31 March

EXTRACTS FROM THE FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Consolidated income statement

	2008/09			2007/08		
	Pre-exceptional items £m	Exceptional items £m	Total £m	Pre-exceptional items £m	Exceptional items £m	Total £m
Continuing operations						
Revenue	**3,646**	**-**	**3,646**	3,152	-	3,152
Operating costs before depreciation and amortisation	**(2,841)**	**(133)**	**(2,974)**	(2,574)	(53)	(2,627)
Depreciation and impairment	**(316)**	**-**	**(316)**	(252)	(37)	(289)
Amortisation	**(63)**	**-**	**(63)**	(47)	-	(47)
Other operating income	**2**	**-**	**2**	9	53	62
Other operating expenses	**(4)**	**-**	**(4)**	(4)	-	(4)
Group operating profit/(loss)	**424**	**(133)**	**291**	**284**	**(37)**	**247**
Share of profit after tax of joint ventures	**34**	**-**	**34**	37	-	37
Total operating profit/(loss)	**458**	**(133)**	**325**	**321**	**(37)**	**284**
Gains and losses on sale of non-current assets	**7**	**-**	**7**	1	-	1
Gain on termination of operations	**3**	**-**	**3**	8	6	14
Finance income	**29**	**-**	**29**	53	-	53
Finance expense	**(75)**	**(56)**	**(131)**	(75)	(10)	(85)
Profit/(loss) before income tax	**422**	**(189)**	**233**	**308**	**(41)**	**267**
Income tax (expense)/credit	**(24)**	**7**	**(17)**	(56)	9	(47)
Profit/(loss) for the year from continuing operations	**398**	**(182)**	**216**	**252**	**(32)**	**220**
Discontinued operations						
Profit for the year from discontinued operations	**10**	**-**	**10**	-	-	-
Profit/(loss) for the year	**408**	**(182)**	**226**	**252**	**(32)**	**220**
Attributable to:						
Equity holders of the Company	**322**	**(179)**	**143**	**191**	**(27)**	**164**
Minority interests	**86**	**(3)**	**83**	**61**	**(5)**	**56**
	408	**(182)**	**226**	**252**	**(32)**	**220**
Earnings per share attributable to the equity holders of the Company during the year (pence per share)						
– basic			**5.8p**			6.8p
– diluted			**5.7p**			6.6p
Earnings per share from continuing operations attributable to the equity holders of the Company during the year (pence per share)						
– basic			**5.4p**			6.8p
– diluted			**5.3p**			6.6p
Earnings per share from discontinued operations attributable to the equity holders of the Company during the year (pence per share)						
– basic			**0.4p**			-
– diluted			**0.4p**			-

Further detail on exceptional items is set out on pages 6 and 7

Consolidated balance sheet

	31 March 2009 £m	31 March 2008 £m
ASSETS		
Non-current assets		
Intangible assets	1,191	807
Property, plant and equipment	2,053	1,488
Investments in joint ventures	225	142
Available for sale financial assets	38	27
Deferred tax asset	64	26
Retirement benefit asset	27	32
Other receivables	52	60
	3,650	**2,582**
Current assets		
Inventories	23	17
Trade and other receivables	973	856
Cash and cash equivalents	545	699
	1,541	**1,572**
Non-current assets and disposal groups held for sale	1	5
	1,542	**1,577**
Total assets	**5,192**	**4,159**
LIABILITIES		
Current liabilities		
Trade and other payables	1,509	1,219
Financial liabilities at fair value	25	59
Current tax liabilities	124	130
Loans and obligations under finance leases	90	59
Provisions	108	92
	1,856	**1,559**
Net current (liabilities)/assets	**(314)**	**18**
Non-current liabilities		
Trade and other payables	11	40
Financial liabilities at fair value	140	73
Loans and obligations under finance leases	832	397
Deferred tax liabilities	37	30
Provisions	186	135
Retirement benefit obligations	85	46
	1,291	**721**
Net assets	**2,045**	**1,879**
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	643	634
Share premium	197	156
Reserves	988	897
	1,828	**1,687**
Minority interests	217	192
Total equity	**2,045**	**1,879**

Consolidated statement of recognised income and expense

	2008/09 £m	2007/08 £m
Actuarial losses in the value of defined benefit retirement plans	(76)	(100)
Exchange differences on translation of foreign operations	315	(8)
Exchange differences relating to hedging instruments	(45)	-
Fair value gain on available for sale financial assets	-	2
Tax on items taken directly to or transferred from equity	-	11
Amounts recognised directly in equity	194	(95)
Profit for the year	226	220
Total recognised income and expense for the year	**420**	**125**
Attributable to:		
Equity holders of the Company	271	81
Minority interests	149	44
	420	**125**

Consolidated cash flow statement

	2008/09 £m	2007/08 £m
Cash flows from operating activities		
Cash generated from continuing operations	669	504
Cash generated from discontinued operations	-	-
Income taxes paid	(65)	(46)
Net cash from operating activities	**604**	**458**
Cash flows from investing activities		
Continuing operations		
Finance income	22	49
Other expense	(2)	-
Dividends received	17	15
Increase in available for sale financial assets	-	(10)
Purchase of available for sale financial assets	(1)	-
Proceeds on disposal of non-current assets held for sale	-	93
Proceeds on disposal of property, plant and equipment	3	5
Purchase of property, plant and equipment	(413)	(342)
Purchase of intangible assets	(36)	(63)
Disposal of subsidiaries and minority interests	6	-
Acquisition of subsidiaries (net of cash received) and minority interests	(343)	(74)
Net cash from investing activities - continuing operations	**(747)**	**(327)**
Discontinued operations	**-**	**-**
Net cash used in investing activities	**(747)**	**(327)**
Net cash flow before financing activities	**(143)**	**131**
Cash flows used in financing activities		
Continuing operations		
Dividends paid to shareholders	(147)	(138)
Dividends paid to minority interests	(77)	(58)
Repayments of borrowings	(169)	(258)
Finance expense	(79)	(49)
Proceeds from borrowings	417	12
Proceeds on issue of shares on settlement of share options	5	14
Purchase of shares for share awards	(2)	(2)
Net cash used in financing activities – continuing operations	(52)	(479)
Discontinued operations	**-**	**-**
Net cash used in financing activities	**(52)**	**(479)**
Net decrease in cash and cash equivalents	**(195)**	**(348)**
Cash and cash equivalents at 1 April	699	1,043
Exchange gains on cash and cash equivalents	41	4
Cash and cash equivalents at 31 March	**545**	**699**

Reconciliation of net profit to net cash flow from operating activities

	2008/09 £m	2007/08 £m
Continuing operations		
Profit for the year	**216**	**220**
Adjustments for:		
Tax expense	17	47
Depreciation	316	289
Amortisation	63	47
Gain on termination of operations	(2)	(9)
Gain on sale of non-current assets	(7)	(1)
Loss/(gain) on disposal of property, plant and equipment	2	(56)
Finance income	(29)	(53)
Finance expense	131	85
Decrease in provisions	(3)	(9)
Employee benefits	2	5
Contribution to defined benefit pension scheme buy-in	(10)	-
Defined benefit pension scheme top-up contributions	-	(19)
Defined benefit pension scheme other contributions	(18)	(16)
Share of results after tax of joint ventures	(34)	(37)
Operating cash flows before working capital changes	**644**	**493**
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries)		
(Increase)/decrease in inventories	(6)	6
Decrease/(increase) in trade and other receivables	85	(5)
(Decrease)/increase in payables	(54)	5
Decrease in other assets	-	5
Cash generated from continuing operations	**669**	**504**
Discontinued operations		
Profit for the year	**10**	**-**
Adjusted for:		
Decreases in provisions and changes in working capital	(10)	-
Cash generated from discontinued operations	**-**	**-**
Cash generated from operations	**669**	**504**

Additional information

Long term incentive plan (LTIP)

	CWI £m	Worldwide £m	Total £m
Base values:			
Starting base values (1 April 2006)	2,041	536	2,577
Equity hurdle rate and notional interest charges	437	294	731
Cash (repatriation)/funding	(767)	800	33
Adjusted base values (31 March 2009)	**1,711**	**1,630**	**3,341**
Business values (31 March 2009)	**1,794**	**2,252**	**4,046**
Net increase in business values	**83**	**622**	**705**
Reward pool = 10% of net increase	**8.3**	**62.2**	**70.5**

The value of the reward pool for the LTIP as at 31 March 2009 was £70.5 million. This reflects the £1,469 million increase in business values delivered over the last three years, partially offset by the £731 million equity hurdle rate and notional interest and the £33 million net cash funding provided to the businesses over this period. This results in a net increase in business values of £705 million, of which 10% goes into the LTIP reward pool.

The 2009 payment of £32 million (£30 million in Worldwide and £2 million in CWI) will be made to participants in the plan. This payment assumes the delayed payment schedule detailed in our announcement of 19 May 2009. In particular John Pluthero, Executive Chairman of Worldwide, has agreed to reduce his 2009 payment from 75% to 67%. The payment of £32 million represents 45% of the total reward pool reflecting this delayed payment schedule as well as units (including those of Tony Rice, Chief Executive of CWI) not having a vesting payment in 2009 and payments previously made to good leavers.

Group earnings per share

			2008/09
	Pre-exceptionals £m	**Exceptionals £m**	**Total £m**
Profit/(loss) for the year attributable to equity holders	**322**	**(179)**	**143**
Adjusted for:			
LTIP charge	17	-	17
Profit for the year from discontinued operations	(10)	-	(10)
Profit/(loss) for the year from continuing operations excluding LTIP charge attributable to equity holders	**329**	**(179)**	**150**
Earnings/(loss) per share attributable to equity holders of the Company during the year (pence)	*13.0p*	*(7.2)p*	*5.8p*
Prior year	*7.9p*	*(1.1)p*	*6.8p*
Earnings/(loss) per share from continuing operations attributable to equity holders excluding LTIP charge (pence)	*13.2p*	*(7.2)p*	*6.0p*
Prior year	*9.0p*	*(1.1)p*	*7.9p*

Shares outstanding at year end and weighted average number of shares

	As at 31 March 2009 '000	As at 31 March 2008 '000
Number of shares in issue	2,571,466	2,536,623
Shares held in treasury	(33,166)	(45,666)
Shares held by employee share ownership trust	(30,519)	(28,068)
Number of shares outstanding	2,507,781	2,462,889
Weighted average number of shares outstanding during the year used for the EPS calculation	2,486,456	2,424,390

Provisions for liabilities and charges

	Property £m	Redundancy £m	Network & asset retirement obligations £m	Legal and other[1] £m	Total £m
At 31 March 2008	**69**	**12**	**81**	**65**	**227**
Current portion	17	12	14	49	92
Non-current portion	52	-	67	16	135
Acquisitions	1	-	34	1	36
Additional provision	40	61	28	39	168
Amounts used	(19)	(50)	(11)	(42)	(122)
Unused amounts reversed	(17)	(2)	(9)	(15)	(43)
Effect of discounting	3	-	7	-	10
Exchange adjustments	2	3	2	11	18
At 31 March 2009	**79**	**24**	**132**	**59**	**294**
Current portion	20	24	14	50	108
Non-current portion	59	-	118	9	186
Analysed between:					
Current portion					
CWI	-	17	6	46	69
Worldwide	17	7	8	1	33
Central	3	-	-	3	6
Non-current portion					
CWI	-	-	15	8	23
Worldwide	55	-	103	-	158
Central	4	-	-	1	5
Total					
CWI	-	17	21	54	92
Worldwide	72	7	111	1	191
Central	7	-	-	4	11

[1] Other comprises provisions relating to acquisitions, disposals and discontinued operations of the Group

During 2008/09, provisions increased by £67 million. There was a £4 million net benefit to EBITDA before exceptional items arising from the movement in provisions in the year.

Property
Provision has been made for the lower of the best estimate of the unavoidable lease payments or cost of exit in respect of vacant properties. Unavoidable lease payments represent the difference between the rentals due and any income expected to be derived from the vacant properties being sub-let. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Property provisions released included £14 million (2007/08 – £4 million) relating to Worldwide following the reassessment of its onerous rental leases and dilapidations provisions and £3 million in respect of the Group's former US operations.

Redundancy
Provision has been made for the employee related costs of redundancies announced or for which Cable & Wireless is demonstrably committed prior to the reporting date. Amounts provided for and spent in the year primarily relate to the restructuring in Worldwide and CWI.

Redundancy cost provisions released in 2008/09 relate to Worldwide.

Network and asset retirement obligations
Provision has been made for the best estimate of the unavoidable costs associated with redundant leased network capacity. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Provision has been made for the best estimate of the asset retirement obligation associated with office sites, technical sites, domestic and sub-sea cabling. This provision is expected to be used at the end of the life of the related asset on which the obligation arises. Amounts utilised in the year related predominantly to cash expenditure against unavoidable costs associated with redundant network capacity.

Network and asset retirement obligations provision releases in 2008/09 relate to the reassessment of amounts in respect of exiting network sites and onerous network contracts in CWI and Worldwide.

Other
Other provisions include amounts relating to specific legal claims held against the Group's former insurance operation, Pender, and other restructuring costs.

Other provisions released in 2008/09 include an amount of £7 million in Central in relation to discontinued operations, and £2 million in Central following a reassessment of provisions made in respect of the Group's former insurance operation, Pender.

Dividends paid and proposed

	2008/09 £m	2007/08 £m
Declared and paid during the year ended 31 March		
Dividends on ordinary shares:		
Final dividend in respect of the prior year	**123**	**100**
Declared and paid during the year ended 31 March		
Dividends on ordinary shares:		
Interim dividend in respect of the current year	**71**	**61**

Minority interests

	Total £m
Balance as at 31 March 2008	192
Share of total recognised income and expenditure for the year	149
Dividends paid	(124)
Balance as at 31 March 2009	**217**

Whilst the financial information included in this preliminary announcement has been computed in accordance with IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. The Group's 2008/09 Annual Report and Accounts will be prepared in compliance with IFRS. The unaudited preliminary announcement does not constitute a dissemination of the annual financial report and does not therefore need to meet the dissemination requirements for annual financial reports. A separate dissemination announcement in accordance with Disclosure and Transparency Rules (DTR) 6.3 will be made when the annual report and audited financial statements are available on the Group's website.

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Cable & Wireless' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. A summary of some of the potential risks faced by Cable & Wireless is set out in the Company's most recent Annual Report.

Forward-looking statements speak only as of the date they are made and Cable & Wireless undertakes no obligation to revise or update any forward-looking statement contained within this announcement, or any other forward-looking statements it may make, regardless of whether those statements are affected as a result of new information, future events or otherwise (except as required by the UK Listing Authority, the London Stock Exchange, the City Code on Takeovers and Mergers or by law).