

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares, please forward this document, but not the personalised Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Your attention is drawn to the letter from Sir Richard Laphorne CBE, the Chairman of Cable & Wireless Communications Plc, which is set out in Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document in which the Board of Cable & Wireless Communications Plc unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting referred to below. You should read this document in its entirety and consider whether to vote in favour of the Resolution in light of the information contained in this document.

Capitalised terms have the meanings ascribed to them in Part VII (Definitions) of this document.

Cable & Wireless Communications Plc

(Incorporated and registered in England and Wales with registered number 07130199)

Proposed Disposal of Macau and Notice of General Meeting

A notice convening a General Meeting of Cable & Wireless Communications Plc to be held at 9:30 a.m. on 28 February 2013 at the offices of Deutsche Bank AG, 1 Great Winchester Street, London EC2N 2DB is set out at the end of this document.

A Form of Proxy for use at the General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible but, in any event, so as to be received by the Registrar no later than 9:30 a.m. on 26 February 2013, being 48 hours before the time appointed for the holding of the General Meeting. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant ID RA19) by no later than 9:30 a.m. on 26 February 2013. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completing and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the General Meeting if you wish to do so.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

J.P. Morgan Cazenove, who are authorised and regulated in the United Kingdom by the Financial Services Authority, are acting exclusively for Cable & Wireless Communications Plc and for no one else in connection with the Disposal and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Disposal and will not be responsible to anyone other than Cable & Wireless Communications Plc for providing the protections afforded to clients of J.P. Morgan Cazenove or for affording advice in relation to the Disposal, the contents of this document or any transaction, arrangement or other matter referred to in this document.

For a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the Resolution, see Part II (Risk Factors) of this document.

FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” which are based on the beliefs, expectations and assumptions of the Directors and other members of senior management about Cable & Wireless Communications Plc’s businesses and the Disposal. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance, and although Cable & Wireless Communications Plc believes that they are reasonable there can be no assurance that the expectations reflected in such forward-looking statements will prove to have been correct. Rather, they are based on current beliefs, expectations and assumptions and involve known and unknown risks and uncertainties, many of which are outside the control of Cable & Wireless Communications Plc and are difficult to predict, that may cause actual results, performance or events to differ materially from those expressed or implied in such forward-looking statements. Any forward-looking statement contained in this document based on past or current trends and/or activities of Cable & Wireless Communications Plc should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of Cable & Wireless Communications Plc for the current year or future years will match or exceed the historical or published earnings of the Company. Each forward-looking statement speaks only as of the date of the particular statement. Cable & Wireless Communications Plc expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein as a result of new information, future events or other information, except to the extent required by the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the rules of the London Stock Exchange or by applicable law.

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CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
PART I LETTER FROM THE CHAIRMAN OF CABLE & WIRELESS COMMUNICATIONS PLC ..	6
PART II RISK FACTORS	12
PART III FINANCIAL INFORMATION ON CTM	15
PART IV UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	17
PART V SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL AGREEMENT	21
PART VI ADDITIONAL INFORMATION	24
PART VII DEFINITIONS	30
NOTICE OF GENERAL MEETING	36

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Disposal	13 January 2013
Latest time and date for receipt of Forms of Proxy for the General Meeting	9:30 a.m. 26 February 2013
Cable & Wireless Communications Plc General Meeting	28 February 2013
CITIC Telecom International Holdings Limited General Meeting	March or April 2013
Expected effective date of the Disposal	July to October 2013

NOTES:

- (i) Each of the times and dates above is indicative only and may be subject to change, in which event details of the new times and dates will be notified to the FSA and where appropriate the Shareholders.
- (ii) References to times in this document are to London time.

PART I

LETTER FROM THE CHAIRMAN OF CABLE & WIRELESS COMMUNICATIONS PLC



(Incorporated and registered in England and Wales with registered number 07130199)

Registered office:

Cable & Wireless Communications Plc
3rd Floor
26 Red Lion Square
London
WC1R 4HQ

Directors and Officers:

31 January 2013

Sir Richard Lapthorne, CBE	<i>(Chairman of Board)</i>
Tony Rice	<i>(Chief Executive Officer)</i>
Tim Pennington	<i>(Chief Financial Officer)</i>
Nick Cooper	<i>(Corporate Services Director)</i>
Simon Ball	<i>(Deputy Chairman and non-executive director)</i>
Mark Hamlin	<i>(Non-executive director)</i>
Alison Platt	<i>(Non-executive director)</i>
Ian Tyler	<i>(Non-executive director)</i>

To: Shareholders

Dear Shareholder

Proposed Disposal of 51% shareholding in Companhia de Telecomunicações de Macau S.A.R.L. and Notice of General Meeting

1. Introduction and summary of the Disposal

On 13 January 2013, the Board announced (the “**Announcement**”) that Sable Holding Limited (a wholly-owned subsidiary of the Company) (the “**Seller**”) had entered into an agreement with CITIC Telecom International Holdings Limited (the “**Purchaser**”) to sell the Group’s 51% shareholding in Companhia de Telecomunicações de Macau S.A.R.L. (“**CTM**”) to the Purchaser (the “**Disposal**”).

The aggregate consideration (on a debt and cash free basis and assuming a normal level of working capital) for the Disposal will be US\$749.7 million. This sum is subject to customary adjustments relating to the amounts of debt, cash and working capital at the Completion Date and is payable in cash at Completion.

After deduction of costs incurred by the Company in connection with the Disposal, estimated to be approximately US\$7 million (comprising professional fees), the total net proceeds of the Disposal are expected to be approximately US\$743 million (the “**Cash Proceeds**”).

The Seller and the Purchaser have received consent to the Disposal from the PT Entities and Macau Post, their co-shareholders in CTM. Additionally, the PT Entities and Macau Post have waived their rights of pre-emption over any CTM Shares conferred upon them by the articles of association or other constitutional documents of CTM. Portugal Telecom has also agreed the sale of the 28% stake in CTM held by the PT Entities to the Purchaser in a separate, but parallel, transaction on substantially the same terms (including as to conditionality) (the “**PT Disposal**”). The Disposal and the PT Disposal are conditional on the completion of each other.

Completion of the Disposal is subject to the satisfaction of certain conditions, including necessary regulatory clearances and the approval of Shareholders and of the shareholders of the Purchaser.

Further details of the Disposal are set out in Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document.

Owing to the size of the Disposal relative to the size of the Company, the Disposal constitutes a Class 1 transaction under the Listing Rules and is, therefore, conditional upon, among other conditions, the approval of the Shareholders.

The purpose of this document is to provide you with details of, including the background to and reasons for, the Disposal and to explain why the Directors believe that the Disposal is in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolution at the General Meeting.

Your approval of the Disposal is being sought at a General Meeting of the Company to be held at the offices of Deutsche Bank AG, 1 Great Winchester Street, London EC2N 2DB on 28 February 2013 at 9:30 a.m. A notice of the General Meeting, and of the Resolution to be considered, are set out at the end of this document. A summary of the action you need to take is set out in Section 11 of this letter and in the Form of Proxy that accompanies this document.

If the Resolution is passed at the General Meeting on 28 February 2013, and all other conditions are satisfied, Completion of the Disposal is expected to take place within six to nine months from the Announcement.

2. Background to and reasons for the Disposal

Since its demerger from the Cable and Wireless Group in 2010, the Company's strategy has been to manage its portfolio actively with the aim of an increasing focus on the Caribbean and Central American region, where it has a critical mass of operations and the ability to realise operational efficiencies.

As part of such strategy, on 3 December 2012 the Company announced the proposed disposal of the majority of the Group's Monaco & Islands business unit, shareholder approval for which was received on 9 January 2013. (Further details of the Monaco & Islands disposal are set out in Section 3 of this Part I below.)

In respect of the Group's operations in Macau, the Company received an approach from the Purchaser for its stake in CTM. Having reviewed the strategic alternatives available to the Company, the Board believes that the Disposal is in the best interest of the Shareholders as a whole because it:

- accelerates the delivery of the Company's strategy to increase its focus on its Caribbean and Central American operations;
- achieves an attractive value for CTM and reflects its strong financial performance and market position. In terms of valuation, the consideration for the Disposal represents a multiple of approximately 8.9 times the Company's proportionate share of the EBITDA of CTM for the twelve months ended 31 March 2012;
- enables the Company to materially reduce its net indebtedness and increase its financial flexibility; and
- provides funds for potential further inorganic, value-accretive investment, in line with the Company's stated strategy and acquisition criteria.

Following the Disposal, the Board believes that the Retained Group will be more focused and in a stronger position to realise operational efficiencies and pursue value-enhancing expansion opportunities in the Caribbean and Central American region.

3. Information on the Group

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Section.

The Group is an international full-service communications business, operating market leading businesses through four regional units – the Caribbean, Panama, Macau and Monaco & Islands. Its services include mobile, broadband and domestic and international fixed line services in most markets as well as pay TV, data centre and hosting, carrier and managed service solutions. The Group is headquartered in London and the Company's shares are listed on the Official List of the UKLA and admitted to trading on the Main Market of the London Stock Exchange. As at the close of business on 29 January 2013 (being the latest practicable date prior to the publication of this document), its market capitalisation was £1,021.6 million.

The Group's revenue for the twelve months ended 31 March 2012 was US\$2,875 million, pre-exceptional (or adjusted) EBITDA was US\$901 million and profit before exceptional items, interest and tax was US\$557 million. As at 30 September 2012, the Group had net assets of US\$328 million and gross assets of US\$3,806 million. During the year ended 31 March 2012, the average number of employees employed by the Group was 8,215. (These figures are extracted without material adjustment from the Annual Report 11/12 and the Interim Report 2012.)

As announced on 3 December 2012, the Seller and Cable & Wireless Limited have entered into an agreement with Batelco International Group Holding Limited (“**Batelco**”) and Bahrain Telecommunications Company B.S.C. to sell the majority of the Group’s Monaco & Islands business unit, including 25% of the entire issued share capital of Compagnie Monégasque de Communication S.A.M. (“**CMC**”), the company which holds the Seller’s 55% interest in Monaco Telecom, to Batelco (the “**Monaco & Islands Disposal**”). Full details of the Monaco & Islands Disposal are contained in the circular sent to Shareholders on 19 December 2012 (the “**Monaco & Islands Disposal Circular**”). Shareholder approval for the Monaco & Islands Disposal was received on 9 January 2013. The shareholders of Bahrain Telecommunications Company B.S.C. approved the Monaco & Islands Disposal on 14 January 2013. Subject to receipt of the necessary regulatory clearances, completion of the Monaco & Islands Disposal (excluding the Monaco Option) is expected to take place by the end of March 2013. As part of the Monaco & Islands Disposal, the Seller and Batelco entered into put and call option arrangements (the “**Monaco Option**”) which will, subject to the satisfaction of certain conditions, result in the eventual disposal by the Seller to Batelco of the remaining 75% of the issued share capital of CMC. Full details of the Monaco Option are also contained in the Monaco & Islands Disposal Circular.

3.1 Information on CTM

CTM was established in 1981 and has four shareholders. The Group holds 51% and has management control, with the remaining 49% held by Portugal Telecom (through the combined holding of the PT Entities) (28%), the Purchaser (20%) and the Macau Government (through Macau Post) (1%). CTM is the sole provider of domestic and international fixed voice and broadband services and the leading mobile operator in Macau. At 30 September 2012, CTM had approximately 460,000 active mobile customers, as well as 173,000 fixed voice and 142,000 broadband customers.

In 2007, CTM was the first operator in Macau to introduce 3G technology, enabling it to expand the range of mobile services it offers to customers. CTM now offers mobile voice, data and internet services to business and residential customers. In broadband, CTM offers high speed services to residential and business customers. In 2010, it launched its fibre broadband network, offering speeds of up to 250 Mbps, one of the fastest residential networks in the world. It also launched HSPA+ mobile data services. CTM also offers enterprise solutions, including leased lines.

CTM had exclusivity over the region’s fixed voice services until 31 December 2011 under an operating arrangement in place with the Macau Government. In November 2009, CTM signed a revision of the operating agreement with the Macau Government. The revised agreement extended CTM’s operating arrangement until 2016, with an additional automatic extension until 2021, securing the long-term future of CTM’s business notwithstanding the partial liberalisation of fixed services (leased lines and transit services) from November 2009 and the liberalisation of the remaining fixed voice services in 2012. CTM also holds mobile services and internet services licences. CTM’s mobile licence expires in June 2015 and is renewable for a period of up to eight years. Its internet licence expires in April 2013 and is renewable for a period of up to five years. CTM has applied for the renewal of its internet licence and its application for renewal is being processed by the Macau Government.

CTM’s revenue for the twelve months ended 31 March 2012 was US\$524 million, EBITDA was US\$165 million (the Group’s proportionate share of the EBITDA being US\$84 million) and profit before tax was US\$133 million. During the year to 31 March 2012, CTM had an average of 882 employees. At 30 September 2012, CTM had net assets of US\$195 million and gross assets of US\$323 million. (This information has been extracted without material adjustment from the summary income statement and summary balance sheet in Part III (Financial Information on CTM) of this document, save for employee numbers which have been extracted without material adjustment from the Annual Report 11/12.)

3.2 Information on the Retained Group

Following the Disposal, the Retained Group will primarily consist of the Panama and Caribbean operations described below together with, prior to completion of the Monaco & Islands Disposal (including the Monaco Option), the Monaco & Islands Companies.¹

¹ The Group’s other operations and eliminations include, among others, joint ventures in Trinidad and Tobago (Telecommunications Services of Trinidad and Tobago Limited) and the Solomon Islands (Solomon Telekom).

Panama

Cable & Wireless Panama S.A. (“CWP”) became a subsidiary of the Group upon its acquisition in 1997. The Group holds 49% of CWP’s shares, in partnership with the Panamanian government, which also owns 49%, and a local employee trust, which controls the remaining 2%. The Group also holds all of the day to day operational and management rights. CWP is the market leader in mobile, broadband and fixed voice services in the expanding Panamanian economy.

Caribbean

The Group operates 14 businesses across the Caribbean region. The Group wholly owns eight of these businesses; owns two businesses in partnership with the local governments (in Dominica and The Bahamas); owns controlling stakes in three businesses listed on local stock exchanges (in Jamaica, Barbados and St Kitts and Nevis); and owns one business with a combination of government partnership and public shareholding, with the Group holding the controlling stake (in Grenada). The Group is the largest telecommunications provider by revenue across the Caribbean markets in which it operates, with subsidiary operations in 14 national markets. The Caribbean business is the largest of the Group’s four regional operations by revenue.

Monaco & Islands

As described in Section 3 above, on 3 December 2012 the Company announced that it had entered into an agreement regarding the sale of the Monaco & Islands business unit.

The Monaco & Islands operation incorporates a number of island nations, including Guernsey, Jersey, Isle of Man, Seychelles, the Maldives, several UK overseas territories such as the Falkland Islands and St Helena, and Monaco and Afghanistan.

The Monaco & Islands Companies operate through five primary divisions:

- Channel Islands and Isle of Man (“CIIM”): CIIM, operating through the ‘Sure’ brand, offers telephony services to the Channel Islands and the Isle of Man. It is the full service incumbent operator in Guernsey with market-leading positions in fixed-voice, mobile and broadband services. It is also an alternative carrier in Jersey and the Isle of Man.
- Dhiraagu: Dhiraagu is the incumbent telecom operator in the Maldives. Dhiraagu is the market leader in mobile, broadband and fixed voice services. The Group owns a 52% stake in Dhiraagu and runs the business in partnership with the Maldives government.
- Cable and Wireless Seychelles (“CWS”): CWS is the full-service incumbent operator in Seychelles with market-leading positions in fixed-voice, mobile and broadband services. It is a wholly-owned subsidiary of the Group.
- Cable and Wireless South Atlantic Diego Garcia (“SADG”): SADG offers communications services to Diego Garcia and three British foreign territories in the South Atlantic: Saint Helena, Ascension Island and the Falklands. It is the exclusive operator in three out of these four markets and provides services to the US military in Diego Garcia and the UK military in the Falklands.
- Monaco Telecom: Monaco Telecom is the incumbent operator in Monaco. The Group (through CMC) holds 49% of the total share capital of Monaco Telecom and has voting and economic rights in respect of an additional 6% through a contractual arrangement with Compagnie Monégasque de Banque. The Principality of Monaco holds the remaining 45%. Monaco Telecom is the market leader and the only full service telecommunications operator in Monaco. In addition, Monaco Telecom owns 36.75% of Roshan, a leading mobile telecommunications operator in Afghanistan. Monaco Telecom also owns Divona Algeria SPA, a telecommunications operator in Algeria, which is being retained by the Group and does not form part of the Monaco & Islands Disposal.

4. Key Terms and Conditions of the Disposal

A summary of the principal terms and conditions of the Disposal is set out in Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document.

The Disposal is conditional on, amongst other things, obtaining necessary regulatory consents, the approval of the shareholders of the Purchaser and the passing of the Resolution by Shareholders at the General Meeting. The Disposal Agreement may be terminated by either the Seller or the Purchaser if any of the conditions is not met.

The Purchaser has received undertakings from the holders of approximately 60.57 per cent. of the voting rights of the Purchaser undertaking to vote in favour of the Disposal at the Purchaser General Meeting.

5. Use of Proceeds and financial effects of the Disposal on the Retained Group

At Completion, the Cash Proceeds arising from the Disposal are expected to be approximately \$743 million.

The Company believes there are likely to be an increasing number of opportunities to reinvest the sale proceeds within the Caribbean and Central American region. Accordingly, the Company intends to retain the net cash proceeds as cash, thereby increasing the Company's financial and strategic flexibility. The Company plans to pursue value-enhancing investments in the Caribbean and Central American region. Any investments will be based on strict financial criteria and considered alongside regular reviews of balance sheet efficiency and shareholder returns policy.

When combined with the Monaco & Islands Disposal and the Monaco Option, the Group's net debt position following completion of the Disposal will be reduced from \$1,588 million as at 30 September 2012 to a net cash position of approximately \$91 million on a pro forma basis.

Although the net cash proceeds of the Disposal will strengthen the Company's balance sheet and enhance its financial and strategic flexibility, if the Company does not make further acquisitions or undertake other balance sheet management activities, the Disposal is expected to be dilutive to earnings per share.

An unaudited pro forma statement of net assets of the Retained Group as at 30 September 2012 is set out in Part IV (Unaudited Pro Forma Statement of Net Assets of the Group) of this document, which has been prepared for illustrative purposes only as if the Disposal, the Monaco & Islands Disposal and the Monaco Option had been completed on that date.

6. Dividend Policy

As announced on 8 November 2012 in the Group's unaudited half-yearly results for the six months ended 30 September 2012, the Board declared an interim dividend of US1.33 cents per share which was paid on 11 January 2013 to Shareholders on the Company's register at the close of business on 16 November 2012. Subject to financial and trading performance in the second half of 2012/13, the Board expects to recommend a final dividend of US2.67 cents per share, resulting in a full year dividend of US4 cents per share. In the absence of unforeseen circumstances, the Disposal is not expected to impact the Group's dividend intentions for the financial year 2012/13.

7. Current Trading and Future Prospects

On 20 June 2012, CWC published its final results for the year ended 31 March 2012. The 2011/12 Annual Report and Accounts (the "**Annual Report 11/12**") is incorporated by reference into this document as set out in Section 14 of Part VI (Additional Information) of this document. On 8 November 2012, CWC announced its unaudited half-yearly results for the six months ended 30 September 2012 (the "**Interim Report 2012**"), which is also incorporated by reference into this document as set out in Section 14 of Part VI (Additional Information) of this document. Details are set out below of CWC's current trading and future prospects as published in these documents, and updated where relevant.

CWC announced that, despite a challenging period for the telecoms industry as a whole, CWC has continued to perform respectably and in line with the Board's expectations for the full year. Momentum continues to build for the Group's mobile data services and private sector and government enterprise pipelines retain a healthy potential. Voice revenue continues to decline and CWC continues to reduce costs to mitigate this decline. CWC intends to focus management capability and future investment on the Pan-American region where the Group has scale, synergy and strong market positions.

CWC intends to release its interim management statement for the third quarter of the 2012/2013 financial year on 8 February 2013. The interim management statement will be available to view on the Company's website (www.cwc.com) and you are encouraged to read it.

8. Employee Share Schemes

In circumstances such as the Disposal where a subsidiary or a number of subsidiary companies are sold out of a group, it is normal practice for the employees of those subsidiary companies participating in the Employee Share Schemes to be able to exercise for a limited period share options granted and for share awards held to vest (subject to any performance conditions that continue to apply). Shareholder approval is not required in these circumstances.

9. Risk factors

You should consider fully the risk factors set out in Part II (Risk Factors) of this document.

10. General Meeting

Set out at the end of this document is a notice convening a General Meeting to be held at the offices of Deutsche Bank AG, 1 Great Winchester Street, London EC2N 2DB on 28 February 2013 at 9:30 a.m. At the General Meeting the Resolution will be proposed to approve the Disposal and to authorise the Directors to give effect to the Disposal.

11. Action to be taken

You will find enclosed with this document a Form of Proxy to be used in connection with the General Meeting. It is important to us that our shareholders have the opportunity to vote even if they are unable to come to the General Meeting. If you are unable to come to the General Meeting you can use the enclosed Form of Proxy to nominate someone else to come to the meeting and vote for you (this person is called a proxy). You can, if you wish, nominate me to vote on your behalf in accordance with your instructions. To appoint a proxy you need to send back the Form of Proxy enclosed with this document to the Registrar as soon as possible and in any event so as to arrive no later than 9:30 a.m. on 26 February 2013, being 48 hours before the time appointed for holding the General Meeting.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar (under CREST participant ID RA19) by no later than 9:30 a.m. on 26 February 2013. Unless the Form of Proxy or CREST Proxy Instruction is received by the date and time specified above, it will be invalid.

Completing and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so.

12. Additional information

Your attention is drawn to the additional information set out in Part VI (Additional Information) of this document.

13. Recommendation

The Board has received financial advice from J.P. Morgan Cazenove in relation to the Disposal. In providing their financial advice to the Board, J.P. Morgan Cazenove have relied upon the Board's commercial assessment of the Disposal.

The Board considers the terms of the proposed Disposal to be in the best interests of Shareholders taken as a whole. The Board recommends that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings, amounting in aggregate to 38,141,806 Ordinary Shares, which represent approximately 1.51 per cent. of the total voting rights in the Company.

Yours faithfully

Sir Richard Laphorne CBE
Chairman

PART II

RISK FACTORS

Prior to voting on the Disposal, you should carefully consider the risks and uncertainties described below, in addition to the other information in this document. The Company considers these risks to be the material risks in the context of the Disposal.

If any or a combination of these risks actually materialise, the business, operations, financial condition and prospects of the Retained Group or the Group (if the Disposal does not take place) could be materially and adversely affected to the detriment of the Company and the Shareholders. Additional risks and uncertainties which are not known to the Directors as at the date of this document, or that the Directors currently deem immaterial, may also have a material adverse effect on the Retained Group or the Group (if the Disposal does not take place) if they materialise. If this occurs, the market price of Ordinary Shares could decline and you may lose all or part of your investment.

1. Risks relating to the Disposal

The Disposal may not complete

Completion of the Disposal is subject to certain conditions, details of which are set out in Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document. If Shareholders do not approve the Disposal, or other conditions, including receipt of all required regulatory approvals, are not satisfied or waived by the Long Stop Date or any Postponed Long Stop Date, the Disposal Agreement may be terminated by either the Seller or the Purchaser and the Disposal will not proceed.

Pursuant to the Three Party Agreement, details of which are set out in Section 10 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document, Completion of the Disposal is also conditional upon completion of the PT Disposal in accordance with the terms of the PT Disposal Agreement. Completion of the PT Disposal is subject to certain conditions, including receipt of required regulatory approvals, which are substantially the same as the conditions to the Disposal Agreement. However, if the conditions to completion of the PT Disposal are satisfied or waived, but the Purchaser and/or the PT Entities fail to comply with certain obligations relating to completion under the PT Disposal Agreement, that could result in the PT Disposal not proceeding to completion. If the PT Disposal does not proceed to completion, the Disposal will not proceed.

If the Disposal does not proceed, this may have a material adverse effect on the Group insofar as it may create uncertainty for the customers, management and employees of CTM as to the Group's future intentions for its 51% shareholding in CTM.

Inability to realise shareholder value

The Board is of the opinion that the Disposal is in the best interests of the Shareholders as a whole and currently provides the best opportunity to realise an attractive and certain value for the Company's 51% shareholding in CTM. If the Disposal does not complete, the Group's ability to realise shareholder value and the value for its 51% shareholding in CTM may be prejudiced.

The Retained Group may not realise the perceived benefits of the Disposal

The Retained Group may not realise the anticipated benefits of the Disposal set out in Section 5 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document. The Retained Group may encounter substantial difficulties in achieving these anticipated benefits and/or these anticipated benefits may not materialise.

Obligations under the Disposal Agreement

The Disposal Agreement contains certain limited warranties, indemnities and undertakings given in favour of the Purchaser which could cause the Retained Group to incur liabilities and obligations to make payments which would not have arisen had the Disposal not taken place. Further details of the warranties, indemnities and undertakings given to the Purchaser are set out in Section 5 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document.

2. Risks relating to the Retained Group

New sources of revenue growth may prove insufficient or fail to develop in the Retained Group's countries of operation

New revenue sources, such as mobile data services, pay-TV entertainment, managed services and enterprise solutions, are crucial to the Retained Group's strategy. As a consequence of the Disposal, the Retained Group will be more concentrated in terms of geographic spread which may limit the extent of new revenue sources. If new revenue sources fail to develop in the territories in which the Retained Group operates as well as the Retained Group anticipates over the expected time horizon, revenue may fall as other core services reach full market penetration. To the extent that the Retained Group's new product development and marketing strategies are not wholly successful in generating sufficient revenue, this could have a material adverse effect on the Retained Group's business, financial condition, results of operations and prospects.

The Retained Group's success in attracting and retaining highly skilled and qualified management and employees may be impacted by the reduced geographic spread of the Retained Group

The recruitment and retention of highly skilled management and employees is important to the Retained Group's success. The reduced size and geographic spread of the Retained Group post-Disposal may impact its ability to attract and retain appropriate staff. The number of suitable employees at higher levels may be limited, especially given the greater proportional geographic concentration in the Caribbean and Central American region, and key employees, many of whom have significant experience with the Retained Group, the telecommunications sector and the local markets in which they work, may be difficult to replace. There can be no certainty that the Retained Group's succession planning, retention policies and incentive plans will be successful in attracting and retaining the right calibre of key employees and management. The failure to retain and attract key employees and management could have a material adverse effect on the Retained Group's business, reputation, financial condition and results of operations.

3. Risks relating to the telecommunications industry and markets in which the Retained Group operates

Following the Disposal, the Retained Group will be more concentrated in terms of countries of operation and may fail to compete effectively with existing competitors and may face competition from new market entrants

The Retained Group faces competition in many areas and markets in which it operates. Certain of its competitors may have greater financial, capital, marketing or other resources, which may allow them to provide services more effectively and at a lower cost than the Retained Group. The telecommunications sector in the markets in which the Retained Group operates may experience further consolidation, which could result in, among other things, competitors with greater scale operating aggressively in these markets.

As the markets in which the Retained Group operates expand, additional competition may emerge in those markets. In general, the rapid development of new technologies, services and products has eliminated the traditional distinctions between and among local, long distance, wireless, cable and internet communications services and brought new competitors to the markets in which the Retained Group operates. As a consequence of the Disposal, the Retained Group will be more concentrated in terms of geographic spread and therefore may be more restricted in its ability to compete effectively in the event of further consolidation and new market entrants. Failure by any of the Retained Group's businesses to compete effectively could have a material adverse effect on its revenues, profitability and prospects.

The Retained Group relies on other telecommunications operators for network access and interconnection and is affected by the behaviour of other market participants that the Retained Group does not own or control

Parts of the Retained Group's operations rely on access to networks that it does not own or entirely control. In these cases, the Retained Group's operations depend on other network operators to provide network access and interconnection services for the origination, carriage and/or termination of some of its telecommunications services. The reduced scale of the Retained Group following the Disposal may impact its negotiating leverage with such operations. If the Retained Group is unable to obtain and maintain the necessary interconnection and other transmission services in a timely fashion and on acceptable commercial terms, the Retained Group's business, reputation, financial condition and results of operations could be materially adversely affected.

The Retained Group may be adversely affected by local, national and global economic conditions

The Retained Group's business is affected by general economic conditions and other related factors in each of the countries in which it operates and, given the broad interdependence among economies around the world, economic conditions in each of the countries in which the Retained Group operates are likely to be impacted by the broader trends currently affecting the major global economies.

The current uncertainty about economic recovery and the pace of growth may negatively affect the level of demand from existing and prospective customers. Additional factors that could influence customer demand include access to credit, unemployment rates, affordability concerns, consumer confidence and general macroeconomic factors. These factors drive levels of disposable income, which in turn affect many of the Retained Group's revenue streams. In addition, adverse economic conditions may lead to a rise in the number of the Retained Group's customers who are not able to pay for the Retained Group's services. Should current economic conditions continue to deteriorate, there may be volatility in exchange rates, increases in interest rates or inflation and a further adverse effect on the Retained Group's revenue and profits.

Following the Disposal, the Retained Group will have a greater proportional geographic concentration in the Caribbean and Central American region. The impact of poor economic conditions at a local or national level in the countries in which the Retained Group operates or globally could have a material adverse effect on the Retained Group's business, financial condition, results of operations and prospects and the reduced geographic portfolio is likely to impact the ability of the Retained Group to mitigate these risks effectively.

PART III

FINANCIAL INFORMATION ON CTM

The following historical information, relating to CTM, has been extracted without material adjustment from the consolidation schedules used to prepare the audited consolidated financial statements of the Group contained in the Annual Report 09/10, Annual Report 10/11, Annual Report 11/12 and the unaudited consolidated financial statements of the Group contained in the Interim Report 2012.

The financial information contained in this Part III (Financial Information on CTM) does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. The consolidated statutory accounts of the Company in respect of the three years ended 31 March 2012 have been delivered to the Registrar of Companies and the UK Listing Authority. The auditor's reports in respect of those statutory accounts for the three years ended 31 March 2012 were unqualified. KPMG was the auditor of the Company in respect of the three years ended 31 March 2012.

The financial information contained in this Part III (Financial Information on CTM) has been prepared using the IFRS accounting policies used to prepare the consolidated financial statements of the Group for the 12 months ended 31 March 2012.

(i) Summary income statement for CTM for the years ended 31 March 2010, 31 March 2011 and 31 March 2012, and for the six months ended 30 September 2012

	Six months ended 30 September 2012	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
	\$m	\$m	\$m	\$m
Revenue	310	524	377	316
Operating costs before depreciation and amortisation	(223)	(359)	(224)	(174)
Depreciation	(16)	(32)	(32)	(33)
Amortisation	-	(1)	(1)	(2)
Total operating profit	71	132	120	107
Finance income	-	1	-	-
Profit before income tax	71	133	120	107
Income tax expense	(8)	(16)	(14)	(13)
Profit for the year	63	117	106	94

Reconciliation of total operating profit to EBITDA

	Six months ended 30 September 2012	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
	\$m	\$m	\$m	\$m
Total operating profit	71	132	120	107
Depreciation and amortisation	16	33	33	35
EBITDA	87	165	153	142

Notes

- 1) EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/expense and exception items.
- 2) CTM's income statements are presented after deducting management charges paid to the Retained Group.

(ii) Summary balance sheet for CTM as at 30 September 2012

	<u>30 September 2012</u>	<u>31 March 2012</u>
	\$m	\$m
Non-current assets		
Intangible assets	1	1
Property, plant and equipment	109	107
Deferred tax assets	1	1
Other receivables	<u>54</u>	<u>-</u>
	<u>165</u>	<u>109</u>
Current assets		
Inventories	14	14
Trade and other receivables	95	40
Cash and cash equivalents	<u>49</u>	<u>78</u>
	<u>158</u>	<u>132</u>
Total assets	<u>323</u>	<u>241</u>
Current liabilities		
Trade and other payables	98	80
Current tax liabilities	21	20
Provisions	<u>1</u>	<u>-</u>
	<u>120</u>	<u>100</u>
Net current assets	<u>38</u>	<u>32</u>
Non-current liabilities		
Retirement benefit obligations	8	8
Provisions	<u>-</u>	<u>1</u>
	<u>8</u>	<u>9</u>
Net assets	<u>195</u>	<u>132</u>

Notes

- 1) The balance sheet for CTM includes certain inter-company receivable balances which will be settled prior to or on Completion. The balance sheet for CTM also contains cash and debt which will be retained by the Group on a proportionate basis.

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited consolidated pro forma statement of net assets prepared to illustrate the effect of the Disposal on the consolidated net assets of the Retained Group as at 30 September 2012 as if the Disposal and the Monaco & Islands Disposal had occurred and the Monaco Option had been exercised on that date (as noted in Section 3 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document, completion of the Monaco & Islands Disposal and exercise of the Monaco Option are subject to receipt of certain regulatory approvals and satisfaction of certain conditions and have yet to be completed). The information, which is produced for illustrative purposes only, by its nature addresses a hypothetical situation and therefore does not represent the Retained Group's actual financial position or the results of the Disposal. The unaudited pro forma statement is compiled on the basis set out below from the consolidated balance sheet of the Group at 30 September 2012, the financial information on the Monaco & Islands Companies contained in Part III of the Monaco & Islands Disposal Circular and the financial information set out in Part III (Financial Information on CTM) of this document.

	Pro forma net assets of Group (excluding Monaco & Islands Companies)	CTM as at 30 September 2012	Consideration adjustments on CTM Disposal	Disposal adjustments on CTM Disposal	Pro forma net assets of Retained Group (excluding Monaco & Islands Companies)
	Note 1	Note 2	Note 3	Note 4	Note 5
	\$m	\$m	\$m	\$m	\$m
Non-current assets					
Intangible assets	163	(1)			162
Property, plant and equipment	1,449	(109)			1,340
Investments in joint ventures and associates	235	-			235
Available-for-sale financial assets	56	-			56
Deferred tax assets	4	(1)			3
Retirement benefit assets	40	-			40
Other receivables	33	(54)		54	33
	<u>1,980</u>	<u>(165)</u>	<u>-</u>	<u>54</u>	<u>1,869</u>
Current assets					
Inventories	97	(14)			83
Trade and other receivables	625	(95)			530
Cash and cash equivalents	890	(49)	822	(54)	1,609
Financial assets at fair value through profit or loss	3	-			3
	<u>1,615</u>	<u>(158)</u>	<u>822</u>	<u>(54)</u>	<u>2,225</u>
Total assets	<u>3,595</u>	<u>(323)</u>	<u>822</u>	<u>-</u>	<u>4,094</u>

	Pro forma net assets of Group (excluding Monaco & Islands Companies) Note 1 \$m	CTM as at 30 September 2012 Note 2 \$m	Consideration adjustments on CTM Disposal Note 3 \$m	Disposal adjustments on CTM Disposal Note 4 \$m	Pro forma net assets of Retained Group (excluding Monaco & Islands Companies) Note 5 \$m
Current liabilities					
Trade and other payables	677	(98)			579
Loans and borrowings	193	-			193
Financial liabilities at fair value	1	-			1
Current tax liabilities	150	(21)			129
Provisions	70	(1)			69
	<u>1,091</u>	<u>(120)</u>			<u>971</u>
	524	(38)	822	(54)	1,254
Net current (liabilities)/assets					
Non-current liabilities					
Trade and other payables	28	-			28
Loans and borrowings	1,325	-			1,325
Deferred tax liabilities	33	-			33
Provisions	31	-			31
Retirement benefit obligations	197	(8)			189
	<u>1,614</u>	<u>(8)</u>			<u>1,606</u>
	890	(195)	822	-	1,517
Net assets					

Notes

- 1) The pro forma net assets of the Group (excluding the Monaco & Islands Companies) have been extracted, without material adjustment, from the financial information as set out in Part IV (Unaudited Pro Forma Statement of Net Assets) of the Monaco & Islands Disposal Circular.
- 2) The consolidated net assets of CTM have been extracted, without material adjustment, from the financial information for CTM as set out in Part III (Financial Information on CTM) of this document.
- 3) The total consideration adjustment of US\$822 million represents cash proceeds of US\$743 million (comprising aggregate consideration of US\$750 million less costs incurred by the Company in connection with the Disposal of US\$7 million) plus a proportionate cash adjustment of US\$79 million for the Group's share of CTM's cash balance (which includes intra-group balances of US\$54 million due to the Retained Group).
- 4) Represents the settlement of intra-group balances of US\$54 million between CTM and the Retained Group.
- 5) The pro forma net cash of the Retained Group (assuming completion of the Monaco & Islands Disposal and the Monaco Option) will be US\$91 million (comprising cash and cash equivalents of US\$1,609 million, current loans and borrowings of US\$193 million and non-current loans and borrowings of US\$1,325 million).

Accountant's report in respect of the unaudited pro forma statement of net assets



KPMG Audit Plc
15 Canada Square
Canary Wharf
London E14 5GL

The Directors
Cable & Wireless Communications Plc
3rd Floor
26 Red Lion Square
London WC1R 4HQ

31 January 2013

Dear Sirs

Cable & Wireless Communications Plc

We report on the pro forma net assets (the 'Pro forma financial information') set out in Part IV of the Class 1 circular dated 31 January 2013, which has been prepared on the basis described in notes 1 to 5, for illustrative purposes only, to provide information about how the disposal might have affected the financial information presented on the basis of the accounting policies adopted by Cable & Wireless Communications Plc in preparing the financial statements for the period ended 31 March 2012. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Services Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of Cable & Wireless Communications Plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Services Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Cable & Wireless Communications Plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Cable & Wireless Communications Plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Cable & Wireless Communications Plc.

Yours faithfully

KPMG Audit Plc

PART V
SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL
AGREEMENT

The following is a summary of the material terms of the Disposal Agreement. As set out in Section 15 of Part VI (Additional Information) of this document, the Disposal Agreement is available for inspection by Shareholders.

1. Parties and structure

The Disposal Agreement was entered into on 13 January 2013 between the Seller and the Purchaser for the sale and purchase, subject to satisfaction of certain conditions, of the Disposal Shares. As part of the Disposal Agreement, the relevant parties have also entered into or will enter into: (i) the Three Party Agreement, which was entered into on 13 January 2013; (ii) the Waiver Letter, which was entered into on 13 January 2013; (iii) the Macau Post Waiver Letter, which was entered into on 11 January 2013; and (iv) at Completion, the CIS Licence and Services Agreement (see Section 10 of this Part V for further information on the aforementioned related agreements).

2. Consideration

The consideration for the purchase of the Disposal Shares is the sum of US\$749.7 million (the “**Consideration**”), subject to customary adjustments relating to the amounts of debt, cash and working capital in CTM at the Completion Date, payable in cash by the Purchaser to the Seller on Completion.

3. Conditions to Completion

The Disposal Agreement is conditional on the satisfaction of the following conditions:

- (A) the passing of the Resolution by the Shareholders;
- (B) the passing of a resolution approving the arrangements described in the Disposal Agreement by the shareholders of the Purchaser;
- (C) the Chief Executive of the Macau Government granting approval of the transactions contemplated by and in the Disposal Agreement and the other Disposal Documents as required under the Macau Concession and the articles of association of CTM (the “**Macau Regulatory Condition**”);
- (D) the relevant PRC governmental and regulatory authorities having granted such approvals, clearances, consents, authorizations and (if applicable) waivers as may be necessary for the arrangements described in the Disposal Agreement (the “**PRC Regulatory Condition**”);
- (E) the passing of a resolution approving the arrangements described in the Disposal Agreement by the shareholders of CITIC Pacific (if so required under the Hong Kong Listing Rules)²;
- (F) warranties given by the Seller: (i) in paragraphs 1 and 2 of Schedule 3 of the Disposal Agreement (relating to Seller’s title to the Disposal Shares and its power and ability to enter into and perform the Disposal Agreement and the other Disposal Documents to which it is a party), remaining true and accurate in all material aspects and not misleading in any material respect at all times between the date of the Disposal Agreement and the date on which Completion would otherwise have taken place if it were not for this condition; and (ii) other than in paragraphs 1 and 2 of Schedule 3 of the Disposal Agreement, being true and accurate in all material aspects and not misleading in any material respect as at the date of the Disposal Agreement by reference to the facts and circumstances subsisting at the date thereof; and
- (G) no Material Adverse Change having occurred and continuing as at the date on which Completion would otherwise have taken place if it were not for this condition.

The Seller and the Purchaser have agreed to take all steps reasonably necessary or desirable to fulfil or procure the fulfilment of the Macau Regulatory Condition. This process may result in the incurrence of certain costs by both parties.

The Purchaser has agreed to take all steps reasonably necessary or desirable to fulfil or procure the fulfilment of the PRC Regulatory Condition.

The Purchaser has received undertakings from the holders of approximately 60.57 per cent. of the voting rights of the Purchaser undertaking to vote in favour of the Disposal at the Purchaser General Meeting.

² The Purchaser has since informed the Company that this is not required under the Hong Kong Listing Rules.

Pursuant to the Three Party Agreement, Completion is also conditional upon completion of the PT Disposal in accordance with the terms of the PT Disposal Agreement taking place at the same time (see Section 10 of this Part V for further information on the Three Party Agreement).

Completion is expected to take place within six to nine months from the Announcement, subject to any alternative arrangement agreed in writing by the Seller and the Purchaser.

4. Warranties and limitations on liability

The Seller has given warranties to the Purchaser which are customary for a transaction of this nature (given that the Purchaser is an existing shareholder in CTM) including, among other things, in respect of its power and ability to enter into and perform the Disposal Agreement and the other Disposal Documents to which it is a party, title to the shares being sold, accounts and financial matters, contracts, litigation, matters relating to employees, intellectual property, real estate matters and taxation.

The Disposal Agreement contains certain limitations on the ability of the Purchaser to claim against the Seller for breach of warranty or breach of the Disposal Agreement. In particular, the total aggregate liability of the Seller (including all legal and other costs and expenses) under the Disposal Agreement and the other Disposal Documents will not exceed US\$75 million (save in respect of claims under the warranties, in which case the total aggregate liability of the Seller will not exceed the Consideration). The Seller will not be liable for any individual warranty claim for less than US\$7,500,000. The Seller will also have no liability for any warranty claim unless and until the aggregate amount of all warranty claims exceed US\$75 million (in which case the Seller will be liable for the full amount and not just the excess over US\$75 million). In addition, warranty claims must be brought on or before the first anniversary of the Completion Date.

5. Purchaser's representations, warranties and undertakings

The Purchaser has given warranties to the Seller in respect of its power and ability to enter into and perform the Disposal Agreement. The Purchaser has also given certain representations and warranties in respect of the Purchaser's financing arrangements.

Additionally, the Purchaser has undertaken to the Seller that as at the date of the Disposal Agreement it has sufficient cash resources that will be available to it on an unconditional basis at Completion to satisfy its obligations to pay any amounts due under the Disposal Agreement.

6. Pre-Completion arrangements

Subject to certain exceptions, the Seller has agreed to use its reasonable endeavours to procure (to the extent to which it is able) that no member of the CTM Group shall, between the date of the Disposal Agreement and Completion, undertake any act or course of conduct which is outside the ordinary course of the business of such company as carried on as at the date of the Disposal Agreement and, in particular, the Seller shall not permit any member of the CTM Group to undertake any of certain specified acts or matters under the Disposal Agreement except with the prior written consent of the Purchaser.

7. Termination

The Disposal Agreement may be terminated by either the Seller or the Purchaser forthwith on written notice to the other if certain conditions to Completion, including the passing of the Resolution by the Shareholders, the Macau Regulatory Condition and the PRC Regulatory Condition, are not fulfilled or waived on or before 13 July 2013 (the "**Long Stop Date**") and the Long Stop Date is not postponed. The Long Stop Date will automatically be postponed for 90 days or such longer period as the Seller and the Purchaser may agree in writing (the Long Stop Date, as so postponed, being the "**Postponed Long Stop Date**") if the Macau Regulatory Condition and the PRC Regulatory Condition are the only conditions to Completion that have not been fulfilled at 5.00 p.m. on the Long Stop Date and the Purchaser has made all filings and provided all the information and documentation to the relevant PRC governmental and regulatory authorities as set out in Schedule 10 of the Disposal Agreement.

If the respective obligations of the Seller and/or the Purchaser under the completion arrangements contemplated by the Disposal Agreement are not complied with on the Completion Date, the Purchaser or, as the case may be, the Seller may terminate the Disposal Agreement by notice in writing to the other party.

8. Non-compete obligations

Subject to certain customary exceptions, the Seller has agreed that it will not, and will procure that no other member of the Retained Group will, do any of the following without the prior written consent of the Purchaser:

- (A) neither pending Completion (other than through any member of the CTM Group) nor for a period of 36 months after the Completion Date, compete with the business of any member of the CTM Group in Macau as it is carried on at the Completion Date;
- (B) neither pending Completion (other than through any member of the CTM Group) nor for a period of 36 months after the Completion Date, solicit, in respect of similar goods or services, customers to whom goods or services have been sold by any member of the CTM Group in the course of its business within Macau during the 12 months before the Completion Date; or
- (C) neither pending Completion (other than through any member of the CTM Group) nor for a period of 36 months after the Completion Date, solicit or entice away certain employees of any member of the CTM Group.

9. Miscellaneous

The Disposal Agreement also contains other customary provisions, such as a confidentiality obligation on the Seller not to disclose any confidential information belonging to any member of the CTM Group.

The Disposal Agreement is governed by Hong Kong law.

10. Related Agreements

The Three Party Agreement was entered into on 13 January 2013 between the Seller, the Purchaser and the PT Entities. Under the Three Party Agreement, each of the Seller and the PT Entities (amongst other things): (i) subject only to completion of the sale of its respective CTM Shares to the Purchaser under the Disposal Agreement or the PT Disposal Agreement (as applicable), consents to the sale of CTM Shares under the Disposal Agreement or the PT Disposal Agreement (as applicable), and waives all rights of pre-emption over any of the CTM Shares conferred upon it by the articles of association or other constitutional documents of CTM or any other contractual arrangement or agreement; and (ii) acknowledges and confirms that completion of the sale of CTM Shares under the Disposal Agreement and the PT Disposal Agreement are conditional upon each other.

The Waiver Letter was entered into on 13 January 2013 between the Purchaser and the Seller. Under the Waiver Letter, the Purchaser agreed to waive all rights of pre-emption over any of the CTM Shares conferred upon it by the articles of association or other constitutional documents of CTM or otherwise arising by law in the event that any of the conditions described at Section 3 (B) – (E) (inclusive) above has not been fulfilled or waived in accordance with the terms of the Disposal Agreement by the Long Stop Date or any Postponed Long Stop Date and, accordingly, the Disposal Agreement is terminated without Completion taking place.

The Macau Post Waiver Letter was entered into on 11 January 2013. Under the Macau Post Waiver Letter, Macau Post agreed to: (i) consent to the sale and purchase of CTM Shares under the Disposal Agreement and the PT Disposal Agreement; and (ii) waive all rights of pre-emption over any of the CTM Shares conferred upon it by the articles of association or other constitutional documents of CTM or otherwise arising by law.

Upon Completion, Cable & Wireless International HQ Limited (the “**CIS Licensor**”), a wholly-owned subsidiary of the Company, and CTM (the “**CIS Licensee**”) will enter into the CIS Licence and Services Agreement under which the CIS Licensor will provide the CIS Licensee with certain information system services. The licence will be for a term of six months from the Completion Date (or such longer period as agreed by the parties).

PART VI

ADDITIONAL INFORMATION

1. Responsibility Statement

The Company and the Directors, whose names appear in Section 2.2 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and the Directors

2.1 The Company

The Company was first incorporated and registered in England and Wales as a private limited company with the name Cable & Wireless Communications Limited (registered number: 07130199) on 19 January 2010 under the Companies Act. On 26 January 2010, by written resolution, the initial shareholders of Cable & Wireless Communications Limited resolved to register the Company as a public limited company and to change the name to "Cable & Wireless Communications Plc". This re-registration and change of name became effective on 27 January 2010.

The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder. The Company is domiciled in the United Kingdom with its registered office and principal place of business in the United Kingdom at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ. The business address of each of the Directors is 3rd Floor, 26 Red Lion Square, London WC1R 4HQ. The telephone number of the Company's registered office is +44 (0)207 315 4000.

2.2 The Directors

The Directors of CWC and their functions are as follows:

Directors

Sir Richard Laphorne, CBE	(Chairman of Board)
Tony Rice	(Chief Executive Officer)
Tim Pennington	(Chief Financial Officer)
Nick Cooper	(Corporate Services Director)
Simon Ball	(Deputy Chairman and non-executive director)
Alison Platt	(Non-executive director)
Ian Tyler	(Non-executive director)
Mark Hamlin	(Non-executive director)

3. Directors' interests

3.1 Ordinary Shares

As at 29 January 2013 (being the latest practicable date prior to the publication of this document) the interests of each Director, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of section 252 of the Companies Act) with the Directors (all of which, unless otherwise stated, are beneficial) in the share capital of the Company, including interests arising pursuant to any transaction notified to the Company pursuant to rule 3.1.2 of the Disclosure and Transparency Rules, are as follows:

<u>Name of Director</u>	<u>Number of Ordinary Shares*</u>	<u>Percentage of voting rights attached to the issued share capital of the Company*</u>
Sir Richard Laphorne, CBE	8,500,000	0.34
Tony Rice	24,761,261	0.98
Tim Pennington	3,332,794	0.13
Nick Cooper	1,104,971	0.04
Simon Ball	406,780	0.02
Ian Tyler	4,000	0.0002
Mark Hamlin	32,000	0.0013
Alison Platt	0	0

* The interests shown above do not include unvested matching shares allocated under the Share Purchase Plan.

3.2 Performance Share Plan

As at 29 January 2013 (being the latest practicable date prior to the publication of this document), the following Directors had the following outstanding awards over Ordinary Shares under the Performance Share Plan:

<u>Name and scheme*</u>	<u>Award Date</u>	<u>Vesting Date</u>	<u>Market price on date of award of Ordinary Shares (pence)</u>	<u>Shares under award at 29 January 2013</u>
Executive Directors				
Nick Cooper				
Performance Shares	4/6/10	4/6/13	62.85	1,160,862
Performance Shares ^{DS}	12/8/10	4/6/13	60.70	67,962
Performance Shares ^{DS}	13/1/11	4/6/13	49.95	39,722
Performance Shares ^{DS}	12/8/11	4/6/13	33.88	112,433
Performance Shares ^{DS}	12/1/12	4/6/13	37.99	52,466
Performance Shares ^{DS}	10/8/12	4/6/13	32.54	121,045
Performance Shares ^{DS}	11/1/13	4/6/13	39.40	24,192
Performance Shares	2/6/11	1/6/14	43.29	1,592,718
Performance Shares ^{DS}	12/8/11	1/6/14	33.88	154,260
Performance Shares ^{DS}	12/1/12	1/6/14	37.99	71,984
Performance Shares ^{DS}	10/8/12	1/6/14	32.54	166,075
Performance Shares ^{DS}	11/1/13	1/6/14	39.40	33,192
Performance Shares	14/1/13	14/1/16	37.72	1,812,761
				<u>5,409,672</u>
Tim Pennington				
Performance Shares	4/6/10	4/6/13	62.85	2,321,724
Performance Shares ^{DS}	12/8/10	4/6/13	60.70	135,925
Performance Shares ^{DS}	13/1/11	4/6/13	49.95	79,445
Performance Shares ^{DS}	12/8/11	4/6/13	33.88	224,867
Performance Shares ^{DS}	12/1/12	4/6/13	37.99	104,932
Performance Shares ^{DS}	10/8/12	4/6/13	32.54	242,090
Performance Shares ^{DS}	11/1/13	4/6/13	39.40	48,384
Performance Shares	2/6/11	1/6/14	43.29	3,185,437
Performance Shares ^{DS}	12/8/11	1/6/14	33.88	308,521
Performance Shares ^{DS}	12/1/12	1/6/14	37.99	143,969
Performance Shares ^{DS}	10/8/12	1/6/14	32.54	332,150
Performance Shares ^{DS}	11/1/13	1/6/14	39.40	66,384
Performance Shares	14/1/13	14/1/16	37.72	3,222,687
				<u>10,416,515</u>
Tony Rice				
Performance Shares	4/6/10	4/6/13	62.85	3,250,414
Performance Shares ^{DS}	12/8/10	4/6/13	60.70	190,295
Performance Shares ^{DS}	13/1/11	4/6/13	49.95	111,223
Performance Shares ^{DS}	12/8/11	4/6/13	33.88	314,814
Performance Shares ^{DS}	12/1/12	4/6/13	37.99	146,906
Performance Shares ^{DS}	10/8/12	4/6/13	32.54	338,926
Performance Shares ^{DS}	11/1/13	4/6/13	39.40	67,738
Performance Shares	2/6/11	1/6/14	43.29	4,459,613
Performance Shares ^{DS}	12/8/11	1/6/14	33.88	431,929
Performance Shares ^{DS}	12/1/12	1/6/14	37.99	201,557
Performance Shares ^{DS}	10/8/12	1/6/14	32.54	465,011
Performance Shares ^{DS}	11/1/13	1/6/14	39.40	92,938
Performance Shares	14/1/13	14/1/16	37.72	4,511,762
				<u>14,583,126</u>

* DS – Dividend Shares

3.3 Share Purchase Plan

As at 29 January 2013 (being the latest practicable date prior to the publication of this document), the following Directors had the following outstanding awards over Ordinary Shares under the Share Purchase Plan:

<u>Name and scheme*</u>	<u>Award Date</u>	<u>Vesting Date</u>	<u>Market price on date of award of Ordinary Shares (pence)</u>	<u>Market price on date of vesting (pence)</u>	<u>Shares under award at 29 January 2013</u>
Nick Cooper					
Share Purchase Plan ^{MS}	12/5/10	12/5/13	60.2	–	<u>2,492</u>
					<u>2,492</u>
Tim Pennington					
Share Purchase Plan ^{MS}	12/5/10	12/5/13	60.2	–	2,491
Share Purchase Plan ^{MS}	9/6/10	9/6/13	57.34	–	2
Share Purchase Plan ^{MS}	12/4/12	12/4/15	31.00	–	4,839
					<u>7,332</u>
Tony Rice					
Share Purchase Plan ^{MS}	12/5/10	12/5/13	60.2	–	<u>2,492</u>
					<u>2,492</u>

* MS – Matching Shares

3.4 Share Option Plan

As at 29 January 2013 (being the latest practicable date prior to the publication of this document), the following Directors had the following outstanding options under the Share Option Plan:

	<u>Grant Date</u>	<u>Date from which first exercisable</u>	<u>Date of expiry of option</u>	<u>Exercise price (pence)</u>	<u>Shares under option at 29 January 2013</u>
Tony Rice	30/03/2006	21/05/2009	29/03/2013	110.05	<u>5,424,807</u>
					<u>5,424,807</u>

4. Details of Directors' service contracts

The service contract and/or letter of appointment governing the engagement of each Director is summarised in Section 4 of Part VI of the Monaco & Islands Disposal Circular which is hereby incorporated by reference into this document.

5. Key individuals of CTM

The names and principal functions of the key individuals within CTM are set out below:

<u>Name</u>	<u>Position</u>
Vandy Poon	Chief Executive Officer
Patrick Ip	Chief Financial Officer
Donald Shaw	Vice President, Strategy & Business Performance
Aguinaldo Wahnnon	Vice President, Legal & Regulatory / General Counsel
Thomas Lei	Vice President, Network Services
Gloria Silva	Vice President, Corporate Communications, Human Resources and Administration
Declan Leong	Vice President, Enterprise Business
Ebel Cham	Vice President, Consumer Market

6. Major interests in shares

Save as in respect of the interests of the Directors set out in Section 3 above and save as disclosed below, the Company is not aware of any person who directly or indirectly had, as at 29 January 2013 (being the latest practicable date prior to the publication of this document), a notifiable interest in the issued share capital of the Company under Chapter 5 of the Disclosure and Transparency Rules:

<u>Name</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of voting rights attached to the issued share capital of the Company</u>
Newton Investment Management Limited	252,784,845	10.00
Orbis Holdings Limited	370,326,609	14.65

So far as the Company is aware, no person or persons, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

7. Summary of effects of the Disposal on the Employee Share Schemes

In circumstances such as the Disposal, where a subsidiary company is transferred out of the Group, in accordance with the rules of the Employee Share Schemes as previously approved by Shareholders, the employees of those subsidiary companies participating in the relevant Employee Share Schemes will be able to exercise for a limited period share options granted, and share awards held will generally vest subject to performance conditions, where applicable, having been met or waived. Ordinary Shareholder approval is not required.

8. Related party transactions

8.1 Details of related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) that the Company has entered into are set out below:

- (A) during the financial year ended 31 March 2010, such transactions are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 39 on page 118 of Annual Report 09/10 which is hereby incorporated by reference into this document;
- (B) during the financial year ended 31 March 2011, such transactions are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 39 on page 122 of Annual Report 10/11 which is hereby incorporated by reference into this document; and
- (C) during the financial year ended 31 March 2012, such transactions are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 31 on page 108 of Annual Report 11/12 which is hereby incorporated by reference into this document.

8.2 During the period from 1 April 2012 up to 30 September 2012, the Company entered into the related party transactions disclosed in Section 8.2 of Part VI of the Monaco & Islands Disposal Circular which is hereby incorporated by reference into this document. During the period from 30 September 2012 to the date of this document, the nature of the related party transactions of the Group has not changed from those described in Section 8.1 above and in Section 8.2 of Part VI of the Monaco & Islands Disposal Circular.

9. Material contracts

9.1 The Retained Group

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Retained Group either: (i) within the period of two years immediately preceding the date of this document which are or may be material to the Retained Group; or (ii) which contain any provisions under which any member of the Retained Group has any obligation or entitlement which is, or may be, material to the Retained Group as at the date of this document, save for the Disposal Documents, which are summarised in Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document and the contracts disclosed in Part V and Sections 9.1 and 9.2 of Part VI of the Monaco & Islands Disposal Circular which are hereby incorporated by reference into this document.

9.2 CTM

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by CTM either: (i) within the period of two years immediately preceding the date of this document which are or may be material to CTM; or (ii) which contain any provisions under which CTM has any obligation or entitlement which is, or may be, material to CTM as at the date of this document, save for the “Macau agreement” dated 20 August 1981 between Cable & Wireless Limited and the Macau Government (as amended and revised), a summary of which is disclosed in Section 9.1 of Part VI of the Monaco & Islands Disposal Circular which is hereby incorporated by reference into this document.

10. Litigation

10.1 The Retained Group

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened) which may have, or during the last 12 months prior to the date of this document have had, a significant effect on the Retained Group’s financial position or profitability.

10.2 CTM

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings being pending or threatened) which may have, or during the last 12 months prior to the date of this document have had, a significant effect on the financial position or profitability of CTM.

11. Working capital statement

The Company is of the opinion that, taking into account the net proceeds of the Disposal, cash and banking facilities available to the Retained Group, the Retained Group has sufficient working capital available to it for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

12. Consents

12.1 J.P. Morgan Cazenove has given, and has not withdrawn, its consent to the inclusion in this document of the references to its name in the form and context in which they are included.

12.2 KPMG is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets in Part IV (Unaudited Pro Forma Statement of Net Assets) of this document, in the form and context in which it appears.

13. Significant change

13.1 The Retained Group

Save as regards the Monaco & Islands Disposal, a summary of which is provided at Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document and full details of which are disclosed in the Monaco & Islands Disposal Circular, there has been no significant change in the financial or trading position of the Retained Group since 30 September 2012, being the date to which the last unaudited consolidated financial statements of the Group were prepared.

13.2 CTM

There has been no significant change in the financial or trading position of CTM since 30 September 2012, being the date to which the financial information of CTM presented in Part III (Financial Information on CTM) of this document has been prepared.

14. Information incorporated by reference

Information from the following documents has been incorporated by reference in this document:

<u>Documents containing information incorporated by reference</u>	<u>Section in which the document is referred to</u>	<u>Where the information can be accessed by Shareholders</u>
Monaco & Islands Disposal Circular	Part IV (Unaudited Pro Forma Statement of Net Assets), Part VI (Additional Information), Sections 4, 8, 9 and 13	The Company's website, www.cwc.com
Interim Report 2012	Part I (Letter from the Chairman of Cable & Wireless Communications Plc), Sections 3 and 7, Part VI (Additional Information), Section 8	The Company's website, www.cwc.com
Annual Report 11/12	Part I (Letter from the Chairman of Cable & Wireless Communications Plc), Section 7; Part VI (Additional Information), Section 8	The Company's website, www.cwc.com
Annual Report 10/11	Part VI (Additional Information), Section 8	The Company's website, www.cwc.com
Annual Report 09/10	Part VI (Additional Information), Section 8	The Company's website, www.cwc.com

A copy of each of the documents listed above has been filed with the FSA and is also available for inspection in accordance with Section 15 below.

15. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of the Company at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ and at the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the General Meeting:

- (A) the Memorandum and articles of association of the Company;
- (B) the consent letters referred to in Section 12 of this Part VI (Additional Information);
- (C) the Annual Report 09/10, Annual Report 10/11 and Annual Report 11/12 for the years ended 31 March 2010, 31 March 2011 and 31 March 2012 respectively;
- (D) the Interim Report 2012 for the six months ending 30 September 2012;
- (E) the Monaco & Islands Disposal Circular;
- (F) the unaudited pro forma statement of net assets as at 30 September 2012;
- (G) KPMG's report on the unaudited pro forma statement of net assets;
- (H) the Disposal Agreement; and
- (I) this document.

31 January 2013

PART VII

DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

“Announcement”	has the meaning given to it in Section 1 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document;
“Annual Report 09/10”	means the Group’s annual report and financial statements for the year ended 31 March 2010;
“Annual Report 10/11”	means the Group’s annual report and financial statements for the year ended 31 March 2011;
“Annual Report 11/12”	means the Group’s annual report and financial statements for the year ended 31 March 2012;
“Batelco”	means Batelco International Group Holding Limited with registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT;
“Board” or “Directors”	means the board of directors of the Company;
“Business Day”	means a day (other than a Saturday or a Sunday) on which banks are open for business in: (i) Hong Kong; (ii) Macau; (iii) London (other than solely for trading and settlement in euro); and (iv) Portugal;
“Cable and Wireless Group”	means Cable and Wireless plc and its subsidiaries and subsidiary undertakings prior to the Demerger;
“Cable & Wireless Worldwide Group”	means Cable & Wireless Worldwide plc and its subsidiaries and subsidiary undertakings;
“Cash Proceeds”	has the meaning given to it in Section 1 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document;
“CIIM”	means Channel Islands and Isle of Man;
“CIS Licence and Services Agreement”	means the licence and maintenance services agreement to be entered into at Completion by Cable & Wireless International HQ Limited and CTM;
“CITIC Pacific”	means CITIC Pacific Limited with registered office at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong;
“CMC”	means Compagnie Monégasque de Communication S.A.M.;
“Companies Act”	means the Companies Act 2006;
“Completion”	means the completion of the Disposal in accordance with the terms of the Disposal Agreement;
“Completion Date”	means: (i) the date falling 90 days after the Conditions Fulfilment Date; or, if earlier (ii) where the Long Stop Date is postponed pursuant to clause 3.10 of the Disposal Agreement, the tenth Business

Day after the Postponed Long Stop Date, PROVIDED THAT in each case if such date falls on a day on which banks are not open for business in New York, the Completion Date shall be the next Business Day on which banks are open for business in New York, or such other date as the Seller and the Purchaser may agree in writing;

“Conditions Fulfilment Date”	means the first date on which all of the conditions to Completion set out in paragraphs 1 to 5 (inclusive) of Schedule 1 of the Disposal Agreement are satisfied or waived in accordance with the Disposal Agreement;
“CREST”	means the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“CREST Manual”	means the manual, as amended from time to time, produced by CRESTCo Limited describing the CREST system and supplied by CRESTCo Limited to users and participants thereof;
“CREST Proxy Instructions”	means the instruction whereby CREST members send a CREST message appointing a proxy for the meeting and instructing the proxy on how to vote;
“CTM”	means Companhia de Telecomunicações de Macau, S.A.R.L. with registered office at Rua de Lagos, s/n ^o , Edifício Telecentro, Taipa, Macau;
“CTM Group”	means CTM and all the CTM Subsidiaries, and “ member of the CTM Group ” shall be construed accordingly;
“CTM Shares”	means ordinary shares of MOP1,000 each in the capital of CTM;
“CTM Subsidiaries”	means at any relevant time any then subsidiary of CTM, being, as at the date of the Disposal Agreement, Canton Holdings Limited, TeleOne China (Zhuhai) Company Limited, CTM (HK) Limited and TeleOne (Singapore) Ptd. Ltd;
“CWC” or “Company”	means Cable & Wireless Communications Plc with registered office at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ;
“CWP”	means Cable & Wireless Panama S.A. with registered office at Condominio Plaza Internacional, Torre C, Vía España, Apartado Postal (PO Box) 0834-00659, Panama City, Panama;
“CWS”	means Cable & Wireless (Seychelles) Limited with registered office at Mercury House, Francis Rachel Street, Victoria, Mahe, Seychelles;
“Demerger”	means the demerger of the Cable & Wireless Worldwide Group from the former Cable and Wireless Group that was declared effective on 26 March 2010;
“Dhiraagu”	means Dhivehi Raajjeyge Gulhun Plc with registered office at 19 Medhuziyaaraiy Magu, Male’, P.O. Box 2082, Republic of Maldives, formerly known as Dhivehi Raajjeyge Gulhun Private Limited;
“Disclosure and Transparency Rules”	means the disclosure and transparency rules made by the FSA pursuant to FSMA;
“Disclosure Letter”	means the letter dated 13 January 2013 written by the Seller to the Purchaser for the purposes of paragraph 11 of Schedule 4 of the Disposal Agreement;
“Disposal”	means the sale and purchase of the Disposal Shares in accordance with the terms of the Disposal Agreement;

“Disposal Agreement”	means the conditional share purchase agreement dated 13 January 2013 between the Seller and the Purchaser, described in more detail in Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“Disposal Documents”	means the Disposal Agreement, the Disclosure Letter, the Three Party Agreement and any other agreements entered into pursuant to the Disposal Agreement;
“Disposal Shares”	means 76,500 CTM Shares, representing 51% of all the issued shares in the capital of CTM;
“EBITDA”	means earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items;
“Employee Share Schemes”	means the Restricted Share Plan, the Share Option Plan and the Share Purchase Plan;
“Form of Proxy”	means the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
“FSA”	means the Financial Services Authority of the United Kingdom;
“FSMA”	means the Financial Services and Markets Act 2000, as amended;
“General Meeting”	means the General Meeting of the Company convened by the notice which is set out at the end of this document to be held at the offices of Deutsche Bank AG, 1 Great Winchester Street, London EC2N 2DB at 9:30 a.m. on 28 February 2013 or any reconvened meeting following any adjournment thereof;
“Group”	means the Retained Group and CTM;
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“IFRS”	means International Financial Reporting Standards as adopted by the European Union;
“Interim Report 2012”	means the Group’s unaudited condensed and consolidated interim financial statements for the six months ended 30 September 2012;
“J.P. Morgan Cazenove”	means J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove, and whose registered office is at 25 Bank Street, London E14 5JP, United Kingdom;
“KPMG”	means KPMG Audit Plc;
“Listing Rules”	means the listing rules made by the FSA pursuant to FSMA governing, inter alia, admission of securities to the Official List of the FSA;
“London Stock Exchange”	means London Stock Exchange plc or any recognised investment exchange for the purposes of FSMA which may take over the functions of London Stock Exchange plc;
“Long Stop Date”	means 13 July 2013;
“Macau”	means the Macau Special Administrative Region of the PRC;
“Macau Concession”	means the Concession Agreement of the Public Telecommunications Service dated 20 August 1981 and revised on 6 December 1999 and on 6 November 2009, pursuant to which CTM was granted the right to operate local and international public telecommunications services by the Macau Government;

“Macau Government”	means the Government of Macau (including, for the purposes of the Disposal Agreement, the Chief Executive of Macau and Macau Post);
“Macau Post”	means Macau Postal Services – Direcção dos Serviços de Correios de Macau;
“Macau Post Waiver Letter”	means the letter from Macau Post to the Purchaser and the Seller dated 11 January 2013 relating to the waiver of certain rights by Macau Post, as summarised in Section 10 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“Macau Regulatory Condition”	has the meaning given to it in Section 3 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“Material Adverse Change”	means: (i) CTM no longer holding the Macau Concession necessary to conduct its business in Macau or the Mobile Phone Services Licence; or (ii) any natural catastrophe, act of God, outbreak of war, armed conflict, armed hostilities, civil commotion, revolution, act of terrorism, public disorder, outbreaks of diseases or epidemics and/or riots in Macau of a nature that fundamentally and permanently restricts or impairs the ability of CTM to carry on business in Macau or would directly cause CTM to cease to hold the Macau Concession within the period of three months following the date on which Completion would otherwise have occurred. For the avoidance of doubt, any adverse change in the business, assets and liabilities, profits and losses, financial condition or prospects, of CTM and/or any CTM Subsidiaries whether or not resulting from a general global economic downturn or an economic downturn that affects only Macau and/or the telecommunications industry or any other matter or circumstance which falls outside of (i) or (ii) of this definition (whether or not directly impacting on CTM and/or its subsidiaries) shall not constitute a Material Adverse Change;
“Mobile Phone Services Licence”	means WCDMA and GSM Licence no. 1/2001, attached to the Chief Executive Resolution no. 171/2007, as amended by Chief Executive Resolution no. 157/2012 and Chief Executive Resolution no. 374/2012, which authorises the Company to install and operate a WCDMA public land mobile telecommunications network as well as a GSM public land mobile telecommunications network and to provide corresponding public land mobile telecommunications services;
“Monaco & Islands”	means the Monaco & Islands business unit of the Company conducted by the Monaco & Islands Companies;
“Monaco & Islands Companies”	means each of CWC Islands Limited, CWC Holdco Limited, CMC, Monaco Telecom, Monaco Telecom International S.A.M., Monaco Telecom Holdings (Cyprus) Limited, Cable & Wireless (Diego Garcia) Limited, Cable & Wireless South Atlantic Limited, Cable & Wireless Jersey Limited, Cable and Wireless Guernsey Limited, Cable & Wireless Isle of Man Limited, Dhivehi Raajjeyge Gulhun Plc, CWIG Limited, Cable & Wireless (Seychelles) Limited, Atlas (Seychelles) Limited, Le Chantier Property Limited, Telecom Development Company Afghanistan B.V., Telecom Development Company Afghanistan Limited and Seychelles Cable Systems Limited;
“Monaco & Islands Disposal”	has the meaning given to that term in Section 3 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document;

“Monaco & Islands Disposal Circular”	means the circular issued by the Company on 19 December 2012 in connection with the Monaco & Islands Disposal;
“Monaco Option”	means the put and call option arrangements in respect of CMC between the Seller and Batelco, as described in Section 3 of Part I (Letter from the Chairman of Cable & Wireless Communications Plc) of this document;
“Monaco Telecom”	means Monaco Telecom S.A.M. with registered office at 25 boulevard de Suisse, 98000 Monaco;
“Ordinary Shares”	means ordinary shares of US\$0.05 each in the capital of the Company;
“Performance Share Plan”	means the Cable & Wireless Communications Incentive Plan 2010 and the Cable & Wireless Communications 2011 Performance Share Plan;
“Portugal Telecom”	means Portugal Telecom, SGPS, S.A. with registered office and head office at Av. Fontes Pereira de Melo, 40, Lisbon, Portugal;
“Postponed Long Stop Date”	has the meaning given to it in Section 7 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“PRC”	means the People’s Republic of China;
“PRC Regulatory Condition”	has the meaning given to it in Section 3 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“PT Disposal”	means the sale and purchase of 42,000 CTM Shares (representing 28% of all the issued shares in the capital of CTM) in accordance with the terms of the PT Disposal Agreement;
“PT Disposal Agreement”	means the conditional share purchase agreement dated 13 January 2013 between the PT Entities and the Purchaser;
“PT Entities”	means Portugal Telecom, PT Participações, SGPS, S.A. (with registered office and head office at Av. Fontes Pereira de Melo, 40, Lisbon, Portugal) and PT Comunicações, S.A. (with registered office and head office at Rua Andrade Corvo, 6, Lisbon, Portugal);
“Purchaser”	means CITIC Telecom International Holdings Limited with registered office at 25th Floor, CITIC Telecom Tower, 93 Kwai Fuk Road, Kwai Chung, New Territories, Hong Kong;
“Purchaser General Meeting”	means the general meeting of the Purchaser to be held for the purpose of approving the Disposal;
“Registrar”	means Equiniti with registered office at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
“Resolution”	means the ordinary resolution as set out in the notice of General Meeting accompanying this document;
“Restricted Share Plan”	means the Cable & Wireless Communications Restricted Share Plan 2010;
“Retained Group”	means the Company and its subsidiaries and subsidiary undertakings (and, for the avoidance of doubt: (i) excludes CTM; and (ii) prior to completion of the Monaco & Islands Disposal and the Monaco Option, includes the Monaco & Islands Companies), being the continuing businesses of the Group following the Disposal;

“Roshan”	means Telecom Development Company Afghanistan Limited with registered office at House No: 297, Street No: 17, Vazir Akbar Khan, Kabul, Afghanistan;
“SADG”	Cable and Wireless South Atlantic Diego Garcia;
“Seller”	means Sable Holding Limited with registered office at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ;
“Shareholders”	means holders of Ordinary Shares;
“Share Option Plan”	means the Cable & Wireless Share Incentive Plan 2001;
“Share Purchase Plan”	means the all-employee Cable & Wireless Communications Share Purchase Plan;
“Three Party Agreement”	means the agreement dated 13 January 2013 in respect of certain acknowledgments, confirmations and undertakings to be entered into by the Seller, the Purchaser, and the PT Entities, as summarised in Section 10 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document;
“UKLA”	means the UK Listing Authority; and
“Waiver Letter”	means the letter between the Purchaser and the Seller dated 13 January 2013 relating to the waiver of certain rights by the Purchaser, as summarised in Section 10 of Part V (Summary of the Principal Terms and Conditions of the Disposal Agreement) of this document.

In this document, references to “\$” and “US\$” are to U.S. dollars, the lawful currency of the United States of America.

Cable & Wireless Communications Plc

*(Incorporated in England and Wales
with registered number 07130199)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Cable & Wireless Communications Plc (the “**Company**”) will be held at 9:30 a.m. on 28 February 2013 at the offices of Deutsche Bank AG, 1 Great Winchester Street, London EC2N 2DB to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

Ordinary Resolution

THAT

the disposal by the Company of its 51% shareholding in Companhia de Telecomunicações de Macau S.A.R.L. (the “**Disposal**”), as described in the circular to shareholders dated 31 January 2013 of which this notice forms part (the “**Circular**”) as a Class 1 transaction on the terms and subject to the conditions of a disposal agreement dated 13 January 2013 between Sable Holding Limited and CITIC Telecom International Holdings Limited is hereby approved for the purposes of Chapter 10 of the Listing Rules of the Financial Services Authority and that each and any of the directors of the Company be and are hereby authorised to conclude and implement the Disposal in accordance with such terms and conditions and to make such non-material modifications, variations, waivers and extensions of any of the terms of the Disposal and of any documents and arrangements connected with the Disposal as he thinks necessary or desirable.

Registered Office:
3rd Floor
26 Red Lion Square
London
WC1R 4HQ

By order of the Board

Clare Underwood
Company Secretary
31 January 2013

Schedule 1 to the Notice of General Meeting

Important information about the General Meeting

1. General

This is the formal notice to shareholders of the General Meeting and gives you information as to the date, time and place and the business to be considered at the meeting. If there is anything you do not understand, please talk to an appropriate professional adviser.

2. What to do if you have recently sold or transferred all your Cable & Wireless Communications Plc shares

Please send this document and the proxy form to the person who sold the shares for you. He/she can then send them to the new owner of the shares. To have the right to come and vote at the General Meeting, you must hold shares in the Company and your shareholding must be entered on the register of members by 6 p.m. on 26 February 2013.

3. What to do if you have recently acquired your CWC shares and have received this document from the transferor?

Please contact the Company's Registrar on 0871 384 2104 (from within the UK, calls to this number cost 8 pence per minute (including VAT) plus your service provider's network extras) or +44 (0)121 415 7052 (from outside the UK, calls to this number will be charged at applicable international rates) for voting instructions and a Form of Proxy.

Notes:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not be a member of the Company. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 8 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
2. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 9:30 a.m. on 26 February 2013.
3. To be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members at 6 p.m. on 26 February 2013 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6 p.m. on 26 February 2013 shall be disregarded in determining the rights of any person to attend the General Meeting.
4. The total number of voting rights in the Company as at 29 January 2013 (being the latest practicable date prior to the publication of this Notice) is 2,528,122,854.
5. Any person who has sold or transferred his/her shares in the Company should pass this document and its enclosures to the person through whom the sale or transfer was effected for transmission to the purchaser or the transferee.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she is nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 9:30 a.m. on 26 February 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question in relation to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the questions be answered. If you are unable to attend the General Meeting, but have a specific question you would like to ask, you are invited to write to the Chairman at the registered office address.
13. Except as provided above, members who have general queries about the General Meeting should contact the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, on 0871 384 2104 from within the UK (or +44 (0)121 415 7052 if you are calling from outside the UK). Calls to the 0871 384 2104 number cost 8 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored. Please note that, for legal reasons, Equiniti will only be able to provide information in relation to the Disposal to the extent that it is contained in the Circular (and, in addition, information relating to the Company's register of Shareholders) and will be unable to give advice on the merits of the Resolution or to provide financial or investment advice.
14. Please note that you may not use any electronic address provided in either this notice of General Meeting or any related documents (including the Circular) to communicate with the Company for any purposes other than those expressly stated.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, is available on the Company's website at www.cwc.com.

