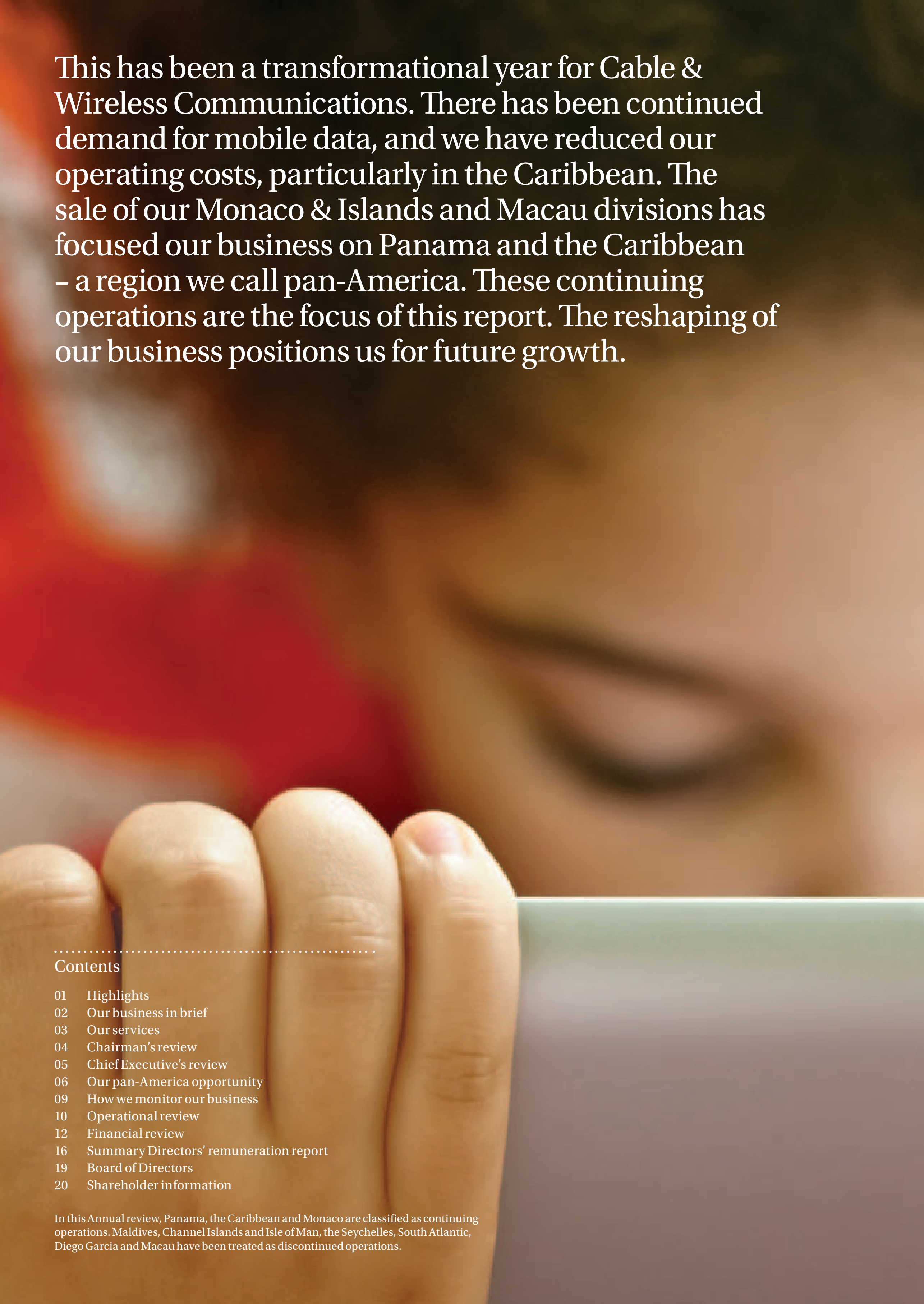
Transforming our business

Annual review 2012/13

Cable&Wireless Communications



This has been a transformational year for Cable & Wireless Communications. There has been continued demand for mobile data, and we have reduced our operating costs, particularly in the Caribbean. The sale of our Monaco & Islands and Macau divisions has focused our business on Panama and the Caribbean – a region we call pan-America. These continuing operations are the focus of this report. The reshaping of our business positions us for future growth.

Contents

01 Highlights
02 Our business in brief
03 Our services
04 Chairman's review
05 Chief Executive's review
06 Our pan-America opportunity
09 How we monitor our business
10 Operational review
12 Financial review
16 Summary Directors' remuneration report
19 Board of Directors
20 Shareholder information

In this Annual review, Panama, the Caribbean and Monaco are classified as continuing operations. Maldives, Channel Islands and Isle of Man, the Seychelles, South Atlantic, Diego Garcia and Macau have been treated as discontinued operations.

Highlights

Highlights below are detailed for the Group, with reported numbers for our continuing business in italics.

	Group	*Continuing business*
Revenue The income from sales of our products and services.	US$2.9bn 0%	*US$1.9bn* *(4%)*
EBITDA This measure of trading profit provides a guide to our ongoing performance.	US$905m 0%	*US$589m* *0%*
Capital expenditure Our spending on the plant and equipment for our business.	US$347m (15%)	*US$263m* *(16%)*
Operating cash flow A measure of cash collected to fund our ongoing operations.	US$558m 13%	*US$326m* *18%*
Adjusted earnings per share The amount we earn for each share in our Company.	US6.6c 2%	*US1.9c* *12%*
Full year dividend The amount paid out for each share in our Company.	US4c	

Percentages represent change on 2011/12 results

Our business in brief

Our business is based in pan-America, a region consisting of the countries which lie in and around the Caribbean basin.

Where we operate

We can trace our involvement in the pan-America region back to the 1870s and have been supporting the development of its telecoms infrastructure since that time.

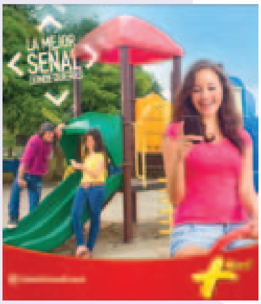
We control 14 businesses within the Caribbean, with the largest markets being Jamaica, The Bahamas and Barbados. We also hold a minority stake in TSTT in Trinidad and Tobago. In Central America we are the leading operator in Panama.

Across the region we have an extensive grid of sub-sea cable networks and sell carrier services in 40 countries.

We are also the majority shareholder in Monaco Telecom, Monaco's leading telecoms operator.

Our brands

Panama



cwmovil.com

mastvdigital.com

Cable&WirelessPanamá

cwpanama.com

Caribbean

lime.com

btcbahamas.com

Key facts

3.5m*

Population of Panama

2.9m*

Population of Jamaica

319,000*

Population of The Bahamas

*Source: CIA World Factbook

Our services

Our network connects the lives of our customers.

Our networks

Mobile

Our mobile networks enable customers to make calls, send messages and access the internet. We have 3.4 million mobile customers.

Broadband

We provide high speed fixed broadband to homes and workplaces. Increasing broadband speed and reliability is important to our customers as the amount of services, applications and internet-enabled devices increases. We have 366,000 broadband customers.

Fixed line

We own fixed line networks enabling us to provide landline and other services to customers, from residential subscribers through to large-scale enterprises and governments. We have 1.1 million fixed line customers.

At home

Triple play and quad play

In several locations we enable customers to purchase good value combinations of our pay TV, broadband, fixed line and mobile services.

In the community

Social telecoms

We help governments to improve the efficiency and cost of delivering public services in areas such as healthcare, emergency services, law and order and online education.

At work

Managed services and data centres

We manage major projects to upgrade and install telecoms services for businesses. We also store data securely on behalf of businesses and governments.

Between nations

Carrier

Our extensive sub-sea cable network grid carries voice and data traffic internationally on behalf of consumers, enterprises and other telecoms operators.

Key facts

25%

Mobile data penetration for CWC in 2012/13

85,000

People in 2012 who were helped by calling the 911 emergency services platform that we provide in Panama City

26

Sub-sea and terrestrial cable systems

Chairman's review

"We will now run our businesses as a unified operation."

Sir Richard Lapthorne, CBE
Chairman

2012/13 Highlights

- Dividend of US4 cents
- Agreed sale of Macau division and majority of Monaco & Islands business
- Group revenue of US$1.9 billion and EBITDA of US$ 589 million

2012/13 has been a milestone year for our Company.

It has been a year in which we executed several key strategic initiatives, most notably selling our Macau and Islands businesses to focus the Group on one region – pan-America.

Cable & Wireless Communications' historic operating model has been as a telecoms 'finance house', owning and managing a portfolio of assets. The strategic shift we have undertaken has converted us to being a telecoms operator.

We will now run our businesses as a unified operation. This will involve establishing a new structure for managing the Group, with our central function and operational control co-located in a new regional facility.

With this structure we will be able to reduce the layers of management, bring our best talent to exercise management control across the region and reinforce the accountability of our front line managers.

It is a clear break from CWC's traditional approach, but it is the organisational approach that best establishes sustainable value for the firm.

The fundamental drivers of our business remain strong. In pan-America, demand for the mobile and fixed data services we provide is growing. Our business posted a 34% increase in mobile data service revenues in 2012/13.

We are also improving productivity by tackling our cost base, particularly in the Caribbean. This will improve our margins as well as the services we provide to customers.

The new approach will, however, not affect our business practices or corporate standards. Strong ethical principles are firmly embedded in our organisation and our corporate social responsibility programmes will remain a key part of the way we manage the business.

With all the activity during the year devoted to progressing complex portfolio changes we were constantly aware of the risk of distraction from our usual attention to operational supervision. However, amid a very active year for the business we have also achieved a strong operating performance, delivering the results we forecast at the start of the year.

Group revenue of US$1.9 billion and EBITDA of US$589 million represented a solid performance, and our cash generation was strong.

As we continue the process of change we remain committed to our dividend. The Board has recommended a dividend of US4 cents for the 2012/13 year, and a US4 cent payment in 2013/14. We aim to progressively grow our dividend in line with future performance.

Sir Richard Lapthorne, CBE

Our strategic priorities

The core elements of our strategy to become the leading full service telecoms provider in the pan-America region are:

1

Develop data-based products and services in existing markets

Chief Executive's review

"We have set a target of US$100 million of annual cost savings to be achieved over the next two years."

Tony Rice
Chief Executive

2012/13 Highlights

- US$210 million mobile data revenue in Panama and the Caribbean
- 17% increase in Panama mobile average revenue per user
- 75,000 new mobile customers in Jamaica

2012/13 has been a successful year for Cable & Wireless Communications, and brought our business to a key inflection point.

As a Group we achieved 'structural coherence' following our announced divestments of the Macau and Islands operations. We are now focused entirely on one region, pan-America, where we have a great platform from which to build, allowing us to create a more unified, effective and cost-efficient business. The streamlined business will also help us to adapt in the new age of telecoms where data rather than voice is the primary product and customer priority.

The business performance in 2012/13 was solid, and highlighted the unequivocal shift to a data-centric marketplace, with a 34% growth in mobile data revenue.

At a business unit level, the growth of mobile data drove a 3% increase in mobile revenue in Panama. In the Caribbean there were good performances in The Bahamas and Jamaica but trading conditions in the rest of the region were challenging. Our Monaco business posted EBITDA 27% higher thanks to the elimination of loss-making activities.

Looking forward, having unified our business we will move our senior management to a new corporate headquarters in southern Florida, closer to our operations and customers. The Group will remain listed on the London Stock Exchange.

This fundamental change to our operating model will enable us to drive significant cost out of the business. We have set a target of US$100 million of annual cost savings to be achieved over the next two years through productivity improvement and the realisation of synergies.

This will improve our cash flow and margins, particularly in our Caribbean business, where we have set a target of raising operating margins from 24% to above 30% in the medium term.

We will also continue to invest, with particular focus on:

- Organic – Quality network infrastructure and systems to deliver the best possible customer experience
- Inorganic – Acquisitions that we can develop into full service businesses within our target footprint

These are exciting times for Cable & Wireless Communications. We have a unified business, clear strategy and strong sense of determination to enact the changes which will transform our Group and deliver long-term growth.

Tony Rice

2
Enhance customer experience

3
Identify new markets

4
Change operating model

5
Improve operational synergy

We want to be the leading full service telecoms provider in the pan-America region. Our rationale for concentrating on pan-America is five-fold:

1 There is a growing demand for data

Around the world customer behaviour is changing. Customers are buying smartphones and tablets and using applications with increasingly enriched forms of entertainment and information.

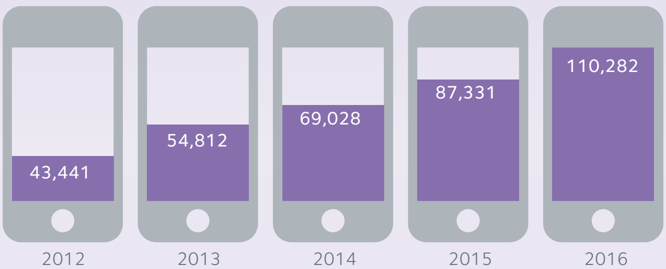
Network speeds and capacities are increasing, enabling customers to download richer content like pay TV and streamed video.

As a result of these trends, the appetite for data services, particularly mobile data, will continue to increase.

Worldwide data traffic is growing strongly...

Petabytes/month

+26% Compound Annual Growth Rate (CAGR)

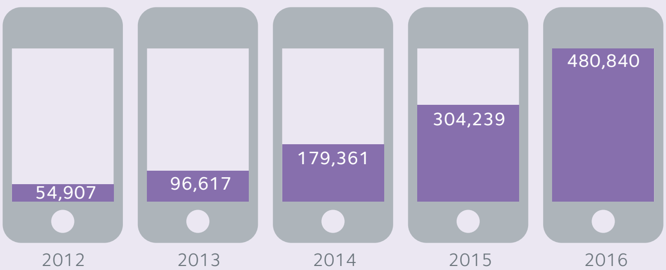


Source: Cisco Visual Networking Index: Forecast and Methodology

...especially mobile data in Latin America

Terrabytes/month

+72% CAGR



Source: Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update

2 Full service operators are best placed to meet the demands of customers and operators

CWC operates networks which provide a full set of telecoms services – fixed line, mobile, broadband, pay TV, enterprise, social telecoms and carrier.

Full service operators are well placed to provide customers with the best mobile data experience and coverage, as we are able to utilise a combination of mobile, fixed and sub-sea cable networks.

Our fibre broadband networks are a platform to reach other customers and provide new services – pay TV for consumers, managed services for enterprises and social telecoms for governments.

Forecasts indicate that there will be strong growth in demand for data products across all our customer segments.

Forecast global demand increases 2012-2016*

Business/Government CAGR
21%

Consumer broadband CAGR
53%

Consumer TV over broadband CAGR
60%

Mobile data traffic CAGR
76%

* Source: Cisco Visual Networking Index: Forecast and Methodology

3 The pan-America region has significant growth potential

14m
Internet users*

84m
Population*

US$689bn
GDP*

74m
Mobile phones*

* Source: CIA World Factbook. Countries included: Anguilla, Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Curaçou, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Montserrat, Nicaragua, Panama, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Martin, St. Vincent and the Grenadines, Sint Maarten, Trinidad and Tobago, Turks & Caicos, US Virgin Islands.

4 We are well positioned to be the provider of choice in pan-America

We are the leading operator in:

10 out of 16 mobile markets

All 15 fixed line markets we serve

We are investing in high capacity, reliable networks – high speed mobile data services are available in six markets and we have upgraded our core networks in The Bahamas and St. Vincent and the Grenadines.

15 out of 16 broadband markets

Our network of 22 sub-sea and four overland cable systems carry data traffic from the internet to our customers.

5 With strong potential synergies

Having focused our business on a single region we are now improving our productivity by creating a unified operating structure, simplifying the way we deliver services and reducing network costs. We have set ourselves a target of reducing our cost base by US$100 million over the next two years.

We plan to establish a new headquarters within the region in which key corporate and operational functions will be co-located.

We manage our business and monitor progress using a range of key performance indicators. Our financial performance is tracked through metrics such as those set out on our Highlights page. We also track a range of measures to monitor our operations and services. These include:

Customer numbers

We monitor the number of customers for each of our services: mobile, fixed line, broadband and pay TV.

37,000
Pay TV customers in Panama increased by 5%

1.5m
Caribbean mobile customers were in line with the prior year.

Customer spending

We measure how much customers spend on each of our services and report it as Average Revenue Per User, per month (ARPU).

US$15.70
2011/12 – US$13.40
Panama mobile ARPU

US$28.50
2011/12 – US$27.30
Panama broadband ARPU

New service growth

We monitor revenue from new product areas, like mobile data.

US$97m
2011/12 – US$66m
mobile data revenue in Panama

US$113m
2011/12 – US$89m
mobile data revenue in the Caribbean

Costs and efficiency

We closely monitor operating expenditure.

US$578m
2011/12 – US$611m
Caribbean operating expenditure

34%
2011/12 – 37%
Caribbean staff costs as a percentage of operating expenditure

Markets*

We also monitor customer demand for key services in the countries in which we operate.

Panama

196%
2011/12 – 185%
Mobile penetration

11%
2011/12 – 9%
Mobile data penetration

36%
2011/12 – 33%
Household internet penetration

Caribbean

118%
2011/12 – 111%
Mobile penetration

14%
2011/12 – 9%
Mobile data penetration

40%
2011/12 – 35%
Household internet penetration

* Source: Pyramid Research

Our businesses delivered a stable performance during the year, amid the significant changes to the Group. Fixed line was weaker but mobile data continued to grow rapidly across our business.

Caribbean

Revenue:

US$1.120bn

2011/12 – US$1.172bn

EBITDA

US$274m

2011/12 – US$284m

Operating cash flow

US$124m

2011/12 – US$120m

- Good performance in The Bahamas where we completed the roll-out of a high speed mobile data network. Significant increase in mobile data network traffic and extra calls since we initiated the project
- In Jamaica, customer base increased 16% by year end as regulatory changes created a level playing field. The imposition of a telecoms tax contributed to a fall in the region's fixed line revenue
- Trading conditions in the rest of the Caribbean were difficult

Panama

Revenue:

US$586m

2011/12 – US$601m

EBITDA

US$239m

2011/12 – US$256m

Operating cash flow

US$154m

2011/12 – US$131m

- Retained a majority of mobile market share
- Plan to launch mobile payments in 2013/14
- Pay TV customers increased by 5%. More than three-quarters chose to take multiple services
- Decline in enterprise revenue, but we won several social telecoms contracts
- Panama GDP growth was over 10% in 2012

Monaco

Revenue:

US$236m

2011/12 – US$267m

EBITDA

US$75m

2011/12 – US$59m

Operating cash flow

US$60m

2011/12 – US$34m

- Continued to perform strongly in 2012/13
- Sale of Afinis operations during the year helped to boost EBITDA by 27%
- Continued demand for mobile data services from residents and roamers, creating a positive platform for the introduction of Long Term Evolution services in 2013/14

CWC Wholesale Solutions

- Combined sub-sea cable assets into CWC Wholesale Solutions
- Entered into a strategic partnership with Columbus Networks Limited in May 2013
- Now strongly positioned to meet the data capacity demands of our retail operations, as well as optimising our capital expenditure commitment
- Will further extend our capability next year with Pacific Caribbean Cable System

Group financial performance summary

	Continuing Year ended 31 March 2013			Continuing Year ended 31 March 2012		
	Pre-exceptional items $m	Exceptional items $m	Total $m	Pre-exceptional items $m	Exceptional items $m	Total $m
Revenue	1,942	–	1,942	2,032	–	2,032
Gross margin	1,387	–	1,387	1,440	–	1,440
Operating costs	(798)	(50)	(848)	(850)	(66)	(916)
EBITDA[1]	589	(50)	539	590	(66)	524
Depreciation, amortisation and impairment	(275)	(86)	(361)	(277)	(244)	(521)
Net other operating income/(expense)	4	–	4	(11)	–	(11)
Operating profit/(loss)	318	(136)	182	302	(310)	(8)
Share of post-tax profit of associates and joint ventures	10	–	10	26	–	26
Total operating profit/(loss)	328	(136)	192	328	(310)	18
Net finance expense	(141)	–	(141)	(148)	–	(148)
(Loss)/gain on sale of businesses	(16)	–	(16)	13	–	13
Profit/(loss) before income tax	171	(136)	35	193	(310)	(117)
Income tax (expense)/credit	(61)	20	(41)	(59)	10	(49)
Profit/(loss) for the year from continuing operations	110	(116)	(6)	134	(300)	(166)
Discontinued operations						
Profit for the year from discontinued operations	184	–	184	192	–	192
Profit/(loss) for the year	294	(116)	178	326	(300)	26
Balance sheet capital expenditure[2]			(263)			(313)
Cash exceptionals			(26)			(69)
Operating cashflow[3]			326			277
Earnings per share (including discontinued operations) (cents)			0.8			(3.1)
Adjusted earnings per share (EPS) (including discontinued operations) (cents)[4]			6.6			6.5
Headcount (full time employees at period end)			5,349			5,923

1 EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/(expense) and exceptional items.
2 Balance sheet capital expenditure excludes transfer of cable assets from inventory.
3 Operating cash flow is defined as EBITDA less balance sheet capital expenditure.
4 Adjusted EPS is before exceptional items, gains/(losses) on disposals, amortisation of acquired intangibles and transaction costs.

Independent auditor's statement to the members of Cable & Wireless Communications Plc

We have examined the summary financial statement for the year ended 31 March 2013, which comprises the Summary consolidated income statement, Summary consolidated statement of financial position, Summary consolidated statement of cash flows, Summary Directors' report and Summary Directors' remuneration report set out in this document.

This statement is made solely to the Company's members, as a body, in accordance with section 428 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Directors and auditor
The Directors are responsible for preparing the Annual review in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual review with the full annual financial statements, the Directors' report and the Directors' remuneration report, and its compliance with the relevant requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the Annual review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion
We conducted our work in accordance with Bulletin 2008/3 *The auditor's statement on the summary financial statement in the United Kingdom* issued by the Auditing Practices Board. Our report on the Group's full annual financial statements describes the basis of our audit opinion on those financial statements, the Directors' report and the Directors' remuneration report.

Opinion on summary financial statement
In our opinion the summary financial statement is consistent with the full annual financial statements, the Directors' report and the Directors' remuneration report of Cable & Wireless Communications Plc for the year ended 31 March 2013 and complies with the applicable requirements of section 428 of the Companies Act 2006 and the regulations made thereunder.

Peter Meehan (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants, 15 Canada Square, London, E14 5GL

21 May 2013

Summary consolidated income statement
for the year ended 31 March 2013

Continuing operations	2012/13 Pre-Exceptional items US$m	Exceptional items US$m	Total US$m	2011/12* Pre-Exceptional items US$m	Exceptional items US$m	Total US$m
Revenue	1,942	–	1,942	2,032	–	2,032
Operating costs before depreciation and amortisation	(1,353)	(50)	(1,403)	(1,442)	(66)	(1,508)
Depreciation	(221)	(86)	(307)	(228)	(232)	(460)
Amortisation	(54)	–	(54)	(49)	(12)	(61)
Other operating income	11	–	11	2	–	2
Other operating expense	(7)	–	(7)	(13)	–	(13)
Group operating profit/(loss)	318	(136)	182	302	(310)	(8)
Share of profits of joint ventures and associates	10	–	10	26	–	26
Total operating profit/(loss)	328	(136)	192	328	(310)	18
(Loss)/gain on sale of businesses	(16)	–	(16)	13	–	13
Finance income	11	–	11	10	–	10
Finance expense	(152)	–	(152)	(158)	–	(158)
Profit/(loss) before income tax	171	(136)	35	193	(310)	(117)
Income tax (expense)/credit	(61)	20	(41)	(59)	10	(49)
Profit/(loss) for the year from continuing operations	110	(116)	(6)	134	(300)	(166)
Discontinued operations						
Profit for the year from discontinued operations	184	–	184	192	–	192
Profit/(loss) for the year	294	(116)	178	326	(300)	26
Profit/(loss) attributable to:						
Owners of the Parent Company	127	(108)	19	158	(235)	(77)
Non-controlling interests	167	(8)	159	168	(65)	103
Profit/(loss) for the year	294	(116)	178	326	(300)	26
Earnings/(loss) per share attributable to the owners of the Parent Company during the year (cents per share)						
– basic			0.8			(3.1)
– diluted			0.8			(3.1)
Loss per share from continuing operations attributable to the owners of the Parent Company during the year (cents per share)						
– basic			(3.4)			(7.8)
– diluted			(3.4)			(7.8)
Earnings per share from discontinued operations attributable to the owners of the Parent Company during the year (cents per share)						
– basic			4.2			4.7
– diluted			4.2			4.7

*The results of Islands sub-group and Macau has been presented in discontinued operations.

Summary consolidated statement of financial position as at 31 March 2013

	31 March 2013 US$m	31 March 2012 US$m
Assets		
Non-current assets	**2,287**	2,722
Current assets	**667**	1,035
Assets held for sale	**716**	–
Total assets	**3,670**	3,757
Liabilities		
Current liabilities	**1,193**	1,807
Non-current liabilities	**1,990**	1,534
Liabilities held for sale	**235**	–
Total liabilities	**3,418**	3,341
Net current liabilities	**(45)**	(772)
Net assets	**252**	416
Equity		
Capital and reserves attributable to the owners of the Parent Company		
Share capital	**133**	133
Share premium	**97**	97
Reserves	**(479)**	(307)
	(249)	(77)
Non-controlling interests	**501**	493
Total equity	**252**	416

The Summary consolidated income statement, the Summary consolidated statement of financial position and the Summary consolidated statement of cash flows were approved by the Board of Directors on 21 May 2013 and signed on its behalf by:

Tony Rice
Chief Executive

Tim Pennington
Chief Financial Officer

EBITDA is defined as earnings before interest, tax, depreciation and amortisation and net other operating and non-operating income and expense. Unless otherwise stated, EBITDA excludes exceptional items. Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Group that are identified as exceptional items by virtue of their size, nature or incidence.

Summary consolidated statement of cash flows for the year ended 31 March 2013

	2012/13 US$m	2011/12* US$m
Cash generated – continuing operations	**540**	483
Cash generated – discontinued operations	**302**	332
Income taxes paid – continuing operations	**(111)**	(70)
Income taxes paid – discontinued operations	**(28)**	(20)
Net cash from operating activities	**703**	725
Continuing operations	**(264)**	(407)
Discontinued operations	**(85)**	(102)
Net cash used in investing activities	**(349)**	(509)
Continuing operations	**(273)**	(157)
Discontinued operations	**(93)**	(109)
Net cash used in financing activities	**(366)**	(266)
Net decrease in cash and cash equivalents – continuing operations	**(108)**	(151)
Net increase in cash and cash equivalents – discontinued operations	**96**	101
Cash and cash equivalents at 1 April	**312**	379
Exchange losses on cash and cash equivalents	**(3)**	(17)
Cash and cash equivalents at 31 March	**297**	312

*The results of Monaco & Islands sub-group and Macau has been presented in discontinued operations.

Overview of our remuneration policy

The structure of remuneration for Executive Directors was initially adopted on demerger in March 2010. The Remuneration Committee (the 'Committee') recognised that the circumstances for managing Cable & Wireless Communications Plc were materially different from those affecting the former Cable and Wireless plc and over the last three years has significantly amended its policy to a more standard arrangement, while critically retaining linkage to the Company's evolving strategy.

Our policy

Overview

The overall aim is to establish remuneration structures which encourage, reinforce and reward the delivery of outstanding business performance. This is underpinned by the following guiding principles:

- The risk and reward structure must maintain an overall alignment with the interests of shareholders
- Executive Directors are encouraged to maintain a very significant personal investment in the shares of the Company
- There is a strong focus on performance-related pay
- Targets should be appropriately stretching and provide for median levels of reward for median performance against the targets, and median to top quartile rewards for exceptional performance

How do we do this?

- By setting fixed pay levels by reference to mid-market comparators and recruitment/retention considerations, while retaining some flexibility to reflect executives' experience and expertise
- By carefully balancing the variable pay opportunities provided through our performance-related short and long term incentive plans such that executives are incentivised to maximise performance over both the short and longer term
- By providing for a significant proportion of the package to be delivered and retained in shares and therefore subject to claw back
- By requiring Executive Directors to build up and maintain a substantial holding of ordinary shares at upper decile level of market practice
- By ensuring that all aspects of remuneration for the Executive Directors and selected senior employees are approved by the Committee and by reviewing the levels, structure and philosophy of remuneration on an annual basis
- By taking account of the pay and employment conditions of other employees in the Group when determining the Executive Directors' remuneration
- By considering the impact of remuneration on the risk profile of the Company

What key changes have we made for 2013/14?

Fixed pay

No salary increases are being proposed for the Executive Directors and so fixed pay levels have been maintained at current levels.

Annual bonus

70% will be based on financial targets and 30% on personal performance objectives.

The majority of the bonus will continue to be subject to financial targets based on Group EBITDA and Group Net Cash Flow before Financing (NCFbF) (apportioned two thirds EBITDA and one third NCFbF). As we wish to incentivise our Executive Directors to focus on the continuing operations of the business, the performance of Macau will be excluded from the bonus targets and will not count towards performance. In addition, in the event that Monaco Telecom is sold in the year, the outcome of the sale will form part of the consideration of bonus outcome (at a level of one seventh of the element measured on financial performance).

The proportion of bonus based on specific personal objectives will increase from 20% to 30% of total bonus opportunity, with the focus on driving greater synergies and growth opportunities both organic and inorganic in the pan-America region.

Long-term incentives

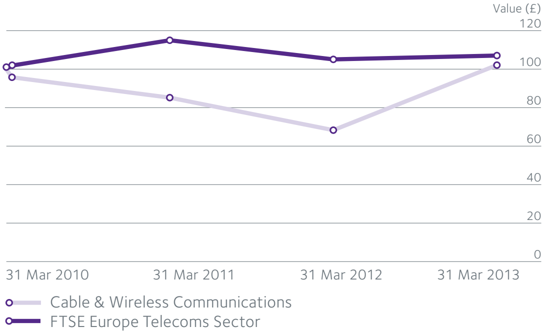
The degree of portfolio change which we have had and expect to continue to experience for the foreseeable future, makes it difficult to define a robust earnings per share range at this point in time. Therefore the Committee has decided that the awards to be granted in 2013/14 will be entirely based on relative total shareholder return. The Committee will additionally assess whether it is satisfied with the financial performance of the Group before determining the extent to which (if at all) awards should vest.

There will be no change to the policy on overall quantum for the bonus and long term incentive plan.

Performance graphs

The graph shows the total shareholder return by 31 March 2013 for a £100 holding in the Company's shares for the period from 22 March 2010 (the date shares in the Company were admitted to the Official List), compared with £100 invested in the FTSE Europe Telecoms Sector.

Total shareholder return (TSR)
Value in £ from 22 March 2010 to 31 March 2013



Directors' emoluments

The table below shows the aggregate emoluments earned by the Directors of Cable & Wireless Communications Plc during the period 1 April 2012 to 31 March 2013

	Salaries and fees £	Total cash bonuses[4] £	Value of LTIP[1] £	Benefits in kind[2] £	Pension/ cash allowance[3] £	**Total 2012/13 statutory period 1 April 2012 to 31 March 2013 £**	Total 2011/12 statutory period 1 April 2011 to 31 March 2012 £
Chairman							
Sir Richard Lapthorne	386,000	–	–	10,674	60,500[5]	**457,174**	481,527
Executive Directors							
Nick Cooper	375,000	171,656	–	2,304	43,750	**592,710**	592,290
Tim Pennington	500,000	228,875	–	1,868	75,000	**805,743**	883,128
Tony Rice	700,000	294,175	–	27,640	175,000	**1,196,815**	1,306,651
Non-executive Directors							
Simon Ball	85,000	–	–	542	–	**85,542**	85,443
Ian Tyler[6]	81,666	–	–	490	–	**82,156**	65,621
Mary Francis (from 1 April 2012 to 30 June 2012)	21,250	–	–	–	–	**21,250**	85,785
Mark Hamlin	65,000	–	–	490	–	**65,490**	16,517
Alison Platt (from 1 June 2012 to 31 March 2013)	54,166	–	–	490	–	**54,656**	–
Past Directors' emoluments (for comparative purposes)	–	–	–	–	–	**–**	20,583
Total	2,268,082	694,706	–	44,498	354,250	**3,361,536**	3,537,545

1 This column denotes the cash equivalent value of any LTIP awards vesting in 2012/13. The values are nil as no awards vested in 2012/13.
2 'Benefits in kind' include Company provided life assurance, professional advice, car and chauffeur provision and reimbursement of costs associated with travel, accommodation and relocation (as applicable).
3 Company pension contributions in 2012/13 have been paid to the Directors as either annual cash allowance and/or employer's pension contributions. In addition to the pension cash allowance listed above, in 2012/13 Nick Cooper and Tim Pennington waived £50,000 of their pension cash allowance as an equivalent amount was paid into the pension plan by the Company on their behalf. An amount of £20 million (2011/12 – £18 million) is included in the net pensions deficit figure to cover the cost of former Directors' pension entitlements.
4 For 2012/13, Tony Rice, Tim Pennington and Nick Cooper received bonuses of £588,350, £457,750 and £343,312 respectively. Half of the bonus is paid in cash (as shown in the table under 'total cash bonuses') and the other half is deferred into shares for one year and subject to claw back at the discretion of the Committee. These shares will count towards each Director's shareholding requirement.
5 Sir Richard Lapthorne received a cash allowance of £60,500 from 1 May 2012, in the financial year 2012/13, in lieu of a company car, which was previously included under 'benefits in kind'.
6 Ian Tyler received additional fees for his role as Chairman of the Audit Committee from 1 June 2012.
7 The emoluments table is presented in sterling as salaries, benefits and bonuses are paid in sterling.

Summary Directors' report

Principal activities
Cable & Wireless Communications is a full service telecommunications business. Our services include mobile, broadband and fixed line in most of our markets as well as pay TV, data centres and hosting, carrier and managed services and social telecoms solutions. Our operations are focused on providing our customers – consumers, businesses, governments – with world class service. We are the market leader in most products we offer and territories we serve.

Dividends
The Directors recommend a final dividend of US2.67 cents per ordinary share payable on 9 August 2013 to ordinary shareholders on the register at the close of business on 31 May 2013. This final dividend, together with the interim dividend of US1.33 cents per share paid by the Company on 11 January 2013, makes a total dividend payment to shareholders of the Company of US4 cents per ordinary share for the year ended 31 March 2013.

Directors
The names of the Directors as at 31 March 2013 are set out within this Annual review. Alison Platt joined the Board as a Non-executive Director with effect from 1 June 2012 and Mary Francis retired from the Board at the end of her term on 30 June 2012.

Ethics
The Company is committed to sound business conduct in its relationships with key stakeholders (shareholders, employees, customers, business partners and suppliers), governments and regulators, communities and the environment.

During the year a review of the Group's ethics policies was undertaken. A new Code of Conduct policy was approved by the Board which sits alongside the Group's Anti-Bribery Policy and applies to all Group companies and employees. Where the Group operates in conjunction with business partners, third parties or in joint venture arrangements without management control, it aims to promote the application of these policies. Responsibility for the compliance with the policy remains with the Board and the regional Chief Executives are responsible for the communication, implementation and monitoring of their region.

The Group seeks to conduct its operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees. The Group respects the legitimate interests of all those with whom it has relationships. The Group's employees are required to complete an annual online training programme in relation to these policies.

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Internal control, risk management and financial reporting
The Board is responsible for the Group's system of internal control and for reviewing its effectiveness on a continual basis. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

The Group operates a risk management process under which the regional businesses identify the key risks to their plans, their likelihood and impact and the actions being taken to manage those risks and the effectiveness of steps taken to mitigate them. The risk register is presented to the Audit Committee on a rolling 12 month basis.

The Executive Directors report to the Board, on behalf of management, significant changes in the Group's business and the external environment in which it operates. In addition, they provide the Board with monthly financial information, which includes key risk and performance indicators. The Group's key internal control and monitoring procedures include the following:

- Financial reporting
- Investment appraisal
- Monitoring systems
- Financial and non-financial controls
- Whistle blowing

Going concern
After reviewing budgets and other longer-term plans and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Board of Directors


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1. Sir Richard Lapthorne, CBE N
   Chairman, Chairman of the Nomination Committee
2. Tony Rice
   Chief Executive
3. Tim Pennington
   Chief Financial Officer
4. Nick Cooper
   Corporate Services Director
5. Simon Ball ANR
   Deputy Chairman, Senior Independent Director, Chairman of the Remuneration Committee
6. Mark Hamlin ANR
   Non-executive Director
7. Alison Platt ANR
   Non-executive Director
8. Ian Tyler ANR
   Non-executive Director, Chairman of the Audit Committee

A Denotes membership of Audit Committee.
N Denotes membership of Nomination Committee.
R Denotes membership of Remuneration Committee.

Committee membership shown as at 31 March 2013.

Shareholder information

Registrar
If you have any queries regarding your shareholding in Cable & Wireless Communications Plc, please contact:

Equiniti
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
Telephone 0871 384 2104[1] (UK shareholders)
+44 (0)121 415 7052 (overseas shareholders)

Registered Office and Company Secretary
The Company's Registered Office is:

3rd Floor, 26 Red Lion Square
London WC1R 4HQ
Telephone +44 (0)20 7315 4000

Clare Underwood is the Company Secretary

Dividends
Dividends are declared by the Company in US dollars. The default payment currency for dividends is sterling and shareholders may elect to receive payment in US dollars. The actual sterling amount of any dividend payable by the Company from time to time will be based on the sterling/US dollar exchange rate in effect on a date chosen by the Directors nearer to the relevant payment date.

If your dividend is paid directly into your bank or building society, you will receive one consolidated tax voucher each year, which is sent to you in January at the time that the interim dividend is paid. If you would prefer to receive a tax voucher with each dividend, please contact our shareholder helpline on 0871 384 2104[1].

If your dividend is not currently paid direct to your bank or building society and you would like to benefit from this service, please contact our shareholder helpline on 0871 384 2104[1].

Electronic communication
Together with Equiniti, Cable & Wireless Communications Plc is able to offer shareholders the option to manage their shareholding online.

The Company also offers shareholders the option to receive communications from the Company electronically as an alternative to receiving documents through the post.

To make use of these facilities, please register at www.shareview.co.uk by following the onscreen instructions.

1 Calls to this number are charged at 8p per minute plus network extras.

Unsolicited mail
Company law allows people unconnected with the Company to obtain a copy of our share register. As a consequence, shareholders may receive unsolicited mail, including mail from unauthorised investment firms. For more information on unauthorised investment firms targeting UK investors, you should visit the website of the Financial Conduct Authority www.fca.org.uk/consumers/scams

If you wish to limit the amount of unsolicited mail you receive, please contact:

The Mailing Preference Service
DMA House
70 Margaret Street
London W1W 8SS
Telephone +44 (0)20 7291 3310
www.mpsonline.org.uk

Financial calendar

Ex-dividend date	29 May 2013
Record date	31 May 2013
Last date for election to join dividend reinvestment plan for August 2013 dividend	12 July 2013
Last date for election to receive dividend in US dollars	12 July 2013
Notification of sterling dividend payment amount	18 July 2013
AGM	25 July 2013
Payment of final dividend	9 August 2013
Announcement of interim results 2013/14	7 November 2013

Full Annual report
This Annual review and summary financial statement are only a summary of information derived from the Company's Annual report and financial statements. It does not contain the full text of the Directors' report or the Directors' remuneration report but information derived from those reports and does not contain sufficient information to allow as full an understanding of the Group's results, state of affairs and its policies and arrangements on Directors' remuneration as would be provided by the full Annual report and financial statements. Copies of the Annual report can be obtained free of charge from our website www.cwc.com or by contacting the Company Secretary at the address given in the Shareholder information section. Shareholders and other entitled persons who have elected to receive this Annual review can elect to receive the full Annual report for all future financial years using the details provided in the Shareholder information section. The independent auditor's statement on the annual accounts and the auditable section of the Directors' remuneration report was unqualified; contained no statement under section 498 of the Companies Act 2006; and it contained no qualification in respect of the consistency of the Directors' report and the financial statements.