

ANNOUNCEMENT
10 FEBRUARY 2015

CABLE & WIRELESS COMMUNICATIONS PLC
THIRD QUARTER TRADING UPDATE

Group trading performance in line with outlook

This announcement provides an update on the Third Quarter performance and financial position of the Group since the six months ended 30 September 2014. Full year results for the period ending 31 March 2015 are expected to be announced on 20 May 2015.

Highlights

- Group revenue of \$444 million, up 5%, 2% on a like-for-like¹ basis
- Mobile revenue up 4% driven by strong subscriber growth across Panama and LIME markets
- Acceleration of Project Marlin driving improved network performance and customer satisfaction
- Columbus acquisition on track to close before fiscal year end

¹ At constant currency, excluding Sonitel

Phil Bentley, Chief Executive of CWC, commented

“In the Third Quarter we have continued to build momentum through our investment-led Project Marlin and we are continuing to deliver top line growth. Investments in our mobile networks have improved coverage and reliability and we saw mobile data grow a further 23% with traffic carried on our networks increasing by over 35%. Fibre investments have focussed on our Caribbean markets and are key to generating growth in the Broadband & TV segments. We are pleased with the Sonitel acquisition where recent successful bids would indicate momentum in Managed Services. We continue to work with Governments and Regulators to gain the required approvals for completion of the Columbus acquisition and are on track to close before our fiscal year end.”

Group Trading Performance

Mobile revenue (53% of Group revenue) was up 4% in the Third Quarter driven by growth in LIME and Panama, up 10% and 4% respectively. LIME growth was driven by continued subscriber additions in Jamaica (+18%) where investment in our 4G mobile network led to constant currency revenue growth of 27% and an NPS gain of 11 points, whilst in Barbados our “Upgrade Barbados” marketing campaign led to 6% revenue growth and our market-leading LTE service in Cayman drove revenue growth of 3%. Panama mobile growth followed a strong increase in subscribers, primarily within prepaid, as a result of increased promotions leading up to and through the holiday season. We anticipate a new mobile entrant in the Bahamas later this calendar year and expect mobile revenue to be impacted as a result, in particular international roaming revenue.

Broadband and TV revenue was flat against the prior year. In Panama, we saw continued TV subscriber growth (+19%) as we focused on marketing strategies that targeted double and triple play bundles. However, across BTC and LIME, growth in broadband subscribers was offset by lower ARPU due to promotional strategies, in conjunction with LIME TV bundles, aimed at increasing market share. In the Bahamas, we trialled IPTV services in late December, offering a service with 150 channels to customers in 100 homes on the Bimini islands and we expect to fully launch our TV product there in March.

Our fixed voice revenue performance continued its positive trend and revenue was flat for the Group versus the prior year, as a reduction in subscribers was offset by higher ARPU due to steady growth in interconnect revenue as well as customers upgrading to enhanced packages.

Managed Services revenue was strengthened by the acquisition of Sonitel in Panama where we are making good progress with our integration plans and have won contracts in the construction, education, government and insurance sectors by leveraging Sonitel's strong customer relationships and our scale.

Network improvements through Project Marlin are accelerating, with \$129 million of investment in the Third Quarter, 70% of which was targeted at enhancing our network reach and speed, improving our network resiliency and optimizing our traffic management. In addition to expanding our 4G network in Jamaica, we have now launched LTE in Antigua where we grew mobile revenue by 22% and have continued to deploy fibre access points in Anguilla, BVI, Dominica, Grenada, St Lucia and Turks and Caicos. Panama now has 35 LTE ready sites and we plan to be the first LTE provider in the country, launching services by March 2015.

The latest NPS data collected in December shows that customer perception of our service and network quality is continuing to improve where network upgrades and consistent marketing such as our Pan-Caribbean "Upgrade" campaign have taken place. Relative to our competitors, NPS improved during the quarter; we saw good progress in Panama where we increased our relative mobile NPS by 12 points; in The Bahamas relative broadband NPS improved by 34 points as speeds improved; in Jamaica our relative NPS widened to 52 points highlighting our network and product superiority; and in Anguilla we improved overall relative NPS by 30 points following improved resiliency in the mobile network.

Group Net Debt

At 31 December 2014, Group net debt was \$302 million including cash held in escrow, a reduction of \$162 million since 30 September 2014. Net debt comprised \$1,555 million gross debt and \$1,253 million cash including cash held in escrow, increasing from \$902 million and \$438 million respectively at 30 September 2014, primarily due to the placing of new shares and loans raised to finance the acquisition of Columbus.

Acquisition of Columbus International Inc

Cable & Wireless Communications (CWC) announced on 6 November 2014 that it had agreed terms to purchase 100 per cent. of the equity of Columbus International Inc, a leading privately-owned fibre-based telecommunications and technology services provider operating in the Caribbean, Central America and the Andean region, for USD1.85bn (the "Acquisition").

Since the announcement, CWC has raised gross proceeds of \$180 million from the placing of new shares and \$690 million from new loans to finance the Acquisition, obtained CWC bondholder consent to facilitate the financing of the Acquisition and obtained CWC shareholder approval for the Acquisition. We have also obtained a number of regulatory consents, including the necessary approvals for the Acquisition in Jamaica.

Completion of the Acquisition remains subject to the satisfaction or waiver of certain other conditions, as set out in the circular to CWC shareholders dated 19 November 2014. We anticipate completion to take place by our fiscal year end.

Key Performance Indicators

Subscribers (000s) ¹	Panama		
	31 Dec 14	30 Sep 14	31 Dec 13
Mobile ^{1,2}	2,246	2,184	1,958
Broadband	131	132	130
TV	50	47	42
Fixed line	367	369	372
ARPU ³	31 Dec 14	30 Sep 14	31 Dec 13
Mobile	\$13.4	\$14.5	\$14.6
Broadband	\$29.7	\$29.2	\$28.5
TV	\$33.5	\$34.1	\$34.2
Fixed line	\$24.3	\$24.6	\$24.7

Subscribers (000s) ¹	LIME		
	31 Dec 14	30 Sep 14	31 Dec 13
Mobile ¹	1,333	1,236	1,191
Broadband	221	219	217
TV	26	26	22
Fixed line	575	574	582
ARPU ³	31 Dec 14	30 Sep 14	31 Dec 13
Mobile	\$20.0	\$19.6	\$19.7
Broadband	\$35.6	\$35.7	\$36.7
TV	\$23.3	\$24.4	\$26.0
Fixed line	\$29.0	\$28.0	\$28.6

Subscribers (000s) ¹	BTC		
	31 Dec 14	30 Sep 14	31 Dec 13
Mobile ¹	314	311	307
Broadband	26	25	21
TV	-	-	-
Fixed line	103	102	104
ARPU ³	31 Dec 14	30 Sep 14	31 Dec 13
Mobile	\$60.4	\$60.0	\$65.8
Broadband	\$48.4	\$49.9	\$67.5
TV	-	-	-
Fixed line	\$37.9	\$40.4	\$30.7

Subscribers (000s) ¹	Seychelles		
	31 Dec 14	30 Sep 14	31 Dec 13
Mobile ¹	86	84	82
Broadband	7	7	7
TV	-	-	-
Fixed line	18	18	17
ARPU ³	31 Dec 14	30 Sep 14	31 Dec 13
Mobile	\$27.1	\$29.1	\$29.7
Broadband	\$125.7	\$132.6	\$125.9
TV	-	-	-
Fixed line	\$36.7	\$37.5	\$43.9

¹ Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days

² Panama prepaid subscribers restated following removal of inactive subscribers acquired through promotions

³ ARPU is average revenue per user per month, excluding equipment sales

Conference Call Details

Cable & Wireless Communications will also host a conference call for investors and analysts. The details are:

Date: Tuesday 10 February 2015

Time: 13:00 (GMT)

Details: Cable & Wireless Communications Plc Q3 Trading Update

UK: +44(0)20 3427 1909

US: +1 646 254 3367

Confirmation Code: 1877615

Participants will have to quote the above code when dialling into the conference.

Audio playback of the call will be available shortly after the call finishes until 17 February 2015. The details for the playback are:

UK: +44 (0)20 3427 0598

US: +1 347 366 9565

Replay Access Code: 1877615

About Cable & Wireless Communications

Cable & Wireless Communications Plc (CWC) is a full-service communications provider operating in 16 countries throughout the Caribbean and Latin America. With four leading brands: Mas Movil (Cable and Wireless Panama), LIME (the Caribbean excluding The Bahamas), BTC (The Bahamas) and Cable and Wireless Seychelles, CWC offers mobile, broadband, TV, domestic and international fixed line services and serves over 5.5m customers. CWC also provides premium data centre hosting, domestic and international managed data network services and customised IT Service Solutions to businesses and governments through our Cable & Wireless Business Solutions division.

On 6 November 2014, CWC announced the acquisition of Columbus International Inc. Whilst subject to regulatory approvals in certain markets, we believe that the transaction will bring significant benefits – increased investments, more jobs, and providing customers with superior mobile networks, faster broadband, and more TV choice. We plan to form a new company, with a new leadership team, and a new culture, putting our customers at the heart of the business. Our mission is to grow the lifetime value of our customer relationships by being #1 for Customer Service.

We are the market leader in most products offered and territories served.

For more information visit: www.cwc.com.

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