ANNOUNCEMENT
3 NOVEMBER 2011

Cable&Wireless Communications

CABLE & WIRELESS COMMUNICATIONS PLC HALF YEARLY REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

Cable & Wireless Communications on track with first half results

- Revenue up 24% to US$1,442 million
- EBITDA up 4% to US$443 million
- Net profit before exceptional items up 9% to US$163 million
- Strong underlying performances in Macau and Monaco & Islands
- Encouraging initial contribution from the Bahamas
- Strong growth in mobile data and enterprise
- Adjusted EPS 3.8 US cents per share
- Interim dividend maintained at 2.67 US cents per share, expect full year dividend of 8 US cents per share

EBITDA is defined in the footnotes on the following page, a reconciliation of EBITDA is provided on page 27
Adjusted EPS is before exceptional items, gains/(losses) on disposals, amortisation of acquired intangibles and transaction costs

Commenting on the Group results, Tony Rice, Chief Executive of Cable & Wireless Communications Plc, said:

"We had a good first half and are on track for the full year. The underlying performance in both Macau and Monaco & Islands was strong. The headline result in Macau was boosted by surging iPhone sales and we saw strong growth in the bottom line. Monaco & Islands had a buoyant first half despite currency devaluation in the Maldives. Mobile Data has shown rapid growth in a number of our markets, a trend that we expect to continue in H2 and future years as the penetration of smart devices continues to increase, having risen to 19% of our subscriber base by the end of September.

"We have made an encouraging start in the Bahamas, since we acquired the Bahamas Telecommunications Company in April. The initial phase of the restructuring plan has been completed ahead of schedule and as a result we booked the majority of our expected restructuring costs in the first half. The business has now begun to adopt a more customer focused approach and in the second half we will be introducing new product and service offerings, including high speed mobile data services, the iPhone and a better value proposition for our customers.

"Elsewhere in the Caribbean we have seen signs of a stabilisation in a number of our principal markets, although Jamaica remains difficult. We are, however, encouraged by recent announcements by the Jamaican Government and its intention to create a level regulatory playing field providing Jamaicans with greater choice and value.

"Panama continues to perform strongly in the important mobile segment, but changes in the gross margin percentage have held the business to the same level of EBITDA as last year. We have recently launched a high speed mobile data network and are rolling out enhanced mobile data services prior to Christmas and, as last year, expect to deliver a stronger second half.

"We have also successfully signed five-year US$600 million credit facilities securing a large bulk of our near term funding needs on improved terms. This is part of our general liability management which remains focused on maintaining a prudent level of leverage over the medium term.

"Despite uncertainties about the world economic environment we are well placed as we enter the second half with each of our businesses expected to trade in the full-year ranges for EBITDA set out at the start of the year."

INTERIM MANAGEMENT REPORT

Analysis of Group results

US$m	*Six months ended 30 September 2011*	*Six months ended 30 September 2010*[1]	*% change*
Revenue	**1,442**	**1,159**	**24%**
Gross margin	966	804	20%
Operating costs	(523)	(380)	(38)%
EBITDA[2]	**443**	**424**	**4%**
Depreciation and amortisation	(175)	(158)	(11)%
Net other operating expense	(7)	(11)	36%
Joint ventures	13	21	(38)%
LTIP charge	-	(19)	nm
Total operating profit before exceptional items	**274**	**257**	**7%**
Exceptional items	(58)	6	nm
Total operating profit	**216**	**263**	**(18)%**
Finance income	5	22	(77)%
Finance expense	(78)	(72)	(8)%
Other non-operating income/(expense)	2	(3)	nm
Profit before tax	**145**	**210**	**(31)%**
Income tax expense	(37)	(54)	31%
Net profit	**108**	**156**	**(31)%**
Net profit before exceptional items	*163*	*149*	*9%*
Net profit attributable to:			
Owners of the Parent Company	52	85	(39)%
Non-controlling interests	56	71	(21)%
Balance sheet capital expenditure	(160)	(128)	(25)%
Cash exceptional items	(37)	(16)	(131)%
Operating cash flow[3]	**246**	**280**	**(12)%**
EPS	2.1c	3.3c	
Adjusted EPS[4]	3.8c	4.0c	
Customers in subsidiaries (000s)			
Mobile	4,907	4,726	4%
Broadband	553	532	4%
Fixed	1,425	1,449	(2)%

[1] Six months ended 30 September 2010 includes the consolidated results for Bermuda and excludes the Bahamas
[2] EBITDA is defined as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income/(expense) and exceptional items
[3] Operating cash flow is defined as EBITDA less balance sheet capital expenditure less cash exceptionals
[4] Adjusted EPS is before exceptional items, LTIP charges, gains/(losses) on disposals, amortisation of acquired intangibles and transaction costs

Cable & Wireless Communications reported revenue, EBITDA and total operating profit of US$1,442 million, US$443 million and US$216 million respectively for the six months to 30 September 2011.

Revenue increased by 24% to US$1,442 million including a first time contribution of US$177 million from the Bahamas business acquired in April 2011. We saw a strong performance in Macau where mobile service and handset sales drove a 50% rise in revenue. Across the Group, enterprise activity increased and non-voice mobile revenue grew as data penetration levels rose.

Group EBITDA increased by 4% to US$443 million following the strong performance in Macau, together with the addition of the Bahamas.

Total operating profit before exceptional items increased by 7% to US$274 million. There was a net exceptional charge of US$58 million primarily related to the voluntary separation programme (VSEP) in the Bahamas where we have completed the initial phase ahead of schedule and booked the majority of our expected restructuring costs in this period.

Profit for the period before exceptional items was up 9% to US$163 million and adjusted earnings per share for the period was 3.8 US cents. The Board has declared an interim dividend of 2.67 US cents per share which is unchanged from the prior year.

On a like-for-like basis, adjusting the prior period by removing Bermuda, a business we sold in March 2011, and excluding the Bahamas from the current year and at constant currency, revenue for the Group would have been 10% higher and EBITDA for the Group would have been 2% lower than last year.

The Group made strong strategic progress during the half. We are vigorously pursuing new areas of growth: mobile data, enterprise and social telecoms and carrier services to address the decline in high margin fixed services voice services and to provide future growth. We are also deploying triple-play services, with pay TV as a key component.

Mobile data services, facilitated by the increased penetration of smartphone devices, have accelerated across the business. Mobile data revenue rose by 94% and now accounts for 7% of Group revenue. Our Macau business has led this growth with 40% of its subscriber base on data plans driving a 52% growth in non-voice (data and SMS) services year-on-year. We expect this segment to continue to grow across the portfolio. We have made significant network upgrade investments in the Caribbean and Panama, where we will be launching more mobile data services in the second half. After its successful launch in Macau last year, we have agreements in place to offer the iPhone to customers across most of our key territories in the portfolio.

Enterprise and social telecoms services are also growing across the business, with each business unit posting strong rises in revenues. Across the Group, enterprise, data and other revenue rose by 20%. Panama has been a leader in providing social telecom projects to the Government, and we have begun to expand this expertise into other Central American markets. We are also seeing success with social telecoms projects in Monaco & Islands, and the Caribbean. Macau's enterprise offering to casinos continues to grow.

We remain committed to reshaping the Group, for example the integration and restructuring of our recently acquired business in The Bahamas. The restructuring is ahead of schedule.

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REVIEW OF CWC OPERATIONS

Income statement

	Panama			Caribbean[1]			Macau			Monaco & Islands[2]			Other[3]			Total		
	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %
Mobile	156	148	5%	266	147	81%	151	76	99%	120	117	3%	-	-	0%	693	488	42%
Broadband &TV	30	28	7%	62	52	19%	28	25	12%	24	22	9%	-	-	0%	144	127	13%
Fixed voice	72	76	(5)%	169	141	20%	38	41	(7)%	41	48	(15)%	-	-	0%	320	306	5%
Enterprise, data and other	50	42	19%	79	61	30%	41	30	37%	115	108	6%	-	(3)	nm	285	238	20%
Revenue	**308**	**294**	**5%**	**576**	**401**	**44%**	**258**	**172**	**50%**	**300**	**295**	**2%**	**-**	**(3)**	**nm**	**1,442**	**1,159**	**24%**
Cost of sales	(106)	(95)	(12)%	(131)	(103)	(27)%	(144)	(70)	(106)%	(95)	(90)	(6)%	-	3	nm	(476)	(355)	(34)%
Gross margin	**202**	**199**	**2%**	**445**	**298**	**49%**	**114**	**102**	**12%**	**205**	**205**	**0%**	**-**	**-**	**0%**	**966**	**804**	**20%**
Operating costs	(75)	(72)	(4)%	(313)	(183)	(71)%	(30)	(26)	(15)%	(108)	(102)	(6)%	3	3	0%	(523)	(380)	(38)%
EBITDA[4]	**127**	**127**	**0%**	**132**	**115**	**15%**	**84**	**76**	**11%**	**97**	**103**	**(6)%**	**3**	**3**	**0%**	**443**	**424**	**4%**
LTIP charges	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	(19)	nm	-	(19)	nm
Depreciation and amortisation	(37)	(38)	3%	(80)	(62)	(29)%	(16)	(17)	6%	(38)	(37)	(3)%	(4)	(4)	0%	(175)	(158)	(11)%
Net other operating (expense)/income	-	-	0%	(10)	1	nm	-	-	0%	1	-	nm	2	(12)	nm	(7)	(11)	36%
Operating profit before joint ventures and exceptional items	**90**	**89**	**1%**	**42**	**54**	**(22)%**	**68**	**59**	**15%**	**60**	**66**	**(9)%**	**1**	**(32)**	**nm**	**261**	**236**	**11%**
Exceptional items	(6)	-	nm	(52)	(5)	nm	-	-	nm	-	(2)	100%	-	13	nm	(58)	6	nm
Operating profit before joint ventures	**84**	**89**	**(6)%**	**(10)**	**49**	nm	**68**	**59**	**15%**	**60**	**64**	**(6)%**	**1**	**(19)**	**nm**	**203**	**242**	**(16)%**
Capital expenditure	(71)	(44)	(61)%	(48)	(50)	4%	(13)	(8)	(63)%	(28)	(21)	(33)%	-	(5)	nm	(160)	(128)	(25)%
Cash exceptional items	(6)	-	nm	(29)	(4)	nm	-	-	nm	-	(2)	nm	(2)	(10)	80%	(37)	(16)	(131)%
Operating cash flow[5]	50	83	(40)%	55	61	(10)%	71	68	4%	69	80	(14)%	1	(12)	nm	246	280	(12)%
Net cash interest	(3)	(4)	25%	(1)	(3)	67%	-	-	0%	(2)	-	nm	(56)	(50)	(12)%	(62)	(57)	(9)%
Cash tax	(27)	(20)	(35)%	(19)	(18)	(6)%	(7)	(6)	(17)%	(5)	(4)	(25)%	(6)	(5)	(20)%	(64)	(53)	(21)%
Headcount[6]	1,578	1,730	9%	3,971	2,877	(38)%	882	846	(4)%	1,642	1,612	(2)%	152	143	(6)%	8,225	7,208	(14)%

nm represents % change not meaningful

1 Caribbean includes the Bahamas business in H1 11/12 (excluded in H1 10/11)

2 Monaco & Islands comprises operations in Monaco, Maldives, the Channel Islands, Isle of Man, Bermuda (H1 10/11 only), the Indian and Atlantic Oceans and Africa

3 Other includes management, royalty and branding fees, the costs of the corporate centre, net UK defined benefit pension charge or credit and intercompany eliminations. Other also includes all joint venture operations except Roshan, which is managed from Monaco

4 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income/(expense) and exceptional items

5 EBITDA less balance sheet capital expenditure less cash exceptionals

6 Full time equivalents as at 30 September

Panama

- Mobile revenue up 5%, strong growth in postpaid subscribers
- Mobile non-voice revenue up 108% – mobile data services roll-out in H2
- Solid growth in enterprise revenue with a strong pipeline

	6 months ended 30 Sep 2011	3 months ended 30 Sep 2011	3 months ended 30 Jun 2011	**6 months ended 30 Sep 2010**	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010
Subscribers (000s)						
Mobile[1]	**2,454**	2,454	2,038	**2,501**	2,501	2,336
Broadband	**140**	140	141	**142**	142	141
Fixed	**396**	396	395	**405**	405	415
ARPU (US$)[2]						
Mobile	**13.2**	12.4	14.0	**10.5**	10.5	10.6
Broadband	**27.2**	27.2	27.3	**28.2**	28.1	28.4
Fixed	**30.3**	30.6	30.0	**30.9**	30.9	30.9
Revenue (US$m)	**308**			**294**		
EBITDA (US$m)	**127**			**127**		
Margin%	**41%**			**43%**		

[1]Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days
[2]ARPU is average revenue per user per month, excluding equipment sales

Revenue at US$308 million was 5% higher than the same period last year driven primarily by non-voice mobile growth and enterprise projects implemented during the period.

Mobile revenue was up 5% to US$156 million as the business maintained its market share above 50%. The high value postpaid subscriber segment continued to grow driven by an increasing demand for data services. Mobile ARPU is now 26% higher than it was a year ago although this is partially due to deactivation of low spending prepaid subscribers, whose numbers have fluctuated based on promotional activities in the market. Mobile non-voice revenue more than doubled year-on-year and was up 41% on the second half of last year as increased data penetration led to higher mobile ARPUs. We expect non-voice revenue to grow further as we roll-out our 4G/HSPA+ network nationwide in the second half of this year.

Broadband & TV revenue grew 7% to US$30 million as we continued to make progress with our Pay TV service. Subscribers increased to 45,000 and our network footprint now covers over 250,000 homes.

Fixed voice revenue declined by 5% to US$72 million largely due to a reduction in payphone traffic and lower international volumes.

Enterprise, data and other revenue grew by 19% to US$50 million. This is a segment where we are one of the leading players in the region and an area where we see good opportunities for expansion. Earlier this year we announced three new large contracts: a project with the Second Judicial District to modernise the IT systems of the criminal justice system; a contract to provide a national telecommunications network for the country’s Ministry of Security; and a contract to supply and manage an emergency services call system for the national police force in El Salvador – our first contract outside Panama. Recently we were awarded a contract for the next three years to supply, install and support new systems enabling the Panamanian Government to share information electronically and reduce the need for paper.

Gross margin increased to US$202 million although as a percentage of revenue it declined by two percentage points to 66%. This was mainly due to the change in enterprise gross margin percentage which fluctuates depending on individual contracts.

Operating costs at US$75 million were 4% higher than last year mainly reflecting higher network costs incurred to facilitate the growth in data and other services. To provide a better customer experience and take advantage of being the sole full service provider we consolidated the operations of our fixed and mobile businesses in the first half. This restructuring programme reduced headcount by 169 leading to an exceptional charge of US$6 million in the first half. We expect the restructuring to yield an ongoing saving of almost US$3 million on an annual basis.

As a result, the business generated EBITDA of US$127 million which was the same as last year and EBITDA as a percentage of revenue was 41%. We expect EBITDA for the full year to be in the range of US$270 – 295 million which remains in line with our previously stated outlook.

Our proportionate ownership of Panama EBITDA for the six months ended 30 September 2011 was 49%.

Caribbean

- Bahamas acquisition off to a solid start
- Growth in postpaid subscriber base
- 4G/HSPA+ launched in Cayman, further roll out across region in second half

US$m	Six months ended 30 September 2011			Six months ended 30 September 2010
	Caribbean reported	**Bahamas**	**Caribbean (excluding Bahamas)**	**Caribbean reported**
Mobile	266	123	143	147
Broadband & TV	62	9	53	52
Fixed voice	169	36	133	141
Enterprise, data and other	79	9	70	61
Revenue	**576**	**177**	**399**	**401**
Gross margin	445	145	300	298
Operating costs	(313)	(108)	(205)	(183)
EBITDA	**132**	**37**	**95**	**115**

CWC acquired a controlling stake in BTC on 6 April 2011, when the business became part of the Caribbean business unit. To aid prior year comparison the table above and the commentary below shows summary financial results for the Caribbean as previously reported and the contribution from the Bahamas.

Caribbean (excluding Bahamas)

	6 months ended 30 Sep 2011	3 months ended 30 Sep 2011	3 months ended 30 Jun 2011	**6 months ended 30 Sep 2010**	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010
Subscribers (000s)						
Mobile[1]	**1,199**	1,199	1,230	**1,332**	1,332	1,339
Broadband	**207**	207	208	**210**	210	213
Fixed	**607**	607	612	**624**	624	634
ARPU (US$)[2]						
Mobile	**19.4**	20.2	18.6	**19.0**	18.5	19.4
Broadband	**39.6**	39.7	39.5	**37.8**	38.7	36.9
Fixed	**36.2**	36.1	36.4	**37.0**	37.8	36.3
Revenue (US$m)	**399**			**401**		
EBITDA (US$m)	**95**			**115**		
Margin%	**24%**			**29%**		

[1]Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days
[2]ARPU is average revenue per user per month, excluding equipment sales

Excluding the Bahamas, Caribbean revenue was in line with the first half of last year, gross margin increased by 1% and EBITDA declined by 17%.

Mobile revenue declined by 3% to US$143 million compared with last year. Mobile service revenues were broadly flat, however handset sales reduced due to lower subsidies. There was an improving mobile performance in Jamaica, where mobile service revenue increased driven by growth in inbound roaming with postpaid ARPU benefitting from tighter control around discounted voice minutes. In the rest of the Caribbean the increase in the postpaid subscriber base and improved data ARPUs were offset by falling prepaid voice revenue. Mobile data has seen strong growth, particularly in Barbados where non-voice revenue grew by 50% compared to prior year. During the period, we launched our first 4G/HSPA+ network in the Cayman Islands. We are making similar investments in the rest of the Caribbean as penetration of iPhone and other smartphone devices increases.

Broadband & TV revenue increased by 2% to US$53 million following a successful campaign where we upgraded a number of subscribers to higher value packages on our enhanced network. Excluding Jamaica, where our broadband subscriber base declined due to increased competition, the broadband subscriber base increased by 5% compared to last year. Barbados and the Cayman Islands stood out with year-on-year revenue growth of 11% and 9% respectively as the number of broadband subscribers grew strongly.

Voice substitution continued to affect fixed line revenue, which at US$133 million declined by 6%, although the rate of decline slowed compared with prior periods.

We saw strong growth in our enterprise, data and other revenues, up by 15% to US$70 million. During the period we announced a new contract to design and provide connectivity for an e-learning network, C@ribNET, which will connect colleges and universities across the Caribbean. Additionally we are starting to see carrier transactions coming through from the investment we made last year in the East West cable.

Gross margin was stable at US$300 million reflecting more support from the macro environment and a more focused promotional strategy in respect of handset subsidies.

Operating costs were higher, rising 12% on the prior period. Inflationary pressures drove an increase in staff costs, which coincided with higher operating costs resulting from investment in expanding the sales force, higher network support costs due to network expansion and an increased retail presence. Notwithstanding this we have made good progress in the period with our cost reduction programmes. We have engaged our employees and union partners to realign our compensation structure so that it is sustainable, market driven and provides greater emphasis around incentive driven pay, and commenced a programme of benefit restructuring and buy-outs. We have also worked to benchmark many of the operational and support areas and have commenced programmes to improve efficiency over the medium term.

Reflecting the higher level of operating costs, EBITDA fell to US$95 million, but we remain confident that EBITDA for the full year for the Caribbean excluding the Bahamas will be in the range of US$180 – 210 million which is in line with our previously stated outlook.

Bahamas

On 6 April 2011 we completed our purchase of a 51% stake in BTC in The Bahamas for a cash consideration of US$204 million. The company is the exclusive mobile operator in The Bahamas as well as a leading provider of fixed line and broadband services. Under the terms of the acquisition, the liberalisation process for the mobile sector will commence no sooner than three years after privatisation.

Our Bahamas business has delivered a satisfactory financial performance in the first half of the year and we have made excellent progress in restructuring the business. The voluntary redundancy programme which was open to all employees has closed with the uptake in line with our expectations; over 400 applications have been approved with 260 colleagues having left the business by 30 September 2011. These restructuring costs will be funded by BTC, which had US$79 million of cash balances as at 30 September 2011.

During the period we have invested to upgrade the network to deliver high speed mobile broadband, begun to refresh the retail and distribution network, enhanced our customer service facilities and launched new customer initiatives, such as the removal of inter-island surcharges. Many of the plans to prepare BTC to face mobile competition in the future have been laid and we will accelerate implementation during the second half of this financial year and into the next.

We expect EBITDA for the full year to be in the range of US$60 – 80 million which remains in line with our previously stated outlook.

Our proportionate ownership of EBITDA for the Caribbean (including Bahamas) for the six months ended 30 September 2011 was 78%.

Macau

- EBITDA up 11% driven by strong mobile growth
- Economic growth continues at an extraordinary rate; visitor numbers increasing year-on-year
- Mobile data services growing rapidly - non-voice 29% of mobile service revenue

The Macau economy again achieved exceptional growth with real GDP growth of 23% in the first half of this calendar year[1]. Gaming revenue rose 46% and visitor numbers were up 10% in the first eight months of this calendar year[1].

Our business had an excellent start this year as revenue increased by 50% to US$258 million with double digit growth for mobile, broadband and enterprise compared to the same period last year.

	6 months ended 30 Sep 2011	3 months ended 30 Sep 2011	3 months ended 30 Jun 2011	**6 months ended 30 Sep 2010**	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010
Subscribers (000s)						
Mobile[1]	**417**	417	402	**396**	396	397
Broadband	**136**	136	134	**131**	131	129
Fixed	**176**	176	177	**178**	178	179
ARPU (US$)[2]						
Mobile	**20.9**	20.9	21.0	19.2	19.4	18.9
Broadband	**33.3**	33.0	33.6	31.9	33.2	30.6
Fixed	**36.0**	36.9	35.0	38.0	38.6	37.4
Revenue (US$m)	**258**			**172**		
EBITDA (US$m)	**84**			**76**		
Margin%	**33%**			**44%**		

[1]Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days
[2]ARPU is average revenue per user per month, excluding equipment sales

Mobile revenue of US$151 million almost doubled compared to last year. Mobile equipment sales surged to US$100 million, driven by the popularity of the iPhone and other smartphones in the region. Mobile services revenue grew strongly, up 12% to US$51 million, due to a combination of growth in subscriber numbers and ARPUs up 9% on last year driven by higher non-voice and roaming revenues. Mobile non-voice revenue now represents 29% of subscriber service revenue as smartphones and mobile broadband usage increased.

Broadband subscribers grew by 4% along with increasing ARPU as subscribers demanded greater bandwidth. Broadband revenue increased by 12% to US$28 million.

Fixed voice revenue of US$38 million decreased compared to the same period last year as customer substitution reduced both subscribers and ARPU by 1% and 5% respectively. It is the intention of the regulator to introduce fixed line competition but as yet no new licences have been awarded.

Enterprise, data and other revenue of US$41 million improved by 37% as the business won managed service contracts with the Macau Government and casinos including the Galaxy and Venetian.

Gross margin of US$114 million was up 12% compared with last year reflecting strong underlying performance in the mobile and enterprise segments.

Operating costs of US$30 million were 15% higher than the same period last year. The higher revenue drove increased network and administration costs though this was limited by strong controls. At 16% of revenue, excluding iPhone equipment sales which commenced in November 2010, operating costs were one percentage point higher than the same period last year.

On the back of the strong mobile performance, EBITDA was 11% higher in the first half at US$84 million. Adjusting for iPhone equipment sales the underlying EBITDA margin was 42%.

We expect EBITDA for the full year to be in the range of US$150 – 160 million which remains in line with our previously stated outlook.

Our proportionate ownership of Macau EBITDA for the six months ended 30 September 2011 was 51%.

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[1] www.dsec.gov.mo

Monaco & Islands (M&I)

- Revenue up 8% and EBITDA up 3% on like-for-like basis
- Monaco and Maldives performed well on an underlying basis
- Data begins to drive mobile revenue growth

	6 months ended 30 Sep 2011	3 months ended 30 Sep 2011	3 months ended 30 Jun 2011	**6 months ended 30 Sep 2010**	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010
Subscribers (000s)						
Mobile[1]	**531**	531	534	**497**	497	484
Broadband	**55**	55	53	**49**	49	48
Fixed	**125**	125	128	**242**	242	242
ARPU (US$)[2]						
Mobile	**34.3**	34.5	34.2	**36.7**	36.2	37.2
Broadband	**62.7**	63.3	62.1	**61.3**	62.9	59.6
Fixed	**53.5**	52.9	54.2	**33.5**	31.6	35.4
Revenue (US$m)	**300**			**295**		
EBITDA (US$m)	**97**			**103**		
Margin%	**32%**			**35%**		

[1]Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days
[2]ARPU is average revenue per user per month, excluding equipment sales

Revenue at US$300 million was 2% higher than the same period last year. Our Monaco business saw strong revenue growth, while in the Maldives a devaluation of the local currency, the Rufiyaa, saw revenue reported in US dollars fall despite increasing in local currency. We also disposed of our Bermudan business in March 2011. Excluding Bermuda and adjusting for currency, revenue increased by 8% compared to the prior year.

Monaco performed very well in the first half of the year with revenue up strongly, mainly driven by strength in the mobile and enterprise segments. Rising data usage saw mobile revenue post a double digit rise, as penetration of smartphones and tablets grew rapidly. Increased traffic volumes and higher pricing for our international operations boosted enterprise revenue. Growth in subscriber numbers and ARPU were reflected in the 16% increase in broadband & TV revenue. Monaco benefitted from a favourable euro to US dollar exchange rate compared to the same period last year.

In local currency, the Maldives had a good underlying performance, with revenue up 7% on last year as roaming activity drove mobile revenue 10% higher and telemedicine services led to an increase in enterprise revenue. During the period the Government of the Maldives introduced a limited free float of the Rufiyaa which prompted a 20% devaluation. Consequently US dollar revenue of US$67 million was 10% lower than last year.

In Guernsey competition in the mobile sector remains intense but we still managed to grow our active subscriber base by 4% and increased our market share. Broadband subscribers increased year on year by 9% as did ARPU, which rose 11%.

Gross margin at US$205 million was in line with the same period last year. As a percentage of revenue this reduced by one percentage point to 68% largely driven by the disposal of our Bermuda business and its high margin fixed line revenue.

Operating costs were US$108 million, up 6% on the same period last year. Afinis, our African enterprise services business made good early progress but incurred additional operating costs after its re-launch in February 2011. In Guernsey we increased marketing spend in order to retain our leading mobile market position and grow other lines of the business and an adverse sterling to US dollar exchange rate also resulted in higher operating costs.

EBITDA at US$97 million was 6% lower than the same period last year, largely reflecting the disposal of Bermuda, which was responsible for US$6 million of this reduction with the balance relating to the devaluation of the Rufiyaa. On a like-for-like basis, excluding Bermuda and at constant currency, EBITDA increased by US$3 million, or 3%, compared to last year.

We expect EBITDA for the full year to be in the range of US$170 – 190 million which remains in line with our previously stated outlook.

Operations in the Maldives, Monaco and Guernsey represented approximately 84% of M&I revenue and approximately 91% of EBITDA in H1.

Our proportionate ownership of Monaco & Islands EBITDA for the six months to 30 September 2011 was 64%.

Other
Other includes management, royalty and branding fees, the costs of the corporate centre, net UK defined benefit pension credit or charge and intercompany eliminations. EBITDA was US$3 million, in line with last year.

Joint ventures
Our share of profit after tax from joint ventures was US$13 million, US$8 million lower than the same period last year mainly as the prior year included the release of US$11 million in allowances which were held against a former joint venture subsequently liquidated.

	Effective ownership as at 30 September 2011	CWC share of revenue		CWC share of profit after tax	
		Six months ended 30 September 2011	Six months ended 30 September 2010	Six months ended 30 September 2011	Six months ended 30 September 2010
	%	US$m	US$m	US$m	US$m
Trinidad & Tobago (TSTT)	*49%*	111	115	6	8
Afghanistan (Roshan)	*37%*	59	53	6	2
Fiji (Fintel)	*49%*	3	4	-	-
Others[1]		11	10	1	11
Total		**184**	**182**	**13**	**21**

[1]Includes results of Solomon Telekom and Telecom Vanuatu. Prior period included the release of US$11 million in allowances which were held against a former joint venture, subsequently liquidated

'000s	Mobile subscribers[1]		Broadband subscribers		Fixed line subscribers	
	As at 30 September 2011	As at 30 September 2010	As at 30 September 2011	As at 30 September 2010	As at 30 September 2011	As at 30 September 2010
Trinidad & Tobago (TSTT)	883	890	88	87	274	277
Afghanistan (Roshan)	5,347	3,969	-	-	-	-
Solomon Telekom	147	85	1	1	8	9
Telecom Vanuatu	51	64	2	2	6	7
Total	**6,428**	**5,008**	**91**	**90**	**288**	**293**

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

Our share of TSTT profits declined by US$2 million as staff related costs increased. Roshan continues to maintain its market leadership with mobile subscriber growth of 35% driving revenue growth and the increase in our share of profits by US$4 million. Fintel, in Fiji, remained in line with last year.

On 12 October 2011, CWC sold its 50% interest in Telecom Vanuatu to Mauritius Telecom Limited. As at 31 March 2011, Telecom Vanuatu had gross assets of approximately US$31 million, with our proportionate share representing US$16 million.

Capital expenditure
Capital expenditure was US$160 million, 25% higher than the same period last year, though representing 11% of revenue, which was in line with last year. Our principal customer facing investments were in 4G/HSPA+ mobile data networks supporting smartphone sales especially in Panama, Barbados and Cayman, growth of fixed broadband, and selective Pay TV investments. We have also invested in transmission capacity and cable systems to support both retail and carrier sales. We continue to advance our billing and customer relationship management systems. Included this year, for the first time, is our investment in the Bahamas; here our focus is to improve the speed and the capacity of our fixed and mobile networks, providing an improved service to our customers and preparing for future market competition. In the Maldives we have continued our multi-year investment in a domestic cable network that will allow us to provide data services to the population and to the tourist resorts. We expect capital expenditure for the full year to be approximately US$400 million, consistent with our previously stated outlook.

Depreciation and amortisation
Depreciation and amortisation at US$175 million was US$17 million higher than H1 2010/11 primarily due to the inclusion of the Bahamas.

Other Group items

Net other operating expense
The US$7 million net other operating expense incurred in the first half of the year comprised US$7 million stamp duty in connection with the purchase of a 51% stake in BTC in The Bahamas and US$3 million hurricane restoration costs also in the Bahamas, partially offset by a gain on the retranslation of sterling based pension funds. In the prior period, US$11 million loss was recorded predominantly on the retranslation of the pension funds.

Exceptional items
Net exceptional items moved from an income of $6 million to a charge of US$58 million in the first half of the year with the cost in the current year predominantly relating to the redundancy and restructuring programmes in the Bahamas and Panama. Our expectations for restructuring and integration costs related to the Bahamas acquisition remain unchanged. The prior period income reflected the receipt of US$17 million after successfully defending claims brought by a Caribbean competitor, partially offset by additional restructuring charges and professional fees.

Net finance expense
The US$73 million net finance expense for the Group consists of finance income of US$5 million (US$22 million in H1 2010/11) and finance expense of US$78 million (US$72 million in H1 2010/11). The movements in finance income and expense compared to the prior period relate primarily to foreign exchange gains in the prior period, and increased borrowings largely due to the acquisition of BTC in The Bahamas.

Income tax expense
The income tax charge of US$37 million (US$54 million for H1 2010/11) is in respect of overseas taxes. This charge represents an effective tax rate of 26% which is consistent with our outlook range of 25% to 29%.

Group cash flow

US$m	2011/12 H1	2010/11 H2	2010/11 H1
EBITDA[1]	**443**	**448**	**424**
Balance sheet capital expenditure	(160)	(226)	(128)
Operating cash flow before exceptionals	**283**	**222**	**296**
Movement in working capital and other provisions[2]	(37)	37	(49)
Investment income[3]	6	9	8
Underlying free cash flow	**252**	**268**	**255**
Fixed charges			
Income taxes paid	(64)	(35)	(53)
Interest paid	(66)	(53)	(62)
Dividends and shareholder loans to non-controlling interests[4]	(120)	(61)	(98)
Underlying equity free cash flow	**2**	**119**	**42**
Dividends paid to shareholders	(136)	(69)	(99)
Net cash flow before one-off items and exceptionals	**(134)**	**50**	**(57)**
One-off items and exceptionals			
Cash exceptionals	(37)	(13)	(16)
Share buyback	(70)	(30)	-
LTIP	(6)	-	(9)
Acquisitions and disposals[4]	(144)	56	(1)
Pension funding	-	(149)	-
Transfer to Cable & Wireless Worldwide for FY09/10 final dividend	-	-	(117)
Net cash flow after one-off items and exceptionals	**(391)**	**(86)**	**(200)**
Movement in share capital and own shares held	-	-	1
Net proceeds from borrowings	343	19	70
Net cash flow	**(48)**	**(67)**	**(129)**

1 Earnings before interest, tax, depreciation and amortisation, LTIP, net other operating and non-operating income and exceptional items
2 Includes movement in capital expenditure accruals
3 Includes dividends received from joint ventures of US$2 million in H1 2011/12 (US$nil million in H1 2010/11)
4 Monaco Telecom dividend paid to minority interest of US$8 million in H1 2011/12 (US$nil in H1 2010/11) has been reallocated to dividends paid to non controlling interests, but for IFRS purposes is included in acquisitions and disposals

Cable & Wireless Communications generated operating cash flow before exceptional items of US$283 million in the six months ended 30 September 2011, slightly lower than the same period last year as the Group made the decision to invest heavily in its mobile data networks. As a result US$160 million was invested in capital expenditure compared to $128 million in the same period last year. The outflow from movements in working capital and provisions largely reflected an investment in inventory, specifically related to smartphone purchases as well as laptop and mobile TV handsets for promotions in the Caribbean.

Investment income of US$6 million included US$4 million of interest received on cash balances with the balance primarily relating to dividends received from joint ventures.

Fixed charges

As in the prior year our fixed charges are more weighted to the first half of the year. We paid US$64 million relating to income tax in the first half of 2011/12, US$11 million higher than last year due to recent tax legislation in Panama which changed the timing of tax payments to a higher first half weighting. Interest of US$66 million was paid on our external borrowings as the level of borrowings increased compared to the same period last year. We paid dividends and loans to non-controlling interests of US$120 million in the period. This was US$22 million higher than last year as we addressed existing cash balances in the Maldives and achieved higher distributions from Macau, Panama and Monaco.

Dividends to our shareholders were higher than the prior year as a scrip dividend scheme was not offered in relation to the final dividend for FY2010/11.

One-off items and exceptionals

The net cash outflow included US$37 million for exceptional items which predominantly related to restructuring costs in the Bahamas, where our restructuring programme has progressed faster than anticipated, and Panama. In February 2011, we announced a US$100 million share buyback programme of which US$30 million was returned to shareholders in the last financial year. The final US$70 million was returned to shareholders earlier this year under this programme purchasing 94,726,873 shares to be held in treasury. In April, the Group made a cash payment of US$6 million for the previous LTIP. We incurred acquisition costs in the first half of this year primarily relating to the purchase of BTC in The Bahamas in April 2011 for cash consideration of US$204 million partially offset by the consolidation of its US$59 million cash balances and we also made an investment in the subsea cable consortium in the Seychelles.

Group cash and debt

	As at 30 September 2011			As at 31 March 2011		
	Subsidiaries	Central	Group	Subsidiaries	Central	Group
	US$m	US$m	US$m	US$m	US$m	US$m
Cash and cash equivalents	**273**	**41**	**314**	**266**	**113**	**379**
Sterling secured loan repayable in 2012	-	(46)	(46)	-	(46)	(46)
US$500 million secured bonds due 2017	-	(491)	(491)	-	(490)	(490)
Sterling unsecured bonds repayable in 2012	-	(311)	(311)	-	(317)	(317)
Sterling unsecured bonds repayable in 2019	-	(230)	(230)	-	(235)	(235)
US$500 million Revolving Credit Facility (RCF)	-	(330)	(330)	-	-	-
Other regional debt facilities	(331)	-	(331)	(285)	-	(285)
Total debt	**(331)**	**(1,408)**	**(1,739)**	**(285)**	**(1,088)**	**(1,373)**
Total net debt	**(58)**	**(1,367)**	**(1,425)**	**(19)**	**(975)**	**(994)**

Net debt reconciliation

US$m	As at 31 March 2011	Net cash flow[1]	Dividends to CWC share-holders	Cash exceptionals	LTIP	Share buyback	Acquisitions and disposals[2]	Other[3]	As at 30 September 2011
Total net debt	(994)	2	(136)	(37)	(6)	(70)	(203)	19	(1,425)

[1]Before one-offs, exceptionals and financing
[2]Acquisitions and disposals excludes cash acquired in BTC which is included in Other
[3]Other includes: net cash acquired on the acquisition of BTC of US$25 million (US$59 million cash, US$34 million debt), negative exchange movements of US$4 million, and capitalised borrowing costs of US$2 million

As at 30 September 2011, the Group had three-year bank facilities of US$600 million (comprising a US$500 million revolving credit facility and a US$100 million term loan) with margins between 3.25% and 4% over LIBOR and with a maturity date of March 2013. As at 30 September 2011, US$330 million of the revolving credit facility was drawn and the term loan facility was undrawn.

Refinancing of bank facilities

During October 2011, the Group entered into new five-year borrowing arrangements for US$600 million of revolving credit facilities. The facilities replace the Group's US$500 million revolving credit facility and US$100 million term loan which were due to expire in March 2013. The new facilities are with a syndicate of nine leading international banks.

The new facilities have a maturity date of October 2016 and a margin of 2.50% over LIBOR. Consistent with the prior facilities, the new facilities are secured on share pledges over the Group's assets.

Pensions

As at 30 September 2011, the defined benefit section of the Cable & Wireless Superannuation Fund (CWSF) had an IAS 19 deficit of £78 million, compared to a deficit of £51 million as at 31 March 2011.

During the prior year, the company reached agreement with the trustees on the triennial valuation as at 31 March 2010. In addition to cash contributions made in March 2011, further payments have been agreed from 2014 to 2016 in order to eliminate the deficit. These payments are subject to the outcome of the next actuarial valuation as at March 2013. This future deficit funding constitutes a minimum funding agreement and, in accordance with accounting standards, we are required to account for this within our IAS19 deficit. The increase in the IAS19 deficit in the period is mainly due to a fall in index-linked gilt yields and a decrease in the value of equity investments resulting in an increase to this minimum funding commitment. The IAS19 deficit recorded at 30 September 2011 represents the present value of the maximum amount committed under the minimum funding agreement.

The AA corporate bond rate used in the IAS 19 valuation was 5.4% compared with 5.6% at 31 March 2011.

The fund assets at 30 September 2011 were approximately invested 69% in the bulk annuity policy, 18% in equities, and 13% in bonds, property, swaps and cash.

There are other unfunded pension liabilities in the UK of £24 million (£23 million at 31 March 2011). The Group holds investments in gilts of £22m to partially back the UK unfunded pension liabilities. Other schemes in Cable & Wireless Communications have a net IAS 19 surplus of US$24 million (US$29 million surplus at 31 March 2011).

Dividend
We are declaring an interim dividend of 2.67 US cents per share.

The interim dividend of 2.67 US cents per share will be paid on 12 January 2012 to ordinary shareholders on the register at the close of business on 11 November 2011. Subject to financial and trading performance in the second half of 2011/12, we expect to recommend a final dividend of 5.33 US cents per share, resulting in a full year dividend of 8.00 US cents per share.

A currency option and the dividend reinvestment plan will be offered in respect of the interim dividend. The default currency for payment is GBP sterling. Shareholders wishing to receive their dividend in US dollars or wishing to participate in the dividend reinvestment plan should make an election using CREST Input Message or return a completed Currency Mandate Form or Dividend Reinvestment Plan Mandate Form to: Equiniti Ltd, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 12 December 2011. Copies of the mandate forms are available from Equiniti Ltd. UK callers: 0871 384 2104; overseas callers: +44 (0)121 415 7052 or from our website www.cwc.com.

The sterling dividend payment amount per share will be announced on 16 December 2011, and will be based on the prevailing GBP sterling to US dollar exchange rate at 2pm GMT on that date.

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Condensed consolidated interim income statement

	For the six months ended 30 September 2011			For the six months ended 30 September 2010		
	Pre-exceptional items	**Exceptional items**	**Total**	Pre-exceptional items	Exceptional items	Total
	US$m	**US$m**	**US$m**	US$m	US$m	US$m
Revenue	**1,442**	**-**	**1,442**	1,159	-	1,159
Operating (costs)/credit before depreciation and amortisation	**(999)**	**(58)**	**(1,057)**	(754)	6	(748)
Depreciation	**(146)**	**-**	**(146)**	(136)	-	(136)
Amortisation	**(29)**	**-**	**(29)**	(22)	-	(22)
Other operating income	**3**	**-**	**3**	1	-	1
Other operating expense	**(10)**	**-**	**(10)**	(12)	-	(12)
Group operating profit/(loss)	**261**	**(58)**	**203**	236	6	242
Share of profits of joint ventures	**13**	**-**	**13**	21	-	21
Total operating profit/(loss)	**274**	**(58)**	**216**	257	6	263
Gain/(loss) on sale of non-current assets	**2**	**-**	**2**	(1)	-	(1)
Loss on termination of operations	**-**	**-**	**-**	(2)	-	(2)
Finance income	**5**	**-**	**5**	22	-	22
Finance expense	**(78)**	**-**	**(78)**	(72)	-	(72)
Profit/(loss) before income tax	**203**	**(58)**	**145**	204	6	210
Income tax (expense)/credit	**(40)**	**3**	**(37)**	(55)	1	(54)
Profit/(loss) for the period	**163**	**(55)**	**108**	149	7	156
Attributable to:						
Owners of the Parent Company	**83**	**(31)**	**52**	78	7	85
Non-controlling interests	**80**	**(24)**	**56**	71	-	71
	163	**(55)**	**108**	149	7	156
Earnings per share attributable to the owners of the Parent Company during the period (cents per share)						
– basic			**2.1c**			3.3c
– diluted			**2.1c**			3.3c

The notes on pages 22 to 28 are an integral part of these financial statements

Further detail on exceptional items is set out in note 6

Condensed consolidated interim statement of comprehensive income

	For the six months ended 30 September 2011 US$m	For the six months ended 30 September 2010 US$m
Profit for the period	108	156
Other comprehensive income for the period comprised:		
Actuarial (losses)/gains in the value of defined benefit retirement plans	(52)	14
Exchange differences on translation of foreign operations	(52)	(12)
Fair value gain on available-for-sale assets	3	-
Other comprehensive (expense)/income for the period	**(101)**	2
Income tax relating to components of other comprehensive income	-	-
Other comprehensive (expense)/income for the period, net of tax	**(101)**	2
Total comprehensive income for the period	**7**	158
Attributable to:		
Owners of the Parent Company	(25)	86
Non-controlling interests	32	72
	7	158

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Condensed consolidated interim statement of financial position

	30 September 2011 US$m	31 March 2011 US$m	30 September 2010 US$m
ASSETS			
Non-current assets			
Intangible assets	564	433	430
Property, plant and equipment	1,963	1,757	1,714
Investments in joint ventures	256	243	255
Available-for-sale financial assets	54	31	22
Financial assets at fair value through profit or loss	-	6	-
Other receivables	58	48	42
Deferred tax asset	4	4	23
Retirement benefit assets	42	43	39
	2,941	**2,565**	**2,525**
Current assets			
Trade and other receivables	700	592	579
Inventories	111	84	59
Cash and cash equivalents	314	379	445
Financial assets at fair value through profit or loss	15	27	26
	1,140	**1,082**	**1,109**
Total assets	**4,081**	**3,647**	**3,634**
LIABILITIES			
Current liabilities			
Trade and other payables	854	753	628
Loans and borrowings	504	116	100
Financial liabilities at fair value	118	96	99
Provisions	82	62	71
Current tax liabilities	186	209	190
	1,744	**1,236**	**1,088**
Net current (liabilities)/assets	**(604)**	**(154)**	**21**
Non-current liabilities			
Trade and other payables	25	20	15
Loans and borrowings	1,235	1,257	1,245
Financial liabilities at fair value	148	120	121
Deferred tax liabilities	37	38	45
Provisions	36	32	34
Retirement benefit obligations	177	133	230
	1,658	**1,600**	**1,690**
Net assets	**679**	**811**	**856**
EQUITY			
Capital and reserves attributable to the owners of the Parent Company			
Share capital	133	133	134
Share premium	97	97	95
Reserves	(83)	136	176
	147	**366**	**405**
Non-controlling interests	532	445	451
Total equity	**679**	**811**	**856**

The notes on pages 22 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of changes in equity

	Share capital US$m	Share premium US$m	Foreign currency translation and hedging reserve US$m	Capital and other reserves US$m	Retained earnings US$m	Total US$m	Non-controlling interests US$m	Total equity US$m
Balance at 1 April 2010	131	62	119	4,255	(4,153)	414	447	861
Profit for the period	-	-	-	-	85	85	71	156
Net actuarial gains recognised (net of taxation)	-	-	-	-	14	14	-	14
Exchange differences on translation of foreign operations	-	-	(13)	-	-	(13)	1	(12)
Total comprehensive (expense)/income for the period	**-**	**-**	**(13)**	**-**	**99**	**86**	**72**	**158**
Share–based payment expenses	-	-	-	-	2	2	-	2
Issue of share capital	3	33	-	(36)	36	36	-	36
Dividends	-	-	-	-	(135)	(135)	-	(135)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	**3**	**33**	**-**	**(36)**	**(97)**	**(97)**	**-**	**(97)**
Dividends paid to non–controlling interests	-	-	-	-	-	-	(63)	(63)
Non-controlling interest reallocation	-	-	-	-	(1)	(1)	1	-
Purchase of non–controlling interest	-	-	-	3	-	3	(6)	(3)
Total dividends and other transactions with non–controlling interests	**-**	**-**	**-**	**3**	**(1)**	**2**	**(68)**	**(66)**
Balance at 30 September 2010	**134**	**95**	**106**	**4,222**	**(4,152)**	**405**	**451**	**856**
Balance at 1 April 2011	133	97	108	3,516	(3,488)	366	445	811
Profit for the period	-	-	-	-	52	52	56	108
Net actuarial losses recognised (net of taxation)	-	-	-	-	(51)	(51)	(1)	(52)
Exchange differences on translation of foreign operations	-	-	(29)	-	-	(29)	(23)	(52)
Fair value gain on available-for-sale assets	-	-	-	3	-	3	-	3
Total comprehensive (expense)/income for the period	**-**	**-**	**(29)**	**3**	**1**	**(25)**	**32**	**7**
Share–based payment expenses	-	-	-	-	8	8	-	8
Own shares purchased	-	-	-	-	(66)	(66)	-	(66)
Dividends	-	-	-	-	(136)	(136)	-	(136)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	**-**	**-**	**-**	**-**	**(194)**	**(194)**	**-**	**(194)**
Dividends paid to non–controlling interests	-	-	-	-	-	-	(81)	(81)
Non–controlling interest arising on business combination	-	-	-	-	-	-	136	136
Total dividends and other transactions with non–controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**55**	**55**
Balance at 30 September 2011	**133**	**97**	**79**	**3,519**	**(3,681)**	**147**	**532**	**679**

The notes on pages 22 to 28 are an integral part of these financial statements

Condensed consolidated interim statement of cash flows

	For the six months ended 30 September 2011 US$m	For the six months ended 30 September 2010 US$m
Cash flows from operating activities		
Cash generated from operations	356	369
Income taxes paid	(64)	(53)
Net cash from operating activities	**292**	**316**
Cash flows from investing activities		
Finance income	4	5
Dividends received	2	-
Decrease in available-for-sale assets	-	3
Proceeds on disposal of property, plant and equipment	1	1
Purchase of property, plant and equipment	(124)	(135)
Purchase of intangible assets	(29)	(12)
Proceeds on disposal of businesses (net of cash disposed)	3	-
Acquisition of subsidiaries and non-controlling interests (net of cash received and transaction costs)	(156)	(2)
Net cash used in investing activities	**(299)**	**(140)**
Net cash flow before financing activities	**(7)**	**176**
Cash flows from financing activities		
Dividends paid to owners of the Parent Company	(136)	(99)
Dividends paid to non-controlling interests	(74)	(68)
Shareholder loans to non-controlling interests	(38)	(30)
Repayments of borrowings	(94)	(10)
Finance costs	(66)	(62)
Transfer to the Cable & Wireless Worldwide Group for the 2009/10 final dividend	-	(117)
Proceeds from borrowings	437	80
Purchase of own shares	(70)	-
Proceeds on issue of shares for settlement of share options	-	1
Net cash used in financing activities	**(41)**	**(305)**
Net decrease in cash and cash equivalents:	**(48)**	**(129)**
Cash and cash equivalents at 1 April	379	573
Exchange differences on cash and cash equivalents	(17)	1
Cash and cash equivalents at 30 September	**314**	**445**

The notes on pages 22 to 28 are an integral part of these financial statements

Reconciliation of net profit to net cash flow from operating activities

	For the six months ended 30 September 2011 US$m	For the six months ended 30 September 2010 US$m
Profit for the period	**108**	**156**
Adjustments for:		
Tax expense	37	54
Depreciation	146	136
Amortisation	29	22
Gain on disposal of property, plant and equipment	-	(1)
(Gain)/loss on sale of non-current assets	(2)	1
Loss on termination of operations	-	2
Finance income	(5)	(22)
Finance expense	78	72
Other income and expenses	5	12
Increase/(decrease) in provisions	22	(26)
Employee benefits	3	24
Defined benefit pension scheme contributions	(4)	(4)
Share of post-tax profit of joint ventures	(13)	(21)
Operating cash flows before working capital changes	**404**	**405**
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries)		
Increase in inventories	(19)	(9)
Increase in trade and other receivables	(41)	(53)
Increase in trade and other payables	12	26
Cash generated from operations	**356**	**369**

The notes on pages 22 to 28 are an integral part of these financial statements

Notes to the condensed consolidated interim financial statements

1. Reporting entity
Cable & Wireless Communications Plc (the Company) is a company registered in England and Wales. The condensed consolidated interim financial statements as at and for the six months ended 30 September 2011 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in joint venture entities.

The consolidated financial statements of the Group as at and for the year ended 31 March 2011 are available upon request from the Company's registered office at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ or at www.cwc.com.

2. Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2011.

The comparative figures for the financial year ended 31 March 2011 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements were approved by the Board of Directors on 2 November 2011.

3. Significant accounting policies and principles
The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2011, with the exception of new and revised accounting standards and interpretations effective from 1 April 2011 and the specific requirements of IAS 34 *Interim Financial Reporting*.

There was no material effect on the Group from the adoption of new and revised accounting standards and interpretations.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Income tax expense in the interim period is based on our best estimate of the weighted average annual income tax rate expected for the full financial year.

4. Estimates
The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2011.

5. Segment information

Cable & Wireless Communications Group is an international telecommunications service provider. It operates integrated telecommunications companies offering mobile, broadband, TV and fixed line services to residential and business customers. It has four principal operations which have been identified as the Group's reportable segments, being Panama, the Caribbean, Macau and Monaco & Islands. The Bahamas Telecommunications Company (BTC), following its acquisition in April 2011 (see note 17), is included within the Caribbean reportable segment.

The Board (the chief operating decision maker of the Group) considers the performance of each of these operations in assessing the performance of the Group and making decisions about the allocation of resources. Accordingly, these are the operating segments disclosed. There are no other operating segments identified by the Board. The operating segments are reported in a manner consistent with the internal reporting provided to the Board.

The Group also has a corporate centre that does not meet the definition of an operating segment as it does not earn revenue from its activities. This function primarily acts as a portfolio manager and operational support provider for the reportable segments. The non-operating corporate centre is also disclosed within 'other and eliminations' in order to reconcile the reportable segment results to the Group results.

Continuing operations

The operating segment results for the six months ended 30 September 2011, as provided to the Cable & Wireless Communications Plc Board, are presented below:

	Panama US$m	Caribbean US$m	Macau US$m	Monaco & Islands US$m	Other and eliminations[1] US$m	Total US$m
Revenue	308	576	258	300	-	1,442
Cost of sales	(106)	(131)	(144)	(95)	-	(476)
Gross margin	**202**	**445**	**114**	**205**	**-**	**966**
Pre-exceptional operating costs	(75)	(313)	(30)	(108)	3	(523)
EBITDA[2]	**127**	**132**	**84**	**97**	**3**	**443**
Depreciation and amortisation	(37)	(80)	(16)	(38)	(4)	(175)
Net other operating (expense)/income	-	(10)	-	1	2	(7)
Operating profit before joint ventures and exceptional items	**90**	**42**	**68**	**60**	**1**	**261**
Share of post-tax profit of joint ventures	-	-	-	6	7	13
Operating exceptional items	(6)	(52)	-	-	-	(58)
Total operating profit/(loss)	**84**	**(10)**	**68**	**66**	**8**	**216**
Net other income						2
Net finance expense						(73)
Profit before income tax						**145**
Income tax expense						(37)
Profit for the period						**108**

There are no differences in the measurement of the reportable segments' results and the Group's results.

[1]Other and eliminations includes corporate centre expenses and eliminations for inter-segment transactions.
[2]EBITDA is used in management reporting as it is considered by management to be a key financial metric. It is defined as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income/(expense) and exceptional items (see note 6)

6. Exceptional items

Exceptional operating expenses totalled US$58 million comprising entirely of restructuring costs.

Restructuring costs include US$6 million in relation to a restructuring programme in Panama and US$52 million in the Caribbean, which predominantly relates to the post-acquisition restructuring plan in BTC.

7. Provisions for liabilities and charges

The table below represents the movements in significant classes of provisions during the six month period ended 30 September 2011:

	Property	Redundancy	Network & asset retirement obligations	Legal and other	Total
	US$m	US$m	US$m	US$m	US$m
At 1 April 2011	**7**	**6**	**28**	**53**	**94**
Current portion	7	6	4	45	62
Non-current portion	-	-	24	8	32
Business combinations	-	-	5	-	5
Additional provision	-	48	1	10	59
Amounts used	(2)	(31)	-	(5)	(38)
Exchange differences	-	-	(2)	-	(2)
At 30 September 2011	**5**	**23**	**32**	**58**	**118**
Current portion	5	23	3	51	82
Non-current portion	-	-	29	7	36

During the first half of 2011/12 provisions increased by US$24 million.

Property

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

Redundancy

Provision has been made for the total employee related costs of redundancies announced prior to the reporting date. Amounts provided for and spent during the periods presented primarily relate to the restructuring programme associated with the acquisition of BTC. The provision is expected to be used within one year.

Network and asset retirement obligations

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

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

Legal and other

Legal and other provisions include amounts relating to specific legal claims against the Group together with amounts in respect of certain employee benefits and sales taxes.

8. Intangible assets

During the period, goodwill increased by US$111 million. Of this US$52 million related to Monaco Telecom. This increase primarily related to a change in the fair value of the put option held by the Principality of Monaco partly offset by foreign exchange differences.

On 6 April 2011, the Group acquired 51% of the share capital of the Bahamas Telecommunications Company (BTC) from the Government of the Commonwealth of The Bahamas for cash consideration of US$204 million. The goodwill recognised of US$63 million on acquisition was based on a provisional assessment to the fair values of assets acquired and liabilities assumed. In addition, specifically identifiable intangible assets of US$32 million were recognised upon acquisition (see note 17).

9. Property, plant and equipment

During the period, US$386 million of property, plant and equipment was acquired, including US$255 million in relation to the acquisition of BTC. There were disposals of property, plant and equipment with a net book value of US$1 million. The Group’s capital commitments at 30 September 2011 were US$88 million (US$64 million at 31 March 2011).

10. Changes in net funds

	At 1 April 2011	Cash flow	Business combinations	Net borrowing costs capitalised	Transfer	Exchange movements	At 30 September 2011
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
Cash at bank and in hand	230	(39)	59	-	-	(9)	**241**
Short-term deposits	149	(68)	-	-	-	(8)	**73**
Total funds	**379**	**(107)**	**59**	**-**	**-**	**(17)**	**314**
Debt due within one year	(116)	(16)	(9)	(1)	(368)	6	(504)
Debt due after one year	(1,257)	(327)	(25)	(1)	368	7	(1,235)
Total debt	**(1,373)**	**(343)**	**(34)**	**(2)**	**-**	**13**	**(1,739)**
Total net (debt)/funds	**(994)**	**(450)**	**25**	**(2)**	**-**	**(4)**	**(1,425)**

11. Pensions

As at 30 September 2011, the Cable & Wireless Superannuation Fund defined benefit scheme (CWSF) had an IAS 19 *Employee Benefits* deficit of US$122 million compared with a deficit of US$81 million at 31 March 2011. The deficit takes account of the recovery funding plan agreed with the Trustees of the CWSF in the prior year. This funding plan constitutes a minimum funding requirement and the IAS 19 accounting deficit has therefore been calculated in accordance with IFRIC 14 *The limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

Further, the Group has unfunded pension liabilities in the UK of US$37 million (US$38 million at 31 March 2011). Other defined benefit schemes have a net IAS 19 surplus of US$24 million (US$29 million surplus at 31 March 2011).

12. Weighted average number of ordinary shares

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share was as follows:

	Six months ended 30 September 2011	Six months ended 30 September 2010
Basic weighted average number of ordinary shares	2,520,899,000	2,593,099,000
Diluted weighted average number of ordinary shares	2,532,538,000	2,606,255,000
Treasury shares	137,489,000	-

The number of ordinary shares in issue as at 30 September 2011 was 2,665,611,727.

On 21 July 2010, the Group's shareholders approved a resolution at the AGM for the Group to purchase up to 262 million ordinary shares. This authority expired at the conclusion of the Company's AGM in 2011. Under this authority, since the year ended 31 March 2011 until the AGM on 22 July 2011, the Company purchased 94,726,873 ordinary shares with a nominal value of US$5 million, for consideration of US$66 million. Consideration included stamp duty and commission of US$0.4 million.

On 22 July 2011, the Group's shareholders approved a resolution at the AGM for the Group to purchase up to 257 million ordinary shares. This authority will expire at the conclusion of the Company's AGM in 2012 or 30 September 2012, whichever is the earlier. Under the resolution, no shares have been purchased since the AGM on 22 July 2011.

At 30 September 2011 a total of 137,488,873 shares were classified as treasury shares. This represented 5% of called-up share capital at the beginning of the period.

13. Dividends paid and proposed

The interim dividend proposed for the six month period ended 30 September 2011 is US$67.5 million (2.67 US cents per share). The proposed dividend was approved by the Board of Directors on 2 November 2011. The interim

dividend paid for the corresponding six month period ended 30 September 2010 was US$70 million (2.67 US cents per share).

The final dividend paid on 12 August 2011 for the full year ended 31 March 2011 was US$136 million (5.33 US cents per share). The final dividend paid on 12 August 2010 for the corresponding full year ended 31 March 2010 was US$135 million (3.34 pence per share).

14. Related parties

The nature of the related party transactions of the Group has not changed from those described in the Group's consolidated financial statements for the year ended 31 March 2011.

Transactions with joint ventures

All trade transactions with joint ventures arise in the normal course of business and primarily relate to fees for use of the Group's products and services, network and access charges. There were no material trade transactions with joint ventures during the period and no material change to the nature of transactions.

Transactions with key management personnel

At 31 March 2011, two Directors held bonds issued by Cable & Wireless Limited (formerly Cable and Wireless plc) and Cable & Wireless International Finance B.V. with a nominal value of US$4,211,156 (£2,630,000) (purchased in prior periods). Both Directors sold their entire holding during the six month period ended 30 September 2011. The interest earned on these bonds prior to disposal during the six months ended 30 September 2011 was US$55,426 of which US$ nil remains unpaid at 30 September 2011. A profit of US$790,719 was realised upon the sale of the bonds.

Two Directors' spouses hold bonds issued by Cable & Wireless Limited and Cable & Wireless International Finance B.V. with a nominal value of US$769,231 (£490,000) (purchased in prior periods). The interest earned on these bonds during the six months ended 30 September 2011 was US$34,403 of which US$32,792 remains unpaid at 30 September 2011.

Transactions with other related parties

There are no controlling shareholders of the Group. There have been no material transactions with the shareholders of the Group.

Other than the parties disclosed above, the Group has no other material related parties.

15. Operating lease expenditure and guarantees

As at 30 September 2011, the aggregate future minimum lease payments under operating leases are:

	As at 30 September 2011 US$m	As at 31 March 2011 US$m
No later than one year	37	41
Later than one year but not later than five years	81	88
Later than five years	35	37
Total minimum operating lease payments	**153**	**166**

Guarantees at the end of the period for which no provision has been made in the financial statements are as follows:

	As at 30 September 2011 US$m	As at 31 March 2011 US$m
Trading guarantees	56	38
Other guarantees	78	286
Total guarantees	**134**	**324**

Other guarantees at 30 September 2011 include US$12 million (US$17 million at 31 March 2011) relating to guarantees to third parties in respect of trading contracts between third parties and the Cable & Wireless Worldwide Group. The Cable & Wireless Worldwide Group has agreed a fee schedule with Cable & Wireless Communications Group for the benefit of these guarantees.

16. Reconciliation of GAAP to non-GAAP items

Total operating profit to EBITDA

	Six months ended 30 September 2011 US$m	Six months ended 30 September 2010 US$m
Total operating profit	216	263
Depreciation and amortisation	175	158
LTIP charge	-	19
Net other operating expense	7	11
Share of post tax profit of joint ventures	(13)	(21)
Exceptional items	58	(6)
EBITDA	**443**	**424**

The Group uses EBITDA as a key performance measure as it reflects the underlying operational performance of the businesses. EBITDA is not a measure defined under IFRS. It is calculated as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income and expense and exceptional items.

17. Business combinations

Bahamas Telecommunications Company

On 6 April 2011, the Group acquired 51% of the share capital of the Bahamas Telecommunications Company (BTC) from the Government of the Commonwealth of The Bahamas. BTC is the exclusive mobile operator in The Bahamas as well as a leading provider of fixed-line and broadband services.

It is complementary to the Group's Caribbean business, LIME, which is the leading full-service telecommunications provider in the region.

In accordance with the terms of the sale and purchase agreement, the working capital position of BTC as at the date of acquisition was finalised in the period. As the working capital position was lower than agreed, the cash consideration paid by the Group was reduced from US$210 million to US$204 million.

The Directors disclosed a provisional acquisition fair value balance sheet in the year end financial statements. This balance sheet has been updated based on the finalised opening balance sheet and to adjust for new information arising in the period regarding the previously assessed balances.

The provisional fair values were as follows:

	Book value US$m	Fair value adjustments US$m	Provisional fair value US$m
Property, plant and equipment	384	(129)	255
Customer contracts and relationships	-	31	31
Trademarks	-	1	1
Available-for-sale assets	20	-	20
Trade and other receivables	56	(9)	47
Inventories	13	(5)	8
Cash and cash equivalents	59	-	59
Trade and other payables	(93)	(10)	(103)
Financial liabilities at fair value through profit or loss	(2)	-	(2)
Provisions	-	(5)	(5)
Loans and borrowings	(34)	-	(34)
Total	**403**	**(126)**	**277**

The goodwill recognised of US$63 million on acquisition was based on the provisional assessment of the fair values of assets acquired and liabilities assumed. Goodwill arising on the acquisition of BTC included the value of expected

synergies resulting from the integration into the existing business and other intangible assets that did not meet the recognition criteria set out in IAS 38 *Intangible Assets* as they were unable to be separately identified.

Acquisition-related costs, principally stamp duty, of US$7 million were recorded in these financial statements as other operating expenses.

US$177 million revenue and US$37 million of EBITDA relating to BTC is included in these financial statements.

A non-controlling interest of US$136 million has been recognised as at acquisition date measured at cost.

18. Subsequent events

During October 2011, the Group entered into new five-year borrowing arrangements for US$600 million of revolving credit facilities. The facilities replace the Group's US$500 million revolving credit facility and US$100 million term loan which were due to expire in March 2013. The new facilities are with a syndicate of nine leading international banks.

The new facilities have a maturity date of October 2016 and a margin of 2.50% over LIBOR. Consistent with the prior facilities, the new facilities are secured on share pledges over the Group assets.

There have been no other material subsequent events between 30 September 2011 and the approval of these financial statements by the Board.

RISKS TO OUR FUTURE SUCCESS

As with any business, there are a number of potential risks to our future success. These risks and our plans to mitigate them are outlined in further detail in the consolidated financial statements of the Group as at and for the year ended 31 March 2011 (pages 34 to 35 of the Annual Report). A summary of those risks is as follows:

- INVESTMENT - Possibility of unsuccessful investment, mergers and acquisitions and/or potential new sources of growth prove insufficient or fail to develop
- BUSINESS DEVELOPMENT – Development of mobile data, pay TV and value added services fail to perform as anticipated or failure to indentify and mobilise into new business lines with sufficient time
- COMPETITIVE ACTIVITY – Competitor activity, new entrants and further liberalisation
- BUSINESS CHANGE – Our business change and business improvement strategies fail to achieve business improvement
- ECONOMIC CONDITIONS – The current economic environment
- LICENCES, REGULATION AND POLITICAL – Renewal of regulatory licences and operating agreements; licence revocation or amendment; changes in regulation (for example the necessary change needed in the Jamaica regulatory environment); inability to obtain new or additional licences and loss of large corporate or Government clients due to changes in the political environment
- TECHNOLOGY – Increased rate of investment and changes to competitive landscape from new technologies and possible health risks relating to mobile phones and transmitters
- SERVICE DISRUPTION – Disruption to our network and IT systems from events such as natural disasters, fire, security breaches or human error
- NETWORK AND DATA SECURITY – Third parties may gain unauthorised access to the network and to sensitive data
- PEOPLE – Risks including retention of key senior managers, business disruption through industrial action or national emergency
- CORPORATE ETHICS – Risk of people or third parties not complying with the company's strong ethical culture and procedures
- COUNTERPARTY – Risks associated with counterparties such as customer and suppliers
- FOREIGN EXCHANGE AND TAXATION – Exchange rate fluctuations and changes to tax law
- LITIGATION – Risk of litigation against our business units or corporate centre
- LIQUIDITY – Liquidity risks around not being able to meet obligations or access to funding only at excessive cost. Exceptional market events could adversely impact our business units
- FUNDING – Risk of breaching covenants included in financial agreements
- PENSIONS – Changes in our liability to the UK defined benefit pension scheme
- SHARED BRAND – Risks associated with the shared use of the 'Cable & Wireless' brand with Cable & Wireless Worldwide
- JOINT VENTURES – Performance of joint ventures where we do not have management control

The Group did not identify any additional risks in the six months ended 30 September 2011.

INDEPENDENT REVIEW REPORT BY KPMG AUDIT PLC TO CABLE & WIRELESS COMMUNICATIONS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 which comprises the condensed consolidated interim income statement; condensed consolidated interim statement of comprehensive income; condensed consolidated interim statement of financial position; condensed consolidated interim statement of cash flows; condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

The annual financial statements of the Group are prepared in accordance with IFRS as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Peter Meehan

For and on behalf of KPMG Audit Plc

Chartered Accountants

15 Canada Square, London, E14 5GL

2 November 2011

RESPONSIBILITY STATEMENT

This interim management report has been approved by the Directors of Cable & Wireless Communications Plc. In accordance with the requirements of the Disclosure and Transparency Rules, the Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- The interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The current Directors of Cable & Wireless Communications Plc are as follows:

Chairman:
Sir Richard Lapthorne

Executive Directors:
Nick Cooper – Corporate Services Director
Tim Pennington – Chief Financial Officer
Tony Rice – Chief Executive

Non-executive Directors:
Simon Ball – Deputy Chairman, Senior Independent Director, Chairman of the Audit Committee
Mary Francis – Chair of the Remuneration Committee
Ian Tyler

By order of the Board

Tony Rice
Chief Executive

Tim Pennington
Chief Financial Officer

2 November 2011

IMPORTANT DISCLAIMER

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

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

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

H1 2011/12 CWC CONSTANT CURRENCY[1] RESULTS DETAIL

	Panama			Caribbean			Macau			Monaco & Islands[3]			Other[4]			Total		
	H1 11/12 US$m	H1 10/11 US$m	Change[2] %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 10/11 US$m	H1 10/11 US$m	Change[2] %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %	H1 11/12 US$m	H1 10/11 US$m	Change %
Mobile	156	148	5%	266	148	80%	151	76	99%	120	114	5%	-	-	0%	693	486	43%
Broadband &TV	30	28	7%	62	52	19%	28	25	12%	24	22	9%	-	-	0%	144	127	13%
Domestic voice	72	76	(5)%	169	141	20%	38	41	(7)%	41	50	(18)%	-	-	0%	320	308	4%
Enterprise, data and other	50	42	19%	79	65	22%	41	30	37%	115	114	1%	-	(6)	nm	285	245	16%
Revenue	**308**	**294**	**5%**	**576**	**406**	**42%**	**258**	**172**	**50%**	**300**	**300**	**0%**	**-**	**(6)**	**nm**	**1,442**	**1,166**	**24%**
Cost of sales	(106)	(95)	(12)%	(131)	(106)	(24)%	(144)	(70)	(106)%	(95)	(95)	0%	-	5	nm	(476)	(361)	(32)%
Gross margin	**202**	**199**	**2%**	**445**	**300**	**48%**	**114**	**102**	**12%**	**205**	**205**	**0%**	**-**	**(1)**	**nm**	**966**	**805**	**20%**
Operating costs	(75)	(72)	(4)%	(313)	(184)	(70)%	(30)	(26)	(15)%	(108)	(105)	(3)%	3	3	0%	(523)	(384)	(36)%
EBITDA[5]	**127**	**127**	**0%**	**132**	**116**	**14%**	**84**	**76**	**11%**	**97**	**100**	**(3)%**	**3**	**2**	**50%**	**443**	**421**	**5%**
LTIP charges	-	-	0%	-	-	0%	-	-	0%	-	-	0%	-	(19)	nm	-	(19)	nm
Depreciation and amortisation	(37)	(38)	3%	(80)	(63)	(27)%	(16)	(17)	6%	(38)	(37)	(3)%	(4)	(4)	0%	(175)	(159)	(10)%
Net other operating income / (expense)	-	-	0%	(10)	1	nm	-	-	0%	1	-	nm	2	(12)	nm	(7)	(11)	36%
Operating profit before joint ventures and exceptional items[6]	**90**	**89**	**1%**	**42**	**54**	**(22)%**	**68**	**59**	**15%**	**60**	**63**	**(5)%**	**1**	**(33)**	**nm**	**261**	**232**	**13%**
Exceptional items	(6)	-	nm	(52)	(5)	nm	-	-	0%	-	(2)	nm	-	13	nm	(58)	6	nm
Operating profit before joint ventures	**84**	**89**	**(6)%**	**(10)**	**49**	**nm**	**68**	**59**	**15%**	**60**	**61**	**(2)%**	**1**	**(20)**	**nm**	**203**	**238**	**(15)%**
Capital expenditure	(71)	(44)	(61)%	(48)	(51)	6%	(13)	(8)	(63)%	(28)	(22)	(27)%	-	(4)	nm	(160)	(129)	(24)%
Headcount[7]	1,578	1,730	9%	3,971	2,877	(38)%	882	846	(4)%	1,642	1,612	(2)%	152	143	(6)%	8,225	7,208	(14)%

nm represents % change not meaningful

1 Prior year comparison translated at current year rates

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

3 Monaco & Islands comprises operations in Monaco, Maldives, the Channel Islands, Isle of Man, Bermuda and the Indian and Atlantic Oceans

4 Other includes management, royalty and branding fees, the costs of the corporate centre, net UK defined benefit pension charge and intercompany eliminations. Other also includes all joint venture operations except Roshan, which is managed from Monaco

5 Earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating and non-operating income/(expense) and exceptional items

6 Excluding exceptional items

7 Full time equivalents as at 30 September

KPI DETAIL

	2009/10				2010/11				2011/12	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Subscribers (000s)										
Panama										
Mobile[1]	1,994	1,788	2,382	2,460	2,336	2,501	2,306	2,531	2,038	2,454
Broadband	125	127	130	135	141	142	140	141	141	140
Fixed line	417	418	415	415	415	405	401	398	395	396
Caribbean (ex-Bahamas)										
Mobile[1]	1,284	1,279	1,289	1,271	1,339	1,332	1,323	1,287	1,230	1,199
Broadband	200	204	207	211	213	210	207	208	208	207
Fixed line	651	645	640	637	634	624	617	617	612	607
Macau										
Mobile[1]	396	395	390	387	397	396	387	402	402	417
Broadband	125	127	127	128	129	131	132	133	134	136
Fixed line	183	182	181	180	179	178	178	177	177	176
M&I										
Mobile[1]	156	159	465	476	484	497	509	526	534	531
Broadband	33	34	46	47	48	49	50	52	53	55
Fixed line	215	217	249	242	242	242	239	128	128	125
ARPU (US$)[2]										
Panama										
Mobile	11.9	13.4	13.6	10.8	10.6	10.5	11.3	11.8	14.0	12.4
Broadband	29.3	30.9	30.7	30.0	28.4	28.1	27.1	27.4	27.3	27.2
Fixed line	35.2	35.2	33.9	32.7	30.9	30.9	30.4	30.2	30.0	30.6
Caribbean (ex-Bahamas)										
Mobile	21.9	20.9	21.5	21.1	19.4	18.5	19.6	19.5	18.6	20.2
Broadband	38.5	37.9	37.3	36.8	36.9	38.7	38.8	39.8	39.5	39.7
Fixed line	39.7	39.8	38.5	37.7	36.3	37.8	37.0	37.1	36.4	36.1
Macau										
Mobile	16.5	17.0	17.5	17.8	18.9	19.4	20.9	20.3	21.0	20.9
Broadband	29.1	30.1	29.5	28.7	30.6	33.2	32.5	33.6	33.6	33.0
Fixed line	37.0	37.3	35.8	41.8	37.4	38.6	33.9	36.6	35.0	36.9
M&I										
Mobile	56.0	65.2	39.3	37.6	37.2	36.2	36.3	37.7	34.2	34.5
Broadband	56.5	62.4	61.5	58.0	59.6	62.9	72.3	63.1	62.1	63.3
Fixed line	32.2	32.0	33.6	33.3	35.4	31.6	34.1	41.0	54.2	52.9

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

[2] ARPU is average revenue per user per month, excluding equipment sales

EXCHANGE RATES

	Actual rates for 6 months ended 30 September 2011	Actual rates for 6 months ended 30 September 2010	Percentage change US dollar appreciation / (depreciation)
Sterling : US dollar			
Average	0.6161	0.6633	(7)%
Period end	0.6370	0.6315	1%
Euro : US dollar			
Average	0.6990	0.7822	(11)%
Period end	0.7334	0.7424	(1)%
Seychelles rupee : US dollar			
Average	12.25	12.25	0%
Period end	12.44	12.23	2%
Jamaican dollar : US dollar			
Average	85.40	86.96	(2)%
Period end	85.78	85.48	0%
Maldivian Rufiyaa : US dollar			
Average	15.2255	12.8000	19%
Period end	15.4000	12.8000	20%
US dollar : Sterling			
Average	1.6234	1.5076	
Period end	1.5699	1.5835	

Cable & Wireless Communications EBITDA by currency

	H1 2011/12	
	US$m	**% of total**
US dollar, pegged or linked	377	84%
Sterling	16	4%
Euro	36	8%
Jamaican Dollar	7	2%
Seychelles Rupee	7	2%
Total	**443**	**100%**