ANNOUNCEMENT
4 NOVEMBER 2010

CABLE & WIRELESS COMMUNICATIONS PLC HALF YEARLY REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

Cable & Wireless Communications on track with first half results

- Strong foundations for growing and developing the business
- Group revenue up 2% to US$1,159 million against mixed economic backdrop
- Group EBITDA up 4% to US$424 million driven by strong performance from Macau and Monaco & Islands
- Total operating profit up 9% to US$263 million following lower exceptional charges
- Operating cash flow up 11% to US$280 million
- Interim dividend of 2.67 US cents per share; Board reaffirm view for 8.0 US cents per share full year dividend

EBITDA and operating cash flow are defined in the footnotes on the following page, a reconciliation of EBITDA is provided on page 26

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

"We have delivered a solid set of first half results. Second half momentum is supported by a strong enterprise pipeline, and our full year expectations remain unchanged.

"In our first six months as an independent company, Cable & Wireless Communications has laid strong foundations for growing and developing the business and I am pleased with the progress we have made against the strategy we laid out at the time of our demerger[1]. The market situation varies from region to region and our first half performance demonstrates the defensive and cash generative qualities of the Group.

"Visitor numbers are surging in Macau and double digit revenue growth puts us well on track for another record year. Monaco & Islands had a solid half, benefitting from the consolidation of the Maldives business, but also from a good underlying operational performance.

"The Caribbean economy continued to negatively affect our trading. As we have previously stated, we do not expect an economic recovery there during this fiscal year. Our team continues to reinvigorate the business at the operating level by investing in the brand, infrastructure and new products.

"Finally, Panama has made great strides with its TV service giving us the opportunity to offer triple or quad-play, and our mobile business has again showed its competitive credentials by maintaining its market leading position. With an economy expected to grow at 6% this year and with a strong enterprise pipeline that has achieved several early second half successes, I am expecting increased momentum from Panama as the year progresses.

"What we have achieved in the first half is to strongly position our businesses in the communities, corporations and governments in the markets where we operate to deliver for our customers and in so doing support future growth."

[1] For further information regarding the demerger, please refer to note 3 Significant accounting policies and principles on page 20

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INTERIM MANAGEMENT REPORT

Analysis of Group results (from continuing operations)

US$m	*Six months ended 30 September 2010*[1]	*Six months ended 30 September 2009*	*% change*
Revenue	**1,159**	**1,132**	**2%**
Gross margin	804	773	4%
Operating costs	(380)	(367)	(4)%
EBITDA[2]	**424**	**406**	**4%**
Depreciation and amortisation	(158)	(152)	(4)%
Net other operating (expense)/income	(11)	4	nm
Joint ventures	21	26	(19)%
Total operating profit before exceptional items and LTIP	**276**	**284**	**(3)%**
Exceptional items	6	(31)	nm
LTIP charge	(19)	(11)	(73)%
Total operating profit	**263**	**242**	**9%**
Finance income	22	30	(27)%
Finance expense	(72)	(53)	(36)%
Other non-operating expenses	(3)	-	nm
Profit before tax	**210**	**219**	**(4)%**
Income tax	(54)	(58)	7%
Profit for the year	**156**	**161**	**(3)%**
Attributable to:			
Owners of the parent	85	93	(9)%
Non-controlling interests	71	68	(4)%
Balance sheet capital expenditure	(128)	(104)	(23)%
Cash exceptionals	(16)	(49)	67%
Operating cash flow[3]	**280**	**253**	**11%**
EPS	3.3c	3.7c	
EPS before exceptional items and LTIP	3.7c	4.0c	
Customers in subsidiaries (000s)			
Mobile	4,726	3,621	31%
Broadband	532	492	8%
Fixed	1,449	1,462	(1)%

[1] Six months ended 30 September 2010 includes the consolidated results for the Maldives
[2] EBITDA is defined as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income / (expense) and exceptional items
[3] Operating cash flow is defined as EBITDA less balance sheet capital expenditure less cash exceptionals

Cable & Wireless Communications reported revenue, EBITDA and operating profit of US$1,159 million, US$424 million and US$263 million respectively for the six months to 30 September 2010.

Revenue increased by 2% to US$1,159 million. We maintained our market leadership positions and increased subscribers in mobile and broadband, although competitive pressure on rates affected all our markets and fixed voice was further impacted by traffic substitution. The recent launch of pay TV services in Panama and Monaco complemented our other service offerings although it is too early to expect much of a contribution this year. Enterprise, data and other revenue was lower than the same period last year as the Group rationalised low margin international transit traffic in the portfolio and we saw lower activity levels in enterprise projects principally in Panama.

Group EBITDA increased by 4% compared to last year to US$424 million largely attributable to the Maldives consolidation.

Operating profit was US$263 million, 9% higher than last year. This reflects a net exceptional credit of US$6 million largely from a recovery of legal costs compared to a US$31 million charge last year. Profit for the year from continuing operations was US$156 million, 3% lower than last year although this reflects the recognition of a US$27 million exceptional credit on the mark to market of forward contracts in the prior period. Underlying earnings per share before exceptional items and LTIP charges were 3.7 US cents per share and the Board has declared an interim dividend of 2.67 US cents per share.

On a like-for-like basis, adjusting the prior period by including the Maldives and at constant currency, revenue for the Group would have been 3% lower and EBITDA for the Group would have been 5% lower than last year.

REVIEW OF CWC OPERATIONS

Income statement

	Panama			Caribbean			Macau			Monaco & Islands[1]			Other[2]			Total		
	H1 10/11 US$m	H1 09/10 US$m	Change %	H1 10/11 US$m	H1 09/10 US$m	Change %	H1 10/11 US$m	H1 09/10 US$m	Change %	H1 10/11 US$m	H1 09/10 US$m	Change %	H1 10/11 US$m	H1 09/10 US$m	Change %	H1 10/11 US$m	H1 09/10 US$m	Change %
Mobile	148	150	(1)%	147	162	(9)%	76	64	19%	117	66	77%	-	-	nm	488	442	10%
Broadband &TV	28	22	27%	52	49	6%	25	22	14%	22	16	38%	-	-	nm	127	109	17%
Fixed voice	76	89	(15)%	141	156	(10)%	41	41	0%	48	41	17%	-	(1)	nm	306	326	(6)%
Enterprise, data and other	42	47	(11)%	61	60	2%	30	30	0%	108	118	(8)%	(3)	-	nm	238	255	(7)%
Revenue	**294**	**308**	**(5)%**	**401**	**427**	**(6)%**	**172**	**157**	**10%**	**295**	**241**	**22%**	**(3)**	**(1)**	**nm**	**1,159**	**1,132**	**2%**
Cost of sales	(95)	(94)	(1)%	(103)	(108)	5%	(70)	(62)	(13)%	(90)	(96)	6%	3	1	nm	(355)	(359)	1%
Gross margin	**199**	**214**	**(7)%**	**298**	**319**	**(7)%**	**102**	**95**	**7%**	**205**	**145**	**41%**	**-**	**-**	**nm**	**804**	**773**	**4%**
Operating costs	(72)	(76)	5%	(183)	(187)	2%	(26)	(24)	(8)%	(102)	(80)	(28)%	3	-	nm	(380)	(367)	(4)%
EBITDA[3]	**127**	**138**	**(8)%**	**115**	**132**	**(13)%**	**76**	**71**	**7%**	**103**	**65**	**58%**	**3**	**-**	**nm**	**424**	**406**	**4%**
LTIP charges	-	-	nm	-	-	nm	-	-	nm	-	-	nm	(19)	(11)	(73)%	(19)	(11)	(73)%
Depreciation and amortisation	(38)	(38)	0%	(62)	(69)	10%	(17)	(18)	6%	(37)	(24)	(54)%	(4)	(3)	(33)%	(158)	(152)	(4)%
Net other operating income / (expense)	-	1	nm	1	1	0%	-	-	nm	-	2	nm	(12)	-	nm	(11)	4	nm
Operating profit before joint ventures[4]	**89**	**101**	**(12)%**	**54**	**64**	**(16)%**	**59**	**53**	**11%**	**66**	**43**	**53%**	**(32)**	**(14)**	**nm**	**236**	**247**	**(4)%**
Joint ventures	-	-	nm	8	11	(27)%	-	-	nm	13	15	(13)%	-	-	nm	21	26	(19)%
Total operating profit[4]	**89**	**101**	**(12)%**	**62**	**75**	**(17)%**	**59**	**53**	**11%**	**79**	**58**	**36%**	**(32)**	**(14)**	**nm**	**257**	**273**	**(6)%**
Exceptional items	-	-	nm	(5)	(22)	77%	-	-	nm	(2)	(2)	0%	13	(7)	nm	6	(31)	nm
Total operating profit	**89**	**101**	**(12)%**	**57**	**53**	**8%**	**59**	**53**	**11%**	**77**	**56**	**38%**	**(19)**	**(21)**	**10%**	**263**	**242**	**9%**
Capital expenditure	(44)	(38)	(16)%	(50)	(34)	(47)%	(8)	(12)	33%	(21)	(18)	(17)%	(5)	(2)	nm	(128)	(104)	(23)%
Cash exceptionals	-	(2)	nm	(4)	(28)	86%	-	-	nm	(2)	(3)	33%	(10)	(16)	38%	(16)	(49)	67%
Operating cash flow[5]	83	98	(15)%	61	70	(13)%	68	59	15%	80	44	82%	(12)	(18)	33%	280	253	11%
Headcount[6]	1,730	1,762	2%	2,877	2,855	(1)%	846	860	2%	1,612	1,061	(52)%	143	203	30%	7,208	6,741	(7)%

nm represents % change not meaningful

[1]Monaco & Islands comprises operations in Monaco, Maldives, the Channel Islands, Isle of Man, Bermuda and the Indian, Atlantic and Pacific Oceans

[2]Other includes management, royalty and branding fees, the costs of the London head office, net UK defined benefit pension charge and intercompany eliminations. The prior period to 30 September 2009 included "Central costs" of the former Cable and Wireless plc pre-demerger

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

[4]Excluding exceptional items

[5]EBITDA less balance sheet capital expenditure less cash exceptionals

[6]Full time equivalents as at 30 September

Panama

Cable & Wireless Panama successfully defended its market leadership in mobile, broadband and fixed line services in its domestic market and has made good progress with TV deployment.

	6 months ended 30 Sep 2010	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010	**6 months ended 30 Sep 2009**	3 months ended 30 Sep 2009	3 months ended 30 Jun 2009
Subscribers (000s)						
Mobile[1]	**2,501**	2,501	2,336	**1,788**	1,788	1,994
Broadband	**142**	142	141	**127**	127	125
Fixed	**405**	405	415	**418**	418	417
ARPU (US$)[2]						
Mobile	**11**	10	11	**13**	13	12
Broadband	**28**	28	28	**30**	31	29
Fixed	**31**	31	31	**35**	35	35
Revenue (US$m)	**294**			**308**		
EBITDA (US$m)	**127**			**138**		
Margin%	**43%**			**45%**		

[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 was 5% lower in the first half largely reflecting lower fixed voice revenue and slower conversion of government contracts in the enterprise, data and other segment.

In mobile we increased active subscribers by 40% compared to last year. ARPU was lower this year due to prepaid promotional activity partially offset by an increase in postpaid non-voice revenues. As a result, revenue for mobile – our single largest revenue segment – of US$148 million was broadly in line with the same period last year.

Broadband & TV revenue performed well at US$28 million, an increase of 27% from last year as we grew our broadband subscribers by 12% and we made strong progress with pay TV and our triple-play offering launched in November last year. In the first half of the year we added 21,000 TV subscribers and increased our network resulting in over 33,000 subscribers and a network footprint now covering over 211,000 homes.

Fixed voice revenue declined by 15% to US$76 million driven by traffic substitution effects, which particularly affected payphones, and a 3% decrease in subscribers.

Enterprise, data and other revenue decreased by 11% to US$42 million largely due to the timing of government contracts. We have a strong pipeline and in October we announced two large contracts: a project with the Ministry of Health to provide a national telemammography network and a five year contract for a national multiservice network providing voice and data service for all government institutions.

Gross margin fell by 7% to US$199 million as a result of the decline in fixed voice revenues, mobile and broadband competition, and the timing of government contracts.

Operating costs decreased by 5% to US$72 million following tight cost management from on-going efficiency improvements. We increased our marketing costs to support our TV and mobile brands and increased outsourcing costs for a call centre which was more than offset by lower staff, network and other administrative costs.

Overall cost savings were not sufficient to offset the reduction in revenues in the first half and as a result EBITDA fell 8% to US$127 million. The EBITDA margin reduced by 2 percentage points but continued to be a healthy 43% in the period.

Our proportionate ownership of Panama EBITDA for the six months ended 30 September 2010 was 49%.

Caribbean

There is not much respite from the economy but we are progressing our Caribbean strategy. We are implementing our 'win back' plan for Jamaica and later this fiscal year we plan to launch mobile TV and IPTV offerings in the market.

Tourist arrivals have shown some improvement in most of the islands where we operate but average tourist spend has yet to recover. Construction and development projects are still in abeyance and unemployment remains high.

	6 months ended 30 Sep 2010	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010	**6 months ended 30 Sep 2009**	3 months ended 30 Sep 2009	3 months ended 30 Jun 2009
Subscribers (000s)						
Mobile[1]	**1,332**	1,332	1,339	**1,279**	1,279	1,284
Broadband	**210**	210	213	**204**	204	200
Fixed	**624**	624	634	**645**	645	651
ARPU (US$)[2]						
Mobile	**19**	19	19	**21**	21	22
Broadband	**38**	39	37	**38**	38	39
Fixed	**37**	38	36	**40**	40	40
Revenue (US$m)	**401**			**427**		
EBITDA (US$m)	**115**			**132**		
Margin%	**29%**			**31%**		

[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

The economic situation was reflected in our revenues which were 6% down at US$401 million. Mobile and fixed voice were particularly affected.

Mobile revenue decreased by 9% to US$147 million. Customer numbers grew by 4% and we maintained our mobile market share but accelerating price competition resulted in blended ARPU falling by 10%.

Fixed voice revenue fell by 10% to US$141 million driven by both lower usage and lower subscribers due to the economic recession and ongoing traffic substitution. This was partially offset by new price plans across the islands which increased ARPU in the second quarter.

Broadband & TV revenue was 6% better than last year at US$52 million as we grew broadband subscribers to 210,000, with growth in both Jamaica and Barbados, where we expanded the network. We also maintained ARPU across the regions.

Enterprise, data and other revenue of US$61 million was 2% higher than last year. We are building a pipeline of carrier sales in advance of the completion of the East-West cable link between Jamaica, Dominican Republic and the British Virgin Islands which we expect to be operational by early 2011.

Gross margin fell by 7% to US$298 million reflecting lower revenue as gross margin as a percentage of revenues remained stable.

Operating costs of US$183 million are 2% lower than in the first half of 2009/10. We decreased staff costs due to the benefits realised from the One Caribbean transformation programme and bad debt and network costs were lower than the same period last year. We stepped up our efforts to hold market share and build brand strength. We also continue to improve our operating processes in the Caribbean, and in October announced the shut-down of all legacy networks in St. Vincent and the Grenadines, which we believe makes it the first sovereign country in the world to be completely next-generation-network (NGN) based. Overall EBITDA was 13% lower largely reflecting the revenue loss. We also saw the EBITDA margin fall by 2 percentage points to 29% in the first half.

Our proportionate ownership of Caribbean EBITDA for the six months ended 30 September 2010 was 89%.

Macau

The Macau economy is thriving with real GDP growth of 40% in the first half of this calendar year. Visitor numbers were 20% higher than last year driving gambling revenues 66% higher.

	6 months ended 30 Sep 2010	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010	**6 months ended 30 Sep 2009**	3 months ended 30 Sep 2009	3 months ended 30 Jun 2009
Subscribers (000s)						
Mobile[1]	**396**	396	397	**395**	395	396
Broadband	**131**	131	129	**127**	127	125
Fixed	**178**	178	179	**182**	182	183
ARPU (US$)[2]						
Mobile	**19**	19	19	**17**	17	17
Broadband	**32**	33	31	**30**	30	29
Fixed	**38**	39	37	**33**	34	33
Revenue (US$m)	**172**			**157**		
EBITDA (US$m)	**76**			**71**		
Margin%	**44%**			**45%**		

[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

Our operation in Macau performed strongly, with revenue increasing by 10% to US$172 million.

Mobile revenue increased by 19% to US$76 million driven by an increase in ARPU as mobile non-voice usage on smartphones and mobile broadband increased despite a new 3G competitor in the market. In addition we recorded higher handset sales and roaming revenue.

Broadband subscribers grew by 3% which, together with ARPU growth as subscribers demanded greater bandwidth, resulted in broadband revenue increasing by 14% to US$25 million. Shortly, we plan to offer broadband speeds of up to 100Mbps to our customers in Macau.

Fixed voice revenue of US$41 million was in line with last year as the better economic environment increased regional international traffic, offset by domestic substitution effects reducing subscribers by 2%.

Enterprise, data and other revenue of US$30 million was also in line with the same period year. Macau continued to win enterprise contracts including the installation of cabling, data network infrastructure and guestroom entertainment systems for the Galaxy casino, a 2,200 room resort which will launch early next year.

Gross margin of US$102 million was 7% better than last year, in line with the revenue trend.

Operating costs of US$26 million were 8% higher than last year, largely due to increased costs for advertising our new mobile broadband offering and higher staff costs to retain employees in the highly competitive local labour market.

EBITDA benefited from the growth in revenue and was 7% higher in the first half at US$76 million with an EBITDA margin of 44%.

Our proportionate ownership of Macau EBITDA for the six months ended 30 September 2010 was 51%.

Monaco & Islands (M&I)

US$m	Six months ended 30 September 2009				Six months ended 30 September 2010
	M&I reported	M&I constant currency	Maldives	M&I including Maldives (like-for-like)	M&I reported
Revenue	241	230	71	301	295
Gross margin	145	140	60	200	205
Operating costs	(80)	(78)	(22)	(100)	(102)
EBITDA	**65**	62	**38**	**100**	**103**

On a like-for-like basis (including the Maldives and at constant currency), Monaco & Islands EBITDA was 3% better than the same period last year. Operations in the Maldives, Monaco and Guernsey represented approximately 79% of Monaco & Islands revenue and approximately 84% of EBITDA in H1.

	6 months ended 30 Sep 2010	3 months ended 30 Sep 2010	3 months ended 30 Jun 2010	**6 months ended 30 Sep 2009**	3 months ended 30 Sep 2009	3 months ended 30 Jun 2009
Subscribers (000s)						
Mobile[1]	**497**	497	484	**159**	159	156
Broadband	**49**	49	48	**34**	34	33
Fixed	**242**	242	242	**217**	217	215
ARPU (US$)[2]						
Mobile	**37**	36	37	**61**	65	56
Broadband	**61**	63	60	**59**	62	57
Fixed	**34**	32	35	**32**	32	32
Revenue (US$m)	**295**			**241**		
EBITDA (US$m)	**103**			**65**		
Margin%	**35%**			**27%**		

[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 increased to US$295 million, reflecting a strong underlying performance by the Maldives offset by revenue decline elsewhere. On a like-for-like basis and at constant currency, revenue was 2% lower on the same period last year.

Mobile revenue increased to US$117 million (4% like-for-like growth). Most business units grew as a result of higher subscribers with particularly strong growth in the Maldives in the first quarter. Guernsey maintained its strong market leadership but there was some subscriber and ARPU erosion due to the increasingly competitive environment.

Broadband & TV revenue increased to US$22 million (10% like-for-like growth), as most businesses grew subscribers compared to the same period last year. In addition, our Monaco business utilised its existing broadband network and successfully launched IPTV, growing our TV customer base to over 16,000 subscribers.

Fixed line revenue increased to US$48 million (down 2% like-for-like) as customers substituted fixed voice minutes with other products.

Enterprise, data and other revenue of US$108 million decreased by 8% as we reduced some low margin international transit traffic.

Gross margin increased to US$205 million (up 3% like-for-like). Gross margin as a percentage of revenue improved by 9 percentage points to 69%; the addition of the Maldives contributing 5 percentage points and reduced transit traffic and other margin improvements the remainder.

Operating costs were US$102 million, up 2% on last year on a like-for-like basis.

EBITDA at US$103 million (3% up like-for-like) was driven by the improved revenue mix.

Our proportionate ownership of Monaco & Islands EBITDA for the six months to 30 September 2010 was 67%.

Other
Other includes management, royalty and branding fees, the costs of the London head office, net UK defined benefit pension charge and intercompany eliminations. EBITDA of US$3 million was US$3 million higher than last year and included the release of provisions of US$5 million after re-assessing the related risks. The prior period to 30 September 2009 included "Central costs" of the former Cable and Wireless plc pre-demerger.

Joint ventures
Our share of profit after tax from joint ventures was US$21 million, US$5 million lower than the same period last year as the Maldives is now accounted for as a subsidiary. This was offset by US$11 million in allowances held against a former joint venture that have now been released following the successful liquidation of the entity.

	Effective ownership as at 30 September 2010	CWC share of revenue		CWC share of profit after tax	
		Six months ended 30 September 2010	Six months ended 30 September 2009	Six months ended 30 September 2010	Six months ended 30 September 2009
	%	US$m	US$m	US$m	US$m
Trinidad & Tobago (TSTT)	*49%*	115	117	8	11
Afghanistan (Roshan)	*37%*	53	37	2	-
Fiji (Fintel)	*49%*	4	6	-	1
Others[1]		10	8	11	1
Total		**182**	**168**	**21**	**13**
Maldives (Dhiraagu)	*52%*	-	32	-	13
Total		**182**	**200**	**21**	**26**

[1]Includes results of Solomon Telekom and Telecom Vanuatu and the release of US$11 million in allowances held against a former joint venture that has now been liquidated

'000s	Mobile subscribers[1]		Broadband subscribers		Fixed line subscribers	
	As at 30 September 2010	As at 30 September 2009	As at 30 September 2010	As at 30 September 2009	As at 30 September 2010	As at 30 September 2009
Trinidad & Tobago (TSTT)	890	892	87	71	277	294
Afghanistan (Roshan)	3,969	3,364	-	-	-	-
Solomon Telekom	85	49	1	1	9	9
Telecom Vanuatu	64	33	2	2	7	7
Total	**5,008**	**4,338**	**90**	**74**	**293**	**310**

[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$3 million due to increased handset subsides, as it maintained mobile market leadership, and increased depreciation due to higher capital expenditure. Our share of profits in Roshan increased by US$2 million due to revenue growth and 18% mobile customer growth as we maintained market leadership. Fintel, in Fiji, was impacted by a decline in fixed voice services and increases to termination rates, resulting in our share of revenue and profit after tax declining by US$2 million and US$1 million respectively from last year.

Capital expenditure
Capital expenditure was US$128 million, 23% higher than the same period last year, representing 11% of revenue. Our principal investments were customer driven increases in capacity and coverage footprint for 3G/3.5G mobile broadband and fixed broadband networks, and capacity expansion for 2G/2.5G GSM mobile networks. In the Caribbean our focus is in Jamaica, where we are improving the quality of both the mobile and fixed networks to support our market share growth strategy. In Panama, we have continued to invest capital to increase the number of households passed by the digital pay TV network, complementing our existing lines of service. We do not expect capital expenditure for the full year of 2010/11 to exceed US$350 million, consistent with our statement made in May at our Annual Results Announcement for 2009/10.

Depreciation and amortisation
Depreciation and amortisation at US$158 million was US$6 million higher than H1 2009/10 due to the inclusion of the Maldives results partially offset by lower charges in the Caribbean.

Other Group items

Long term incentive plan (LTIP) charge
At 30 September 2010, Cable & Wireless Communications had an LTIP pool of US$34 million (£21 million) whilst total payments made over the life of the scheme to 30 September 2010 were £24 million. The LTIP charge for Cable & Wireless Communications for the six months ended 30 September 2010 was US$19 million.

This is the final year of our five year LTIP scheme.

Net other operating expense
The US$11 million net other operating expense incurred in the first half of 2010/11 predominantly relates to the retranslation of the sterling based pension funds.

Exceptional items
Net exceptional charges moved from a charge of US$31 million to income of US$6 million in the first half of 2010/11. This includes the receipt of US$17 million after successfully defending claims brought by a Caribbean competitor, partially offset by additional restructuring charges of US$5 million and US$2 million in the Caribbean and Monaco & Islands respectively. There were additional professional charges of US$4 million relating to the demerger.

Net finance expense
The US$50 million net finance expense for the Group is US$27 million higher than H1 2009/10 and consists of finance income of US$22 million (US$30 million in H1 2009/10) and finance expense of US$72 million (US$53 million in H1 2009/10). The decrease in finance income relates to exceptional gains on forward currency contracts in the prior year partially offset by foreign exchange gains in the current year. Interest expense increased year on year due to a higher level of borrowings and the replacement in February of floating rate debt with a fixed rate US dollar denominated bond.

Income tax expense
The income tax charge of US$54 million (US$58 million for H1 2009/10) is in respect of overseas taxes. This charge represents an effective tax rate of 26% which is consistent with our 2009/10 Annual Results Announcement in which we expected the effective tax rate for Cable & Wireless Communications for 2010/11 to be in the range of 25% to 29%.

Group cash flow

	H1 2010/11 US$m	H1 2009/10 US$m
EBITDA[1]	**424**	**406**
Balance sheet capital expenditure	(128)	(104)
Operating cash flow before exceptionals	**296**	**302**
Movement in working capital and other provisions[2]	(49)	(100)
Investment income	8	19
Underlying free cash flow	**255**	**221**
Fixed charges		
Income taxes paid	(53)	(50)
Interest paid	(62)	(50)
Dividends paid to non-controlling interests	(68)	(66)
Shareholder loan to non-controlling interests	(30)	-
Dividends paid to shareholders	(99)	(181)
Net cash flow before one-off items and exceptionals	**(57)**	**(126)**
One-off items and exceptionals		
Cash exceptionals	(16)	(49)
LTIP	(9)	(3)
Acquisitions and disposals	(1)	(3)
Transfer to Cable & Wireless Worldwide for FY09/10 final dividend	(117)	-
Net cash flow after one-off items and exceptionals	**(200)**	**(181)**
Movement in share capital and own shares held	1	11
Net proceeds from borrowings	70	18
Net cash flow	**(129)**	**(152)**

1 Earnings before interest, tax, depreciation and amortisation, LTIP, net other operating income and exceptional items
2 Includes movement in capital expenditure accruals

Cable & Wireless Communications generated operating cash flow before exceptional items of US$296 million in the six months ended 30 September 2010 after investing US$128 million in capital expenditure.

The outflow from movements in working capital and provisions of US$49 million included capex accrual outflows of US$19 million. The majority of the remainder is due to the timing of receipts and payments for enterprise revenue in the Caribbean and Panama and slightly lower cash collections, primarily in the Caribbean.

Investment income of US$8 million included US$5 million of interest received on cash balances and US$3 million on the disposal of Seychelles bonds.

Fixed charges

We paid US$53 million relating to income tax in the first half of 2010/11, interest of US$62 million on our external borrowings and dividends and loans to non controlling interests of US$98 million. The dividends to our shareholders of US$99 million reflect the cash payment of the final declared dividend of 3.34 pence per share. The loan to non-controlling interests was made in the period by Macau to their minority shareholders which is expected to be repaid in the current year.

One-off items and exceptionals

The net cash outflow included a US$16 million outflow for exceptional items. We paid US$27 million related to demerger costs which were largely charged to the income statement last year. There were also further payments of US$6 million relating to regional restructuring programmes in the Caribbean and Monaco & Islands. These payments were partially offset by the receipt of US$17 million after successfully defending claims brought by a Caribbean competitor. In April 2010, under the terms of the demerger agreement we transferred US$117 million to Cable & Wireless Worldwide for payment of their final 2009/10 dividend, equivalent to 3 pence per share. There will be no further payments to Cable & Wireless Worldwide for any of its dividend obligations.

Group cash and debt

	As at 30 September 2010			As at 31 March 2010		
	Subsidiaries	Central	Group	Subsidiaries	Central	Group
	US$m	US$m	US$m	US$m	US$m	US$m
Cash and cash equivalents	**249**	**196**	**445**	**202**	**371**	**573**
Sterling secured loan repayable in 2012	-	(46)	(46)	-	(43)	(43)
US$500 million secured bonds due 2017	-	(489)	(489)	-	(489)	(489)
Sterling unsecured bonds repayable in 2012	-	(311)	(311)	-	(290)	(290)
Sterling unsecured bonds repayable in 2019	-	(232)	(232)	-	(219)	(219)
Other regional debt facilities	(267)	-	(267)	(196)	-	(196)
Total debt	**(267)**	**(1,078)**	**(1,345)**	**(196)**	**(1,041)**	**(1,237)**
Total net (debt) / cash	**(18)**	**(882)**	**(900)**	**6**	**(670)**	**(664)**

Net debt reconciliation

US$m	As at 31 March 2010	Net cash flow[1]	Cash exceptionals	LTIP	CWW dividend	Exchange movements	Capitalised borrowing costs	Other[2]	As at 30 September 2010
Total net debt	(664)	(57)	(16)	(9)	(117)	(39)	2	-	(900)

[1]Before one-offs, exceptionals and financing
[2]Other includes: acquisitions and disposals of US$(1) million and movement in share capital and own shares held of US$1 million

Cable & Wireless Communications has 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. These facilities remain undrawn at 30 September 2010.

Pensions

As at 30 September 2010, the defined benefit section of the Cable & Wireless Superannuation Fund ("CWSF") had an IAS 19 deficit of US$166 million (£105 million), compared to a deficit of US$165 million (£111 million) as at 31 March 2010. The decrease in the underlying sterling deficit is partly due to higher asset values. In addition the liabilities increased due to a reduction in the discount rate used to value the scheme's liabilities which was partially offset by a decrease in the inflation assumption. The AA corporate bond rate used in the IAS 19 valuation was 5.1% compared with 5.5% at 31 March 2010. However, movement in the dollar/sterling exchange rate during the period has resulted in the US$1 million increase in the net deficit on a US dollar basis.

Further to a previous agreement with the trustees of the Cable & Wireless Superannuation Fund at the time of demerger, Cable & Wireless Communications has no liabilities in respect of the pension obligations transferred to Cable & Wireless Worldwide.

Also at the time of the demerger, the Group agreed an interim funding plan with the Trustees, pending the next full actuarial valuation due for March 2010. The payments under the funding plan are US$14 million (£9 million) paid in October 2010 and £20 million payable in April 2011.

The next triennial valuation of the scheme is due as at 31 March 2010. Cable & Wireless Communications has agreed that the funding plan for any deficit arising from that valuation will end no later than April 2016.

The fund assets at 30 September 2010 were approximately invested 75% in the bulk annuity policy, 17% in equities, and 8% in bonds, property, swaps and cash.

There are other unfunded pension liabilities in the UK of US$36 million (£23 million), (US$34 million (£23 million) at 31 March 2010). Other schemes in Cable & Wireless Communications have a net IAS 19 surplus of US$11 million (US$7 million surplus at 31 March 2010).

Dividend

We are declaring an interim dividend of 2.67 US cents per share, reflecting confidence in the long term strength of our business. This represents one third of our previously announced intention to pay a full year dividend of 8.00 US cents per share.

The interim dividend of 2.67 US cents per share will be paid on 13 January 2011 to ordinary shareholders on the register at the close of business on 12 November 2010. Subject to trading performance in the second half of 2010/11, 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.

Beyond 2010/11, the board of Cable & Wireless Communications intends to pursue a policy of dividend growth that reflects the underlying earnings and cash flow of the business.

The scrip dividend scheme will not be offered in respect of the interim dividend.

A currency option 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 should make an election using CREST Input Message or return a completed Currency Mandate Form to: Equiniti Ltd, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 13 December 2010. Copies of the mandate form are available from Equiniti Ltd. UK callers: 0871 384 2104; overseas callers: +44 (0)121 415 7047 or from our website www.cwc.com.

The sterling dividend payment amount per share will be announced on 16 December 2010, and will be based on the prevailing UK sterling to US dollar exchange rate at 2pm GMT on that date.

George Battersby

George Battersby, a former Director of Cable & Wireless Communications, sadly passed away in August. George was the Group Human Resources Director for Cable and Wireless plc from 2004, serving also as an Executive Director on the Board. He was a key member of the team that restructured the Company and took it through its demerger and transition to form two independent businesses. George was a trusted voice on the Board and a well respected colleague throughout the business, he will be sadly missed.

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Condensed consolidated interim income statement

	For the six months ended 30 September 2010			For the six months ended 30 September 2009*		
	Pre-exceptional items US$m	Exceptional items US$m	Total US$m	Pre-exceptional items US$m	Exceptional items US$m	Total US$m
Continuing operations						
Revenue	**1,159**	**-**	**1,159**	1,132	-	1,132
Operating (costs)/credit before depreciation and amortisation	**(754)**	**6**	**(748)**	(737)	(31)	(768)
Depreciation	**(136)**	**-**	**(136)**	(133)	-	(133)
Amortisation	**(22)**	**-**	**(22)**	(19)	-	(19)
Other operating income	**1**	**-**	**1**	4	-	4
Other operating expense	**(12)**	**-**	**(12)**	-	-	-
Group operating profit/(loss)	**236**	**6**	**242**	**247**	**(31)**	**216**
Share of post-tax profit of joint ventures	**21**	**-**	**21**	26	-	26
Total operating profit/(loss)	**257**	**6**	**263**	**273**	**(31)**	**242**
Loss on sale of non-current assets	**(1)**	**-**	**(1)**	-	-	-
Loss on termination of operations	**(2)**	**-**	**(2)**	-	-	-
Finance income	**22**	**-**	**22**	3	27	30
Finance expense	**(72)**	**-**	**(72)**	(53)	-	(53)
Profit/(loss) before income tax	**204**	**6**	**210**	**223**	**(4)**	**219**
Income tax (expense)/credit	**(55)**	**1**	**(54)**	(63)	5	(58)
Profit for the period from continuing operations	**149**	**7**	**156**	**160**	**1**	**161**
Discontinued operations						
Profit for the period from discontinued operations	**-**	**-**	**-**	141	(44)	97
Profit/(loss) for the period	**149**	**7**	**156**	301	(43)	258
Attributable to:						
Owners of the parent	**78**	**7**	**85**	230	(40)	190
Non-controlling interests	**71**	**-**	**71**	71	(3)	68
	149	**7**	**156**	301	(43)	258
Earnings per share attributable to the owners of the parent during the period (cents per share)						
– basic			**3.3c**			7.5c
– diluted			**3.3c**			7.5c
Earnings per share from continuing operations attributable to the owners of the parent during the period (cents per share)						
– basic			**3.3c**			3.7c
– diluted			**3.3c**			3.7c
Earnings per share from discontinued operations attributable to the owners of the parent during the period (cents per share)						
– basic			**-**			3.8c
– diluted			**-**			3.8c

The notes on pages 20 to 26 are an integral part of these financial statements

Further detail on exceptional items is set out in note 6

* The results of the Cable & Wireless Worldwide business have been presented in discontinued operations (refer to note 7 for further information).

Condensed consolidated interim statement of comprehensive income

	For the six months ended 30 September 2010 US$m	For the six months ended 30 September 2009 US$m
Profit for the period	156	258
Other comprehensive income for the period comprised:		
Actuarial gains/(losses) in the value of defined benefit retirement plans	14	(465)
Exchange differences on translation of foreign operations	(12)	(94)
Other comprehensive income/(expense) for the period	**2**	**(559)**
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income/(expense) for the period, net of tax	**2**	**(559)**
Total comprehensive income/(expense) for the period	**158**	**(301)**
Attributable to:		
Owners of the parent	86	(369)
Non-controlling interests	72	68
	158	**(301)**

The notes on pages 20 to 26 are an integral part of these financial statements

Condensed consolidated interim statement of financial position

	30 September 2010 US$m	31 March 2010 US$m	30 September 2009 US$m
ASSETS			
Non-current assets			
Intangible assets	430	414	1,870
Property, plant and equipment	1,714	1,725	3,114
Investments in joint ventures	255	231	336
Available-for-sale financial assets	22	29	44
Deferred tax asset	23	19	147
Retirement benefit assets	39	35	43
Other receivables	42	42	80
	2,525	**2,495**	**5,634**
Current assets			
Inventories	59	49	52
Trade and other receivables	579	491	1,556
Cash and cash equivalents	445	573	676
Financial assets at fair value through the income statement	26	65	-
	1,109	**1,178**	**2,284**
Non-current assets held for sale	-	3	2
	1,109	**1,181**	**2,286**
Total assets	**3,634**	**3,676**	**7,920**
LIABILITIES			
Current liabilities			
Trade and other payables	628	769	2,269
Loans and obligations under finance leases	100	58	215
Financial liabilities at fair value	99	30	8
Current tax liabilities	190	187	210
Provisions	71	104	142
	1,088	**1,148**	**2,844**
Net current assets/(liabilities)	**21**	**33**	**(558)**
Non-current liabilities			
Trade and other payables	15	3	3
Loans and obligations under finance leases	1,245	1,179	1,231
Financial liabilities at fair value	121	189	214
Deferred tax liabilities	45	42	46
Provisions	34	27	287
Retirement benefit obligations	230	227	600
	1,690	**1,667**	**2,381**
Net assets	**856**	**861**	**2,695**
EQUITY			
Capital and reserves attributable to the owners of the parent			
Share capital	134	131	130
Share premium	95	62	1,945
Reserves	176	221	296
	405	**414**	**2,371**
Non-controlling interests	451	447	324
Total equity	**856**	**861**	**2,695**

The notes on pages 20 to 26 are an integral part of these financial statements

Condensed consolidated interim statement of cash flows

	For the six months ended 30 September 2010 US$m	For the six months ended 30 September 2009* US$m
Cash flows from operating activities		
Cash generated from continuing operations	369	259
Cash generated from discontinued operations	-	171
Income taxes paid	(53)	(50)
Net cash from operating activities	**316**	**380**
Cash flows from investing activities		
Continuing operations		
Finance income	5	3
Dividends received	-	14
Decrease in available-for-sale assets	3	2
Proceeds on disposal of property, plant and equipment	1	3
Purchase of property, plant and equipment	(135)	(101)
Purchase of intangible assets	(12)	(8)
Acquisition of subsidiaries (net of cash received) and non-controlling interests	(2)	(6)
Net cash used in investing activities - continuing operations	**(140)**	**(93)**
Discontinued operations	**-**	**(195)**
Net cash used in investing activities	**(140)**	**(288)**
Net cash flow before financing activities	**176**	**92**
Cash flows from financing activities		
Continuing operations		
Dividends paid to owners of the parent	(99)	(181)
Dividends paid to non-controlling interests	(68)	(66)
Shareholder loans to non-controlling interests	(30)	-
Repayments of borrowings	(10)	(20)
Finance costs	(62)	(50)
Transfer to the Cable & Wireless Worldwide Group for the 2009/10 final dividend	(117)	-
Proceeds from borrowings	80	38
Purchase of ESOP shares for share awards	-	(2)
Proceeds on issue of shares for settlement of share options	1	13
Net cash used in financing activities – continuing operations	**(305)**	**(268)**
Net cash used in financing activities	**(305)**	**(268)**
Net decrease in cash and cash equivalents:		
From continuing operations	(129)	(152)
From discontinued operations	-	(24)
Net decrease in cash and cash equivalents:	**(129)**	**(176)**
Cash and cash equivalents at 1 April	573	790
Exchange gains on cash and cash equivalents	1	62
Cash and cash equivalents at 30 September	**445**	**676**

The notes on pages 20 to 26 are an integral part of these financial statements

* The results of the Cable & Wireless Worldwide business have been presented in discontinued operations (refer note 7 for further information).

Reconciliation of net profit to net cash flow from operating activities

	For the six months ended 30 September 2010 US$m	For the six months ended 30 September 2009* US$m
Continuing operations		
Profit for the period	**156**	**161**
Adjustments for:		
Tax expense	54	58
Depreciation	136	133
Amortisation	22	19
Gain on disposal of property, plant and equipment	(1)	(5)
Loss on sale of non-current assets	1	-
Loss on termination of operations	2	-
Finance income	(22)	(30)
Finance expense	72	53
Other operating expense	12	-
Decrease in provisions	(26)	(27)
Employee benefits	24	14
Defined benefit pension scheme contributions	(4)	(3)
Share of post-tax profit of joint ventures	(21)	(26)
Operating cash flows before working capital changes	**405**	**347**
Changes in working capital (excluding the effects of acquisitions and disposals of subsidiaries)		
Increase in inventories	(9)	(2)
Increase in trade and other receivables	(53)	(5)
Increase/(decrease) in payables	26	(81)
Cash generated from continuing operations	**369**	**259**
Discontinued operations		
Profit for the period	-	97
Adjustments for non-cash items and changes in provisions and working capital	-	74
Cash generated from discontinued operations	**-**	**171**
Cash generated from operations	**369**	**430**

* The results of the Cable & Wireless Worldwide business have been presented in discontinued operations (refer note 7 for further information).

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 2009	129	1,889	111	2,398	(1,877)	2,650	315	2,965
Profit for the period	-	-	-	-	190	190	68	258
Net actuarial losses recognised (net of taxation)	-	-	-	-	(465)	(465)	-	(465)
Exchange differences on translation of foreign operations	-	-	(94)	-	-	(94)	-	(94)
Total comprehensive (expense)/income for the period	**-**	**-**	**(94)**	**-**	**(275)**	**(369)**	**68**	**(301)**
Own shares purchased	-	-	-	-	(2)	(2)	-	(2)
Share–based payment expenses	-	-	-	-	11	11	-	11
Issue of share capital	1	56	-	(57)	57	57	-	57
Dividends	-	-	-	-	(227)	(227)	-	(227)
Foreign exchange	-	-	-	-	262	262	-	262
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	**1**	**56**	**-**	**(57)**	**101**	**101**	**-**	**101**
Dividends paid to non–controlling interests	-	-	-	-	-	-	(66)	(66)
Non-controlling interest reallocation	-	-	-	(2)	(9)	(11)	11	-
Foreign exchange	-	-	-	-	-	-	(4)	(4)
Total dividends and other transactions with non–controlling interests	**-**	**-**	**-**	**(2)**	**(9)**	**(11)**	**(59)**	**(70)**
Balance at 30 September 2009	**130**	**1,945**	**17**	**2,339**	**(2,060)**	**2,371**	**324**	**2,695**
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**

The notes on pages 20 to 26 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 of the Group as at and for the six months ended 30 September 2010 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 2010 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 2010.

The comparative figures for the financial year ended 31 March 2010 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 3 November 2010.

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 2010, with the exception of new and revised accounting Standards and Interpretations effective from 1 April 2010 and the specific requirements of IAS 34 *Interim Financial Reporting*.

During the period, the Group adopted Revised IFRS 3 *Business Combinations* and Revised IAS 27 *Consolidated and Separate Financial Statements*. The Revised IFRS is applicable prospectively to business combinations and has not had an effect on the Group during the period. The Revised IAS is consistent with current Group policy. Further, the Group adopted IFRIC 18 *Transfers of Assets from Customers* and a number of other accounting policies during the period. There was no material effect on the Group from the adoption of these policies.

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.

Group reorganisation and demerger during the prior period (2009/10)

On 19 March 2010, the Cable & Wireless Group effected a group reorganisation whereby Cable & Wireless Communications Plc was inserted as a new holding company for the Cable & Wireless Group via a Scheme of Arrangement. The Company therefore replaced Cable and Wireless plc (now Cable & Wireless Limited) as the parent company of the Cable & Wireless Group as at this date. On 26 March 2010, the Cable & Wireless Worldwide business was demerged from the Cable & Wireless Communications Group. The Group's most recent annual accounts describe the Scheme of Arrangement and demerger process in full and can be found at www.cwc.com.

The Scheme of Arrangement was accounted for using the principles of reverse acquisition accounting contained within IFRS 3 *Business Combinations*. In the consolidated financial statements at 31 March 2010, the transaction to interpose the new holding company, Cable & Wireless Communications Plc, was presented as though the Cable & Wireless Group acquired Cable & Wireless Communications Plc. This resulted in the legal acquiror, Cable & Wireless Communications Plc, being treated for accounting purposes as having been acquired by its legal subsidiary, Cable and Wireless plc (now Cable & Wireless Limited). Therefore, in these condensed consolidated financial statements, this results in a continuation of the consolidated financial statements of the Cable & Wireless Group (renamed the Cable & Wireless Communications Group).

Comparative reserves and share capital have been presented in accordance with the principles of reverse acquisitions as follows:

- The retained earnings and other equity balances of the Cable & Wireless Group (now Cable & Wireless Communications Group) were carried forward as the retained earnings and other equity balances of the Cable & Wireless Communications Group at the date of the Scheme of Arrangement, 19 March 2010.
- The equity instruments of Cable & Wireless Communications Plc were initially recognised at their fair value on the date of the Scheme of Arrangement.
- The movements in share capital prior to 19 March 2010 reflect the movements in the share capital of Cable and Wireless plc (now Cable & Wireless Limited). However, share capital for these prior year share issues has been restated using the nominal value of Cable & Wireless Communications Plc shares at 5 cents each in order to present the movements as though Cable & Wireless Communications Group had been in existence in its current form since 1 April 2009. The difference arising on this restatement has been included in the share premium.
- Any difference between the fair value of these instruments on the date of the Scheme of Arrangement and the historical cost of the instruments on issue in Cable and Wireless plc (now Cable & Wireless Limited) were recorded in retained earnings.

The Cable & Wireless Worldwide business (demerged on 26 March 2010) was not classified as a discontinued operation at 30 September 2009. In these condensed financial statements, the comparative amounts for the income statement and statement of cash flows have been represented for the classification of the Cable & Wireless Worldwide business' results as discontinued. See note 7 for further information on the results of discontinued operations.

See pages 89 to 91 of the 2009/10 Annual Accounts for further information on other significant aspects and transactions of the demerger and pages 110 to 111 and 129 for further information on comparative reserves and share capital.

Change of functional and presentation currency during 2009/10
Following the demerger of the Cable & Wireless Worldwide business and in the consolidated financial statements at 31 March 2010, the Group changed its presentation currency from sterling to US dollars, as this is the most representative currency of the remaining Group's operations. At the same time, the functional currency of the parent company and of the majority of holding and financing companies of the Group that previously had a sterling functional currency was changed to US dollars. The Directors consider the US dollar to most faithfully represent the economic effects of the underlying transactions, events and conditions for these companies within the Cable & Wireless Communications Group. The condensed consolidated financial statements of the Group for the comparative period ended 30 September 2009 have been represented in US dollars.

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 2010.

5. Segment information
Cable & Wireless Communications Group is an international telecommunications service provider. It operates integrated telecommunications companies in 38 countries offering mobile, broadband & TV, fixed line services, and enterprise, date and other services to residential and business customers. It has four principal operations which have been identified as the Group's reportable segments, being the Caribbean, Panama, Macau and Monaco & Islands.

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 central Headquarters function that does not meet the definition of an operating segment. Headquarters primarily acts as a portfolio manager and operational support provider for the reportable segments. This function is not considered to be an operating segment as it does not earn revenue from its activities. This non-operating central function is also disclosed 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 2010, as provided to the Cable & Wireless Communications Plc Board, are presented below:

	Caribbean US$m	Panama US$m	Macau US$m	Monaco & Islands US$m	Other and eliminations[1] US$m	Total US$m
Revenue	401	294	172	295	(3)	1,159
Cost of sales	(103)	(95)	(70)	(90)	3	(355)
Gross margin	**298**	**199**	**102**	**205**	**-**	**804**
Pre-exceptional operating costs	(183)	(72)	(26)	(102)	3	(380)
EBITDA[2]	**115**	**127**	**76**	**103**	**3**	**424**
LTIP charge	-	-	-	-	(19)	(19)
Depreciation and amortisation	(62)	(38)	(17)	(37)	(4)	(158)
Net other operating income/(expense)	1	-	-	-	(12)	(11)
Group operating profit/(loss)	**54**	**89**	**59**	**66**	**(32)**	**236**
Share of post-tax profit of joint ventures	8	-	-	13	-	21
Operating exceptional items	(5)	-	-	(2)	13	6
Total operating profit/(loss)	**57**	**89**	**59**	**77**	**(19)**	**263**
Net other expense						(3)
Net finance expense						(50)
Profit before income tax						**210**
Income tax expense						(54)
Profit for the period						**156**

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

[1]Other and eliminations includes head office expenses and eliminations for inter-segment transactions
[2]EBITDA is used in management reporting as it is considered to be a key financial metric. It is defined as earnings before interest, tax, depreciation and amortisation, LTIP credit/charge, net other operating income/expense and exceptional items (see note 18)

6. Exceptional items

Exceptional gains totalled US$6 million and comprised a receipt of US$17 million for legal costs awarded in relation to defending a legal claim brought by a Caribbean competitor offset by US$11 million for restructuring costs.

Restructuring costs include US$5 million for the One Caribbean transformation programme, US$2 million for Monaco & Islands reorganisation and US$4 million for professional fees incurred directly from the demerger of the Cable & Wireless Worldwide business.

7. Discontinued operations

At a General Meeting on 25 February 2010, the shareholders of Cable and Wireless plc approved the demerger of the Cable & Wireless Worldwide business. On 26 March 2010 (the demerger date), the Cable & Wireless Worldwide business was transferred to an unrelated company, Cable & Wireless Worldwide plc, which in return issued one ordinary share in itself to the holder of each Cable & Wireless Communications Plc B share prior to their cancellation as part of that transaction. The results of the Cable & Wireless Worldwide business have therefore been represented as discontinued in the condensed consolidated income statement and condensed consolidated statement of cash flows for the 6 month period ending 30 September 2009.

The results for discontinued operations were as follows:

	Six months ended 30 September 2009 US$m
Revenue	1,781
Cost of sales, operating expenses and net non-operating expenses	(1,729)
Profit before tax	52
Income tax credit	45
Profit for the period from discontinued operations	97
Profit for the period attributable to the owners of the parent	97

The results of discontinued operations were previously recorded in the Worldwide operating segment. This segment is no longer required to be disclosed. Included within the results of discontinued operations is US$11 million of revenue and cost of sales relating to trading transactions with the continuing business. These amounts have been eliminated against the results of discontinued operations in the consolidated income statement.

8. Provisions for liabilities and charges

The table below represents the movements in significant classes of provisions during the six month period ended 30 September 2010:

	Property US$m	Redundancy US$m	Network & asset retirement obligations US$m	Demerger US$m	Legal and other US$m	Total US$m
At 1 April 2010	6	10	25	35	55	131
Current portion	6	10	4	35	49	104
Non-current portion	-	-	21	-	6	27
Additional provision	-	5	1	4	4	14
Amounts used	-	(4)	-	(27)	(2)	(33)
Unused amounts reversed	-	-	-	-	(6)	(6)
Discount	-	-	1	-	-	1
Disposal	-	-	(3)	-	-	(3)
Exchange	-	-	1	-	-	1
At 30 September 2010	**6**	**11**	**25**	**12**	**51**	**105**
Current portion	-	11	4	12	44	71
Non-current portion	6	-	21	-	7	34

During the first half of 2010/11 provisions decreased by US$26 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 in the period relate to the restructuring programmes associated with demerger and regional transformation activities. 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 sub-sea cabling. This provision is expected to be used at the end of the life of the related asset on which the obligation arises.

Demerger
The provision comprises costs related to the demerger such as professional fees and closure costs.

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.

9. Intangible assets
During the period, goodwill in relation to Monaco Telecom increased by US$24 million. This increase related to a change in the fair value of the put option held by the Principality of Monaco and foreign exchange differences.

On 21 October 2009, the Group purchased a further 7% of the share capital of Dhiraagu from the Maldives government for cash consideration of US$40 million. This transaction resulted in the Cable & Wireless Communications Group reclassifying its joint venture investment in this entity to a subsidiary investment. The goodwill and other intangibles recognised on acquisition were US$25 million and US$69 million respectively. Refer to note 38 in the Group's most recent Annual Report for further information on the acquisition.

10. Property, plant and equipment
During the period, US$115 million of property, plant and equipment was acquired. There were no significant disposals of property, plant and equipment. The Group's capital commitments at 30 September 2010 were US$58 million (30 September 2009: US$49 million).

11. Changes in net funds

	At 1 April 2010	Cash flow	Net borrowing costs capitalised	Exchange movements	At 30 September 2010
	US$m	US$m	US$m	US$m	US$m
Cash at bank and in hand	141	48	-	1	**190**
Short-term deposits	432	(177)	-	-	**255**
Total funds	**573**	**(129)**	**-**	**1**	**445**
Debt due within one year	(58)	(42)	-	-	(100)
Debt due after one year	(1,179)	(28)	2	(40)	(1,245)
Total debt	**(1,237)**	**(70)**	**2**	**(40)**	**(1,345)**
Total net (debt)/funds	**(664)**	**(199)**	**2**	**(39)**	**(900)**

12. Pensions
As at 30 September 2010, the Cable & Wireless Superannuation Fund defined benefit scheme had an IAS 19 deficit of US$166 million (£105 million) compared with a deficit of US$165 million (£111 million) at 31 March 2010. The decrease in the underlying sterling net deficit is due to higher asset values. Partially offsetting this is an increase in the liability due to the 0.4 percentage point reduction in the AA corporate bond discount rate to 5.1% at 30 September 2010 which is used to calculate pension liabilities for the purposes of IAS 19 reporting, which is itself partially offset by decreases in inflationary expectations. However, movements in US dollar/sterling exchange rates during the period have resulted in the US$1 million increase in the net funding deficit on a US dollar basis.

As part of the demerger, a portion of the scheme assets and pension obligations of the Cable & Wireless Superannuation Fund were transferred to the Cable & Wireless Worldwide Retirement Plan, a new plan operated by the Cable & Wireless Worldwide Group. The pension obligations transferred to Cable & Wireless Worldwide were determined based on members' last known employer. The plan assets were determined by reference to the value of the obligations transferred. Under IAS 19, this resulted in defined benefit plan assets of US$1.8 billion and defined benefit pension obligations of US$2.0 billion being transferred to the Cable & Wireless Worldwide Group on 26 March 2010, and being derecognised from the Cable & Wireless Communications Group accounts. Cable & Wireless Communications has no liabilities in respect of the pension obligations transferred to Cable & Wireless Worldwide.

During the prior period, the Group agreed an interim funding plan with the Trustees, pending the next full actuarial valuation due for March 2010. The payments under the funding plan are US$14 million (£9 million) paid in October 2010 and £20 million payable in April 2011.

Further, the Group has unfunded pension liabilities in the UK of US$36 million (US$34 million at 31 March 2010). Other defined benefit schemes have a net IAS 19 surplus of US$11 million (US$7 million surplus at 31 March 2010).

13. Weighted average number of ordinary shares
Following the reorganisation of the Group's legal structure (as described in note 3), the weighted average number of ordinary shares outstanding has been calculated using the number of ordinary shares issued by Cable & Wireless Communications Plc at the date of the reorganisation (19 March 2010) and adjusted for:

- movements in the number of ordinary shares of Cable and Wireless plc from the beginning of the period prior to the reorganisation date; and
- movements in the number of ordinary shares outstanding from the reorganisation date to 30 September 2010 using the actual number of ordinary shares of Cable & Wireless Communications Plc outstanding during that period.

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 2010	**Six months ended 30 September 2009**
Basic weighted average number of ordinary shares	2,593,099,000	2,522,684,000
Diluted weighted average number of ordinary shares	2,606,255,000	2,542,430,000

The number of ordinary shares in issue as at 30 September 2010 was 2,665,611,727. There were no treasury shares held.

14. Dividends paid and proposed
The interim dividend proposed for the six month period ended 30 September 2010 is US$70 million (2.67 cents per share). The proposed dividend was approved by the Board of Directors on 3 November 2010. The interim dividend paid for the corresponding six month period ended 30 September 2009 was US$128 million (3.16 pence per share).

The final dividend paid on 12 August 2010 for the full year ended 31 March 2010 was US$135 million (3.34 pence per share). The final dividend paid on 7 August 2009 for the corresponding full year ended 31 March 2009 (prior to demerger) was US$227 million (5.67 pence per share).

15. 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 2010.

Two Directors hold bonds issued by Cable & Wireless Limited (formerly Cable and Wireless plc) and Cable & Wireless International Finance B.V. with a nominal value of US$4,164,605 (£2,630,000) (purchased in prior periods). The interest earned on these bonds during the six months ended 30 September 2010 was US$173,036 of which US$100,603 remains unpaid at 30 September 2010.

Two Directors' spouses hold bonds issued by Cable & Wireless Limited (formerly Cable and Wireless plc) and Cable & Wireless International Finance B.V. with a nominal value of US$775,915 (£490,000) (purchased in prior periods). The interest earned on these bonds during the six months ended 30 September 2010 was US$31,954 of which US$33,077 (due to exchange differences) remains unpaid at 30 September 2010.

16. Subsequent events
There have been no material subsequent events between 30 September 2010 and the approval of these financial statements by the Board.

17. Operating lease expenditure and guarantees

As at 30 September 2010, the aggregate future minimum lease payments under operating leases are:

	As at 30 September 2010 US$m	As at 31 March 2010 US$m
No later than one year	38	39
Later than one year but not later than five years	91	98
Later than five years	47	45
Total minimum operating lease payments	**176**	**182**

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 2010 US$m	As at 31 March 2010 US$m
Trading guarantees	40	10
Other guarantees	513	606
Total guarantees	**553**	**616**

Other guarantees at 30 September 2010 include US$465 million (2008/09 – US$563 million) relating to discontinued operations. The Cable & Wireless Communications Group has provided 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. To date, the Cable & Wireless Communications Group has not been required to make any payments in respect of its obligations under these trading guarantees.

18. Reconciliation of GAAP to Non-GAAP items

Continuing operations - total operating profit to EBITDA

	Six months ended 30 September 2010 US$m	Six months ended 30 September 2009 US$m
Total operating profit	263	242
Depreciation and amortisation	158	152
LTIP charge	19	11
Net other operating expense/(income)	11	(4)
Share of post tax profit of joint ventures	(21)	(26)
Exceptional items	(6)	31
EBITDA	**424**	**406**

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 by IFRS. It is calculated as earnings before interest, tax, depreciation and amortisation, LTIP charge, net other operating income and expense and exceptional items.

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 2010 (pages 34 to 35 of the Annual Report). A summary of those risks is as follows:

- The current economic environment;
- Liquidity risks around not being able to meet obligations or access to funding only at excessive cost;
- Covenants included in financing agreements;
- Competitive activity in markets;
- Possibility of unsuccessful investments, mergers and acquisitions;
- Development and implementation of new revenue sources;
- Renewal of regulatory licences and operating agreements;
- Increased rate of investment and changes to competitive landscape from new technologies;
- Possible health risks relating to mobile phones;
- Risks associated with the shared use of the 'Cable & Wireless' brand with Cable & Wireless Worldwide;
- Risks associated with counterparties to customer and supplier contracts;
- Litigation;
- Exchange rate movements;
- Alterations in effective tax rates;
- Disruption to and vulnerability of networks and IT systems;
- Estimates and judgements used in preparing the Group's financial statements;
- People risks including retention of key senior managers;
- Performance of joint ventures where we do not have management control; and
- Changes in our liability to the Cable & Wireless Superannuation Fund defined benefit pension scheme.

The Group did not identify any additional risks in the six months ended 30 September 2010.

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 2010 which comprises 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 2010 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

3 November 2010

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
Kate Nealon
Kasper Rorsted

By order of the Board

Tony Rice
Chief Executive

Tim Pennington
Chief Financial Officer

3 November 2010

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 2010/11 CWC CONSTANT CURRENCY[1] RESULTS DETAIL

	Panama			Caribbean			Macau			Monaco & Islands[3]			Other[4]			Total		
	H1	H1		H1	H1		H1	H1		H1	H1		H1	H1		H1	H1	
	10/11	09/10	Change[2]	10/11	09/10	Change	10/11	09/10	Change[2]	10/11	09/10	Change	10/11	09/10	Change	10/11	09/10	Change
	US$m	US$m	%	US$m	US$m	%	US$m	US$m	%	US$m	US$m	%	US$m	US$m	%	US$m	US$m	%
Mobile	148	150	(1)%	147	163	(10)%	76	64	19%	117	63	86%	-	-	nm	488	440	11%
Broadband &TV	28	22	27%	52	50	4%	25	22	14%	22	16	38%	-	-	nm	127	110	15%
Domestic voice	76	89	(15)%	141	156	(10)%	41	41	0%	48	40	20%	-	-	nm	306	326	(6)%
Enterprise, data and other	42	47	(11)%	61	60	2%	30	30	0%	108	111	(3)%	(3)	-	nm	238	248	(4)%
Revenue	**294**	**308**	**(5)%**	**401**	**429**	**(7)%**	**172**	**157**	**10%**	**295**	**230**	**28%**	**(3)**	**-**	**nm**	**1,159**	**1,124**	**3%**
Cost of sales	(95)	(94)	(1)%	(103)	(109)	6%	(70)	(62)	(13)%	(90)	(90)	0%	3	1	nm	(355)	(354)	0%
Gross margin	**199**	**214**	**(7)%**	**298**	**320**	**(7)%**	**102**	**95**	**7%**	**205**	**140**	**46%**	**-**	**1**	**nm**	**804**	**770**	**4%**
Operating costs	(72)	(76)	5%	(183)	(188)	3%	(26)	(24)	(8)%	(102)	(78)	(31)%	3	2	50%	(380)	(364)	(4)%
EBITDA[5]	**127**	**138**	**(8)%**	**115**	**132**	**(13)%**	**76**	**71**	**7%**	**103**	**62**	**66%**	**3**	**3**	**0%**	**424**	**406**	**4%**
LTIP charges	-	-	nm	-	-	nm	-	-	nm	-	-	nm	(19)	(10)	(90)%	(19)	(10)	nm
Depreciation and amortisation	(38)	(38)	0%	(62)	(70)	11%	(17)	(18)	6%	(37)	(22)	(68)%	(4)	(3)	(33)%	(158)	(151)	(5)%
Net other operating income / (expense)	-	1	nm	1	1	0%	-	-	nm	-	2	nm	(12)	-	nm	(11)	4	nm
Operating profit before joint ventures[6]	**89**	**101**	**(12)%**	**54**	**63**	**(14)%**	**59**	**53**	**11%**	**66**	**42**	**57%**	**(32)**	**(10)**	**nm**	**236**	**249**	**(5)%**
Joint ventures	-	-	nm	8	11	(27)%	-	-	nm	13	14	(7)%	-	1	nm	21	26	(19)%
Total operating profit[6]	**89**	**101**	**(12)%**	**62**	**74**	**(16)%**	**59**	**53**	**11%**	**79**	**56**	**41%**	**(32)**	**(9)**	**nm**	**257**	**275**	**(7)%**
Exceptional items	-	-	nm	(5)	(23)	78%	-	-	nm	(2)	(2)	0%	13	(7)	nm	6	(32)	nm
Total operating profit	**89**	**101**	**(12)%**	**57**	**51**	**12%**	**59**	**53**	**11%**	**77**	**54**	**43%**	**(19)**	**(16)**	**(19)%**	**263**	**243**	**8%**
Capital expenditure	(44)	(38)	(16)%	(50)	(35)	(43)%	(8)	(12)	33%	(21)	(17)	(24)%	(5)	(2)	nm	(128)	(104)	(23)%
Headcount[7]	1,730	1,762	2%	2,877	2,855	(1)%	846	860	2%	1,612	1,061	(52)%	143	203	30%	7,208	6,741	(7)%

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, Atlantic and Pacific Oceans

4 Other includes management, royalty and branding fees, the costs of the London head office, net UK defined benefit pension charge and intercompany eliminations. The prior period to 30 September 2009 included "Central costs" of the former Cable and Wireless plc pre-demerger

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

6 Excluding exceptional items

7 Full time equivalents as at 30 September

EXCHANGE RATES

	Actual rates for 6 months ended 30 September 2010	Actual rates for 6 months ended 30 September 2009	Percentage change US dollar appreciation / (depreciation)
Sterling : US dollar			
Average	0.6633	0.6367	4%
Period end	0.6315	0.6272	1%
Seychelles rupee : US dollar			
Average	12.25	14.25	(14)%
Period end	12.23	11.11	10%
Jamaican dollar : US dollar			
Average	86.96	88.55	(2)%
Period end	85.48	88.57	(3)%
Euro : US dollar			
Average	0.7822	0.7218	8%
Period end	0.7424	0.6807	9%
US dollar : Sterling			
Average	1.5076	1.5707	
Period end	1.5835	1.5945	

Cable & Wireless Communications EBITDA by currency

	H1 2010/11	
	US$m	**% of total**
US dollar, pegged or linked	355	84%
Sterling	19	4%
Euro	28	7%
Jamaican Dollar	16	4%
Seychelles Rupee	6	1%
Total	**424**	**100%**