

Cable and Wireless International Finance B.V.

Annual report 2014/2015

Amsterdam, the Netherlands

Cable and Wireless International Finance B.V.
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Cable and Wireless International Finance B.V., Amsterdam

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1.1 Directors' report

General

Management hereby presents to the shareholder the financial statements of Cable and Wireless International Finance B.V. (the "Company") for the year April 1, 2014 up to and including March 31, 2015.

Activities and results

The Company was incorporated on September 28, 1989. The objective of the Company is to act as a finance company. The group structure is further detailed in note 2.4 of the financial statements.

Activities and results

During the year under review the Company continued its activities with respect to the bonds. These bonds are listed on the London, Hong Kong and Frankfurt stock exchanges and are due for redemption in 2019. The bonds are secured by a guarantee given by the shareholder of the Company, Cable & Wireless Limited. In turn, Cable & Wireless Limited is fully owned by Cable & Wireless Communications Plc, one of the world's leading telecommunications companies.

During the year under review, the Company realized a net profit of USD 193,135 (previous year USD 266,850) and the equity ratio increased from 3.05% to 3.42%. The activities of the Company developed in line with expectations.

Personnel related information

The Company employed no personnel during the year.

Research and development costs

The Company does not perform any research and development.

Future outlook

No material change in activities is contemplated for the coming year. It is expected that the result will be in line with that of the reporting period. Furthermore, management has no current plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

Financial risks

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited would not be able to meet its obligations in respect of the loan and the unsecured bond loan. Management is of the opinion that there is no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

The Company concluded agreements in Pound Sterling ("GBP") for both the loans due from the shareholder and the bond loan, each in the principal amount of GBP 200,000,000. The loans due from shareholder carries a fixed interest at 8.75% per annum whilst the bond loan carries a fixed interest rate at 8.625% per annum. The Company therefore deems the foreign currency and interest risk not significant.

The Company does not enter into derivative financial instruments to protect itself against changes in exchange rates or interest rates. Risks in connection with anticipated significant classes of transactions are not hedged.

For further elaboration on the Company's risks, please refer to note 2.4 of the financial statements.

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1.1 Directors' report

Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het Financieel Toezicht")

To our knowledge,


1. the financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Company;
2. the directors' report gives a true and fair view of the position as at March 31, 2015 and the developments during the financial year 2014/2015 of the Company; and
3. the directors' report describes the material risks that the Company is facing.

Amsterdam, July 24, 2015

Managing directors,



B.H.Y. Bradberry



Rokin Corporate Services B.V.



Intertrust Management B.V.

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2.1 Balance sheet as at March 31, 2015

(Before result appropriation)

ASSETS	Note	March 31, 2015		March 31, 2014	
		USD	USD	USD	USD
Fixed assets					
<i>Financial fixed assets</i>					
Loans due from shareholder	[1]	298,284,862		330,087,473	
Due from shareholder		<u>9,772,758</u>		<u>9,749,579</u>	
			308,057,620		339,837,052
Current assets					
<i>Receivables</i>					
Due from shareholder	[2]		1,217,488		898,877
Cash and cash equivalents	[3]		72,450		261,748
			<u>309,347,558</u>		<u>340,995,677</u>

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2.1 Balance sheet as at March 31, 2015

(Before result appropriation)

	Note	March 31, 2015		March 31, 2014	
		USD	USD	USD	USD
SHAREHOLDER'S EQUITY AND LIABILITIES					
Shareholder's equity	[4]				
Share capital		800,412		1,003,658	
Share premium		23,747,102		23,747,102	
Other reserves		164,379		(38,867)	
Accumulated deficit		(14,321,405)		(14,588,255)	
Unappropriated result		193,135		266,850	
			10,583,823		10,390,488
Long-term liabilities	[5]				
Bond and subordinated loans		298,284,862		330,087,473	
			298,284,862		330,087,473
Current liabilities	[6]				
Interest payable to bond holders		314,513		348,046	
Interest payable shareholder		114,271		126,455	
Corporate income tax		12,931		1,991	
Accrued expenses and other liabilities		37,358		41,224	
			479,073		517,716
			<u>309,347,558</u>		<u>340,995,677</u>

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2.2 Statement of Income for the year April 1, 2014 up to and including March 31, 2015

	Note	01-04-2014 / 31-03-2015		01-04-2013 / 31-03-2014	
		USD	USD	USD	USD
Income	[7]				
Interest income		26,157,270		28,908,111	
Other financial income		-		907	
Currency exchange results		-		22,449	
			26,157,270		28,931,467
Expense	[8]				
Interest expense		(25,727,126)		(28,470,045)	
Currency exchange results		(58,042)		-	
			(25,785,168)		(28,470,045)
Net operating result			372,102		461,422
Management and administration fee		(58,773)		(72,852)	
Tax advisory fee		(30,125)		(15,738)	
Audit fees		(35,154)		(31,023)	
Legal fees		(378)		-	
Bank charges		(914)		(1,028)	
Other operating expenses		(5,392)		(3,149)	
Renunciation of bond interest	[9]	6,856,264		7,587,267	
Waiver loan interest receivable	[10]	(6,856,264)		(7,587,267)	
			(130,736)		(123,790)
Income before taxation			241,366		337,632
Taxation	[11]		(48,231)		(70,782)
Net result			193,135		266,850

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2.3 Cash flow statement for the year April 1, 2014 up to and including March 31, 2015

The cash flow statement is prepared according to the indirect method.

	01-04-2014 / 31-03-2015		01-04-2013 / 31-03-2014	
	USD	USD	USD	USD
Net result		193,135		286,850
Adjusted for changes in:				
- Corporate income tax receivable	48,231		70,782	
- Interest payable	(45,717)		36,372	
- Accrued expenses and other liabilities	(3,866)		(5,357)	
- Amounts due from shareholder	(343,790)	(345,142)	(94,206)	7,591
		(152,007)		274,441
Corporate income tax paid		(37,291)		(26,294)
Cash flow from operating activities		(189,298)		248,147
Cash flow from investing activities		-		-
Cash flow from financing activities		-		-
Net (decrease)/increase in cash and cash equivalents		(189,298)		248,147
Cash and cash equivalents at April 1		261,748		13,801
Cash and cash equivalents at March 31		72,450		261,748

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2.4 Notes to the financial statements

General information

Cable and Wireless International Finance B.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on September 28, 1989. The registered office of the Company is in Amsterdam, the Netherlands.

The objectives of the Company are to act as a finance company.

Based on Article 1, par 1, sub I "Wet toezicht accountantsorganisaties" the Company is considered as an "Organisatie van Openbaar Belang" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Company is required to have an Audit Committee. The Company uses the exception granted in Article 3 of this Royal Decree which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the parent company (Cable & Wireless Communications Plc) has instituted an Audit Committee, which is the case.

Group structure

The Company is a subsidiary of Cable & Wireless Limited, London, United Kingdom, which owns 100% of the Company's shares. The Company's figures are taken up in the consolidated accounts of Cable & Wireless Communications Plc, London, United Kingdom. The consolidated accounts of Cable & Wireless Communications Plc can be obtained from their website: www.cwc.com.

Related parties

The Company is engaged in the financing of its shareholder out of bond loans secured by its shareholder. The conditions of these loans are all at arm's length. Please refer to the Notes to the balance sheet items for further details.

Solvency

The Company acts as a group financing company. As such, the Company is economically and organizationally linked to the ultimate parent company, Cable & Wireless Communications Plc. Therefore the solvency of the parent company and that of the group should be included when assessing the Company's solvency.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Comparison previous year

The accounting principles remained unchanged compared to previous year.

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Functional and presentation currency

The functional currency of the ultimate parent company, Cable & Wireless Communications Plc, and the majority of trading and financing companies of the group, of which the Company is a member, is the US Dollar ("USD"). In respect of the Company, the directors consider the USD to be the functional currency reflecting the economic effects of the underlying transactions, events and conditions for the Company. The Company therefore presents its financial statements in USD. The Company's presentation currency is also the USD.

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2.4 Notes to the financial statements

Basis of preparation

The Company qualifies as a middle sized company and the financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in USD. Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

Payables and receivables

Payables are included at face value. Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables. Short term payables and receivables are reclassified to long term if it is expected that the amounts will not be repaid or recovered within twelve months after the balance sheet date.

The receivables from and loans to shareholder and other receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Revenue recognition

Interest income and expense are recognized in the income statement based on accrued amounts. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions: gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

The Company concluded agreements in GBP for both the loans due from the shareholder and the bond loan, each in the principal amount of GBP 200,000,000. The loans due from the shareholder carries a fixed interest at 8.75% per annum whilst the bond loan carries a fixed interest rate at 8.625% per annum. The Company therefore deems the foreign currency risk not significant.

Bond and subordinated loans

Loans are recorded as the proceeds received, net of direct costs incurred in obtaining the loans, and are amortised to the settlement amount using the effective interest method. The receivables from and loans to shareholder and other receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Current debt represents amounts that are due within 12 months. Non-current debt represents amounts that will settle after more than 12 months.

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2.4 Notes to the financial statements

Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- currency risk
- credit risk
- liquidity risk
- interest risk

Currency risk

The Company is exposed to movements in exchange rates in relation to non-dollar currency income and expenses. Where appropriate, the Company manages its exposure to movements in exchange rates on a net basis. Affiliates of the Company use forward foreign exchange contracts and other derivative and financial instruments to reduce the exposures created when currencies do not naturally offset in the short term. Affiliates of the Company will undertake hedges to minimise the exposure to individual transactions that create significant foreign exchange exposures for the Company where appropriate.

Credit risk

Cash deposits and similar financial instruments give rise to credit risk, which represents the loss that would be recognised if a counterparty failed to perform as contracted. The carrying amount of the financial assets of the Company represents the maximum credit exposure of the Company. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Company's financial instruments are the core relationship banks. These banks are awarded a maximum credit limit based on ratings by Standard & Poor's and Moody's, the level of banks' credit default swap (CDS) and its associated level of tier one capital. The credit limit assigned to counterparties is monitored on a continuing basis. The credit risk on the loan receivable from the Company's shareholder is considered limited due to its sound financial position.

Liquidity risk

The Company manages its own liquidity to meet its financial obligations of servicing and repaying external debt. Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. The Directors also regularly assess the balance of capital and debt funding of the Company.

Interest risk

The Company is exposed to movements in interest rates on its surplus cash balances and variable rate loans although there is a degree of offset between the two. The Company may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate.

The Company does not use derivative financial instruments.

Financial fixed assets

Financial fixed assets are valued at nominal value.

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2.4 Notes to the financial statements

Equity

Share capital

Ordinary shares are classified as share capital.

Share premium

An amount of USD 23,747,102 is classified within equity as share premium.

Other reserves

Gains and losses resulting from the translation of the issued and paid-up capital from EUR to USD is recorded in the other reserves.

Corporate income tax

Permanent and temporary differences may exist between the result before taxation as presented in these financial statements and the fiscal result for corporate income tax purposes. Temporary differences between the reporting for tax purposes and the financial statements are recognized as deferred taxes based on the statutory tax rate expected to exist in the future. Deferred tax assets and liabilities are netted. Net deferred tax assets will be included in the balance sheet if actual recovery is assumed possible by the Company's management.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered highly liquid investments. Cash flows in foreign currencies are translated at the exchange rates prevailing at the date of the transactions.

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2.5 Notes to the balance sheet

ASSETS

Fixed assets

Financial fixed assets [1]

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Loans due from shareholder		
Opening balance as April 1	330,087,473	304,785,126
Foreign exchange	(31,802,611)	25,302,347
Balance as at March 31	<u>298,284,862</u>	<u>330,087,473</u>

The loans due from shareholder relates to a loan due from Cable & Wireless Limited, London, United Kingdom in the amount of GBP 200,000,000 (USD 298,284,862). The loan is fully repayable on June 1, 2019 and carries fixed interest at 8.75% per annum.

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited would not be able to meet its obligations in respect of the loan and the unsecured bond loan. Management is of the opinion that there is no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

The Company concluded agreements in GBP for both the loans due from shareholder and the bond loan, each in the principal amount of GBP 200,000,000. The loans due from shareholder carry a fixed interest at 8.75% per annum whilst the bond loan carries a fixed interest rate at 8.825% per annum. The Company therefore deems the foreign currency and interest risk not significant.

Due from shareholder

The amount due from shareholder can be detailed as follows:

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Opening balance as April 1	9,749,579	9,724,122
Interest for the year	23,179	25,457
Balance as at March 31	<u>9,772,758</u>	<u>9,749,579</u>

The amount due from shareholder relates to a loan due from Cable & Wireless Limited, London, UK which is unsecured and subject to 3m LIBOR USD. The average interest rate during the year was 0.237%. Unpaid interest is added to the principal sum.

The loan is lent for a definite period of time, being three months. The loan is classified under financial fixed assets since it is expected that the loan will not be repaid within one year after the balance sheet date.

The fair value of the loans due from shareholder cannot be determined with sufficient certainty due to the time period.

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2.5 Notes to the balance sheet

Receivables [2]

Due from shareholder

The amount due from shareholder can be detailed as follows:

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Accrued interest due from Cable & Wireless Limited, London, UK	434,999	481,378
Other amounts due from Cable & Wireless Limited, London, UK	782,489	415,499
	<u>1,217,488</u>	<u>896,877</u>

It is expected that the amounts due from Cable & Wireless Limited, London, UK will be repaid within one year after the balance sheet date.

Cash and cash equivalents [3]

The cash relates to bank balances and are available on demand.

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2.5 Notes to the balance sheet

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity [4]

Share capital

The authorized capital amounts to EUR 3,640,000 consisting of 8,000 ordinary shares of EUR 455 each, of which 1,601 shares are issued and paid-up.

In accordance with article 373, section 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the year-end rate of EUR 1 = USD 1.09878 (prior year: EUR 1 = USD 1.37779). Gains or losses resulting from this translation are recorded in the other reserves.

Details of shareholder's equity are as follows:

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Opening balance as April 1	1,003,658	946,783
Other reserve movement	(203,246)	56,875
Balance as at March 31	<u>800,412</u>	<u>1,003,658</u>

Share premium

The share premium can be detailed as follows:

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Balance as at April 1	23,747,102	23,747,102
Movement during the year	-	-
Balance as at March 31	<u>23,747,102</u>	<u>23,747,102</u>

Other reserves

The other reserves can be detailed as follows:

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Opening balance as of April 1	(38,867)	18,008
Movement during the year	203,246	(56,875)
Balance as at March 31	<u>164,379</u>	<u>(38,867)</u>

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2.5 Notes to the balance sheet

Accumulated deficit

The accumulated deficit can be detailed as follows:

	<u>2014/2015</u> USD	<u>2013/2014</u> USD
Opening balance as of April 1	(14,588,255)	(14,798,113)
Appropriation of result	266,850	209,858
Balance as at March 31	<u>(14,321,405)</u>	<u>(14,588,255)</u>

Unappropriated result

The unappropriated result can be detailed as follows:

	<u>2014/2015</u> USD	<u>2013/2014</u> USD
Opening balance as of April 1	266,850	209,858
Proposal profit appropriation	193,135	266,850
Appropriation result prior year	(266,850)	(209,858)
Balance as at March 31	<u>193,135</u>	<u>266,850</u>

Long-term liabilities [5]

Bond and subordinated loans

In June 1994 the Company issued GBP 200,000,000 8.625% bonds due in 2019 secured by a guarantee given by Cable & Wireless Limited, which has Cable & Wireless Communications Plc as its ultimate parent company. The proceeds of the bonds were lent to Cable & Wireless Limited. The bonds are listed on the London, Hong Kong and Frankfurt stock exchanges.

The movements in the long-term liabilities can be detailed as follows:

	<u>2014/2015</u> USD	<u>2013/2014</u> USD
Opening balance as of April 1	330,087,473	304,785,126
Foreign exchange	(31,802,611)	25,302,347
Balance as at March 31	<u>298,284,862</u>	<u>330,087,473</u>

As at March 31, 2015 Cable & Wireless Limited is one of the bond holders for a face value of GBP 53,300,000. Cable & Wireless Limited was entitled to receive interest in a total amount of USD 6,856,264 (GBP 4,597,125) on March 25, 2015. Cable & Wireless Limited irrevocably renounced its right to receive payment of interest. As a result of the renunciation of interest the Company realized a net gain on bond interest of USD 6,856,264 (GBP 4,597,125).

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2.5 Notes to the balance sheet

Movement summary from the date of issuing until March 31, 2015 is as follows:

	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>GBP</u>
Issued in 1994	GBP	8.625%	25-03-2019	200,000,000
Repurchased in 2005	GBP	8.625%	25-03-2019	(19,900,000)
Repurchased in 2007	GBP	8.625%	25-03-2019	(1,500,000)
Repurchased in 2008	GBP	8.625%	25-03-2019	(31,900,000)
Sold during 2008/2009	GBP	8.625%	25-03-2019	53,300,000
				200,000,000

The amounts presented as repurchased in the relevant years are stated at par value. Any differences between the par value and market price were expensed by Cable & Wireless Limited.

The market value of the bonds at the balance sheet date amounts to USD 345,652,498 (GBP 231,760,000). As at March 31, 2014 the market value of the bonds amounted to USD 384,948,011 (GBP 233,240,000).

Current liabilities [6]

Interest payable to bond holders

The interest payable to bond holders of USD 314,513 equal to GBP 210,881 (2013: USD 348,046 equal to GBP 210,881) relates to interest due to the holders of the bond loan, which is payable at March 25, 2016.

Interest payable to shareholder

The interest payable to shareholder of USD 114,271 equal to GBP 76,619 (2013: USD 126,455 equal to GBP 76,619) relates to interest due on the bond loan, which is payable at March 25, 2016.

Corporate income tax

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Corporate income tax for the year	14,682	1,991
Corporate income tax receivable for prior year	(1,751)	-
	12,931	1,991

Accrued expenses and other liabilities

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Management fee payable	1,461	1,859
Tax advisory fee payable	6,646	8,342
Audit fee payable	29,251	31,023
	37,358	41,224

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2.6 Notes to the statement of income

Financial income and expense

Income [7]

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Interest income		
Interest income group companies	28,157,270	28,908,111
	<u>28,157,270</u>	<u>28,908,111</u>

Currency exchange results

Exchange gain on amounts due from group companies	-	25,342,336
Exchange loss others	-	(25,319,887)
	<u>-</u>	<u>22,449</u>

Expense [8]

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Interest expense		
Interest expense - bonds	25,727,069	28,470,045
Interest expenditure tax authority	57	-
	<u>25,727,126</u>	<u>28,470,045</u>

The interest to the bondholders is settled by Cable & Wireless Limited.

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Currency exchange results		
Exchange loss on amounts due from group companies	(31,888,743)	-
Exchange gain others	31,830,701	-
	<u>(58,042)</u>	<u>-</u>

Renunciation of bond interest [9]

As at March 31, 2015 Cable & Wireless Limited is one of the bond holders for a face value of GBP 53,300,000 as a result of past market repurchases. Cable & Wireless Limited was entitled to receive interest in a total amount of USD 6,856,264 (GBP 4,597,125) on March 25, 2015 (USD 7,587,267 (GBP 4,597,125) on March 25, 2014). Cable & Wireless Limited irrevocably renounced its right to receive payment of interest. As a result of the renunciation of interest the Company realized a net gain on bond interest of USD 6,856,264 (GBP 4,597,125) (USD 7,587,267 (GBP 4,597,125) on March 25, 2014).

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2.6 Notes to the statement of income

Waiver loan interest receivable [10]

The waiver of loan interest receivable relates to the interest due from Cable & Wireless Limited on the GBP 200,000,000 loan. The Company was entitled to receive interest in a total amount of USD 6,856,264 (GBP 4,597,125) on March 25, 2015 (USD 7,587,267 (GBP 4,597,125) on March 25, 2014). The Company waived its right to receive payment of interest.

	<u>2014/2015</u>	<u>2013/2014</u>
	USD	USD
Corporate income tax [11]		
Charge for the year	65,270	70,782
Amendments to prior year tax position	(17,039)	-
	<u>48,231</u>	<u>70,782</u>

The effective tax rate for the year amounts to 19.98% (previous year 20.96%).

The Company concluded a tax ruling with the Dutch tax authorities on January 28, 2011 wherewith the method of the determination of the taxable result was agreed. This tax ruling expired on December 31, 2014. A new tax ruling is currently discussed with the Dutch tax authorities, however this has not been finalized at the date of approving this report.

The Company has filed its corporate income tax returns for all calender years except for 2014/2015, which is not yet due as of the date of this report. The Company has received its latest final Dutch Corporate Income Tax (CIT) assessment on May 31, 2014 for the 2012/2013 tax year which was in line with the originally filed return.

Audit fee disclosure

The following fees for 2014/2015 have been or will be charged by KPMG/Grant Thornton to the Company:

	<u>KPMG/Grant Thornton Accountants 2014/2015</u>	<u>KPMG network 2014/2015</u>	<u>Total KPMG/ Grant Thornton</u>
	USD	USD	USD
Statutory audit of annual accounts	35,154	-	35,154
Tax advisory services	-	30,125	30,125
	<u>35,154</u>	<u>30,125</u>	<u>65,279</u>

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2.6 Notes to the statement of income

Employees and directors

During the year under review the Company did not employ any personnel (previous year: nil). The Company has three statutory directors. Two directors received a total remuneration of USD 8,361 in that capacity (previous year: USD 10,110). One director did not receive a remuneration during the year under review.

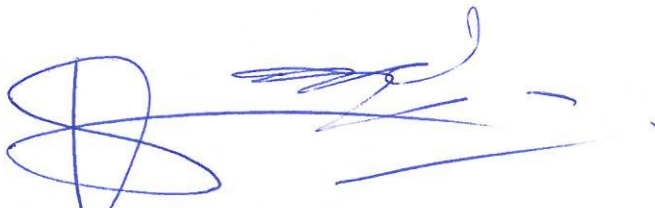
The Company has no supervisory board, as such no remuneration thereof.

Amsterdam, July 24, 2015

Managing directors,



B.H.Y. Bradberry



Robin Corporate Services B.V.



Intertrust Management B.V.

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3. Other information

3.1 Audit of the financial statements

The Company qualifies as a middle sized company. Therefore, based on Part 9 of Book 2 of the Dutch Civil Code, the Company is required to have its financial statements audited.

3.2 Statutory provisions concerning appropriation of result

In accordance with article 23 of the articles of association, the net result for the year is at the disposal of the General Meeting.

Book 2 of the Dutch Civil Code prescribes that the General Meeting may resolve on any profit distribution to the extent that the shareholder's equity exceeds the amount of the reserves to be maintained by law and the articles of association of the Company.

The Company may only follow a resolution of the General Meeting to distribute after the management board has given its approval to do this. The management board withholds approval, at the moment of distribution, only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

3.3 Appropriation of result for the year ended March 31, 2014

The 2013/2014 annual accounts were adopted at the General Meeting held on July 29, 2014. The General Meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

3.4 Proposed appropriation of result

Management proposes to credit the profit for the year to the accumulated deficit brought forward from the previous accounting period.

3.5 Post-balance sheet events

Management is not aware of events that took place after balance sheet date that could have a material effect on the financial position of the Company.

3.6 Auditors' report

To: the Board of Directors and General Meeting of Shareholders of
Cable and Wireless International Finance B.V.

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements for the year ended March 31, 2015 of Cable and Wireless International Finance B.V., Amsterdam as set out on pages 4 to 19.

In our opinion:

- The financial statements give a true and fair view of the financial position of Cable and Wireless International Finance B.V. as at March 31, 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at March 31, 2015;
2. the profit and loss account for the year then ended and
3. notes comprising a summary of the accounting policies and other explanatory information.

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Cable and Wireless International Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)" and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants (VGBA)".

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise from fraud or error and will be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 3.1 million. The materiality is based on 1% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with Management that misstatements in excess of USD 155 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to Management. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Valuation of the loans issued

We consider the valuation of the loans issued to the parent company Cable and Wireless Limited, as disclosed in note 2.5(1) to the financial statements for a total amount of USD 308,058 thousand, as a key audit matter. This is due to the size of the loans and given that an impairment may have a material effect on the income statement.

Management did not identify any impairment triggers regarding the loans issued to the parent company, initially recognized at its fair value and subsequently measured at amortized cost using the effective interest method.

We have performed detailed audit work addressing the existence and valuation of the loans issued to the parent company, through confirmation procedures, audit of data input to calculate the amortized cost and reconciliation with the general ledger, testing on a sample basis the movements on the loans to the contracts and bank statements and analysis of the financial situation of the parent company to which the loans have been provided and assessed whether there were any impairments triggers.

We concur with the position taken by the Managing Directors as set out in the financial statements with respect to the valuation of the loans issued to the parent company.

Valuation of bond liability and appropriateness of interest calculations

We consider the valuation of the bond liability issued on the London, Hong Kong and Frankfurt Stock Exchanges, as disclosed in note 2.5(5) to the financial statements for a total amount of USD 298,285 thousand, as a key audit matter. This is due to the size of the liability and given that a misstatement may have a material effect on the income statement.

Management did not identify any misstatements regarding the bond liability initially recognized at its fair value and subsequently measured at amortized cost using the effective interest method.

We have performed detailed audit work addressing the valuation of the bond liability and appropriateness of interest calculations, through audit of data input to calculate the amortized cost and reconciliation with the general ledger, testing on a sample basis the movements on the bond liability and interest to supporting documentation and bank statements and assessed whether there were any misstatements.

We concur with the position taken by the Managing Directors as set out in the financial statements with respect to the valuation of bond liability and appropriateness of interest calculations.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Directors' Report as set out on pages 2 and 3 in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and / or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the management report and the other information

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code (concerning our obligation to report about the management report and other data), we declare that:

- We have no deficiencies to report as a result of our examination whether the Directors' Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed.
- Further we report that the Directors' Report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Appointment

We were engaged by the Management Board as auditor of Cable and Wireless International Finance B.V. on June 12, 2015, as of the audit for year ended March 31, 2015 and have operated as statutory auditor ever since that date.

Amsterdam, July 24, 2015

Grant Thornton Accountants en Adviseurs B.V.



drs. P.N. van Vuure RA