

Interim Results 2012/13

Cable & Wireless Communications Plc

8 November 2012



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Agenda

Introduction

Tony Rice
CEO

Group Financial Review

Business Review

Summary



Highlights

- Trading in line with expectations
- Mobile data revenue growth across all markets – up 36%
- Subscriber growth in Jamaica
- Mobile leadership extended in Panama despite competition
- Operational progress in The Bahamas
- Caribbean restructuring underway
- Outlook maintained

Agenda

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Group Financial Review

Tim Pennington
CFO

Business Review

Summary



Financial Highlights

- Revenue up 1%¹ at \$1.4bn
 - Increased smartphone penetration driving mobile data
 - Growth in Macau handset sales
- EBITDA up 2%¹ to \$445m
 - Strong underlying performance in The Bahamas, Macau
- Net profit up 11% to \$120m, adjusted EPS of 3.4c per share
- Net debt of \$1,588m
 - Underlying cash flow in line
 - Non recurring items
 - 2012 sterling bond redeemed and refinanced
- Interim dividend of 1.33c per share

¹At constant currency

Trading results

\$m	Reported H1 12/13	Reported H1 11/12	Reported change %
Revenue	1,431	1,442	(1)%
Gross margin	933	966	(3)%
Operating costs	(488)	(523)	7%
EBITDA¹	445	443	0%
Capex	(177)	(153)	(16)%
OCF¹	268	290	(8)%

¹Pre-exceptionals

Business unit performance

Good underlying performance in Macau and The Bahamas

Panama \$m	H1 12/13	Reported change
Revenue	286	(7)%
EBITDA	115	(9)%
Capex	58	(18)%

Macau \$m	H1 12/13	Reported change
Revenue	310	20%
EBITDA	87	4%
Capex	19	(12)%

Caribbean \$m	H1 12/13¹	Reported change
Revenue	553	(4)%
EBITDA	137	4%
Capex	61	(22)%

Monaco & Islands \$m	H1 12/13	Constant currency
Revenue	280	0%
EBITDA	94	2%
Capex	35	(6)% ²

¹ Caribbean 2011/12 figures include The Bahamas (acquired 6 April 2011)

² Reported change

Earnings

Lower exceptionals improve net profit

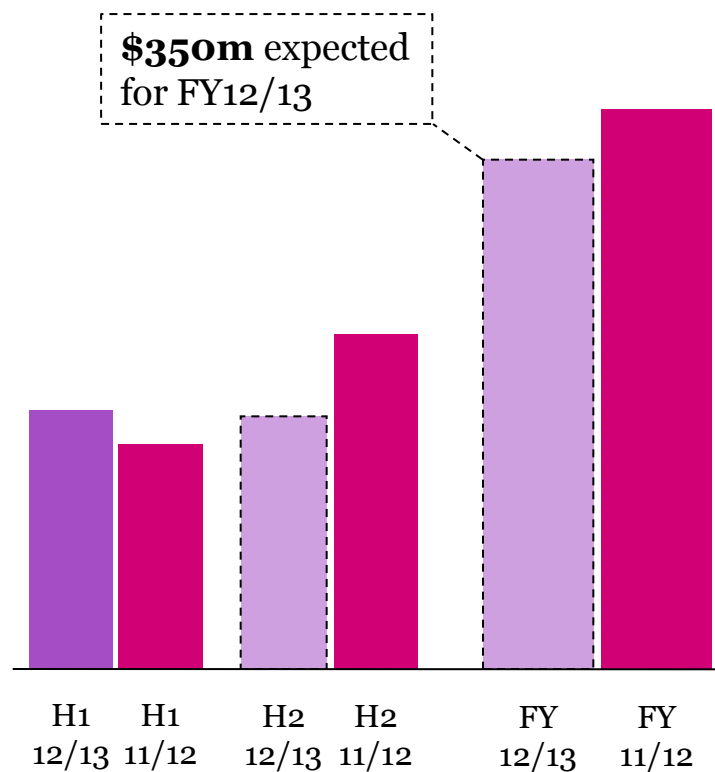
\$m	Reported H1 12/13	Reported H1 11/12	% change
EBITDA	445	443	0%
Depreciation and amortisation	(170)	(175)	3%
Other operating income / (expense) and joint ventures	7	6	17%
Total operating profit (before exceptionals)	282	274	3%
Exceptionals	(26)	(58)	55%
Total operating profit	256	216	19%
Net finance charge	(77)	(73)	(5)%
Other	(15)	2	nm
Tax	(44)	(37)	(19)%
Profit for the period	120	108	11%
Adjusted EPS¹	3.4c	3.8c	

¹ Adjusted EPS is before exceptional items, gains/(losses) on disposals, amortisation of acquired intangibles and transaction costs

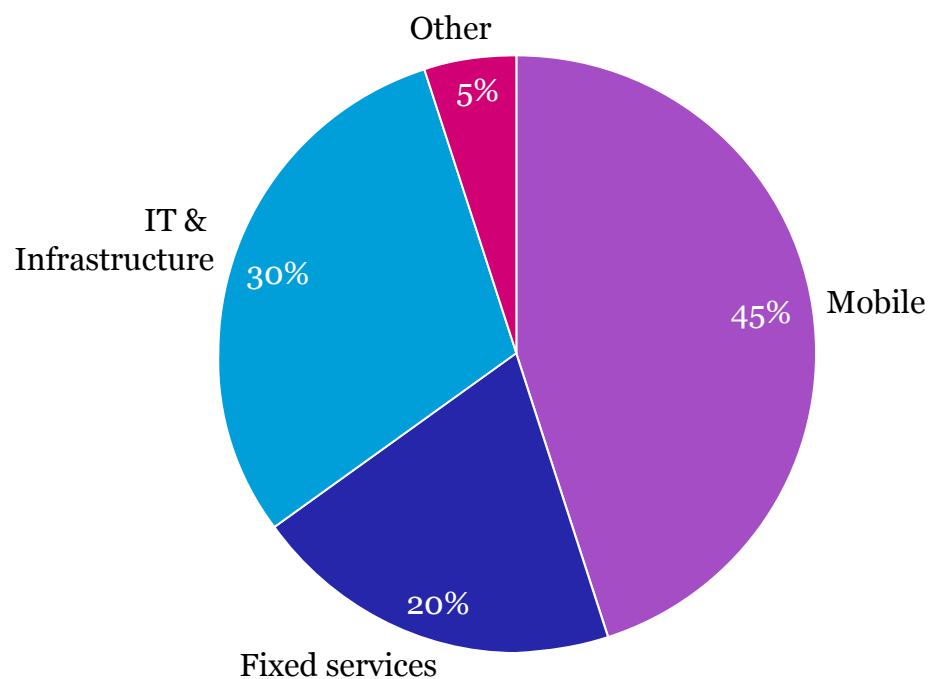
Capital expenditure

Investing in data capability

Total spend



By product area



Group cash flow

Outflows weighted to H1

\$m		Reported H1 12/13	Reported H1 11/12	Reported H2 11/12
Underlying operations	EBITDA ¹	445	443	458
	Capital expenditure	(177)	(153)	(230)
	OCF ¹	268	290	228
	Working capital / investment income	(44)	(38)	45
	Underlying FCF	224	252	273
Fixed charges	Tax ²	(77)	(64)	(26)
	Interest ³	(50)	(66)	(59)
	Minority Dividends	(104)	(120)	(63)
Underlying Equity FCF		(7)	2	125

¹Pre-exceptionals

² Excluding \$12m additional tax due to change in Panama legislation

³ Excluding \$27m interest paid on 2012 bond in H1 12/13

Group net debt

Underlying Equity FCF in-line, debt driven by non-recurring items

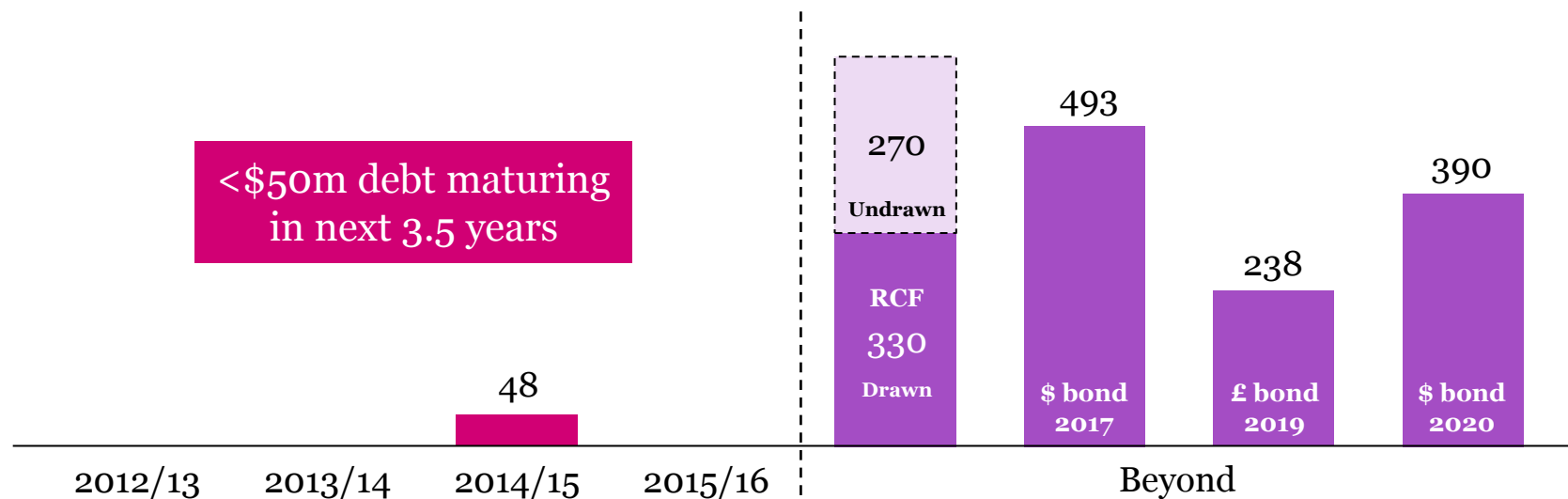
Net debt bridge

\$m

Net debt March 2012	1,395	Net Debt / LTM EBITDA: Consolidated: 1.5x Proportionate: 2.5x
Underlying Equity Free Cash Flow	7	
Dividends to CWC shareholders	133	Payment of final portion of prior year 8c dividend
Cash exceptionals	11	Similar payment based on 4c dividend would give c.\$66m
Sterling 2012 bond coupon	27	
Panama tax payment timing	12	Non-recurring
Other	3	
Net debt September 2012	1,588	Net Debt / LTM EBITDA: Consolidated: 1.8x Proportionate: 2.7x

Central debt maturity profile

2012 bond refinanced, strong maturity profile



- Strong liquidity
 - \$266m of cash and cash equivalents
 - \$270m of undrawn central bank facilities
 - Subsidiary net debt of \$102m,
 - Gross debt \$355m; \$199m due < 1 year

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Five year ambition

Executing against four key strategic priorities

**Growth through
investment in data-based
product lines**

**Scale, focus and
integrate our business**

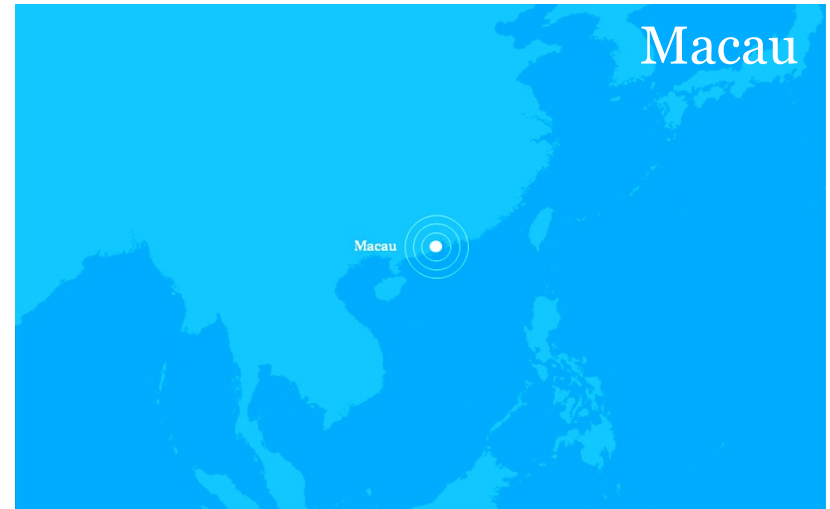
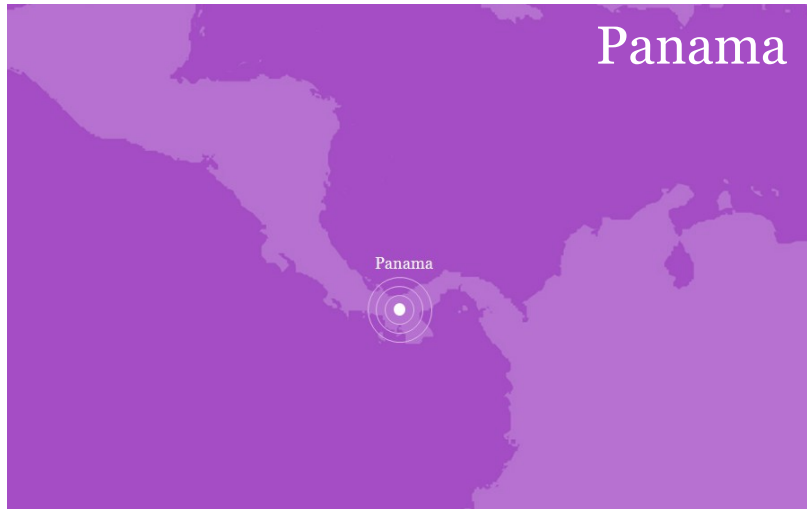
Portfolio management



**Value accretive capex,
leading next generation
data networks and service
platforms**

**Disciplined and
innovative pricing
and bundling**

Our businesses





Panama review

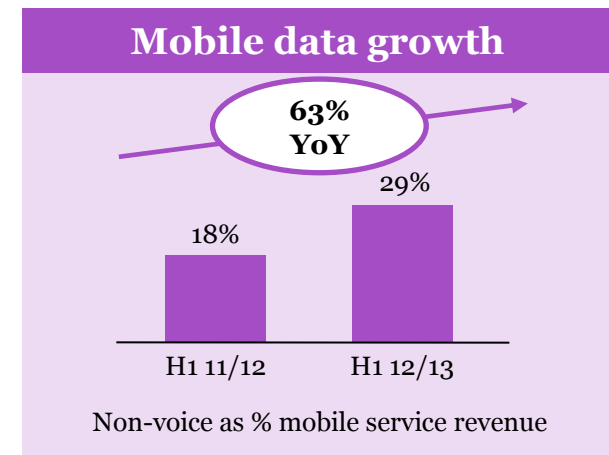
Maintaining market leadership, good mobile data growth

Market conditions

- Remains Central America's most competitive mobile market
- Healthy managed services pipeline, some delay in Government contracts

Business Performance

- Mobile revenue growth of 2%, increased market leadership
- Postpaid base up 9%
- Strong mobile data with 26% customers smartphone enabled
- Good Enterprise and Government opportunities in H2



Key developments

- Awarded contracts
 - Government electronic document programme
 - Hospital Information System contract

Caribbean review

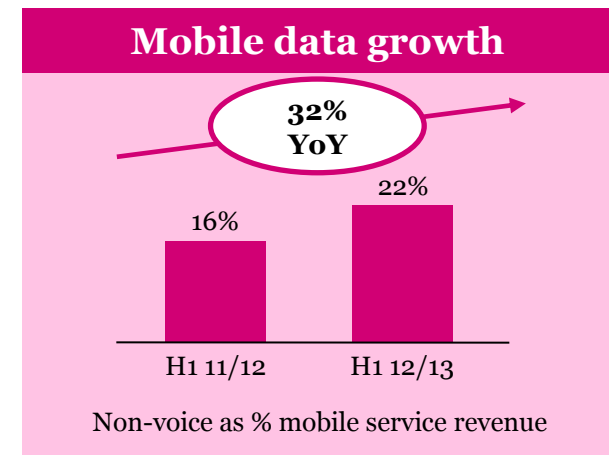
Progress in Jamaica and The Bahamas

Market conditions

- Termination rates reduced in Jamaica
- Economic climate remains tough, particularly Eastern Caribbean

Business Performance

- Mobile non-voice up 32%
- LIME TV launched in Barbados, 1,300 new subscribers
- Growth in corporate data solutions
- Operating costs reduced



Jamaica

- Capitalising on level playing field
- 100k new subscribers, 3% market share increase
- More to do on regulatory environment

The Bahamas

- Building world class telecoms for The Bahamas
- \$70m invested in 18 months since ownership
- Smartphones 43% of sales, HSPA+ data up 600% in 18 months, LTE spectrum secured

Macau review

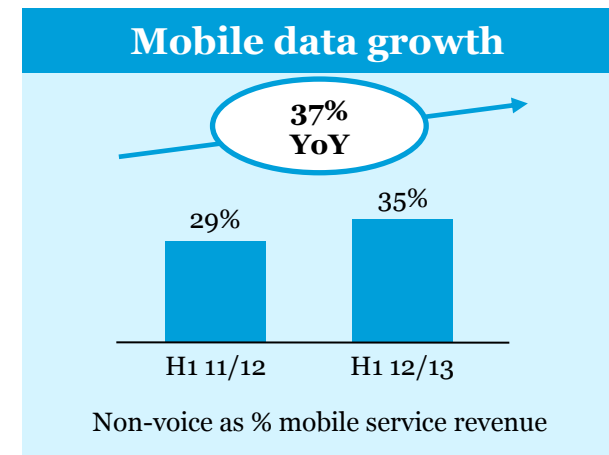
Strong growth; mobile data momentum continues

Market conditions

- Economic growth slowing but still positive
- Gaming revenues up 15%, visitor numbers up 1%

Business Performance

- Mobile revenue growth of 41%
 - Service revenue up 14%
- Data usage growth of over 50%
- Broadband revenue and subscribers up 4%



Key developments

- Significant demand for iPhone 5 anticipated to continue through H2

Monaco & Islands review

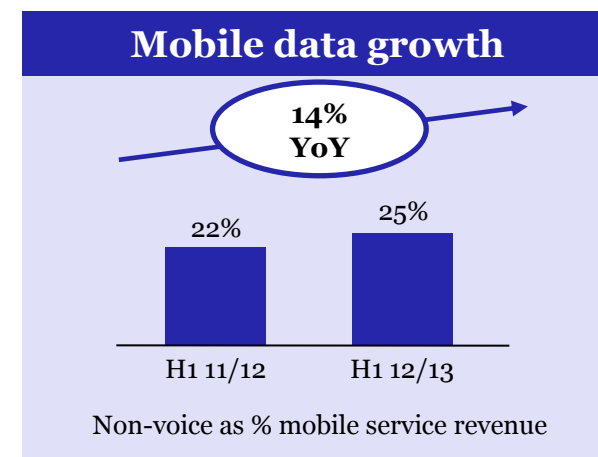
Continuing good underlying performance

Market conditions

- Mobile service growth in Monaco and Guernsey at a constant currency
- Currency shifts negatively impacting translation to US\$

Business Performance

- Double digit revenue growth in Jersey and Isle of Man on strong mobile performance
- Roll out of fibre-to-the-curb in Seychelles
- Maldives subsea cable spanning 1,000km now lit



Key developments

- Disposal of West African enterprise business

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Highlights

Delivering on the strategy

More of the same in H2

Portfolio reshaping

Data growth 'inexorable'

Thank you Questions

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