C&W Communications

Interim Results
2015/16

Strong First Six Months Trading
Integration Benefits Increasing

Cable & Wireless Communications Plc

"Connecting Communities…
Transforming Lives"

5 November 2015

Important notice

This presentation 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 Plc's 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 disposals. A summary of some of the potential risks faced by Cable & Wireless Communications Plc is set out in the Company's most recent Annual Report.

Forward-looking statements speak only as of the date they are made and Cable & Wireless Communications Plc undertakes no obligation to revise or update any forward-looking statement contained within this presentation 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).

C&W Communications

Agenda

Highlights

Financial review & synergy update

Operational review

Q&A

Full year outlook in line with guidance; strong first six months trading
3 year plan on track; integration benefits increasing

H1 Revenue up 4% to $1.2bn; H1 EBITDA up 4% to $427m; Q2 EBITDA up 11% on prior year

Year 2 of Project Marlin – $265m spend, with significant additional traffic carried

Cost synergies upgraded by 47% to $125m; no change in costs to achieve

Run rate H1 cost savings of $25m; year end $70m

Unifying Mission, Values and Culture launched

C&W Communications

Agenda

Highlights

Financial review & synergy update

Operational review

Q&A

Financial highlights for H1 2015/16

Revenue 4% higher at $1,179m

- EBITDA up 4% to $427m
- Proportionate EBITDA up 5% to $327m

Integration on track

- $25m reduction in run rate opex
- Material upgrade of cost synergies from $85m to $125m over three years

Prudent refinance of acquisition debt

- New $750m 2022 bond issued
- No central maturities until 2019

Lower capital expenditure

- Capex of $265m, down 8%

Operating cash flow 30% higher at $162m

Adjusted EPS of 1.3c in line with expectations

Good revenue and EBITDA progress, and lower capex drives 30% improvement in OCF

CWC $m	H1 15/16	H1 14/15 (pro forma)	Change %
Revenue	**1,179**	**1,132**	1 **4%**
Operating costs	446	435	2 (3)%
EBITDA[1]	**427**	**412**	**4%**
Capex	265	287	3 8%
OCF[1]	**162**	**125**	**30%**

1

Revenue growth of 4% due to:
- Mobile up 1%
- Broadband up 6%
- Video up 3%
- Managed services up 14%
- Fixed voice down 3%

2

Operating costs up 3% due to Sonitel acquisition and Networks / LatAm investments

EBITDA up 5% on a proportionate basis

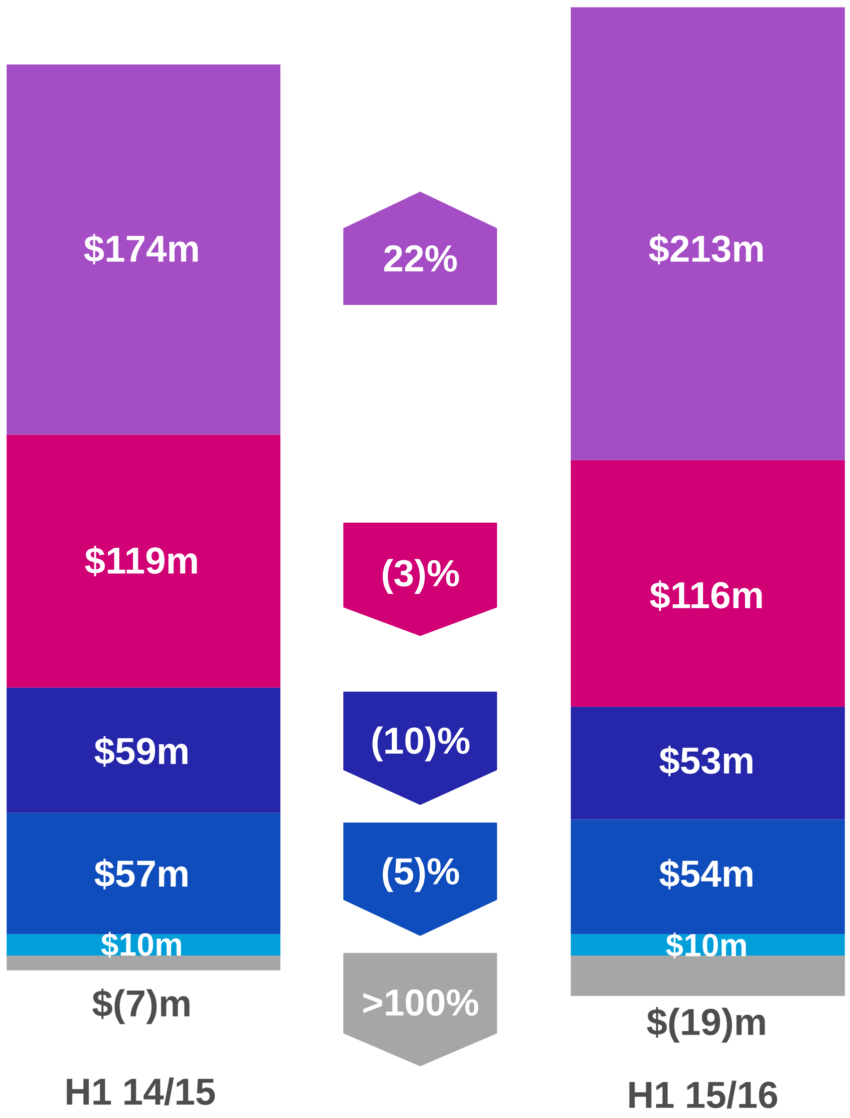
3

Capex of $265m (down $22m) in line with guidance

On track to reach 14% of sales run rate by end of FY17/18

[1] Pre-exceptionals

Strong Caribbean EBITDA performance offset by Panama and BTC



Caribbean	• Improved networks drive mobile revenue up 10% and broadband up 9% • Jamaica mobile revenue up 16% (20% constant currency) • Opex down 5% driving EBITDA up 22%
Panama	• Intense competition and OTT drives mobile revenue down 1% • Fixed voice down 9% following fixed to mobile substitution • Overall revenue growth of 7% due to Sonitel, however increased cost of sales and opex lead to EBITDA down 3%
BTC	• Mobile revenue down 6% as roaming rates reduced • Opex down 5% mitigating EBITDA decline to 10%
Networks / LatAm	• Revenue up 8% despite 38% devaluation of Colombian peso • Investment to build LatAm salesforce led to EBITDA down 5%
Seychelles	• Revenue growth of 8% and EBITDA growth of 11% at constant currency
Other	• Central costs increased as capabilities were increased, including commercial, technology and business solutions

Adjusted EPS of 1.3c in line with impact of Columbus acquisition

$m	H1 15/16 Pre-exceptionals	H1 15/16 Exceptionals	H1 15/16 Total	H1 14/15 Total
EBITDA	**427**	**-**	**427**	**412**
Depreciation and amortisation	(201)	-	(201)	(172)
Net other operating (expense) / income and JVs and associates	(12)	-	(12)	(14)
Operating profit (pre-exceptionals)	**214**	**-**	**214**	**226**
Exceptional operating costs	-	1 (24)	(24)	-
Total operating profit	**214**	**(24)**	**190**	**226**
Net finance expense	(123)	2 (23)	(146)	(72)
Put option interest	-	3 (45)	(45)	-
Tax	(22)	3	(19)	(40)
Net profit / (loss) for the period	**69**	**(89)**	**(20)**	**114**
Adjusted EPS[1]	**1.3c**			**1.9c[2]**

1 Exceptional costs relate to integration
- $92m of $110m integration exceptionals have been expensed

2 Fees incurred following refinancing of the Columbus acquisition bridge loan facility

3 Non cash interest charge relating to the discount unwind of the put option granted to the Columbus vendors

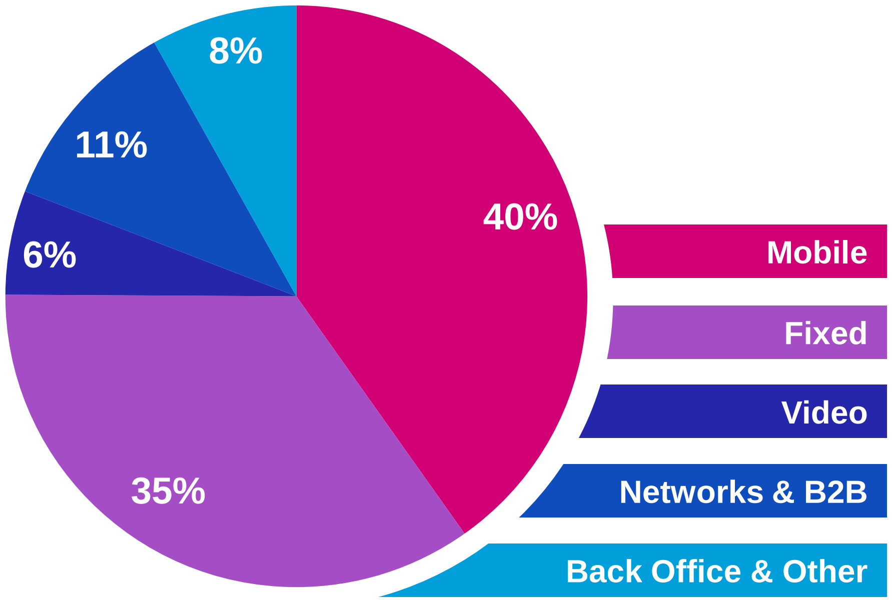
[1] Adjusted EPS is before exceptional items, gains/losses on business disposals, amortisation of acquired intangibles, transaction costs, unwinding of the Columbus put option liability and foreign exchange gains/losses on financing activities
[2] H1 14/15 adjusted EPS as reported for CWC, excluding any pro forma adjustments for Columbus

Underlying Equity FCF performance impacted by first half working capital outflow

Group cash flow

$m		H1 15/16
Underlying operations	**EBITDA[1]**	**427**
	Cash capital expenditure	(265)
	Working capital[2]	(89)
	Underlying FCF	**73**
Fixed charges	Tax	(23)
	Interest	(91)
	Minority dividends	(35)
	Underlying Equity FCF	**(76)**

H1 15/16 capex spend by category



1 Several items to reverse in H2:
- Prepayment of tax in Panama
- Increased smartphone inventory ahead of Christmas period
- Increase in receivables related to entities temporarily carved out upon acquisition of Columbus

[1] Pre-exceptionals
[2] Includes investment income

Post exceptional items, proportionate net debt increases to $2.7bn

Net debt bridge
$m

Net debt March 2015	**(2,366)**
Columbus acquisition related costs	1 (141)
Net debt post Columbus acquisition related costs	**(2,507)**
Underlying Equity FCF	(76)
Dividends to CWC shareholders	(116)
Cash exceptional items	2 (77)
Pension payment	3 (48)
Amortisation of fees and FX on unsecured Sterling bond	(8)
Net debt September 2015	**(2,832)**
Proportionate net debt September 2015	**(2,710)**

1

$47m employee incentive programme

$67m transaction costs relating to the acquisition expensed in prior year

$27m issuance costs related to 2022 bond

2

$34m relating to integration

- Remaining integration cash exceptionals of $76m

$43m other activities including headcount reduction in Panama and BTC

3

Next payment £33m in April 2016

2017-19 payments: £0 - £23m pa[1]

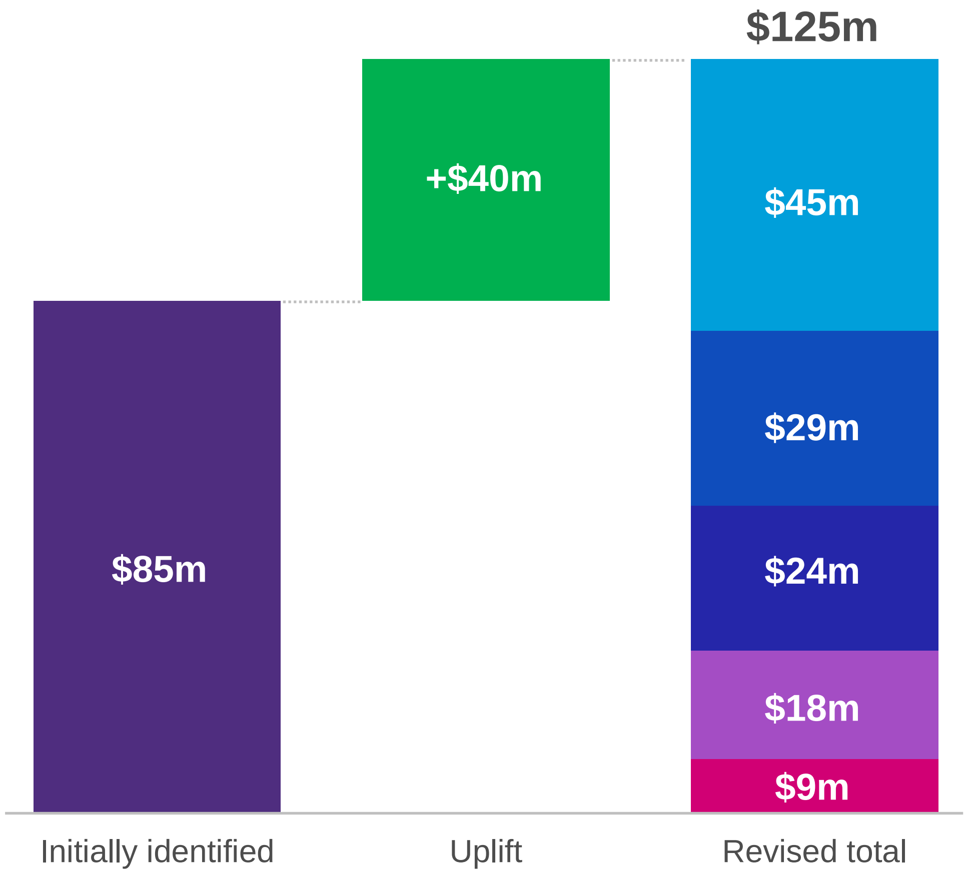
	Current leverage	Long term target
Proportionate net debt to EBITDA	4.1x	2.5x - 3.0x

[1] Based on outcome of triennial valuation as at 31 March 2016. Range of £0 – £23 million per annum, as necessary to fund scheme by April 2019

Outlook continues in line with 3 year guidance

Revenue	**Enhanced Revenue Growth** – annual mid to high single digit % top line growth	✓
EBITDA	**Significant Growth** – through revenue growth, material synergy realisation, operating efficiencies and consolidation of best practices	✓
EPS	**EPS Accretion** – material accretion from FY16/17, dilutive in first year	✓
ROIC	**>10%** return on invested capital by year 3	✓
Capex	**Reduction to normalised levels** – post Marlin, capital intensity to fall to c.14% of revenue in FY17/18	✓
Leverage	**Target leverage** – 2.5x to 3.0x proportionate net debt to EBITDA	✓
Dividend	**No change to dividend policy**	✓

Cost synergies materially upgraded by 47% to $125m run rate by FY17/18
No change in $110m cost to achieve



Headcount reductions	Rationalisation of overlapping headcount in back office, sales and marketing and customer service roles
Network & systems consolidation	Transition to Columbus' fixed line network and combining infrastructure where network footprint overlaps, renegotiation of maintenance fees, consolidation of network and service operating centres, harmonisation of IT systems
Implementation of new operating model	Centralisation of core back office functions and increased focus of in-market resources on commercial activities, focussed on Panama and the Bahamas
Insourcing of field operations and customer service	Cancelling legacy CWC contracts with external providers for network maintenance and insourcing activities
Property, procurement and other	Renegotiation of vendor rates, reduction of real estate costs, leverage of Columbus' video content buying terms and access to greater economies of scale

Phasing: 55% by the end of year 1, 75% year 2, and 100% year 3

Good start in achieving opex synergies with acceleration into full year

	Opex synergy run rate H1	$25m	New opex synergy run rate FY target	$70m
Headcount reductions	Headcount reduction of 450 gross exits (excluding Panama of 110)	$20m	Further headcount reduction of 340 gross exits to be completed	$27m
Network & systems consolidation	53,000 customers migrated from legacy networks in Barbados ~75% of regulatory migrations completed in Barbados	-	Migrate IP transit to C&W Networks Begin powering down legacy equipment in Barbados and Jamaica Consolidation of IT licenses and systems integrations	$8m
Implementation of new operating model	Headcount reduction of 110 gross exits in Panama	$3m	New operating model up and running in Panama Further 140 gross exits in Panama to be completed	$18m
Insourcing of field operations and customer service	Contract finalised for field services and NOC Insourced call centre operational model finalised	-	Further progress on insourcing of field services, NOC and call centre	$10m
Property, procurement and other	Closure of 5 admin and retail locations Savings on TV content rates and corporate phones	$2m	Closure of 15 additional locations Additional TV content savings Scale savings in materials purchasing and elimination of duplicate services	$7m

Agenda

Highlights

Financial review & synergy update

▶ Operational review

Q&A

Strong progress in H1, continuing execution of our group strategy

Objective

Grow customer relationships and lifetime value by being "#1 for customer service"

Strategic pillars

1. Mobile leadership
2. Fixed-mobile convergence
3. Video and content leadership
4. Grow B2B / B2G business
5. Build leading wholesale network
6. Make the integration a success

Creating the leading quad play provider in the region

C&W Consumer: Continued investment has driven data uptake with 81% of Group capex spend on consumer business

1 Mobile leadership | 2 Fixed-mobile convergence | 3 Video and content leadership

New HSPA+ sites: **+187** **+8%**

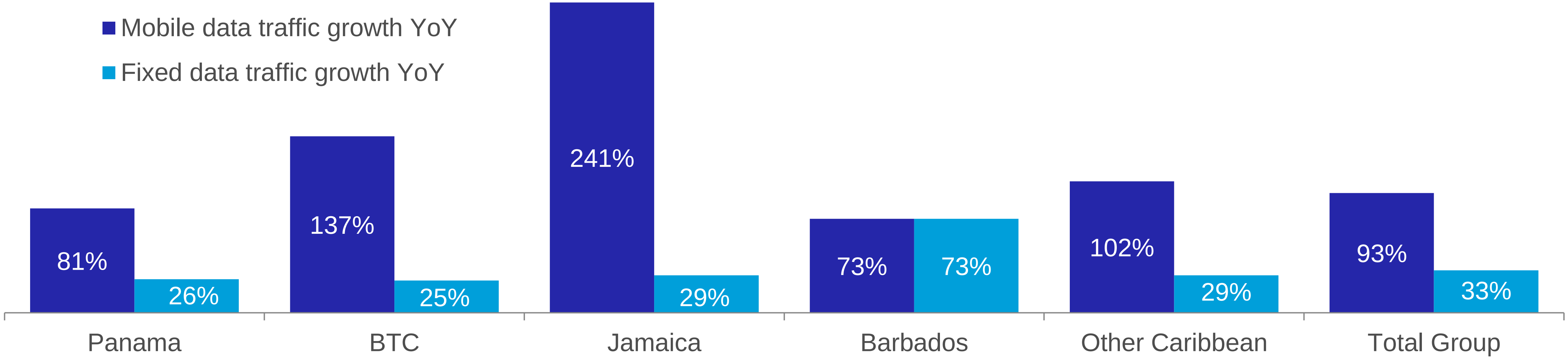
New LTE sites: **+73** **+19%**

Fibre rolled out: **+832km**

New mobile data plans: **+189k** **+38%**

September data usage / subscriber: **1GB** **+9%**

New homes passed: **+33,400**



Total blended cost per GB transferred down c.30% YoY

C&W Consumer: Data revenue growth following network improvements

Mobile data revenue up 17%

- Segmentation / mix initiatives
- OTT / Content partnership: Deezer users consume 15-20% more data and generate 8% more revenue
- Data penetration up from 36% to 46%
- Lower cost handset availability (e.g. Huawei Y360 at landed cost c.$60): smartphone handset sales growing, now 69% of total
- Daily top-ups increased by 3% in Caribbean and 5% in Panama over last six months

Broadband revenue growth of 6%

- Relaunch of faster broadband packages
- Further investment planned in Panama and BTC (included in existing capex guidance)

C&W Consumer: New store format being rolled out across the Caribbean

1 Mobile leadership | 2 Fixed-mobile convergence | 3 Video and content leadership

FLOW BTC Everyday. +móvil

Relaunched 108 stores

2 new flagship stores

First mobile cross sell campaign to FLOW fixed subscribers in Barbados had a 19% conversion rate: annualised revenue benefit of c.USD$1m

C&W Consumer: Acquisition of Premier League rights and FLOW Sports Network launch in Q3 to drive video growth

1 Mobile leadership | 2 Fixed-mobile convergence | 3 Video and content leadership

FLOW SPORTS

Outperform in the video market	Content core to quad play uptake	Drive customer relevancy	New revenue streams
• Drive customer acquisition • Provided in 'Basic' package	• Driving video on the go	• Giving customers another reason to choose FLOW / BTC	• Multiplatform advertising, sponsorship, affiliate sales • FLOW TV in The Bahamas, IPTV in Panama

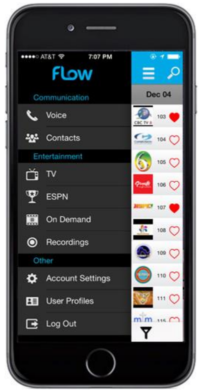
Exclusive content

PREMIER LEAGUE | Rio2016 | NFL

Premier League 3 year exclusive deal from August 2016

Unique experience

HD | 4K READY



- Multi-platform user experience
- Mobile clips driving data use and subscriptions
- Tight linkage to commercial strategy

C&W Business: Good progress towards new strategy

4
Grow B2B / B2G business

C&W Business

Connectivity

Enterprise Mobility

IT Solutions

Managed Networking

Media & Entertainment Services

Small Business Solutions

April monthly revenue
$58m

17%

September monthly revenue
$68m

New suite of Managed Services products launched

Investment in expanding data centre capability

H1 average of $500k monthly recurring sales won per month

Backlog of $2.3m in monthly recurring sales won, but not delivered

H1 headwinds from:

- Delays in national projects in Panama
- Colombian peso devaluation: $5m impact

Future focus on generating recurring revenues

C&W Business

C&W Business: Recent awards and contract wins underpins momentum in second half

FROST & SULLIVAN

Frost & Sullivan 2015 Central American & Caribbean Data Communications Services Industry Company of the Year

CISCO Master Service Provider

Cisco® Master Service Provider designation with the introduction of Cisco Powered™ MPLS VPN and Cisco Powered Metro Ethernet

AVAYA Engage The Power of We™

Avaya Central America and the Caribbean Mid-Market Partner of the Year for 2014

Gartner®

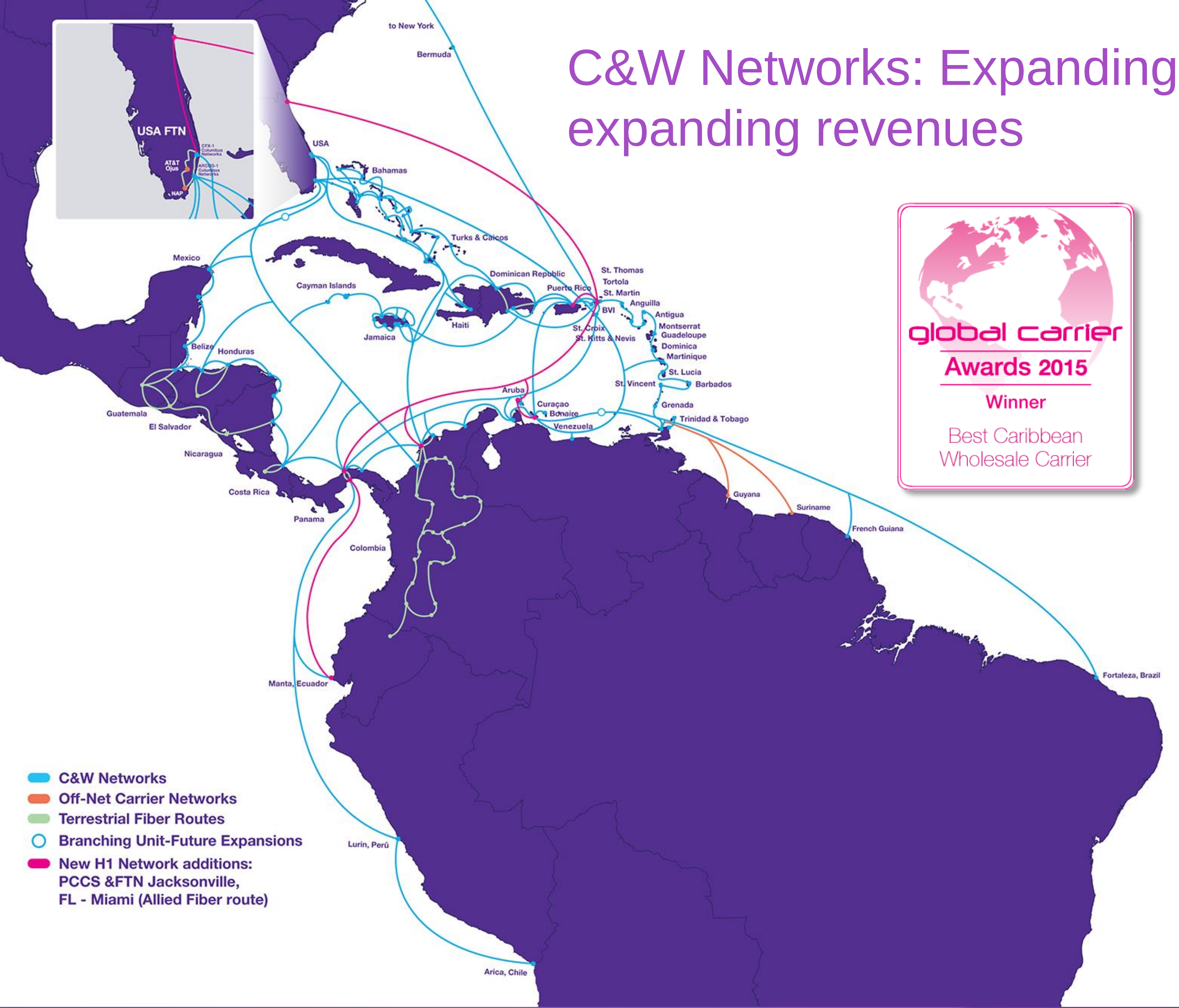
Gartner Magic Quadrant for Disaster Recovery as a Service (DRaaS)

Recent contract wins

Banking (Peru)	Financial services (Trinidad)	Banking (Guatemala)	Real estate (El Salvador)
Contract valued at $5.2m	5 year contract valued at $3.6m	3 year contract valued at $3.5m	5 year contract valued at $2.5m
Oracle Hardware / Software	Managed WAN, LAN & Wifi, Unified Communications	2,400 ATM network	Managed LAN, Wifi & IT infrastructure

C&W Networks: Expanding infrastructure, expanding revenues

C&W Networks



Completed new PCCS subsea system and seamless terrestrial backhaul link from Jacksonville, FL to Miami, FL

Completed long haul terrestrial link from Ecuador’s northern border to Cartagena, Colombia Caribbean coast cable station

- Enabled new monthly recurring revenue of $300k

Commenced construction of new Lima, Peru international gateway node

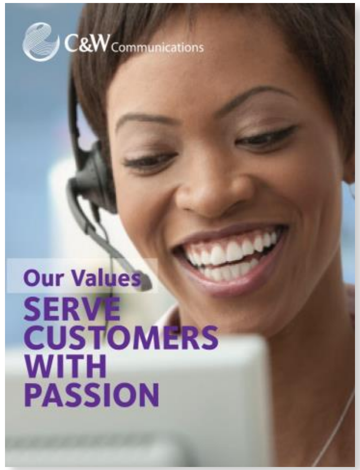
- Targeting ready for service in Q3

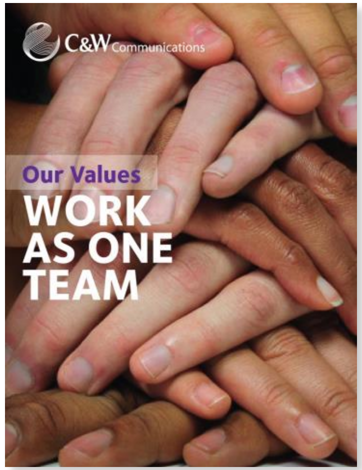
Closed multi-year carrier lease contracts exceeding $70m (total contract value)

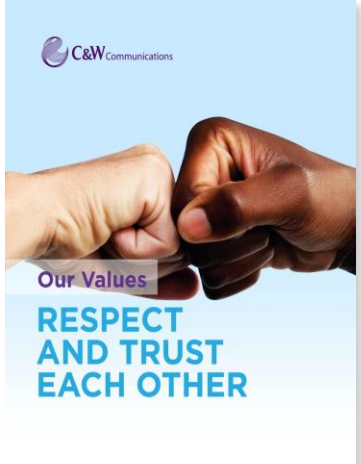
Mission, Values and Culture: Energising the business through increasing employee engagement

Synergy expectations materially upgraded	Rebranding underway	Launched Mission and Values company-wide	Leadership development programme launched	Great Places to Work Survey

Our Mission
CONNECTING COMMUNITIES...
TRANSFORMING LIVES







FLOW launched in: Barbados | Jamaica | Cayman | St. Kitts and Nevis | Trinidad and Tobago

Other Caribbean markets to follow

Full year outlook in line with guidance; strong first six months trading
3 year plan on track; integration benefits increasing

H1 Revenue up 4% to $1.2bn; H1 EBITDA up 4% to $427m; Q2 EBITDA up 11% on prior year

Year 2 of Project Marlin – $265m spend, with significant additional traffic carried

Cost synergies upgraded by 47% to $125m; no change in costs to achieve

Run rate H1 cost savings of $25m; year end $70m

Unifying Mission, Values and Culture launched

C&W Communications

Agenda

Highlights

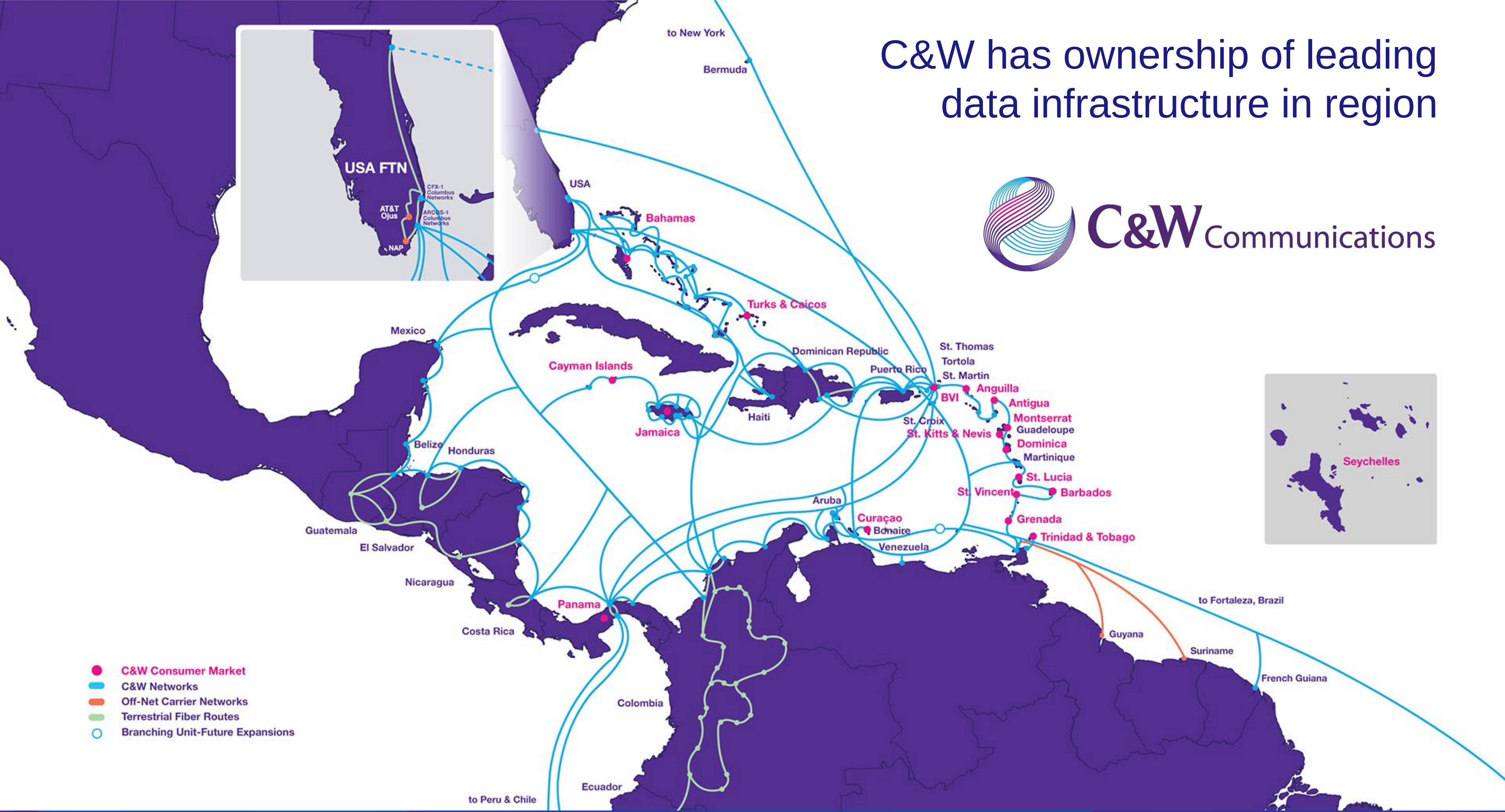
Financial review & synergy update

Operational review

Q&A

Appendix

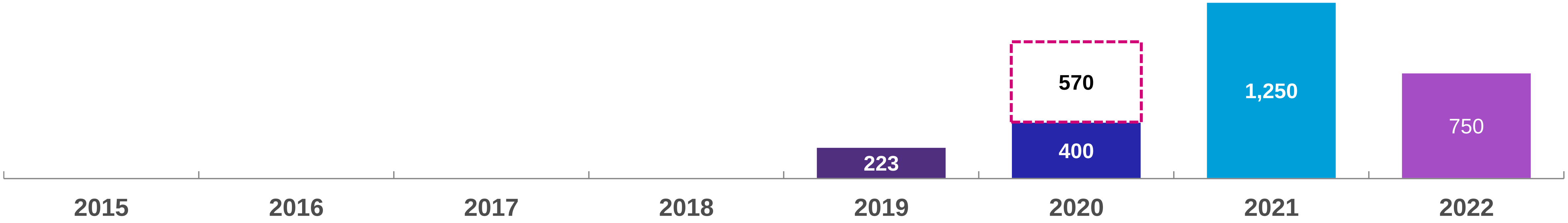
C&W has ownership of leading data infrastructure in region



C&W Communications

Following successful refinancing of acquisition debt, no central maturities until February 2019

CWC gross debt[1] ($m)



	2019 Unsecured £ Bonds	2020 Secured $ Notes	Secured RCF	2021 Unsecured $ Notes	2022 Unsecured $ Notes
Issuer and Instrument Rating[2]	Cable & Wireless International Finance B.V. (B/B1)	Sable International Finance Ltd. (BB-/Ba2)	Sable International Finance Ltd.	Columbus International, Inc. (BB-/Ba3)	Sable International Finance Ltd. (B/Ba3)
Amount	Issue Size: £200m Outstanding: £147m	Issue Size: $400m	Total Facility: $570m Utilised for LCs: £100m Drawn: $105m Available: c.$314m	Issue Size: $1,250m	Issue Size: $750m
Coupon	8.625% fixed	8.75% fixed	Drawn: L+375 bps[3] Undrawn: 150 bps[3]	7.375% fixed	6.875% fixed
Optional Redemption	Non-call life	Currently non-callable From 1 Feb. 2016 @104.375 From 1 Feb. 2017 @102.188 From 1 Feb. 2018 @100.000	Maturing 31 March 2020 Pre-payable at any time without premium or penalty	Currently non-callable From 30 Mar. 2018 @103.688 From 30 Mar. 2019 @101.844 From 30 Mar. 2020 @100.000	Currently non-callable From 1 Aug. 2018 @105.156 From 1 Aug. 2019 @103.438 From 1 Aug. 2020 @101.719 From 1 Aug. 2021 @100.000

[1] Excludes facilities held at operating level
[2] S&P and Moody's ratings as at 4 November 2015
[3] Subject to certain step-downs based on consolidated net leverage ratio