

**ANNOUNCEMENT**  
**25 JULY 2014**

**CABLE & WIRELESS COMMUNICATIONS PLC**  
**FIRST QUARTER INTERIM MANAGEMENT STATEMENT**

This interim management statement provides an update on the First Quarter performance and financial position of the Group since the year ended 31 March 2014. Interim results for the period ending 30 September 2014 are expected to be announced on 6 November 2014.

**Highlights**

- Group organic revenue flat at constant currency, reversing historical declines
- Good performance in mobile with revenue up 4%, driven by mobile data growth of 9%
- Mobile subscribers up 20% on like-for-like basis, with continued momentum in Jamaica (up 37%)
- Cost reduction programme on track to deliver \$100 million run-rate savings by end of year
- Initial phase of “Project Marlin” – our investment-led strategy – underway
- Customer service improving with NPS gains

**Phil Bentley, Chief Executive of CWC, commented:**

“In the First Quarter we have delivered a solid financial performance and mobilised “Project Marlin” – our new investment-led strategy. It is early days, but where we have upgraded our networks, I have been encouraged by the positive customer response in terms of increasing demand for data and improved Net Promoter Scores (NPS). With momentum building, we are on track to deliver our medium term targets.”

**Group Trading Performance**

Mobile revenue (which now represents 55% of Group revenue) was up 4% across the Group in the First Quarter. LIME growth was driven by continued strong subscriber additions in Jamaica, where revenue grew 34% at constant currency; in Cayman (+11%) following the successful introduction of LTE services; and in Panama (+5%) where increased advertising drove mobile data (+21%). Panama also achieved mobile ARPU growth for the first time in five quarters following increased focus on pricing.

Broadband and TV revenue, hampered by slower network speeds, grew only 3% and this is a key area where we expect to see improved performance over time as a result of the investments we are making under Project Marlin. The modest growth in Broadband and TV was more than offset by continued decline in fixed voice revenue.

Revenue in our B2B / B2G business – Managed Services – was impacted by reduced Government activity in Panama ahead of elections in May, but we remain confident that the new management team and organisational focus will come to fruition later in the year.

BTC in the Bahamas delivered solid financial performance alongside improved network reliability during the quarter. We await details of the proposed regulatory framework for the introduction of a mobile competitor later this year.

The cost reduction programme remains on track to achieve our target \$100 million of run-rate savings by 31 March 2015. Group operating costs were 4% lower than the prior year as savings in staff and network costs in the Caribbean were partly reinvested into increased advertising expenditure across all regions.

Mobilisation of “Project Marlin” has begun with \$81 million of capital expenditure during the quarter, double our spend in Q1 last year. We have upgraded 126 of our mobile sites in Jamaica since 1 April 2014 and expect to complete our 4G network later this year. The fibre build-out in Cayman is complete with over 11,000 homes passed. In Barbados we have now passed 26,000 homes with high-speed fibre. In Panama we successfully launched Direct-to-Home TV and ‘Movil Cash’ products, and, although it is early in the programme, we are exceeding our sales expectations.

Since we started tracking our customer satisfaction levels in April, our NPS has improved by 2 ppts across the Group. Again this is early in our transformation but we are seeing a clear correlation in better NPS scores where networks have been upgraded e.g. Cayman, Barbados and Antigua.

Overall Group trading performance is in line with the outlook indicated at 2013/14 results although we expect a greater weighting in the second half of the year due to higher advertising spend and the commencement of Project Marlin which is expected to generate revenue growth in the second half.

### Group Net Debt

At 30 June 2014, Group net debt was \$281 million, a decrease of \$399 million since 31 March 2014 following the receipt of proceeds from the disposal of Monaco Telecom.

### Key Performance Indicators

Subscribers (000s) <sup>1</sup>	Panama		
	30 Jun 14	31 Mar 14	30 Jun 13
Mobile <sup>1</sup>	2,304	2,159	1,897
Broadband	132	131	129
Fixed line	370	372	376
ARPU <sup>2</sup>	30 Jun 14	31 Mar 14	30 Jun 13
Mobile	\$13.1	\$12.9	\$15.4
Broadband	\$28.1	\$28.7	\$29.0
Fixed line	\$24.0	\$24.6	\$26.1

Subscribers (000s) <sup>1</sup>	LIME		
	30 Jun 14	31 Mar 14	30 Jun 13
Mobile <sup>1</sup>	1,211	1,198	994 <sup>3</sup>
Broadband	216	217	210
Fixed line	574	580	583
ARPU <sup>2</sup>	30 Jun 14	31 Mar 14	30 Jun 13
Mobile	\$19.4	\$18.6	\$23.1 <sup>3</sup>
Broadband	\$36.3	\$36.3	\$37.9
Fixed line	\$28.6	\$29.3	\$30.9

Subscribers (000s) <sup>1</sup>	BTC		
	30 Jun 14	31 Mar 14	30 Jun 13
Mobile <sup>1</sup>	308	308	300 <sup>3</sup>
Broadband	23	23	17
Fixed line	103	103	115
ARPU <sup>2</sup>	30 Jun 14	31 Mar 14	30 Jun 13
Mobile	\$64.8	\$62.8	\$70.7 <sup>3</sup>
Broadband	\$55.2	\$54.4	\$70.1
Fixed line	\$38.7	\$36.6	\$37.4

<sup>1</sup> Active subscribers are defined as those having performed a revenue-generating event in the previous 60 days

<sup>2</sup> ARPU is average revenue per user per month, excluding equipment sales

<sup>3</sup> Subscriber numbers and ARPU for LIME and BTC in the quarter ending 30 June 2013 are pro-forma adjusted to exclude subscribers with credit balances but no activity in the preceding 60 days

Cable & Wireless Communications will also host a conference call for investors and analysts. The details are:

Date: Friday 25 July 2014

Time: 07:30 (BST)

Details: Cable & Wireless Communications Plc Q1 IMS

UK: +44 (0)20 3427 1915

US: +1 646 254 3364

Confirmation Code: 7096289

Participants will have to quote the above code when dialling into the conference.

Audio playback of the call will be available shortly after the call finishes for seven days. The details for the playback are:

UK: +44 (0)20 3427 0598

US: +1 347 366 9565

Replay Access Code: 7096289

### **About Cable & Wireless Communications**

Cable & Wireless Communications is a full service communications business. We operate leading communications businesses offering mobile, broadband and domestic and international fixed line services in most of our markets as well as pay TV, data centre and hosting, carrier and managed service solutions. Our operations are focused on providing our customers - consumers, businesses, governments - with world-class service. We are the market leader in most products we offer and territories we serve. For more information visit [www.cwc.com](http://www.cwc.com).

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