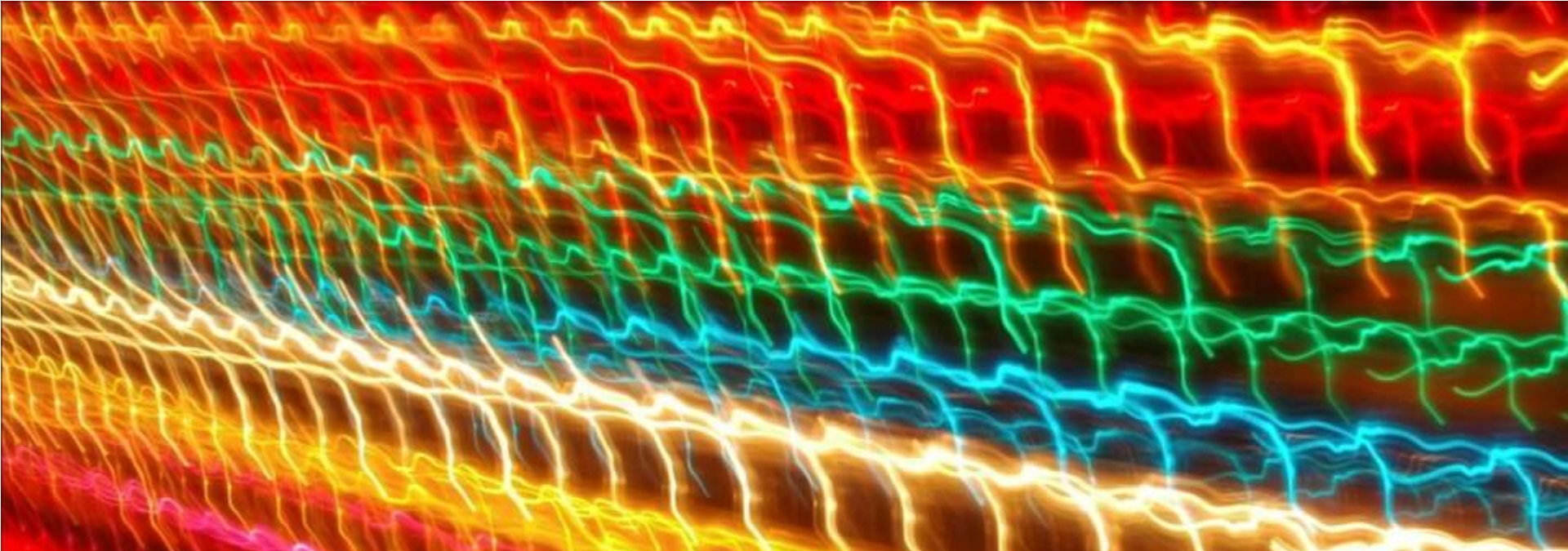




# ANNUAL GENERAL MEETING

## 21 JULY 2011

**Cable&Wireless**  
Worldwide



**JOHN BARTON**  
**CHAIRMAN**

**Cable&Wireless**  
Worldwide



# BOARD OF DIRECTORS & COMPANY SECRETARY



**Penny Hughes**

Non-Executive Director,  
Senior Independent Director and  
Chairman of the Audit Committee



**Clive Butler**

Non-Executive Director and  
Chairman of the Remuneration  
Committee



**David Lowden<sup>1</sup>**

Non-Executive Director



**John Barton**

Chairman



**John Pluthero**

Chief Executive Officer and  
Executive Director



**Ian Gibson**

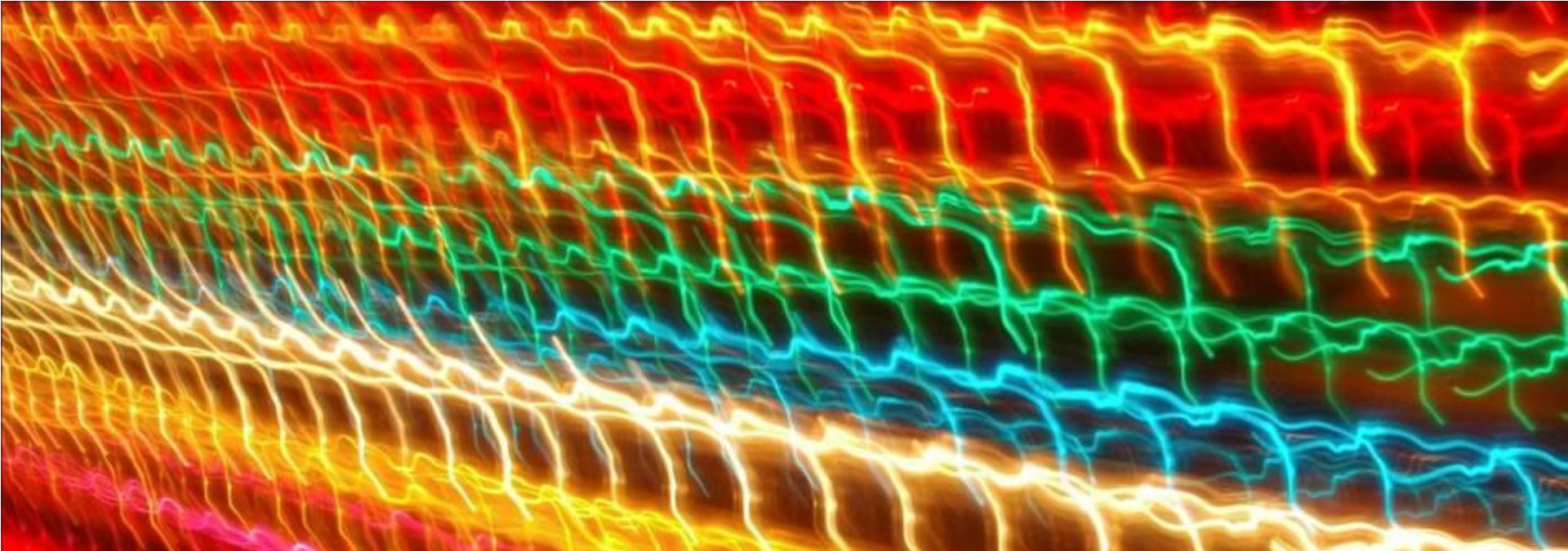
Chief Financial Officer and  
Executive Director



**Philip Davis**

General Counsel and  
Company Secretary

<sup>1</sup> Appointment effective at the conclusion of the AGM



**JOHN BARTON**  
**CHAIRMAN**

**Cable&Wireless**  
Worldwide





**JOHN PLUTHERO**  
**CHIEF EXECUTIVE OFFICER**

**Cable&Wireless**  
Worldwide



# FULL YEAR RESULTS 2010/11

## INCOME STATEMENT

	FY 2009/10 £M	FY 2010/11 £M	Better /(worse) %	FY2011/12 consensus £M
<b>Revenue</b>	<b>2,265</b>	<b>2,257</b>	-	<b>2,185</b>
<b>Gross margin</b>	<b>1,075</b>	<b>1,065</b>	<b>(1)%</b>	<b>1,048</b>
<b>Operating costs<sup>1</sup></b>	<b>(644)</b>	<b>(623)</b>	<b>3%</b>	<b>(647)</b>
<b>EBITDA</b>	<b>431</b>	<b>442</b>	<b>3%</b>	<b>401</b>
LTIP	(14)	9	-	-
Exceptional items	(54)	(15)	-	-
Demerger costs <sup>2</sup>	(153)	(2)	-	-
Depreciation & amortisation	(268)	(285)	-	(283)
Other operating income/(expense)	(1)	4	-	-
<b>Operating profit / (loss)</b>	<b>(59)</b>	<b>153</b>	<b>nm</b>	<b>118</b>
<b>Profit / (loss) before tax</b>	<b>(94)</b>	<b>140</b>	<b>nm</b>	<b>89</b>
<b>EPS (pre exceptionals)</b>	<b>8.3p</b>	<b>8.0p</b>	-	<b>5.5p</b>

<sup>1</sup> Excluding exceptionals and LTIP charge

<sup>2</sup> Demerger costs include £143m of Pension obligations on demerger  
nm=not meaningful

# SUMMARY CASH FLOW & FUNDING

	FY 2009/10 £M	FY 2010/11 £M	Better /(worse) %	FY2011/12 consensus £M
EBITDA	431	442	-	401
Cash CAPEX	(257)	(239)	-	(253)
Exceptionals	(70)	(37)	-	(16)
Working capital and other <sup>1</sup>	(33)	(50)	-	(11)
Trading cash flow	71	116	63%	121
Pension deficit funding	(14)	(15)	-	(29)
LTIP	(35)	(9)	-	-
Demerger costs	(3)	-	-	-
Disposals	-	14	-	-
Net cash flow before financing	19	106	458%	92
Interest	(9)	(23)	-	(24)
Equity free cash flow	10	83	730%	68
Finance lease repayments	(11)	(22)	-	(25)
Free cash flow	(1)	61	nm	43
Net debt	(20)	(9)	55%	(53)

<sup>1</sup> Other includes £4m of proceeds from asset disposals  
nm – not meaningful

# KEY FINANCIAL DEMANDS ON THE BUSINESS FY2011/12

FY 2011/12 consensus  
£M

<b>Gross cash flow</b>	<b>374</b>	(EBITDA minus working capital and exceptionals)
<b>Pension funding</b>	<b>(29)</b>	
<b>Cash interest</b>	<b>(24)</b>	
<b>Capital expenditure</b>	<b>(278)</b>	
Cash CAPEX	(253)	
Finance lease repayments	(25)	
<b>Free cash flow</b>	<b>43</b>	
<b>Normalised dividend at 2.25p<sup>1</sup></b>	<b>60</b>	

<sup>1</sup> Full cash payment excluding Scrip take up

# WHAT HAS HAPPENED?

## INDUSTRY TRENDS

**Voice churn & erosion**

**Accelerating decline over last 2 years**

**Data networking erosion**

**Decelerating growth over last 2 years**

**Complex communications solutions**

**Old telecoms vs new telecoms**

# OLD TELECOMS VS NEW TELECOMS

## THE OLD

Fixed line voice

## THE NEW

Voice, WAN, LAN, APM,  
IP Call Centre, Cloud

3 months	Sales cycle	12 months
1 month	Rollout	12-18 months
Standard, simple	Issues	Varied, complex, interdependent, TUPE
Assure: Fault > fix	In life management	Fault > fix, optimisation patching, upgrades, technical migration
Low	CAPEX intensity	High
Low	People intensity	High
Low	Margin	High

# THE CHALLENGE

Delivering the new solutions (and delighting customers) whilst using 'old telco' processes, structures, people, network architectures, etc.

**Slows throughput  
of new contracts**

**Margin growth challenge**

**Inefficient**

**Reduces OPEX management opportunity**

**New capabilities required**

**Impacts customer experience**

**Requires management  
focus**

**Loss of focus on other revenue streams**

# THE ACTION PLAN

**1. Refocus on existing margin base**

**Get more competitive  
Get more efficient**

**2. Build the new**

**Integrated cloud infrastructure  
Develop, acquire, grow new capabilities**

**3. Strategic clarity**

**CAPEX & OPEX implications**

# STRATEGIC CLARITY

## The landscape

**Cloud is an economy wide 'tech refresh'  
Market share is available**

**Our scale is a relative advantage**

**Our network ownership & credentials are an advantage**

## The future

**A 'brilliant cloud'. The simplest, most integrated,  
highest functionality, 'next generation' platform available**

**Takes time, takes money**

**Delivers better P&L, better enterprise valuation**



**Q&A**

**Cable&Wireless**  
Worldwide





**PHILIP DAVIS**  
**GENERAL COUNSEL & COMPANY SECRETARY**

**Cable&Wireless**  
Worldwide

# RESOLUTIONS

## PROXY VOTING RESULTS

	For %	No of shares (000s)	Against %	No of shares (000s)	No of shares withheld (000s)
<b>1 To receive the report and accounts</b>	98.26	1,893,621	1.74	33,614	747
<b>2 To approve the remuneration report</b>	86.51	1,411,158	13.49	220,074	296,750
<b>3 To declare a final dividend</b>	99.98	1,925,371	0.02	423	2,188
<b>4 To elect Ian Gibson</b>	89.25	1,716,768	10.75	206,841	4,373
<b>5 Resolution withdrawn</b>	-	-	-	-	-
<b>6 To re-elect John Barton</b>	93.16	1,791,940	6.84	131,623	4,420
<b>7 To re-appoint the auditors</b>	96.78	1,861,529	3.22	61,858	4,595
<b>8 To authorise the remuneration of the auditors</b>	99.86	1,922,493	0.14	2,738	2,752
<b>9 To give authority to allot shares</b>	96.51	1,851,190	3.49	66,949	9,844
<b>10 To disapply pre-emption rights</b>	99.33	1,906,919	0.67	12,820	8,243
<b>11 To authorise the purchase of the company's own shares</b>	99.78	1,908,086	0.22	4,150	15,747
<b>12 To authorise the establishment of the Cable&amp;Wireless Worldwide incentive plan 2011</b>	67.38	1,179,073	32.62	570,715	178,194
<b>13 To authorise the company to call a general meeting In less than 14 days</b>	96.74	1,864,358	3.26	62,825	800



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