

INTERIM MANAGEMENT STATEMENT

28 June 2011: Cable & Wireless Worldwide plc today confirms that its financial performance is in line with management expectations for the first 10 weeks of the 2011/12 year.

However, sales orders over this period, which contribute to margin growth later in the year, have been slower than expected. This recent trend combined with a lower than projected sales pipeline across our business indicates that our gross margin outturn is now expected to be somewhat below current market expectations.

This, coupled with an intention to accelerate the investments necessary to deliver growth in the hosting and cloud arena, is expected to lead to EBITDA outcome for 2011/12 some 5 to 10 percent below current market expectations with a commensurate impact on trading cash flow.

As a consequence of the reduced cash flow forecast, the Board has again reviewed the likely timetable to achieve dividend cover and has accepted that it is appropriate to reduce the intended dividend distribution for 2011/12 by half to 2.25 pence per share.

For the avoidance of any confusion, the final dividend of 3.00 pence per share relating to 2010/11 will be paid, as previously announced, on 11 August 2011 (subject to shareholder approval at the Annual General Meeting on 21 July 2011).

DIRECTORATE CHANGES

In light of this, the Board of Cable&Wireless Worldwide has accepted the resignation of Jim Marsh and announces that John Pluthero, current Chairman of the Company, is to step into the role of Chief Executive. Senior Independent Director John Barton becomes Chairman of the Company and Penny Hughes is the new Senior Independent Director.

These changes are effective immediately.

John Pluthero comments: "Clearly it has been a very difficult 12 months and it is now important that we take the necessary steps to ensure the future growth of our business. I'll be looking to take a more radical approach to building on our hosting, cloud and data services business whilst becoming

more competitive and efficient in the mature product areas. It has been easy to lose sight of what this business could be; it is my intention to reassert and realise that future.”

John Barton says: “John Pluthero was the architect behind the successful turnaround of Cable&Wireless prior to demerger and knows the business and sector well. The Board has given John a full mandate to accelerate growth and maximise profitability.”

The Company will release its interim results for the 2011/12 year in November 2011.

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