



CABLE & WIRELESS

CABLE & WIRELESS TARGETS GROWTH

Cable and Wireless plc (Cable & Wireless) will reveal its plans for growth in its Europe, Asia & US business at its analyst and investor event taking place today.

The new targets for that business for the next five years will set revenue growth at between 5% and 8% per year and EBITDA growth at between 20% and 25% per year, with capital expenditure of about 10% of revenue throughout the period and free cash flow before financing growing to around 50% of EBITDA.

The event will be hosted by John Pluthero, (Executive Chairman of Europe, Asia & US) and Jim Marsh (Chief Executive Officer of Europe, Asia & US) who will highlight three important themes:

Firstly, Europe, Asia & US is the only enterprise pure play focusing on service. It is exceptionally well positioned to capitalise on the powerful trends that enterprise customers are experiencing such as globalisation, business complexity and the need for constantly improving business performance. Consequently, Europe, Asia & US will see strong growth over the coming years;

Secondly, the market place advantage provided by the immediate availability of a full suite of next generation internet protocol (IP) products, enabled by Cable & Wireless' Multi Service Platform, which includes the first ever fixed to mobile convergence solution; and

Thirdly, growth from our capability in Asia and particularly India, where the Europe, Asia & US business is particularly well placed to benefit from the growth in these markets.

Further highlights will include:

- Progress compared with the plans set out in February 2006, including improved service, reduction in business complexity, a much reduced cost base and better quality earnings;
- The importance of our transformation programme, including the part played by our Multi Service Platform (our next generation platform) in redefining our go-to-market model and re-engineering service for customers;

- The importance of new IP products and great service in winning and retaining customers and helping those customers to develop and grow their businesses;
- The new targets for growth in revenue and EBITDA in the Europe, Asia & US business which are well beyond those previously published; and
- Reiteration of EBITDA guidance for 2007/08.

Europe, Asia & US completed the installation of its Multi Service Platform (MSP) in October 2006. Our Multi Service Platform improves quality and performance, reduces costs for both customers and telecoms operators and provides a platform for new high quality managed IP services. The MSP lays the building blocks for transforming our business, providing customers with on-line ordering, a self-service portal, and faster, more predictable delivery times. Working in this way offers new opportunities for cost reduction and elimination of errors, providing enhanced standards of care and service.

Future revenue growth for Europe, Asia & US will be driven by customers' adoption of new applications, fixed to mobile convergence and managed services as we build on our customer wins to date. New applications include digital marketing and next generation video-conferencing, applications that are already being used by our major customers. Many of these applications rely heavily on our hosting capability and as such we expect growth in our hosting business of over 20% per year. Aviva, our largest customer, and Royal Sun & Alliance use our managed service capability across a range of our products and services including IP contact centres, IP voice and data networking connectivity.

We expect revenue from our India business to grow strongly over the next five years. This growth will be driven by customers seeking to use our capabilities across Asia and India, and we already count Aviva and Standard Chartered Bank amongst our customers.

Jim Marsh, Chief Executive Officer of Europe, Asia & US said "Earlier than expected, we're able to talk about growth. We're the only enterprise pure play telco and we're equipped with the right IP products, services and applications. Our service is right up there as well. The proof point is an ever lengthening list of enterprise customers who are very happy to trust us with their telecoms needs."

Commenting further, John Pluthero, Executive Chairman of Europe, Asia & US said "Today we've set out our plans for the next five years. They're ambitious and stretching and I've every confidence that we can achieve them."

This section of the event will last for approximately two hours including Q&A.

John Pluthero, as Executive Chairman of Cable & Wireless International, will give a short update on Cable & Wireless International. The update will include:

- The framework for improving the performance of those businesses emerging from liberalisation;
- The success of our businesses that have adapted to a competitive environment in their markets;
- Developments in Panama and Jamaica; and
- Reiteration of EBITDA guidance.

John Pluthero said “Cable & Wireless International is in good shape but we’re going to make it even better. We’ll focus on improving the customer experience, targeting our investment just where it’s needed – on better service, coverage and better capacity. We’re confident that we can grow Cable & Wireless International and improve its profitability”

This section of the event will last for approximately 45 minutes including Q&A.

There will not be any discussion of Central or Group matters including updates on pensions, dividends, Central costs and future value realisation plans.

Webcast

The event will be webcast live on the Cable & Wireless website at: <http://www.cw.com>

An on-demand version will be available later in the day. The live webcast will be interactive, allowing viewers to participate in the question and answer sessions.

About Cable & Wireless

Cable & Wireless is one of the world’s leading international communications companies. It operates through two standalone business units - Europe, Asia & US and International.

The Europe, Asia & US business unit provides enterprise and carrier solutions to the largest users of telecoms services across the UK, US, continental Europe and Asia. With experience of delivering connectivity to 153 countries - and an intention to be the first customer-defined communications services business - the focus is on delivering customers a service experience that is second to none.

The International business unit operates integrated telecommunications companies offering mobile, broadband, domestic and international fixed line services to residential and business customers, with principal operations in the Caribbean, Panama, Macau, Monaco and the Channel Islands.

For more information about Cable & Wireless, go to <http://www.cw.com>

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This announcement 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' 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 dispositions. A summary of some of the potential risks faced by Cable & Wireless 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 undertakes no obligation to revise or update any forward-looking statement or any other forward-looking statements it may make, contained within this announcement, 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).