Company Registration No. 2719477

VIDEOTRON CORPORATION LIMITED

Report and Accounts

31 March 1998

REPORT AND ACCOUNTS 1998

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Wallace
N Mearing-Smith
R Drolet

SECRETARY

R Drolet

REGISTERED OFFICE

Caxton Way
Watford Business Park
Watford
Hertfordshire
WD1 8XH

AUDITORS

Arthur Andersen
1 Surrey Street
London
WC2R 2PS

DIRECTORS' REPORT

The Directors present their annual report and the audited accounts for the year ended 31 March 1998.

PRINCIPAL ACTIVITY

The Company is the service Company for a group of Companies engaged in the construction and operation of cable television and telecommunication networks.

RESULTS AND DIVIDENDS

The Company made a loss for the year of £10,582,000 (period ended 31 March 1997: loss of £3,774,000).

The Directors do not recommend the payment of a dividend (1997: £nil).

DIRECTORS AND THEIR INTERESTS

The Directors currently serving or who held office during the year were as follows:

R Drolet	
D Somers	(appointed 8 January 1997; resigned 9 May 1997)
P Howell-Davies	(appointed 9 May 1997; resigned 2 June 1997)
G Wallace	(appointed 2 June 1997)
N Mearing-Smith	(appointed 2 June 1997)

Where the Directors held any interest in the shares of Cable and Wireless plc or Cable & Wireless Communications plc, such interest is disclosed in the accounts of Cable & Wireless Communications plc, except as stated below:

Ordinary shares of Cable & Wireless Communications plc:

	At 1 January 1997 (or later date of appointment)	Shares acquired	Shares disposed	At 31 March 1998
N Mearing-Smith	153,949	-	-	153,949

Options to subscribe for ordinary shares in Cable & Wireless Communications plc:

	At 1 January 1997 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 1998	Exercise Price	Date from which exercisable	Expiry Date
R Drolet	57,542	-	-	57,542	$4.583	1/5/97	2/7/03

EMPLOYEES

The Company has no employees. Most Group employees are employed by a fellow Group Company, Cable & Wireless Communications plc.

PAYMENTS TO SUPPLIERS

The Company does not enter into contracts with suppliers. Cable & Wireless Communications Services Limited, a fellow Group Company, enters into most contracts with suppliers to the Cable & Wireless Communications Group.

DIRECTORS' REPORT

YEAR 2000

The matters relating to the impact of the Year 2000 issue on the reporting systems and operations of the Company are set out on page 23 of the 1998 Annual Report and Accounts of Cable & Wireless Communications plc.

AUDITORS

On 7 July 1998, Deloitte & Touche resigned and Arthur Andersen were appointed as auditors.

Approved by the Board of Directors
and signed on its behalf by:

R Drolet

Secretary

2c January 1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year:

The Directors are responsible for ensuring that in preparing the accounts, the Company has:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards, subject to any explanations and material departures disclosed in the notes to the accounts; and
- prepared the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy the financial position of the Company which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF VIDEOTRON CORPORATION LIMITED

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

Respective responsibilities of Directors and Auditors

As described on page 4, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors
1 Surrey Street
London
WC2R 2PS

22 January 1999

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1998

	Note	Year ended 31 March 1998 £'000	7 months ended 31 March 1997 £'000
TURNOVER		-	7,775
Cost of sales		-	(9,521)
Gross loss		-	(1,746)
Other operating (expenses)/income		(4,629)	2,409
Write down of fixed assets	8	(4,273)	-
Provisions and write down of other assets	2	(628)	-
OPERATING LOSS/ PROFIT		(9,530)	663
Net interest (payable)/receivable	3	(1,052)	(4,181)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(10,582)	(3,518)
Taxation	5	-	(256)
LOSS FOR THE FINANCIAL PERIOD		(10,582)	(3,774)

A statement of total recognised gains and losses and a reconciliation of movements in shareholders' funds have not been presented because there are no recognised gains or losses or other movements in shareholders' funds in the current year or preceding period other than the loss for the year.

The accompanying notes form an integral part of this statement.

BALANCE SHEET
31 March 1998

	Note	31 March 1998 £'000	31 March 1998 £'000	31 March 1997 £'000	31 March 1997 £'000
FIXED ASSETS					
Intangible assets	7	398		441	
Tangible assets	8	28,417		36,485	
Investments	9	14		642	
			28,829		37,568
CURRENT ASSETS					
Debtors - due within one year	10	-		4,623	
- due after one year	10	160,504		401,163	
Cash at bank and in hand		9,674		6,323	
		170,178		412,109	
CREDITORS: amounts falling due within one year	11	(706)		(14,688)	
NET CURRENT ASSETS			169,472		397,421
TOTAL ASSETS LESS CURRENT LIABILITIES			198,301		434,989
CREDITORS: amounts falling due after more than one year	12		(209,587)		(435,693)
NET LIABILITIES			(11,286)		(704)
CAPITAL AND RESERVES					
Called up share capital	13		-		-
Profit and loss account	14		(11,286)		(704)
EQUITY SHAREHOLDERS' FUNDS			(11,286)		(704)

These accounts were approved by the Board of Directors on 22 January 1999 and signed on its behalf by:

R Drolet

Director

The accompanying notes form an integral part of this statement.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently in the preparation of the accounts, are as follows:

(a) Basis of preparation

The accounts are prepared in accordance with applicable Accounting Standards in the United Kingdom and on the historical cost basis.

(b) Turnover and revenue recognition

Turnover, which excludes value added tax, is accounted for on the accruals basis. Revenue is recognised in the period in which the service is provided. Turnover represents income arising from the provision of services to other Group Companies.

(c) Intangible fixed assets

Franchise application costs represent the acquisition cost of exclusive rights to operate a telecommunications network in a given territory. The company amortises these costs on a straight line basis over the life of these rights, being a maximum of 23 years.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost which includes materials, direct labour and administrative expenses directly attributable to the construction and connection of the telecommunications and cable television networks and equipment.

Administrative expenses to be capitalised include all overheads of those departments responsible solely for construction and connection. Where departments spend only part of their time on functions directly connected with construction and connection, the relevant proportion of total overheads is capitalised.

Capitalisation of costs ceases once projects are substantially complete. Costs which are initially capitalised on projects under construction where the projects do not become operational are written off to the profit and loss account, once it is determined that the project will not become operational.

Costs of departments relating to revenue related operations, such as direct selling, marketing and other customer related departments, are not capitalised.

(i) Capitalisation of interest

Interest is capitalised as part of the cost of separately identifiable major capital projects, up to the time that such projects are substantially complete. The amount of interest capitalised is calculated as the capitalisation rate multiplied by the weighted average carrying amount of major capital projects under construction during the period. The capitalisation rate during the year was the Company's weighted average cost of capital of 8%.

(ii) Depreciation

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal annual instalments over the estimated useful lives of the assets. The Directors review the useful economic lives and estimated residual values of all assets annually. Where expectations are significantly different from previous estimates, the remaining net book values of the assets are depreciated over the remaining useful economic life.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The current estimated useful lives are as follows:

	Lives:
Land and buildings:	
- freehold buildings	to 40 years
- leasehold land and buildings	to 40 years or term of lease if less
- leasehold improvements	remaining term of lease or expected useful life of the improvements
Communications network plant and equipment:	
- ducting and network construction	10 to 40 years
- electronic equipment and cabling	10 to 15 years
- other network plant and equipment	6 to 25 years
Non-network plant and equipment	3 to 10 years

Freehold land, where the cost is distinguishable from the cost of the building thereon, is not depreciated.

After a portion of the network is fully constructed and released to operations, depreciation of that portion commences at the earlier of six months after the release date or when target rates of penetration are achieved.

(e) Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

(f) Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the profit and loss account.

All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

(g) Financial Instruments

(i) Foreign exchange forward contracts

Foreign exchange forward contracts are legal agreements between two parties to purchase and sell a foreign currency for a price specified at the contract date, with delivery and settlement in the future. The company uses such contracts to hedge risks of changes in foreign currency exchange rates associated with certain obligations denominated in foreign currency. The "contract premium", being the difference between the spot rate at the inception of the contract and the forward rate, is amortised over the life of the contract as interest expense.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(ii) Currency Options

The company has purchased foreign exchange options which permit, but do not require, the company to exchange foreign currencies at a future date with other parties at a contracted exchange rate. The company uses such contracts to hedge risk of changes in foreign currency exchange rates associated with certain obligations denominated in foreign currency. The time value of premiums paid for the purchase of options designated to hedge exchange movements is amortised on a straight-line basis over the life of the options and classified as interest. The market rate, represented by the intrinsic value of the options, is measured by comparing the movements in the forward exchange rate at the inception of the options to the forward exchange rate at the expiry of the options, at the balance sheet date. Overall gains in the intrinsic value are recognised in the profit and loss account. Overall losses in the intrinsic value are not recognised as the cost of the options cannot exceed the premiums paid.

The company hedges certain exposures to interest rate fluctuations through interest rate swaps. Gains and losses related to such swaps are recognised in the profit and loss account when the hedged transaction occurs.

(h) Deferred taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The Company provides for deferred tax only when there is a reasonable probability that the liability will arise in the foreseeable future. Where deferred tax is provided, the liability method is used. No deferred tax assets are recognised in respect of accumulated tax losses.

(i) Foreign currencies

Transactions are recorded in sterling at the rate of exchange ruling on the date of the transaction, except for those for which forward cover has been purchased. All monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. All exchange differences arising are dealt with through the profit and loss account.

(j) Pensions

The Company participates in defined contribution pension schemes for certain employees. The pension costs charged to the profit and loss account represent contributions payable during the year.

(k) Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the Company has not prepared a cash flow statement because it is a wholly owned subsidiary of a Company incorporated in Great Britain which is part of a Group which prepares a consolidated cash flow statement (see Note 18).

(l) Presentation of comparative information

In order to improve the presentation of information in the accounts certain comparative figures have been reclassified. £2,286,000 of exchange gains on foreign currency translation have been reclassified from interest receivable to operating gains.

2. PROVISIONS AND WRITE DOWN OF OTHER ASSETS

During 1997, Cable & Wireless Communications plc undertook a review of the net book value of assets within the Group. This resulted in a charge of £628,000 relating to the write down of a fixed asset investment, London Interconnect Limited.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

3. NET INTEREST PAYABLE/(RECEIVABLE)

	Year ended 31 March 1998 £'000	7 months ended 31 March 1997 £'000
Bank interest receivable	-	(440)
Other interest receivable	-	(66)
Interest receivable from fellow subsidiaries	(36,544)	(23,268)
	(36,544)	(23,774)
Guarantee fees payable to the principal shareholders of parent undertaking	-	105
Interest on Senior Loan	-	4,962
Finance leases	96	322
Other interest payable	-	459
Interest payable to fellow subsidiary undertakings	37,500	20,561
Amortisation of foreign exchange option	-	1,546
	1,052	4,181

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 March 1998 £'000	7 months ended 31 March 1997 £'000
The loss on ordinary activities before taxation is shown after charging:		
Depreciation of owned tangible fixed assets	3,698	2,348
Depreciation of leased tangible fixed assets	129	366
Amortisation of intangible fixed assets	43	25
Exchange gains on foreign currency translation	-	2,286
Rentals under operating leases:		
Plant and machinery	29	28
Land and buildings	730	447
Auditors' remuneration:		
Audit fees	-	20
Other services	-	30

The gain on foreign currency translation relates to the retranslation of (i) the Company's obligations to the parent Company, Videotron Holdings Plc and (ii) the amounts due to the Company from fellow subsidiary companies in connection with the Senior Discount Notes due 2005 at the balance sheet date (see note 12). These obligations are denominated in US dollars. The Company has hedged against the depreciation of sterling relative to the US dollar by purchasing a currency option. However to the extent that the dollar/sterling exchange rate is greater than the hedged strike rate the Company will be subject to the inclusion of gains and losses in the profit and loss account.

The auditors' remuneration for the current year has been borne by a fellow subsidiary company.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

5. TAXATION

No corporation tax has been charged due to the availability of losses brought forward from previous years. The Company has approximately £5,141,000 (1997: £100,000) of tax losses available for set off against profits of the same trade. There is no unprovided deferred tax liability.

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors did not receive any remuneration during the year (period ended 31 March 1997: £309,205). Included in the 1997 amount is £30,000 paid as compensation to a director for loss of office.

Cable & Wireless Communications plc, a fellow Group Company, employs most of the Group's employees. Details of staff numbers and staff costs for the Group are disclosed in the accounts of Cable & Wireless Communications plc.

In the period to 31 March 1997 all staff within the Videotron Holdings plc Group were employed directly by the Company. Certain staff costs were recharged to other Companies within the Group at cost. The total remuneration of all employees before such recharge amounted £18,263,000.

	Year ended 31 March 1998 £'000	7 months ended 31 March 1997 £'000
The aggregate remuneration of all employees charged to the profit and loss account of the Company comprised:		
Wages and salaries	-	5,102
Social security costs	-	489
Other pension costs	-	223
	-	5,814

	Number	Number
The average number of employees under contracts of service was:		
Management and administration	-	113
Construction	-	146
Technical	-	233
Marketing and Sales	-	368
Customer operations	-	380
	-	1,240

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

7. INTANGIBLE FIXED ASSETS

	Franchise application costs £'000
Cost	
At 1 April 1997 and 31 March 1998	619
Amortisation	
At 1 April 1997	178
Charge for the year	43
At 31 March 1998	221
Net book value	
At 31 March 1998	398
At 31 March 1997	441

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

8. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Network cable, plant and equipment £'000	Non-network plant and equipment £'000	Total £'000
Cost				
At 1 April 1997	3,826	30,745	8,917	43,488
Additions	48	-	3,483	3,531
Disposals	-	(501)	(551)	(1,052)
At 31 March 1998	3,874	30,244	11,849	45,967
Accumulated depreciation				
At 1 April 1997	512	3,406	3,085	7,003
Write down of fixed assets	(175)	1,798	2,650	4,273
Disposals	-	-	(134)	(134)
Transfer from group company	-	2,581	-	2,581
Charge for the period	197	1,199	2,431	3,827
At 31 March 1998	534	8,984	8,032	17,550
Net book value				
At 31 March 1998	3,340	21,260	3,817	28,417
At 31 March 1997	3,314	27,339	5,832	36,485

The net book value of leased assets included above is £955,221 (1997: £1,699,000).

The net book value includes capitalised interest of £586,000 (1997: £nil).

During the year Cable & Wireless Communications plc undertook a review of the net book values of the assets of Videotron Corporation Limited. This resulted in a write down of fixed assets of £4,273,000 for the year ended 31 March 1998 principally relating to assets which will have no value to the Company upon the planned introduction of digital cable television.

The net book value of land and buildings comprised:

	31 March 1998 £'000	31 March 1997 £'000
Freehold property	2,613	2,530
Leasehold improvements on short leasehold property	727	784
	3,340	3,314

Freehold land is not depreciated.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

9. INVESTMENTS HELD AS FIXED ASSETS

	Other investments £'000
Cost:	
At 1 April 1997 and 31 March 1998	1,061
Provision:	
At 1 April 1997	419
Provided in year	628
At 31 March 1998	1,047
Net book value:	
At 31 March 1998	14
At 31 March 1997	642

All of the above investments are unlisted.

10. DEBTORS

	31 March 1998 £'000	31 March 1997 £'000
Due within one year:		
Due from principal shareholders of the parent Company	-	430
Other debtors	-	1,350
Prepayments and accrued income	-	2,843
	-	4,623
Due after one year:		
Due from fellow subsidiary undertakings	160,504	394,760
Prepayments and accrued income	-	6,403
	160,504	401,163

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 1998 £'000	31 March 1997 £'000
Bank loan	-	88
Obligations under finance leases	706	793
Trade creditors	-	8,195
Due to fellow subsidiary undertakings	-	1,160
Other creditors	-	107
Taxation and social security	-	412
Accruals and deferred income	-	3,933
	706	14,688

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 1998 £'000	31 March 1997 £'000
Senior loan	-	112,647
Bank loan	-	1,364
Obligations under finance leases	355	978
Due to parent company	209,232	315,625
Accruals and deferred income	-	5,079
	209,587	435,693

Analysis of loan and finance lease repayments

Repayable otherwise than by instalments:		
After five years	209,232	315,625
Repayable by instalments:		
Between one and two years	-	414
Between two and five years	355	113,563
After five years	-	1,012
	209,587	430,614

(i) Bank loan

The bank loan represented amounts advanced under a first mortgage on the Company's freehold property.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

(ii) Due to parent company

	31 March 1998 £'000	31 March 1997 £'000
Analysis		
2004 Notes	209,232	179,580
2005 Notes	-	105,993
Other	-	30,052
	209,232	315,625

In July 1994 the parent Company, Videotron Holdings Plc, issued $342,935,000 principal amount at maturity of Senior Discount Notes due 2004 (the "2004 Notes") with a yield to maturity of 11 1/8%. The 2004 Notes will mature on 1 July 2004. Interest on the 2004 Notes accretes semi annually. Cash interest will not be paid on the 2004 Notes prior to 1 July 1999, and is thereafter payable in arrears on 1 January and 1 July of each year at a rate of 11 1/8% per annum. The proceeds from the 2004 Notes, which are denominated in US dollars, have been loaned to the Company and have, in turn, been partially on-loaned to other Group Companies.

The Company has entered into five year forward exchange contracts to hedge its exposure to adverse fluctuations in exchange rates of the 2004 Notes. Under these contracts, a premium of £12,769,000 has been computed on the issue price of the 2004 Notes, being the difference between the contracted amounts translated at the forward rate (of £1 = $1.3958) and the spot rate at the inception of the contracts. This premium is being amortised over the period of the contract.

The forward exchange contracts were revalued annually and the Company was required to place on deposit with the counterparty to the contracts the amount (if any) by which the contracts were "out of the money" at that date. Access to the funds on deposit was restricted and the deposit was secured in favour of the counterparty and was included in these accounts under current asset investments. This charge was released in January 1997.

On 15 July 1998, Cable & Wireless Communications plc redeemed all the 2004 Notes as part of the overall refinancing strategy of the Cable & Wireless Communications plc Group.

In August 1995 the parent Company, Videotron Holdings Plc, issued $256,225,000 principal amount at maturity of Senior Discount Notes due 2005 (the "2005 Notes") with a yield to maturity of 11%. On 13 February 1998 Cable & Wireless Communications plc redeemed all the 2005 Notes as part of the overall refinancing strategy of the Cable & Wireless Communications plc Group.

(iii) Accruals and deferred income
Accruals and deferred income represented the option premium (net of amortisation) of certain foreign exchange options which have been sold to fellow subsidiary Companies in connection with the 2005 Notes.

13. SHARE CAPITAL

	31 March 1998 £	31 March 1997 £
Authorised, allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

14. RESERVES

	Profit and loss account £'000
At 1 April 1997	(704)
Loss for the year	(10,582)
At 31 March 1998	(11,286)

15. OPERATING LEASE COMMITMENTS

At 31 March 1998 the Company was committed to the following payments during the next year in respect of operating leases:

	31 March 1998		31 March 1997	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	-	-	-	-
Within two to five years	-	29	-	29
After five years	730	-	730	-

16. CHARGE OVER ASSETS

On 6 May 1997 a fellow subsidiary entered into an Inter-Company Credit Agreement with Cable & Wireless Communications plc. As security, a fixed and floating charge has been granted over all the assets of the Company.

17. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose related party transactions with Cable & Wireless Communications plc Group Companies.

NOTES TO THE ACCOUNTS
Year ended 31 March 1998

18. ULTIMATE PARENT COMPANY AND CONTROLLING UNDERTAKING

The Directors regard Cable and Wireless plc, a Company registered in England and Wales, as the ultimate parent Company and controlling undertaking.

The largest Group in which the results of the Company are consolidated is that of which Cable and Wireless plc is the parent Company. The consolidated accounts of Cable and Wireless plc may be obtained from 124 Theobalds Road, London, WC1X 8RX.

The smallest Group in which the results of the Company are consolidated is that of which Cable & Wireless Communications plc is the parent Company. The consolidated accounts of Cable & Wireless Communications plc may be obtained from Caxton Way, Watford Business Park, Watford, Hertfordshire, WD1 8XH.

The Company is dependent on the financial support of Cable & Wireless Communications plc in order to meet its obligations as they fall due. Cable & Wireless Communications plc has indicated that it will continue to support the Company, thereby enabling it to meet its obligations as they fall due, for a period of not less than one year from the date of this report.