

CABLE & WIRELESS GLOBAL HOLDING LIMITED

Report and Financial Statements

31 March 2007

Registered Office:

Lakeside House,
Cain Road
Bracknell,
Berkshire,
RG12 1XL



CABLE & WIRELESS GLOBAL HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS

	Page
Directors' Report	2
Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements.	3
Independent auditor's report to the members of Cable & Wireless Global Holding Limited	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7

CABLE & WIRELESS GLOBAL HOLDING LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2007

ACTIVITIES

The Company's principal activity is to act as an investment holding company

RESULTS AND DIVIDENDS

The loss for the year after taxation amounting to £21,987,000 (2006 loss – £(17,096,000)) has been dealt with in the attached financial statements. The Directors do not recommend payment of a dividend (2006 – £nil)

BUSINESS REVIEW

The Company has met the requirements in Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review

ACQUISITIONS AND DISPOSALS

On 16 June 2006, the Company sold its 100% holding in Cable & Wireless Ireland Funding No 4 Limited to Cable & Wireless DI Holdings Limited for £13,502,531

On 16 October 2006, Anthracite Holdings, one of the Company's subsidiaries, reduced its share capital to £1, and on 10 November 2006, re-registered as an unlimited company

On 30 June 2006, Cable and Wireless Europe S A was put into liquidation

FUTURE PROSPECTS

No change in the Company's activities is envisaged in the foreseeable future

DIRECTORS

The Directors who held office during the year and subsequent to the year-end were

H Hanscomb (appointed 19 March 2007)

R Burge

N I Cooper

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report

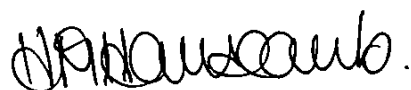
AUDITORS

The Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board of Directors



H M HANSCOMB

Company Secretary

29 November 2007

CABLE & WIRELESS GLOBAL HOLDING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable Law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABLE & WIRELESS GLOBAL HOLDING LIMITED

We have audited the financial statements of Cable & Wireless Global Holding Limited for the year ended 31 March 2007, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

Date *20 Dec 2007*

CABLE & WIRELESS GLOBAL HOLDING LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Administrative expenses		(323)	-
Amounts written off investments	6	<u>(41,413)</u>	<u>-</u>
OPERATING LOSS	3	(41,736)	-
Net interest and other similar income	4	<u>23,147</u>	<u>-</u>
RESULT OF ORDINARY ACTIVITIES BEFORE TAXATION		(18,589)	-
Tax on result of ordinary activities	5	<u>(3,398)</u>	<u>(17,096)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(21,987)</u></u>	<u><u>(17,096)</u></u>

The Company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

The results for the current and prior years are derived from continuing operations

CABLE & WIRELESS GLOBAL HOLDING LIMITED

BALANCE SHEET As at 31 March 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	6	255,315	596,938
CURRENT ASSETS			
Debtors amounts falling due within one year	7	1,626	5,024
Creditors amounts falling due within one year	8	(1,255,141)	(1,578,175)
NET CURRENT LIABILITIES		(1,253,515)	(1,573,151)
NET LIABILITIES		(998,200)	(976,213)
CAPITAL AND RESERVES			
Called up share capital	9	3,384,275	3,384,275
Share premium account	10	2,022,951	2,022,951
Profit and loss account	10	(6,405,426)	(6,383,439)
EQUITY SHAREHOLDERS' DEFICIT		(998,200)	(976,213)

The financial statements on pages 5 to 10 were approved by the Board of Directors on 29 November 2007 and signed on their behalf by


R BURGE
Director

CABLE & WIRELESS GLOBAL HOLDING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £998,200,000. The Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Consolidated financial statements

The Company has taken advantage of the exemption to prepare consolidated financial statements under Section 228 of the Companies Act 1985, on the grounds that it is a wholly-owned subsidiary undertaking of Cable and Wireless plc, a company registered within the European Union. These financial statements present information about the Company as an individual undertaking and not about its group.

Investments

Fixed asset investments are stated at cost less amounts written off in respect of any impairments.

Foreign Currencies

The Company enters into transactions that are denominated in foreign currencies. Each transaction is normally translated into the Company's local currency using the closing exchange rate for the month in which the transaction took place. Where a transaction is settled at a contracted rate, that rate is used.

Foreign currency assets and liabilities are translated at contracted rates or the year-end rates and all exchange differences are dealt with through the profit and loss account.

Tax

The charge for tax is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date.

2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

The Company had no employees during the year (2006 – nil). The Directors did not receive any emoluments from the Company during the year (2006 – £nil).

In the current and prior year, the auditor's remuneration of £5,000 was borne by another group company.

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Cable and Wireless plc.

CABLE & WIRELESS GLOBAL HOLDING LIMITED

NOTES TO THE ACCOUNTS (cont.) Year ended 31 March 2007

3. OPERATING LOSS

	2007 £'000	2006 £'000
Operating loss is stated after charging		
Amounts written off amounts owed by group undertakings	(323)	-
Amounts written off investments	(41,413)	-

4 NET INTEREST AND OTHER SIMILAR INCOME

	2007 £'000	2006 £'000
Interest payable to group undertaking	(1,759)	-
Gain on sale of non-current assets	13,503	-
Dividends from fixed asset investments	11,403	-
	<u>23,147</u>	<u>-</u>

5 TAX ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
The credit for taxation comprises		
United Kingdom corporation tax at 30% (2006 - 30%)		
Current year charge	-	-
Adjustment in respect of prior year	3,398	17,096
Tax on result of ordinary activities	<u>3,398</u>	<u>17,096</u>

Reconciliation of the Company's current tax to the United Kingdom statutory rate

	2007 £'000	2006 £'000
Current tax at 30%	-	-
Effects of		
Prior year adjustment	3,398	17,096
Current tax charge	<u>3,398</u>	<u>17,096</u>

CABLE & WIRELESS GLOBAL HOLDING LIMITED

NOTES TO THE ACCOUNTS (cont.) Year ended 31 March 2007

6. INVESTMENTS HELD AS FIXED ASSETS

	2007 £'000	2006 £'000
Shares in subsidiary undertakings		
<i>Cost</i>		
At 1 April	6,975,802	6,846,902
Additions	-	128,900
Shares redeemed	(300,209)	-
Disposals	(450,009)	-
	<u>6,225,584</u>	<u>6,975,802</u>
At 31 March	<u>6,225,584</u>	<u>6,975,802</u>
<i>Amounts provided</i>		
At 1 April	6,378,864	6,378,864
Impairment	41,413	-
Disposals	(450,009)	-
	<u>5,970,269</u>	<u>6,378,864</u>
At 31 March	<u>5,970,269</u>	<u>6,378,864</u>
<i>Net book value</i>		
At 31 March	<u>255,315</u>	<u>596,938</u>

Interest in subsidiaries:	Country of incorporation	Type of holding	Percentage holding	Principal activity
Cable & Wireless International Treasury	Ireland	Ordinary shares	100%	Investment holding company
Cable & Wireless Global Finance	England and Wales	Ordinary shares	100%	In liquidation
Cable & Wireless Global Telecommunication Services Limited	England and Wales	Ordinary shares	100%	Transfer pricing management
Cable & Wireless Global Network Limited	Ireland	Ordinary shares	100%	Investment holding company
Anthracite Holdings	England and Wales	Ordinary shares	100%	Investment holding company
Cable & Wireless Global Businesses International S a r l	Luxembourg	Ordinary shares	57.1%	Investment holding company
Cable & Wireless Global Businesses Holding S a r l	Luxembourg	Ordinary shares	100%	Investment holding company
Cable & Wireless Western Hemisphere Luxembourg S a r l	Luxembourg	Ordinary shares	100%	Investment holding company

7. DEBTORS

	2007 £'000	2006 £'000
Amounts falling due within one year		
Amounts due from parent undertaking	<u>1,626</u>	<u>5,024</u>

CABLE & WIRELESS GLOBAL HOLDING LIMITED

NOTES TO THE ACCOUNTS (cont.)

Year ended 31 March 2007

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts owed to group undertakings	1,255,141	1,578,175

9. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised 4,000,000,000 ordinary shares of £1 each	4,000,000	4,000,000
Allotted, called up and fully paid 3,384,274,894 ordinary shares of £1 each	3,384,275	3,384,275

10. RESERVES

	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 April 2006	2,022,951	(6,383,439)	(4,360,488)
Loss for the year	-	(21,987)	(21,987)
At 31 March 2007	2,022,951	(6,405,426)	(4,382,475)

11. CASH FLOW STATEMENT

Under FRS 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of Cable and Wireless plc, which are publicly available from the address in note 14.

12 POST BALANCE SHEET EVENTS

On 23 April 2007, Cable & Wireless Global Finance was dissolved. The Company's investment Cable & Wireless Global Finance had been fully provided against in prior years.

13. RELATED PARTY TRANSACTIONS

Under FRS 8 - Related Party Transactions, the Company is exempt from the requirement to disclose transactions with entities that are part of the Cable & Wireless group, or investees of the group qualifying as related parties, as all of the Company's voting rights are controlled within that group. There are no material transactions with any other related parties.

14. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is The Eastern Leasing Company Limited and its ultimate parent undertaking and controlling party is Cable and Wireless plc, both of which are registered in England and Wales. A copy of Cable and Wireless plc's published consolidated financial statements can be obtained from The Secretary, Cable and Wireless plc, 7th Floor, The Point, 37 North Wharf Road, London W2 1LA. No other group accounts include the results of the Company.