

CABLE & WIRELESS ASIA & PACIFIC LIMITED

Report and Financial Statements

31 March 2006

Registered Office

**7th Floor,
The Point,
37 North Wharf Road,
London W2 1LA**



CABLE & WIRELESS ASIA & PACIFIC LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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CABLE & WIRELESS ASIA & PACIFIC LIMITED

DIRECTORS' REPORT (Cont.)

The Directors present their report and financial statements for the year ended 31 March 2006

ACTIVITIES

The principal activity of the Company is to provide loans to group companies. The Company was dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year.

FUTURE PROSPECTS

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

DIRECTORS AND THEIR INTERESTS

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

| | |
|------------|------------------------------|
| A S Garard | (resigned 21 March 2006) |
| J S Wilson | (resigned 21 July 2005) |
| D J Platt | (appointed 8 September 2005) |
| N I Cooper | (appointed 21 March 2006) |

The Directors have no interest in the shares of the Company nor any disclosable interests in any contracts or arrangements with the Company either subsisting at the end of the financial year or entered into since the end of the previous financial year. The Directors who held office at the end of the financial year had the following beneficial interests in the shares of Cable and Wireless plc

| | At 1 April 2005 (or later date of appointment) | Shares acquired or options granted | Shares disposed or options exercised/lapsed | At 31 March 2006 |
|------------|--|--|---|---------------------|
| N I Cooper | 570 | - | - | 570 |
| | 433,944 | - | - | 433,944 (b) |
| | 108,486 | - | - | 108,486 (c) |
| D J Platt | 17,196 | 144 | - | 17,340 |
| | 8,881 | - | - | 8,881 (a) |
| | 383,767 | - | - | 383,767 (b) |
| | 56,855 | - | - | 56,855 (d) |
| | 24,376 | 270 | - | 24,646 (e) |

All interests are in fully paid Ordinary Shares, unless marked (a) which are options to purchase Ordinary Shares under the C&W Employee Savings Related Share Option Scheme, (b) which are options to purchase Ordinary Shares under the discretionary share option schemes, (c) which are contingent share awards granted on 13 February 2006 under the Performance Share Plan, (d) which are restricted shares which will vest 50% on 25 August 2006 and the remaining 50% on 25 August 2008 or (e) which are Deferred Short Term Incentive Plan matching awards which will vest on the third anniversary of the date of the grant.

By order of the Board of Directors



H M HANSCOMB

Secretary

Date 27 MARCH 2007.

CABLE & WIRELESS ASIA & PACIFIC LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 MARCH 2006

During the current and prior year the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor loss or any other recognised gains or losses in the current or prior year.

CABLE & WIRELESS ASIA & PACIFIC LIMITED

BALANCE SHEET As at 31 March 2006

| | Note | 2006 £000 | 2005 £000 |
|------------------------------------|------|------------------|------------------|
| NON - CURRENT ASSETS | | | |
| Amounts owed by parent undertaking | | 1,442,762 | 1,442,762 |
| NET ASSETS | | <u>1,442,762</u> | <u>1,442,762</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 3 | 1,442,762 | 1,442,762 |
| EQUITY SHAREHOLDER'S FUNDS | | <u>1,442,762</u> | <u>1,442,762</u> |

The Directors confirm that

- (a) for the year ended 31 March 2006 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985 from the requirement to have its accounts audited, and
- (b) members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The Directors acknowledge their responsibility for (a) ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

The financial statements on pages 4 to 6 were approved by the Board of Directors on **27 MARCH** 2007 and signed on their behalf by



D J Platt
Director

CABLE & WIRELESS ASIA & PACIFIC LIMITED

NOTES TO THE ACCOUNTS

As at 31 March 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis. The financial statements have been prepared on a going concern basis. 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 adjustments that would result from the going concern basis of preparation being inappropriate.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2005 – nil). The Directors did not receive any emoluments from the Company (2005 – £nil).

3. CALLED UP SHARE CAPITAL

| | 2006 £000 | 2005 £000 |
|--|--------------|--------------|
| Authorised | | |
| 2,000,000,000 ordinary shares of £1 each | 2,000,000 | 2,000,000 |
| Allotted, called up and fully paid | | |
| 1,442,762,441 ordinary shares of £1 each | 1,442,762 | 1,442,762 |

4. 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, in which the company is consolidated, from the address in Note 6.

5. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, 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.

6. ULTIMATE PARENT COMPANY

The Directors consider that the Company's ultimate parent undertaking and controlling party is Cable and Wireless plc, 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.