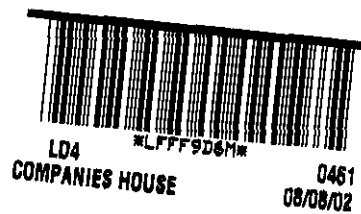


**CABLE & WIRELESS ASIA & PACIFIC LIMITED**

**Report and Financial Statements**

**31 March 2002**

**Registered Office:  
124 Theobalds Road  
London  
WC1X 8RX**



## **CABLE & WIRELESS ASIA & PACIFIC LIMITED**

### **To the Company's Ordinary Shareholders**

#### **Elective Regime**

The Company has passed elective resolutions in accordance with Section 379A of the Companies Act 1985 as amended ("the Act") to dispense with the formalities of:

- the laying of accounts before the Company in general meeting (Section 252 of the Act);
- the holding of annual general meetings (Section 366A of the Act); and
- the obligation to appoint auditors annually (Section 386 of the Act).

Section 253(2) gives members the right to require the laying of accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with Section 238(1) of the Act.

**Registered Office:**  
**124 Theobalds Road**  
**London**  
**WC1X 8RX**

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS

	Page
Directors' Report	2
Statement of Directors' Responsibilities	4
Independent Auditors' report	5
Profit and loss account	6
Balance Sheet	7
Notes to the Accounts	8

**DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the eighteen month period from incorporation to 31 March 2002. The Company has changed its financial year end to 31 March to align it with that of its ultimate parent company, Cable and Wireless plc.

**ACTIVITIES**

The Company was incorporated on 10 October 2000. The principal activity of the Company is to provide loans to group companies and act as a Holding company.

**RESULTS AND DIVIDENDS**

The Company did not trade during the period. The Directors do not recommend payment of a dividend.

**FUTURE PROSPECTS**

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

**DIRECTORS AND THEIR INTERESTS**

JM Bolton and SP Clayton were appointed directors of the Company on 10 October 2000. SP Clayton resigned on 1 February 2001 and WG Tucker was appointed in his place. HM Hanscomb was appointed alternate director to JM Bolton on 30 January 2001.

Following the year end, WG Tucker resigned as a director on 28 June 2002 and KK Claydon was appointed in his place.

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 beneficial interests of the Directors in the shares of Cable and Wireless plc are as follows:

	At 10 October 2000 (or later date of appointment)	Shares acquired or options granted	Shares disposed or options exercised/lapsed	At 31 March 2002	
J M Bolton	-	1,014	-	1,014	
	1,242	6,419	4,202	3,459	(a)
	9,895	17,206	-	27,101	(b)
H M Hanscomb	118	14	-	132	
	763	10,740	5,477	6,026	(a)
	1,863	6,741	-	8,604	(b)
W G Tucker	2,672	4,714	2,672	4,714	(a)
	102,434	202,941	-	305,375	(b)
	20,456	-	-	20,456	(c)
	8,360	-	-	8,360	(d)
	-	67,647	-	67,647	(e)

**DIRECTORS' REPORT (Continued)**

**DIRECTORS AND THEIR INTERESTS (Continued)**

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 1 April 1999 under the C&W Performance Share Plan (PSP) 1999, (d) which are contingent share awards granted on 1 April 2000 under the C&W PSP 2000 or (e) which are contingent share awards granted on 27 July 2001 under the C&W PSP 2001. Full details of the PSP is included in the financial statements of the ultimate parent company.

By order of the Board of Directors.



**K K Claydon**  
Director

Date: 6/8/02

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year 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 the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed;
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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 AUDITORS' REPORT TO THE MEMBERS OF CABLE & WIRELESS ASIA & PACIFIC LIMITED**

We have audited the financial statements on pages 6 to 9.

*Respective responsibilities of Directors and auditors*

The Directors are responsible for preparing the Directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

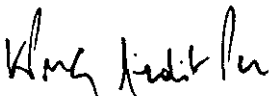
*Basis of audit opinion*

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 financial statements. It also includes an assessment of the significant estimates and judgements 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 of the state of the Company's affairs as at 31 March 2002 and of its result for the period from 10 October 2000 (date of incorporation) to 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

Date: 6 August 2002

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2002**

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

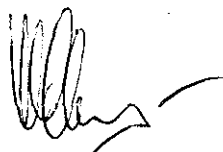


**CABLE & WIRELESS ASIA & PACIFIC LIMITED**

**BALANCE SHEET  
AS AT 31 MARCH 2002**

	<b>Note</b>	<b>2002 £000</b>
<b>FIXED ASSETS</b>		
Investments	3	-
<b>CURRENT ASSETS</b>		
Amounts owed by group undertakings		<u>1,442,762</u>
<b>NET ASSETS</b>		<u><u>1,442,762</u></u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	4	<u>1,442,762</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u><u>1,442,762</u></u>

The financial statements were approved by the Board of Directors on 6<sup>th</sup> August 2002 and signed on their behalf by:



**KK CLAYDON**  
Director

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

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

*Investments*

Investments held as fixed assets are stated at cost less provision for any diminution in value.

## 2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

The Company had no employees during the period. The Directors did not receive any emoluments from the Company. The audit fee was borne by the parent entity.

## 3. INVESTMENTS

	2002 £000
Cost	
At 10 October 2000	-
Additions	2,885,515
Disposals	(2,885,515)
At 31 March 2002	<u>-</u>

On 23 February 2001, the Company undertook the following actions:

- acquired 1,442,751,000 ordinary shares of £1 in Cable & Wireless Australia and Pacific ('CWAP') at par;
- 18,200 ordinary shares of €1 each were acquired in Cable & Wireless Australia & Pacific Holdings B.V. ('CWAPHBV') in exchange for the issue of 11,441 ordinary shares issued at par;
- transferred its entire shareholding in CWAP to CWAPHBV and was allotted 10,000 ordinary shares of €1 in that company in return at a premium of €229,512 per share; and
- transferred its entire shareholding in CWAPHBV to Cable & Wireless Eastern Holdings Limited ('CWEHL') for consideration of €2,295,146,491 (£1,442,762,441).

## NOTES TO THE ACCOUNTS (CONTINUED)

## 4. CALLED UP SHARE CAPITAL

	2002 £000
Authorised 2,000,000,000 ordinary shares of £1 each	2,000,000
Allotted, called up and fully paid 1,442,762,441 ordinary shares of £1 each	<u>1,442,762</u>

The Company issued 2 ordinary shares to Cable & Wireless Eastern Hemisphere B.V. ("CWEHBV") on incorporation.

On 23 February 2001, the Company undertook the following actions:

- 1,442,750,998 ordinary shares were issued to CWEHBV at par;
- CWEHBV transferred its entire holding in the Company to CWEHL for consideration of £2,780,070,169;
- 11,441 ordinary shares were issued to CWEHL in return for that company's holding of 18,200 ordinary shares in CWAPHBV; and
- CWEHL transferred its entire holding in the Company to Cable and Wireless plc at par.

## 5. CASH FLOW STATEMENT

Under Financial Reporting Standard 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 cash flow statement is included in the financial statements of Cable and Wireless plc.

## 6. 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.

## 7. ULTIMATE PARENT COMPANY

The Company's holding company and ultimate parent company 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, 124 Theobalds Road, London WC1X 8RX.