

Company Registration No. 4256100 England

CABLE & WIRELESS REGIONAL LIMITED

Report and Financial Statements

31 March 2002

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



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.

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REPORT AND FINANCIAL STATEMENTS 2002

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DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the period from 20 July 2001 (date of 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 as Copper Holdings Limited on 20 July 2001. The name of the Company was changed to Cable & Wireless Regional Limited on 12 March 2002. The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year. No change in the Company's activities is envisaged in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The following served as Directors during the period under review: -

J Cheesewright	appointed 18 February 2002
K K Claydon	appointed 20 July 2001
J D Fitz	appointed 20 July 2001
R E Lerwill	appointed 30 July 2001
R F Mortimer	appointed 18 February 2002

J M Bolton was appointed as alternate Director to K K Claydon on 30 July 2001.

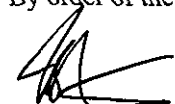
The Directors have no interest in the shares of the Company nor any disclosable interests in any contracts or arrangements with the Company subsisting at the end of the financial year. The beneficial interests of the Directors in the shares of Cable and Wireless plc are as follows:

DIRECTORS' REPORT (Continued)

	At 20 July 2001 (or later date of appointment)	Shares acquired or options granted	Shares disposed or options exercised/lapsed	At 31 March 2002	
K K Claydon	12,034	4,537	-	16,571	
	10,240	-	2,828	7,412	(a)
	58,863	72,654	-	131,517	(b)
	10,782	-	-	10,782	(d)
	4,524	-	-	4,524	(e)
	-	36,326	-	36,326	(f)
J M Bolton	814	200	-	1,014	
	2,706	3,459	2,706	3,459	(a)
	9,895	17,206	-	27,101	(b)
J Cheesewright	6,544	-	-	6,544	(a)
	167,693	-	-	167,693	(b)
	5,114	-	-	5,114	(e)
	48,529	-	-	48,529	(f)
J D Fitz	1,218	4,881	-	6,099	
	619	2,075	-	2,694	(a)
	80,927	176,471	-	257,398	(b)
	4,881	-	4,881	-	(c)
	12,033	-	-	12,033	(d)
	8,261	-	-	8,261	(e)
	-	58,824	-	58,824	(f)
R E Lerwill	59,937	-	-	59,937	
	4,805	-	-	4,805	(a)
	755,283	-	-	755,283	(b)
	42,998	-	-	42,998	(d)
	27,144	-	-	27,144	(e)
	117,647	-	-	117,647	(f)
R F Mortimer	13,524	55	-	13,579	
	6,026	-	-	6,026	(a)
	142,019	-	-	142,019	(b)
	10,397	-	-	10,397	(d)
	4,603	-	-	4,603	(e)
	18,824	-	-	18,824	(f)

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 C&W Long Term Incentive Plan 1998 (notional), (d) which are contingent share awards granted on 1 April 1999 under the C&W Performance Share Plan (PSP) 1999, (e) which are contingent share awards granted on 1 April 2000 under the C&W PSP 2000 or (f) which are contingent share awards granted on 27 July 2001 under the C&W PSP 2001. Full details of the LTIP and the PSP are included in the financial statements of the ultimate parent company.

By order of the Board of Directors.


J M BOLTON
 Secretary

Date: 25 November 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.

BALANCE SHEET
As at 31 March 2002

	Note	2002 £
CURRENT ASSETS		
Amounts due from Group undertakings		1
NET ASSETS		1
CAPITAL AND RESERVES		
Called up share capital	3	1
EQUITY SHAREHOLDERS' FUNDS		1

The Directors confirm that:

- (a) For the period ended 31 March 2002 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 of its account 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 period, and of its profit or loss for the financial period, 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 5 to 7 were approved by the Board of Directors on 25 November 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.

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.

3. CALLED UP SHARE CAPITAL

	2002 £
Authorised 2,000,000,000 ordinary shares of £1 each	2,000,000,000
Alotted, called up and fully paid 1 ordinary shares of £1 each	1

On 18 February 2002 the sole issued share in the Company was transferred at par from Cable & Wireless Global Holding Limited (formerly Cable & Wireless Western Hemisphere Limited), a wholly owned Cable & Wireless Group company incorporated in England, to Cable and Wireless plc.

4. 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.

5. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard No. 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 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.

7. POST BALANCE SHEET EVENTS

On 31 May 2002, the Company acquired 43,785,134 ordinary shares in Cable and Wireless Guernsey Limited (formerly Guernsey Telecoms Limited). The remaining issued share in Cable and Wireless Guernsey Limited was acquired by Cable and Wireless Nominee Limited (as nominee for the Company). Consideration for the shares in Cable and Wireless Guernsey Limited was £22.5 million, £10 million of which has been deferred: £5 million for 12 months and the remaining £5 million for a further 12 months. The principal activity of Cable and Wireless Guernsey Limited is to provide full service telecommunications in Guernsey.

Also on 31 May 2002 the Company acquired certain rights in respect of a fibre optic cable project, which when completed will run between Guernsey, Jersey and France for £1.3 million. These rights have subsequently been sold onto Cable and Wireless Guernsey Limited.