



FROM THE
MINISTER OF STATE
FOR INDUSTRY AND
INFORMATION TECHNOLOGY

Kenneth Baker's Office

Tim Flesher Esq
Private Secretary to
The Prime Minister
10 Downing Street

Prime Minister (2)
ms 18/1
DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB
TELEPHONE DIRECT LINE 01-212
SWITCHBOARD 01-212 7676

6401

17 January 1983

Dear Tim,

CABLE AND WIRELESS PLC: INTERIM RESULTS

Eric Sharp, Chairman and Chief Executive of Cable & Wireless plc, has asked us to send you the enclosed copy of his company's interim results which show that profits are up 47%. These and the accompanying statement are an example of successful privatisation - indeed probably the most successful of our privatisations and in a recent article in the FT C & W ranked 47 in the list of the 500 European companies which have the highest market valuation. This is good news and Mr Baker has congratulated Eric Sharp on these achievements.

Yours sincerely
Neil

N M McMILLAN
PRIVATE SECRETARY

MT.

M74/M74AAM

CABLE & WIRELESS PLC

INTERIM REPORT

The unaudited results for the six months ended 30th September 1982 are:-

	6 months to 30th Sept 1982	6 months to 30th Sept 1981		Year to 31st March 1982
	<u>£M</u>	<u>£M</u>		<u>£M</u>
<u>Historic Cost Results</u>				
Turnover	193	178	<i>6 months to 30 Sept 1980 127</i>	354
<hr style="border-top: 1px dashed black;"/>				
Trading Profit	54	41	<i>27</i>	78
Investment and Leasing	13	4	-	19
Profit before taxation	67	45	<i>27</i>	97
Tax	24	20	<i>11</i>	37
Minority interests	6	1	-	7
Profit attributable to Shareholders	37	24	<i>16</i>	53
Earnings per share	13.8p	8.9p		20.2p

NOTES

1. Changes which affect comparative figures are:-
 - a) Bahrain was a branch until 1st July 1981, when it became an associated company;
 - b) Hong Kong was a branch until 30th September 1981, when it became an 80%-owned subsidiary.
2. The estimated tax liability of £24m consists of UK tax - £16m (£9m - 1981), overseas tax - £7m (£10m - 1981) and associated companies - £1m (£1m - 1981).
3. Exchange differences arising from the translation of foreign currency assets and liabilities into sterling at 30th September have been excluded.
4. Trading profits include £8m (£4m - 1981) from profits of the associated companies managed by the Group.
5. Earnings per share for each six-monthly period have been calculated on the 270 million shares currently in issue. During the six months to 30th September 1981 the share capital was 100 million £1 shares. It was subdivided and increased during October 1981.

COMMENTS ON RESULTS

The pre-tax profit of £67m is an improvement of 47% over the £45m for the comparable period of last year. Trading profits and turnover increased by 27% and 17% respectively after adjustments for Bahrain to an associated company from 1st July 1981.

Results expressed in sterling for a Group which has most of its activities overseas have been helped by current sterling exchange rates. The trading profit has increased over the comparable period of last year by some £5m currency gain.

The trading results have continued to show improvements, particularly from continued progress in achieving improved margins. The telecommunications business in the United States is producing improved profits significantly above the level of the comparative period last year. The volume of business handled by the Group continues to increase, but at a slower rate, reflecting current economic conditions.

The increased attention given to the management of cash is benefiting results and as investment is made in new business opportunities, interest income will be replaced progressively by trading profits.

Future investment income will reduce by some £3.5m annually, following an exceptional tax payment on 1st January 1983 resulting from the net extraordinary gain and balancing charges which appeared in the accounts in March 1982 and 1981 respectively.

Interim Dividend

The board has declared an interim dividend of 3.2p per ordinary share (1981 - 2.6p) payable on 1st April 1983 to shareholders on the register on 1st March 1983. The cost of the interim dividend is £8,640K (1981 - £7,020K).

Issued by: Corporate Affairs Department,
Cable & Wireless PLC,
Mercury House,
Theobalds Road,
Holborn,
London,
WC1X 8RX.

Tel: 01 - 242 4433 Ext.4490

15th December, 1982