



CABLE & WIRELESS

SUPERANNUATION FUND

SUMMARY ACCOUNTS 2009





CHAIRMAN'S STATEMENT

The past year or so has seen the financial crisis deepen and an economic recession take hold. The crisis is affecting countries all around the world and commentators are forecasting that the economic downturn could be severe and prolonged. Against this background all UK pension schemes have come under increasing financial strain.

The C&W Superannuation Fund (CWSF) is no exception and its financial position has deteriorated since we last reported to you. Having said this, it's important to bear in mind that the CWSF is a long-term investor with pension obligations stretching far into the future. Our internal and external controls are designed to make sure that the CWSF is able to weather the current difficulties.

To provide some measure of protection against stock market volatility, the trustee bought a 'bulk purchase annuity' policy from Prudential in September 2008. The £1.028 billion policy was designed to match the pension payments of almost all retired CWSF members at 31 July 2008. All pensions remain liabilities of the fund and the policy does not place retired members in a stronger position than deferred or active members. The policy was bought on the basis that it insured about half of the CWSF benefit liabilities at the time of purchase. This was to the benefit of all members because it significantly reduced the risk of fund assets proving insufficient to meet benefit liabilities in the future. In accordance with the recommended accounting treatment for policies of this type, the insurance policy is carried at nil value in the fund's annual accounts.

We continue to look for other opportunities to reduce risk in the fund – against the background of always acting in the best interests of all members.

During the year Ian Muir left the trustee board on his departure from Cable & Wireless, and was replaced by Neil Woodhouse.

Finally, I think it's worth re-emphasising that the fund is in the care of the trustees, and is entirely independent of the company, although the relationship between the trustee board and Cable & Wireless remains very open and healthy.

DAVE ESCOTT
CHAIRMAN

CABLE & WIRELESS PENSION TRUSTEE LIMITED



WHO'S WHO ON THE TRUSTEE BOARD

9 of our pensioners are over 100

The average age of our pensioners is 68 years 5 months

The board is made up of people nominated by Cable & Wireless, including retired members of the fund, and employee members nominated by their peers. This was the position at 31 March 2009.

STEPHEN DOYLE	Retired member
DAVE ESCOTT	Retired member
ROBIN TURNER	Retired member
DAVID WHITTEN	Retired member
DAVID AUBREY	Member nominee
MIKE BOAG	Member nominee
RAY PIOLI	Member nominee
DAVID THAIN	Member nominee
STEWART SMYTHE	Employer nominee
NICK WATTS	Employer nominee
NEIL WOODHOUSE	Employer nominee



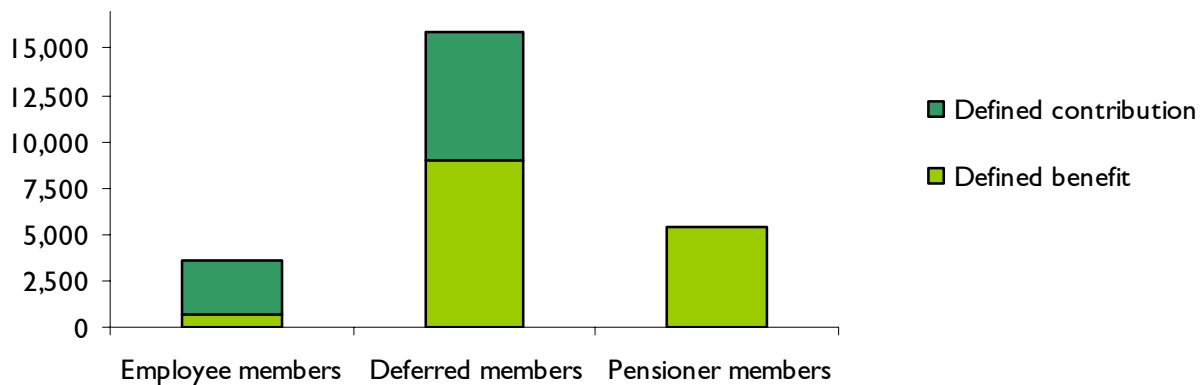
STATISTICS

40 years 8 months is the average age of active members

The youngest member is 18

Average length of service is 6 years 10 months

MEMBERSHIP AT 31 MARCH 2009			
	DEFINED BENEFIT	DEFINED CONTRIBUTION	TOTAL
Employee members	745	2,856	3,601
Deferred members	8,952	6,912	15,864
Retired members	5,373	0	5,373
	15,070	9,768	24,838



INVESTMENT PERFORMANCE

£0.96 BILLION value of the fund
The fund's assets have been building
up since it started in 1957

The performance target for our investments is a composite of international investment market indices, reflecting the allocation of fund assets across investment markets.

PERIOD	FUND RETURN	FUND TARGET
1 year to 31 March 2009 (%)	-20.9	-14.5
3 years to 31 March 2009 (% p.a.)	-4.0	-3.8

We use interest rate and inflation 'swaps' in our investment portfolio. This can make short term performance volatile against our benchmark and mask the underlying performance of investment managers. We are considering alternative ways of reporting performance to give a clearer picture in the future.

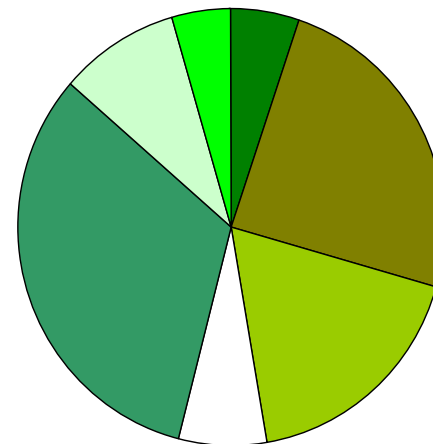
INVESTMENT SPREAD

£60.5 MILLION total value of pensions paid
We pay almost 5,400 pensions in
40 countries around the world

Following the purchase of the Prudential insurance policy in September 2008, the fund's investment allocation for the remaining assets was approximately 75% return-seeking assets, and 25% matching assets.

The 75%/25% allocation has been adopted as an interim benchmark while a more detailed asset/liability study is carried out by the fund's investment consultants. At 31 March 2009 the distribution of assets (excluding the insurance policy) was:

ASSET CLASS	%
UK equities	5.2
Overseas equities	24.2
Cash/Swaps	17.9
Corporate bonds	6.5
Absolute return	32.6
Property	9.2
Cash	4.4



- UK equities
- Overseas equities
- Cash/Swaps
- Corporate bonds
- Absolute return
- Property
- Cash

FINANCIAL STATEMENT

£40.7 MILLION contributions paid into the fund by employers and members, as well as £0.6 MILLION received in transfer values and bonus sacrifice

	£,000		£,000
INCOME		NET ASSETS	
Employer contributions	31,682	Investments	948,649
Employee/other contributions	9,027	Current assets	12,952
Transfers from other schemes	628	Current liabilities	(6,284)
Investment income	37,826		955,317
	79,163		
EXPENDITURE		FUNDED BY	
Benefits (incl. Pru policy cost)	1,121,872	Opening net assets	2,247,690
Transfers to other schemes	6,094	Net new money	(1,057,386)
Administration	8,583	Change in market value	(234,987)
	1,136,549		955,317
NET NEW MONEY	(1,057,386)		

A copy of the full accounts is available by download from the pensions website, or by contacting:

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