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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: ) Chapter 11  
)  
CABLE & WIRELESS USA, INC., et al.,<sup>1</sup> ) Case No. 03-13711 (CGC)  
) (Jointly Administered)  
Debtors. )

**ORDER (A) APPROVING BIDDING PROCEDURES AND OVERBID PROTECTIONS IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THEIR ASSETS, (B) APPROVING THE FORM AND MANNER OF THE SALE NOTICE AND BIDDING PROCEDURES NOTICE, (C) SCHEDULING A SALE HEARING DATE, AND (D) APPROVING PROCEDURES FOR DETERMINING CURE AMOUNTS IN CONNECTION WITH THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Upon the motion of the above-captioned debtors and debtors in possession (the "Debtors") seeking entry of an order (a) approving the bidding procedures and overbid protections, including the Break-Up Fee, Termination Fee and Expense Reimbursement arrangements contemplated in the asset purchase agreement ("APA"), in connection with the proposed sale of substantially all of the Debtors' assets, (b) approving the form and manner of the sale notice and bidding procedures notice, (c) setting a hearing date on the motion to approve the Sale, and (d) approving procedures for determining cure amounts in connection with the proposed assumption and assignment of executory contracts and unexpired leases as

set forth in the APA (the "Bidding Procedures Motion")<sup>2</sup>; the Court having reviewed the Bidding Procedures Motion and papers filed in response thereto and having heard the statements of counsel regarding the relief requested in the Motion at a hearing before the Court (the "Hearing"); after due deliberation and sufficient cause appearing therefor, it is hereby

AUS: \_\_\_\_\_  
CAF: \_\_\_\_\_  
CMP: \_\_\_\_\_  
COM: \_\_\_\_\_  
CTR: \_\_\_\_\_  
ECR: \_\_\_\_\_  
GCL: \_\_\_\_\_  
OPC: \_\_\_\_\_  
MMS: \_\_\_\_\_  
SEC: \_\_\_\_\_  
OTH: None

<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless USA of Virginia, Inc., Cable & Wireless Internet Services, Inc., Exodus Communications Real Property I, LLC, Exodus Communications Real Property Managers I, LLC, and Exodus Communications Real Property I, LP.

<sup>2</sup> Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Bidding Procedures Motion.

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**FOUND AND DETERMINED THAT:**

- A. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (N), and (O). Venue of this proceeding and the Bidding Procedures Motion is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
- B. Due and proper notice of the Bidding Procedures Motion has been given and no further notice is required.
- C. The Bidding Procedures, substantially in the form annexed hereto as Exhibit 1, are fair, reasonable and appropriate and are designed to maximize the recovery on the sale of Acquired Assets.
- D. The Debtors have demonstrated that the payment of the Break-Up Fee, Termination Fee, and Expense Reimbursement to Gores Asset Holdings, Inc., an affiliate of Gores Technology Group, LLC (the "Proposed Purchaser"), as set forth in the Bidding Procedures Motion and the APA, as amended on the record at the Hearing and as set forth herein, is supported by a compelling and sound business justification and is in the best interests of the Debtors and their respective estates pursuant to section 363 of the Bankruptcy Code because, among other things:
- i. The Break-Up Fee in the amount of \$2,500,000, the Termination Fee in the amount of \$1,500,000 and the Expense Reimbursement in the amount not to exceed \$1,000,000 are the product of arms-length, good-faith negotiations among the Debtors and Proposed Purchaser;

ii. The Break-Up Fee, Termination Fee and Expense Reimbursement are material components of, and conditions to, the Proposed Purchaser's offer for the Acquired Assets;

iii. Approval of the Break-Up Fee, Termination Fee and Expense Reimbursement will encourage fair and competitive bidding by enabling the Debtors to file and serve notice of the Sale Motion and thereby to set a floor on bidding while subjecting the Proposed Purchaser's offer to a competitive bidding process through the auction process; and

iv. The amount of the Break-Up Fee, Termination Fee and Expense Reimbursement are fair and reasonable under the circumstances.

E. The Debtors' notice of the Auction and Sale Hearing (the "Sale Notice" as annexed hereto as Exhibit 2) is reasonably calculated to provide all interested parties with timely and proper notice of the Sale, Sale Hearing and Auction.

F. The Debtors' cure notice (the "Cure Notice" as annexed hereto as Exhibit 3) is reasonably calculated to provide all counterparties to Assigned Contracts with proper notice of the potential assumption and assignment of their executory contract or unexpired lease.

G. All objections to the Bidding Procedures Motion that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits.

H. The entry of this Bidding Procedures Order is in the best interests of the Debtors and their estates, creditors and interest holders; and it is therefore

**ORDERED THAT:**

1. The Bidding Procedures Motion is approved on the terms set forth herein.

**The Auction**

2. The Bidding Procedures, substantially in the form annexed hereto as Exhibit 1, are approved in all respects.
3. The Bid Deadline upon which date and time all bids must be received as set forth in the Bidding Procedures is 5:00 p.m. (prevailing Eastern Time) on January 16, 2004.
4. The Debtors have the right to determine, in their reasonable judgment after consultation with their financial and legal advisors and the Committee, which of the Qualifying Bids is likely to result in the highest value to the Debtors as set forth in the Bidding Procedures.
5. The Auction for the Acquired Assets shall take place at 10:00 a.m. (prevailing Eastern time), on January 21, 2004, at the offices of Kirkland & Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, New York 10022, or at such other place, date and time as may be designated in writing by the Debtors.

**Expense Reimbursement, Break-Up Fee, Termination Fee and Overbid Amount**

6. The Debtors are authorized and directed to take all necessary actions pursuant to the terms of the APA and Bidding Procedures Motion to honor and pay the Break-Up Fee, Termination Fee, and Expense Reimbursement to the Proposed Purchaser as and when they become due and payable in accordance with the terms of the APA.
7. All provisions of the APA regarding payments to Proposed Purchaser with respect to the Break Up Fee, Termination Fee and Expense Reimbursement are hereby approved and the Debtors are authorized and directed to perform thereunder.

8. For purposes of clarity, the Break-Up Fee is payable in cash pursuant to the terms of the APA from the proceeds of a consummated Alternative Transaction upon the closing of the Alternative Transaction or from the deposit held in connection with such Alternative Transaction. Under no circumstances shall the Termination Fee and the Break Up Fee both be payable.

9. The Break-Up Fee, Termination Fee and Expense Reimbursement shall survive termination of the APA and shall constitute an administrative expense of the Debtors' estates under section 507(a)(1) of the Bankruptcy Code, and with a Carveout from the superpriority lien granted to the DIP Lender, as agreed to by the DIP Lender at the Hearing. To the extent that the interim DIP order was inconsistent with this provision, the interim DIP order is hereby amended with the express consent of the DIP Lender as expressed at the Hearing.

10. Solely for the purposes of determining the Prevailing Bid, any overbid submitted by a Qualified Bidder shall be in an amount equal to the Proposed Purchaser's Purchase Price plus (i) the Break-Up Fee of \$2.5 million, (ii) the Expense Reimbursement of up to \$1.0 million, and (iv) \$2 million.

11. The next overbid increment must be at least \$1.5 million higher than the highest Qualifying Bid at which the Auction commenced, and each subsequent overbid increment thereafter must be at least \$1.5 million higher than the previous bid.

#### The Sale Hearing

12. The Sale Hearing to approve the Prevailing Bid(s) shall be held before this Court at 10:00 a.m. (prevailing <sup>Arizona</sup> ~~Eastern~~ time), on January 23, 2004, located at 2929 N. Central

Avenue, 9<sup>th</sup> Floor, Courtroom 6 in Phoenix, Arizona, at or such other date and time as may be convenient to the Court, or as may be announced at the Sale Hearing without further notice.

13. The form of the Sale Notice substantially in the form annexed hereto as Exhibit 2, is approved. The Debtors shall have served the Sale Notice by first class mail, postage prepaid, no later than on or before December 31, 2003 to the following parties (the "Notice Parties"):

- i. the United States Trustee for the District of Delaware;
- ii. the Debtors' postpetition lender, and JPMorgan Chase Bank as agent for the postpetition lender;
- iii. counsel for any statutory committee appointed by the United States Trustee in the Debtors' chapter 11 cases;
- iv. the non-debtor counter-parties to the potential Assigned Contracts;
- v. any entity that files a notice of appearance and demand for service of papers in these bankruptcy cases pursuant to Bankruptcy Rule 2002 as of the date of service of the Bidding Procedures Notice or Sale Notice, as applicable;
- vi. all parties that have signed confidentiality agreements and to which Blackstone and/or Greenhill have sent the comprehensive offering memorandum of the Debtors;
- vii. any party that timely filed an objection to entry of the Bidding Procedures Order;
- viii. all known holders of secured claims against the Debtors;
- ix. all known taxing authorities of the Debtors; and
- x. the United States Securities and Exchange Commission, and relevant state securities regulatory agencies, including the Department of Labor.

14. The Debtors shall publish the Publication Notice substantially in the form annexed hereto as Exhibit 4 in the national edition of The Wall Street Journal and at least one regional paper in each of Northern California (where the Debtors are headquartered) and Reston,

Virginia (where the Debtors maintain primary network operations) no later than ten (10) days after entry of this Bidding Procedures Order.

15. Objections, if any, to the relief requested in the Sale Motion, shall be filed on before January 13, 2004 at 4:00 p.m. (prevailing Eastern time) and served on

- i. Debtors' counsel at Kirkland & Ellis LLP, Aon Center, 200 East Randolph Drive, Chicago, IL 60601-6636, Attn: James H.M. Sprayregen, P.C., Esq., Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq., and Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 N. Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, DE 19899-8705 Attn: Laura Davis Jones, Esq.;
- ii. the Proposed Purchaser at Gores Technology Group, 10877 Wilshire Blvd., Suite 1805, Los Angeles, CA 90024, Attn: Eric Hattler, and its counsel at Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Berwyn, PA 19312-1183, Attn: James D. Rosener and Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY, 10036-6522, Attn: Jay Goffman, Esq.;
- iii. counsel for PLC at Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019-6150, Attn: Philip Mindlin, Esq., and Richards, Layton & Finger, P.A., P.O. Box 551, One Rodney Square, Wilmington, DE 19899-0551, Attn: Mark D. Collins, Esq.;
- iv. counsel for JPMorgan Chase Bank, as DIP Agent, at Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178-0060, Attn: Robert H. Scheibe, Esq. and Landis Rath & Cobb LLP, 919 Market Street, Suite 600 Wilmington, DE, Attn: Adam G. Landis, Esq.;
- v. the Office of the United States Trustee for the District of Delaware, 844 N. King Street, Suite 2313, Wilmington, DE 19801, Attn: Richard Schepacarter; and
- vi. the Committee's counsel at Winston & Strawn LLP, 200 Park Avenue, New York, NY 10166-4193, Attn: David Neier, Esq. and Winston & Strawn LLP, 333 South Grand Avenue, Los Angeles, CA 90071, Attn: Eric E. Sagerman, Esq.

16. Only those objections that are timely filed, served and received will be considered by the Bankruptcy Court at the Sale Hearing.

### Cure Notice

17. The form of Cure Notice substantially in the form annexed hereto as Exhibit 3 is approved and the terms of that notice is incorporated as though fully set forth herein.

18. For those Assigned Contracts that the Debtors may seek to assume and assign, under the APA, the Debtors shall serve upon the counter-parties to such contract or lease the Cure Notice, on or before December 31, 2003, by first class mail, postage prepaid along with a schedule attached to the Cure Notice showing the cure amount necessary to assume the contract or lease (the "Cure Amount") is such Assigned Contract is ultimately determined to be assumed and assigned under the APA. The non-debtor party to the contract or lease shall have until January 13, 2004 at 4:00 p.m. (prevailing Eastern time) (the "Cure Objection Deadline") to object to the applicable Cure Amount as determined by the Debtors, or to otherwise assert that any other amounts, defaults, conditions or pecuniary losses must be cured or satisfied under its Assigned Contract for such agreement to be assumed (the "Cure Objection").

19. All Cure Objections must be filed with the Bankruptcy Court and served setting forth with specificity (a) any and all defaults which such party asserts must be cured, or (b) the grounds for any other objection, so that such Cure Objection is received by: (i) Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attention: Bennett L. Spiegel, Esq. and Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 N. Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (proposed reorganization co-counsel to the Debtors), (ii) Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Berwyn, Pennsylvania 19312-1183, Attention: James D. Rosener Esq. and Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY, 10036-6522, Attn: Jay



Goffman, Esq. (counsel to Proposed Purchaser), (iii) Winston & Strawn, 200 Park Avenue, New York, NY 10166-4193, Attention: David Neier, Esq. and Winston & Strawn LLP, 333 South Grand Avenue, Los Angeles, CA 90071, Attn: Eric E. Sagerman, Esq. (proposed counsel for the official committee of unsecured creditors); and (iv) Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019-6150, Attn: Philip Mindlin, Esq., and Richards, Layton & Finger, P.A., P.O. Box 551, One Rodney Square, Wilmington, DE 19899-0551, Attn: Mark D. Collins, Esq. (counsel for PLC).

#### Miscellaneous

20. The Debtors shall serve the Notice Parties with copies of the Bidding Procedures Notice.
21. From and after the date of this Bidding Procedures Order, the Debtors are authorized to take any all necessary actions with respect to the APA as are consistent with the Bidding Procedures and as may be necessary to procure an offer or bid for the Acquired Assets.
22. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Bidding Procedures Order.
23. Notwithstanding the possible applicability of Fed. R. Bankr. P. 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Bidding Procedures Order shall be immediately effective and enforceable upon its entry.
24. If Gores choses to amend its bid, Gores may provide to the Debtors (Attn: John Dubel), The Blackstone Group (Attn: Tim Coleman) and Kirkland & Ellis LLP (Attn: Bennett L. Spiegel, Esq.) a final form of bid on or before 12 noon (prevailing Eastern time) on or by January 5, 2004, and the Debtors, through their professionals, will provide a clear expression

*the original or, if applicable, cgc.*

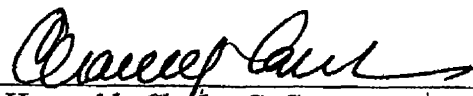
of valuation of the final bid submitted by Gores and will post such expression on Intralinks on January 6, 2004.

25. The Interim Order approving the debtor in possession financing entered by the Court on or about December 10, 2003 is hereby amended and supplemented to provide that the Break Up Fee, Termination Fee and Expense Reimbursement is included in the Carveout over and above and supplementing the existing Carveout (as defined in the Interim Order).

26. Section 6.12 of the APA is deleted in its entirety and replaced with the following:

6.12 No Shop Provisions. Immediately upon execution of the APA until the day prior to the commencement of the Auction, the Sellers shall not, nor shall they permit any of their officers, directors, advisors, agents, and representatives, to enter into any binding or non-binding agreement or letter of intent with any Person relating to any Acquisition Proposal.

Dated: December 22, 2003

  
The Honorable Charles C. Case  
United States Bankruptcy Judge

**EXHIBIT 1**

**BIDDING PROCEDURES**

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
CABLE & WIRELESS USA, INC., et al.,<sup>1</sup> ) Case No. 03-13711 (CGC)  
) (Jointly Administered)  
Debtors. )

**THE DEBTORS' BIDDING PROCEDURES**

These Bidding Procedures set forth the process by which the above-captioned debtors and debtors in possession (collectively, the "Debtors") are authorized to conduct a sale by auction (the "Auction") of all or substantially all of the assets of the Debtors. These Bidding Procedures were approved by order dated December 22, 2003 (the "Bidding Procedures Order"), of the United States Bankruptcy Court for the District of Delaware (the "Court") (in which the Debtors' jointly administered chapter 11 bankruptcy cases, Case No. 03-13711 (CGC), are pending) pursuant to the motion of the debtors for an order (a) approving bidding procedures and overbid protections in connection with the sale of substantially all of their assets, (b) approving the form and manner of the sale notice and bidding procedures notice, (c) scheduling a sale hearing date, and (d) approving procedures for determining cure amounts in connection with the assumption and assignment of executory contracts and unexpired leases (the "Bidding Procedures Motion"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the asset purchase agreement, dated December 8, 2003 (the "APA"), between the Debtors and Gores Asset Holdings, Inc. (the "Proposed Purchaser"). Any party desiring to obtain a copy of the APA may do so by contacting Debtors' co-counsel at Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq. or Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, DE 19899-8705, Attn: Laura Davis Jones, Esq.

1. Assets to be Sold

The Debtors provide these Bidding Procedures, whereby prospective bidders, if any may qualify for and participate in the Auction, thereby competing to make the highest and best offer for all or substantially all of the property and assets of the Debtors' network and hosting businesses (collectively the "Acquired Assets").

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<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless USA of Virginia, Inc., Cable & Wireless Internet Services, Inc., Exodus Communications Real Property I, LLC, Exodus Communications Real Property Managers I, LLC, and Exodus Communications Real Property I, LP.

## 2. Determination of "Qualifying Bidder" Status

In order to participate in the bidding process and be deemed a "Qualifying Bidder," each potential bidder other than the Proposed Purchaser,<sup>2</sup> must deliver (unless previously delivered) to the Debtors a written offer or group of offers (a "Qualifying Bid") that:

(i) states such Qualifying Bidder offers to purchase all or substantially all of the Acquired Assets upon the terms and conditions as substantially set forth in the APA or through a merger or alternative structure on such different or additional terms as appropriate and desirable for such transaction structure (which terms and conditions shall be no less favorable to the Debtors as the terms and conditions contained in the APA);<sup>3</sup>

(ii) states such Qualifying Bidder is prepared to enter into a legally binding purchase and sale agreement or similar agreement for the acquisition of the Acquired Assets on terms and conditions no less favorable to the Debtors than terms and conditions contained in the APA (as determined by the Debtors in their reasonable business judgment, after consultation with the Official Committee of Unsecured Creditors (the "Committee"), taking into consideration the timing of such transaction and any delay caused thereby);

(iii) states such Qualifying Bidder is financially capable of consummating a transaction substantially similar to the transactions contemplated by the APA;

(iv) states such Qualifying Bidder's offer is irrevocable until the closing of the purchase of the Acquired Assets if such Qualifying Bidder is the winning bidder or a back-up bidder;

(v) contains such financial and other information that will allow the Debtors to make a reasonable determination as to the Qualifying Bidder's financial and other capabilities to consummate the transactions contemplated by the APA, including, without limitation, such financial and other information setting forth adequate assurance of future performance under section 365 of the Bankruptcy Code in a form requested by the Debtors to allow the Debtors to serve within 1 business day after such receipt such information on counter-parties to any contracts or leases being assigned in connection with the proposed sale that have requested, in writing, such information;

(vi) is likely to result in a value to the Debtors, in the Debtors' reasonable judgment after consultation with their financial and legal advisors and the Committee (taking into account the impact of any delay in closing such Bid, the purchase price adjustments included therein, and the value of any proposed

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<sup>2</sup> The Proposed Purchaser is deemed a Qualifying Bidder and the APA constitutes a Qualifying Bid for all purposes.

<sup>3</sup> Potential bidders also may state whether they seek to assume the Debtors' defined benefit pension plan, or to assume any obligations under the Debtors' defined benefit pension plan.

assumption of pension liabilities, among other relevant factors), that is more than the aggregate of the value of the sum of: (A) the Purchase Price (as defined in the APA), plus (B) the amount of the Break-Up Fee of \$2.5 million; plus (C) the amount of the Expense Reimbursement in an amount not to exceed \$1 million; plus (D) \$2,000,000;

(vii) (A) does not contain any due diligence or financing contingencies of any kind; and (B) contains evidence that the Bidder has received debt and/or equity funding commitments sufficient in the aggregate to finance the purchase of the Acquired Assets; and

(viii) provides for a deposit at least equal to the Deposit contemplated by the APA.

### 3. Aggregate Bids

Persons who collectively are referred to as a "Qualifying Bidder" need not be Affiliated Persons and need not act in concert with one another and the Debtors may aggregate separate bids from unaffiliated persons to create one "Bid" from a "Qualifying Bidder."

### 4. Bid Deadline

All Qualified Bids must be submitted to (i) the Debtors' proposed reorganization co-counsel, Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq., and (ii) the Debtors' proposed investment bankers, The Blackstone Group, 345 Park Avenue, New York, NY 10154, Attn: Timothy R. Coleman, so as to be received not later than 5:00 p.m. (prevailing Eastern Time) on or before 5:00 p.m. (prevailing Eastern time) on or by January 16, 2004 (the "Bid Deadline"). The Committee's professionals, subject to an appropriate confidentiality agreement, shall have the right to inspect and review all bids received. All Qualified Bids received shall be made available to the Committee and to all whom submitted Qualified Bids prior to the Auction. If the Debtors do not receive any Qualifying Bids by the Bid Deadline, counsel for the Debtors shall report the same to the Court and the Debtors shall proceed with the transactions contemplated by the APA.

### 5. Evaluation of Qualifying Bids

Prior to the Auction, the Debtors shall determine, in their reasonable judgment after consultation with the Debtors' financial and legal advisors and the Committee, which of the Qualifying Bids is likely to result in the highest value to the Debtors, taking into account the impact of any delay in closing such Bid, the purchase price adjustments included therein, and the value of the proposed assumption of pension liabilities, among all other relevant factors.

### 6. No Qualifying Bids

If no timely, conforming Qualifying Bids are submitted by the Bid Deadline,

Debtors shall request at the Sale Hearing that the Court approve the APA with the Proposed Purchaser.

7. Auction

In the event that the Debtors timely receive one or more Qualifying Bids other than the APA, the Debtors shall conduct an auction with respect to the Acquired Assets (the "Auction"). The Auction will take place starting at 10:00 a.m. (prevailing Eastern time) on January 21, 2004 at Kirkland & Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, NY 10022-4611, or at such other place, date and time as may be designated in writing by the Debtors. The Auction shall be governed by the following procedures:

(i) Only the Proposed Purchaser, the Debtors, PLC, representatives of any official statutory committees appointed in these chapter 11 cases and any Qualifying Bidders (and the professionals for each of the foregoing) shall be entitled to attend and be heard at the Auction;

(ii) Only the Proposed Purchaser and the Qualifying Bidders shall be entitled to make any subsequent bids at the Auction;

(iii) The Proposed Purchaser and the Qualifying Bidders shall appear in person at the Auction, or through a duly authorized representative;

(iv) Bidding shall commence at an amount of the highest Qualifying Bid submitted by the Qualifying Bidders prior to the Auction;

(v) Qualifying Bidders may then submit successive bids<sup>4</sup> in increments of at least \$1,500,000 higher than the bid at which the Auction commenced and then continue in minimum increments of at least \$1,500,000 higher than the previous bid; and

(vi) The Auction shall continue until there is only one offer that the Debtors, in consultation with the Committee, determine, subject to Court approval, is the highest and best Qualifying Bid (the "Prevailing Bid"). In making this decision, the Debtors, in consultation with the Committee, shall consider without limitation the amount of the purchase price, the form of consideration being offered, the likelihood of the bidder's ability to close a transaction and the timing thereof, the value of any proposed assumption of pension liabilities, and the net benefit to the Debtors' estates. The Qualifying Bidder submitting such Prevailing Bid shall become the "Prevailing Bidder," and shall have such rights and responsibilities of the purchaser, as set forth in the applicable asset purchase agreement. Within 1 day after adjournment of the Auction, the Prevailing Bidder shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Prevailing Bid was made. The results at the close

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<sup>4</sup> Overbids submitted at the Auction shall not require a deposit.

of the Auction shall be final and no additional bids will be accepted after the close of the Auction.

8. Sale Hearing

The Prevailing Bid (or the APA if no Qualifying Bid other than that of the Proposed Purchaser is received) will be subject to approval by the Bankruptcy Court. Please be advised that sale of the Acquired Assets to the Prevailing Bidder (the "Sale Hearing") will take place before the Honorable Charles G. Case, II, United States Bankruptcy Judge, on January 23, 2004 at 10:00 a.m. (prevailing ~~time~~ time) located at 2929 N. Central Avenue, 9<sup>th</sup> Floor, Courtroom 6 in Phoenix, Arizona, or at such time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

*Annam Cgc*

9. Failure to Consummate Purchase

Following the Sale Hearing, if the Prevailing Purchaser fails to consummate an approved Sale because of a breach or failure to perform on the part of such Prevailing Purchaser, the next highest or otherwise best Qualifying Bid, as determined by the Debtors in the exercise of their business judgment, in consultation with the Committee, will be deemed to be the new prevailing bid and the Debtors will be authorized, but not required, to consummate the Sale with the new Prevailing Purchaser by submitting such bid without further order of the Bankruptcy Court. In such case, the defaulting Prevailing Purchaser's deposit, if any, shall be forfeited to the Debtors and parties in interest, and the Debtors specifically reserve the right to seek all available damages from the defaulting Prevailing Purchaser.



10. Reservation of Rights; Deadline Extension

The Debtors reserve their rights, in consultation with the Committee, to modify or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Acquired Assets consistent with the Bidding Procedures Order and not inconsistent with the APA, including, without limitation, extending the deadlines set forth in the Auction procedures, adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice, withdrawing from the Auction any or all of the Acquired Assets at any time prior to or during the Auction or canceling the Auction, and rejecting all Qualifying Bids (other than the APA) if, in the Debtors' business judgment, in consultation with the Committee, no such bid is for a fair and adequate price.

Dated: December 23, 2003

KIRKLAND & ELLIS LLP  
Bennett L. Spiegel (CA Bar No. 129558)  
Kelly K. Frazier (CA Bar No. 212527)  
Lori Sinanyan (CA Bar No. 209975)  
777 South Figueroa Street  
Los Angeles, CA 90017  
Telephone: (213) 680-8400  
Facsimile: (213) 680-8500

and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES  
& WEINTRAUB P.C.

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Laura Davis Jones (Bar No. 2436)  
Scotta E. McFarland (Bar No. 4184)  
Curtis Hehn (Bar No. 4264)  
919 North Market Street, 16th Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705 (Courier 19801)  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

[Proposed] Co-Counsel for the Debtors  
and Debtors in Possession

**EXHIBIT 2**  
**SALE NOTICE**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
CABLE & WIRELESS USA, INC., et al.,<sup>1</sup> ) Case No. 03-13711 (CGC)  
) (Jointly Administered)  
)  
Debtors. )

**NOTICE OF AUCTION AND SALE HEARING**

**PLEASE TAKE NOTICE** that on December 8, 2003, the above-captioned debtors and debtors and debtors in possession (collectively, the “Debtors”) filed voluntary chapter 11 bankruptcy petitions in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

**PLEASE TAKE FURTHER NOTICE** that on December 10, 2003, the Debtors filed a motion for an order (a) approving the asset purchase agreement, dated December 8, 2003 (the “APA”) with Gores Asset Holdings, Inc. (the “Proposed Purchaser”), and (b) authorizing (i) the sale of substantially all of the debtors’ assets to the Proposed Purchaser or such other successful bidder(s) at an auction, free and clear of all liens, claims, encumbrances and interests; (ii) assumption and assignment of certain executory contracts, license agreements and unexpired leases (the “Assigned Contracts”); and (iii) granting related relief (the “Sale Motion”). Pursuant to the Sale Motion, the debtors seek authority to sell substantially all of the debtors’ assets (the “Acquired Assets”) to the Proposed Purchaser, or a successful bidder (any such bidder, a “Successful Bidder”) at an auction (the “Auction”) to be conducted with respect to the sale of the Acquired Assets. The terms and conditions of the proposed sale to the Proposed Purchaser are set forth in the APA attached to the Sale Motion. The APA represents the results of extensive marketing efforts conducted by the Debtors, together with the investment banking firms of Greenhill & Co. LLC and The Blackstone Group LP, to obtain the highest and best offer for the Acquired Assets. As set forth in the APA, the Debtors seek to sell substantially all of the Debtors’ assets to the Proposed Purchaser for approximately \$125 million in consideration, consisting of approximately \$50 million in cash (including up to \$5 million towards payment of proposed cure amounts and transfer taxes), and \$75 million in a senior secured increasing rate note from Gores Asset Holdings, Inc., as well as the assumption of specified pre-closing liabilities. The proposed purchase price is subject to adjustments based on business performance targets that have been set for Working Capital (as defined in the APA), revenue and certain overhead expenses.

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<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless USA of Virginia, Inc., Cable & Wireless Internet Services, Inc., Exodus Communications Real Property I, LLC, Exodus Communications Real Property Managers I, LLC, and Exodus Communications Real Property I, LP.

**PLEASE TAKE FURTHER NOTICE** that on December 22, 2003, the Bankruptcy Court entered an Order (A) Approving Bidding Procedures And Overbid Protections In Connection With The Sale of Substantially All Of Their Assets, (B) Approving The Form And Manner Of The Sale Notice and Bidding Procedures Notice, (C) Scheduling A Sale Hearing Date, And (D) Approving Procedures For Determining Cure Amounts In Connection With The Assumption And Assignment Of Executory Contracts And Unexpired Leases (the "Bidding Procedures Order"). The Bidding Procedures Order governs the manner in which the Assets are to be sold. Any party desiring to obtain a copy of the Sale Motion or the Bidding Procedures Order may do so by contacting Debtors' co-counsel at Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq. or Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, Delaware 19899-8705, Attn: Laura Davis Jones, Esq.

**PLEASE TAKE FURTHER NOTICE** that the Debtors seek the following relief, among other things, in the Sale Motion, (i) authority to, among other things, sell substantially all of the assets of the Debtors to the Proposed Purchaser free and clear of all liens, other than certain specified permitted liens, (ii) authority to assume and assign to the Proposed Purchaser certain executory contracts, license agreements and unexpired leases, and (iii) a finding of the Bankruptcy Court that the Proposed Purchaser is a good-faith purchaser entitled to the protections of section 363(m) of the Bankruptcy Code.

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Sale Motion and section 365 of the Bankruptcy Code, the Debtors request authority to assume and assign the Assigned Contracts to the Proposed Purchaser, or any Successful Bidder, and that upon such assumption and assignment the Debtors shall be relieved of any liability under the Assigned Contracts arising after the Closing. If you are a party to a potential Assigned Contract that may be assumed and assigned under the APA, you will receive a separate notice setting forth the proposed cure amount, if any, and a deadline to file an objection to any such proposed cure amount. If you would like to receive financial and other information regarding adequate assurance of future performance under section 365 of the Bankruptcy Code from any of the qualified bidders after the submission of competing bids at the Auction, please submit a written request to counsel for the Debtors at the following address: Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Bidding Procedures Order, the Auction will be conducted at Kirkland & Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, NY 10022-4611, or at another location as may be timely disclosed by the Debtors to Qualifying Bidders, on January 21, 2004 at 10:00 a.m. (prevailing Eastern time) (the "Auction Date"). Only parties that have submitted a Qualifying Bid (as defined in the Bidding Procedures Order) by January 16, 2004 at 5:00 p.m. (prevailing Eastern time) will be permitted to participate in and/or make any statements on the record at the Auction.

**PLEASE TAKE FURTHER NOTICE** that a hearing will be held to confirm the results of the Auction and approve the sale of the Acquired Assets to the Successful Bidder (the "Sale Hearing") before the Honorable Charles G. Case, II, United States Bankruptcy Judge, on January 23, 2004 at 10:00 a.m. (prevailing ~~Eastern~~ time) located at 2929 N. Central Avenue, 9<sup>th</sup> Floor, Courtroom 6 in Phoenix, Arizona, or at such time thereafter as counsel

may be heard. The sale of the Acquired Assets will be subject to the entry of an order of the Bankruptcy Court approving the sale. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that objections to the relief requested by the Sale Motion shall be set forth in writing and shall specify with particularity the grounds for such objections or other statements of position and shall be filed with the Court on or before January 13, 2004 at 4:00 p.m. prevailing Eastern standard time and shall be served so as to be received by that same date and time on:

- i. Debtors' co-counsel at Kirkland & Ellis LLP, Aon Center, 200 East Randolph Drive, Chicago, IL 60601-6636, Attn: James H.M. Sprayregen, P.C., Esq., Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq., and Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 N. Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, DE 19899-8705, Attn: Laura Davis Jones, Esq.;
- ii. the Proposed Purchaser at Gores Technology Group, 10877 Wilshire Blvd., Suite 1805, Los Angeles, CA 90024, Attn: Eric Hattler, and its counsel at Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Berwyn, PA 19312-1183, Attn: James D. Rosener and Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY, 10036-6522, Attn: Jay Goffman, Esq.;
- iii. counsel for PLC at Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019-6150, Attn: Philip Mindlin, Esq., and Richards, Layton & Finger, P.A., P.O. Box 551, One Rodney Square, Wilmington, DE 19899-0551, Attn: Mark D. Collins, Esq.;
- iv. counsel for JPMorgan Chase Bank, as DIP Agent, at Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178-0060, Attn: Robert H. Scheibe, Esq. and Landis Rath & Cobb LLP, 919 Market Street, Suite 600 Wilmington, DE, Attn: Adam G. Landis, Esq.;
- v. the Office of the United States Trustee for the District of Delaware; and
- vi. the Committee's counsel at Winston & Strawn, 200 Park Avenue, New York, NY 10166-4193, Attn: David Neier, Esq. and Winston & Strawn LLP, 333 South Grand Avenue, Los Angeles, CA 90071, Attn: Eric E. Sagerman, Esq.

**PLEASE TAKE FURTHER NOTICE** that the failure of any person or entity to timely file an objection shall be deemed a consent to the sale of the Acquired Assets to the Proposed Purchaser, or Successful Bidder, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the Acquired Assets or the Debtors' consummation and performance of the APA (including, without limitation, the transfer of the Acquired Assets and Assigned Contracts free and clear of all liens, claims, and interests and the assumption and assignment of the Assigned Contracts), if authorized by the Court.

**PLEASE TAKE FURTHER NOTICE** that this Notice of the Auction and Sale Hearing is subject to the full terms and conditions of the Sale Motion, Bidding Procedures Order and Bidding Procedures which shall control in the event of any conflict and the Debtors encourage parties in interest to review such documents in their entirety, which are available upon written request from undersigned counsel.

Dated: December \_\_, 2003

KIRKLAND & ELLIS LLP  
Bennett L. Spiegel (CA Bar No. 129558)  
Kelly K. Frazier (CA Bar No. 212527)  
Lori Sinanyan (CA Bar No. 209975)  
777 South Figueroa Street  
Los Angeles, CA 90017  
Telephone: (213) 680-8400  
Facsimile: (213) 680-8500

and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES &  
WEINTRAUB P.C.

---

Laura Davis Jones (Bar No. 2436)  
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Facsimile: (302) 652-4400

[Proposed] Co-Counsel for the Debtors and Debtors in  
Possession

**EXHIBIT 3**

**CURE NOTICE**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
CABLE & WIRELESS USA, INC., et al.,<sup>1</sup> ) Case No. 03-13711 (CGC)  
) (Jointly Administered)  
Debtors. )

**TO: COUNTER-PARTIES TO THE CONTRACTS ON THE ATTACHED CURE SCHEDULE**

**NOTICE OF PROPOSED CURE AMOUNTS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT THE DEBTORS MAY ASSUME AND ASSIGN IN CONNECTION WITH THE DEBTORS' MOTION TO SELL SUBSTANTIALLY ALL OF THEIR ASSETS**

PLEASE TAKE NOTICE on December 8, 2003 (the "Petition Date"), the above-captioned debtors and debtors in possession (the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

*Arizona CGC*  
PLEASE TAKE FURTHER NOTICE that, on January 23, 2004, at 10:00 a.m. (prevailing ~~Arizona~~ time) the Honorable Charles G. Case, II will conduct a hearing (the "Sale Hearing") in Courtroom 6 of the United States Bankruptcy Court located at 2929 N. Central Avenue, 9<sup>th</sup> Floor, in Phoenix, Arizona, to consider the motion for the sale of substantially all of the Debtors' assets (the "Sale Motion") filed by the Debtors to sell substantially all of their assets. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Sale Motion.

PLEASE TAKE FURTHER NOTICE, pursuant to the Sale Motion, the Debtors may assume and assign to the Prevailing Bidder those executory contracts and unexpired leases with you identified on Schedule A attached hereto (the "Assigned Contracts"), pursuant to section 365 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE, the Debtor has indicated on Schedule A hereto the respective amounts due and owing as of the Petition Date, if any, under each Assigned Contract with you (the "Cure Amounts"). The Bankruptcy Code requires that the Debtors pay the Cure Amounts (which include only the Debtors' obligations under the Assigned Contracts

<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless USA of Virginia, Inc., Cable & Wireless Internet Services, Inc., Exodus Communications Real Property I, LLC, Exodus Communications Real Property Managers I, LLC, and Exodus Communications Real Property I, LP.



that arose on or prior to the Petition Date) in full to the parties owed such amounts as a condition to the Debtors' assumption of the Assigned Contracts.

**PLEASE TAKE FURTHER NOTICE** that, any interested party seeking to object to the applicable Cure Amount as determined by the Debtors, or to otherwise assert that any other amounts, defaults, conditions or pecuniary losses must be cured or satisfied under its Assigned Contract for such agreement to be assumed must file with the Bankruptcy Court and serve an objection (a "Cure Objection") setting forth with specificity (a) any and all defaults which such party asserts must be cured, or (b) the grounds for any other objection, so that such Cure Objection is received by: (i) Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attention: Bennett L. Spiegel, Esq. and Pachulski, Stang, Ziehl, Young, Jones and Weintraub P.C., 919 N. Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801), Attention: Laura Davis Jones, Esq. (proposed reorganization co-counsel to the Debtors), (ii) Pepper Hamilton LLP, 400 Berwyn Park, 899 Cassatt Road, Berwyn, PA 19312-1183, Attention: James D. Rosener Esq. and Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY, 10036-6522, Attn: Jay Goffman, Esq. (counsel to Proposed Purchaser), (iii) Winston & Strawn, 200 Park Avenue, New York, NY 10166-4193, Attention: David Neier, Esq. and Winston & Strawn LLP, 333 South Grand Avenue, Los Angeles, CA 90071, Attn: Eric E. Sagerman, Esq. (proposed counsel for the official committee of unsecured creditors), and (iv) Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019-6150, Attn: Philip Mindlin, Esq., and Richards, Layton & Finger, P.A., P.O. Box 551, One Rodney Square, Wilmington, DE 19899-0551, Attn: Mark D. Collins, Esq. (counsel for PLC) (collectively, the "Service Parties"), no later than 4:00 p.m. (prevailing Eastern time) on January 13, 2004 (the "Cure Objection Deadline").

**PLEASE TAKE FURTHER NOTICE** that, unless a Cure Objection is filed and served by a party to an Assigned Contract by the Cure Objection Deadline, all parties who have received actual or constructive notice hereof shall be deemed to have waived and released any right to assert a Cure Amount different from that proposed by the Debtors, if any, and to have otherwise consented to the assignment of the applicable Assigned Contract to the Proposed Purchaser and shall be forever barred and estopped from asserting or claiming against the Debtors, their estates, the Proposed Purchaser or any other assignee of the relevant Assigned Contract that any additional amounts are due or default exists, or conditions to assignment must be satisfied. Furthermore, if no Cure Objection is received or if Cure Objection is withdrawn, the Debtors will request that the Court enter an order determining the amount set forth on this Cure Notice to be the actual cure amount payable for such contract or lease listed on the attached Schedule A at the Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that, each Cure Objection shall set forth the asserted Cure Amount, along with a description of how these amounts are derived, the period(s) to which such amounts relate, the specific types and dates of any alleged defaults, pecuniary losses and conditions to assignment, and the support therefor, including the underlying obligation itself asserted in detail and a detailed description of any and all unliquidated claims, contingent claims, percentage rent, real estate taxes, common area maintenance or similar adjustable charges. All documents or writings establishing the claim must be attached to the Cure Objection.

**PLEASE TAKE FURTHER NOTICE** that, a properly filed and served Cure Objection shall reserve such party's rights against the Debtors (but not against the Prevailing Bidder) with respect to the Cure Objection but shall not constitute an objection to the relief generally requested in the Sale Motion. Parties wishing to otherwise object to the relief requested in the Sale Motion must file and serve a separate objection.

**PLEASE TAKE FURTHER NOTICE** that, if you agree with the Cure Amount(s) indicated on Schedule A and do not otherwise object to the Debtors' assignment of your contract, you need not take any further action.

**PLEASE TAKE FURTHER NOTICE** that, the Debtors' decision to assume and assign the Assigned Contracts is subject to Court approval and consummation of the Sale. Accordingly, the Debtors shall be deemed to have assumed and assigned each Assigned Contract as of the date of and only upon the closing of the Sale, and absent such closing, each Assigned Contract shall neither be deemed assumed nor assigned and shall in all respects be subject to further administration under the Bankruptcy Code.

**PLEASE TAKE FURTHER NOTICE** that, the Proposed Purchaser reserves the right to remove any Assigned Contract from the proposed Sale and to withdraw the request to assume and assign any Assigned Contract pursuant to the terms of the APA.

**PLEASE TAKE FURTHER NOTICE** that, the APA with the Proposed Purchaser is subject to higher and better offers and the Assigned Contracts may be assigned to a party other than the Proposed Purchaser. If you would like to receive financial and other information regarding adequate assurance of future performance under section 365 of the Bankruptcy Code from any of the qualified bidders after the submission of competing bids at the Auction, please submit a written request to counsel for the Debtors at the following address: Kirkland & Ellis LLP, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Bennett L. Spiegel, Esq. In order to ascertain the identity of the prevailing successful bidder and the entity to which the Assigned Contract will be assigned, you must attend the Sale Hearing or such other hearing as indicated by the Debtor.

Dated: December \_\_, 2003

KIRKLAND & ELLIS LLP  
Bennett L. Spiegel (CA Bar No. 129558)  
Kelly K. Frazier (CA Bar No. 212527)  
Lori Sinanyan (CA Bar No. 209975)  
777 South Figueroa Street  
Los Angeles, CA 90017  
Telephone: (213) 680-8400  
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and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES  
& WEINTRAUB P.C.  
Laura Davis Jones (Bar No. 2436)  
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[Proposed] Co-Counsel for the Debtors  
and Debtors in Possession

Schedule A

Cure Amount(s)

**EXHIBIT 4**

**PUBLICATION NOTICE**

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
CABLE & WIRELESS USA, INC., et al.,<sup>1</sup> ) Case No. 03-13711 (CGC)  
) (Jointly Administered)  
)  
Debtors. )

**NOTICE OF AUCTION AND SALE HEARING**

**PLEASE TAKE NOTICE** that on December 8, 2003, the above-captioned debtors and debtors in possession (the "Debtors") entered into an asset purchase agreement (the "APA") with Gores Asset Holdings, Inc. (the "Proposed Purchaser"), as more fully set forth in that motion for approval of the APA filed with the Bankruptcy Court on December 10, 2003 (the "Sale Motion"). The Debtors seek, among other things, to sell substantially all of the Debtors' assets (the "Assets") to the Proposed Purchaser or such other successful bidder(s) at an auction (the "Successful Bidder"), free and clear of all liens, claims, encumbrances and interests pursuant to section 363(f) of title 11 of the United States Code, and to assume and assign to the Proposed Purchaser or such other Successful Bidder certain executory contracts, license agreements and unexpired leases ("Assigned Contracts") pursuant to section 365 of title 11 of the United States Code.

**PLEASE TAKE FURTHER NOTICE** that on December 22, 2003, the United States Bankruptcy Court for the District of Delaware entered an order (the "Bidding Procedures Order") approving the bidding procedures (the "Bidding Procedures"); which set the key dates and times related to the sale of all or substantially all of the Debtors' assets under the APA. All interested bidders should carefully read the Bidding Procedures. To the extent that there are any inconsistencies between the Bidding Procedures and the summary description of its terms and conditions contained in this Notice, the terms of the Bidding Procedures shall control.

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Sale Motion and section 365 of the Bankruptcy Code, the Debtors request authority to assume and assign the Assigned Contracts to the Proposed Purchaser, or any Successful Bidder, and that upon such assumption and assignment the Debtors shall be relieved of any liability under the Assigned Contracts arising after the Closing. If you are a party to a potential Assigned Contract that may be assumed and assigned under the APA, you will receive a separate notice setting forth the proposed cure amount, if any, and a deadline to file an objection to any such proposed cure amount.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Bidding Procedures Order, an auction to sell substantially all of the Debtors assets will be conducted at Kirkland & Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, NY 10022-4611, or at another location as may be timely disclosed by the Debtors to Qualifying Bidders, on January 21, 2004 at 10:00 a.m. (prevailing Eastern time) (the "Auction Date"). Only parties and their advisors that have submitted a Qualifying Bid (as defined in the Bidding Procedures Order) by January 16, 2004 at 5:00 p.m. (prevailing Eastern time), as well as other parties specified in the Bidding Procedures Order, will be permitted to participate in and/or make any statements on the record at the Auction.

**PLEASE TAKE FURTHER NOTICE** that a hearing will be held to confirm the results of the Auction and approve the sale of the Acquired Assets to the Successful Bidder (the "Sale Hearing") before the Honorable Charles G. Case, II, United States Bankruptcy Judge, in Courtroom 6 of the United States Bankruptcy Court located at 2929 N. Central Avenue, 9<sup>th</sup> Floor, in Phoenix, Arizona, on January 23, 2004 at 10:00 a.m.

<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless USA of Virginia, Inc., Cable & Wireless Internet Services, Inc., Exodus Communications Real Property I, LLC, Exodus Communications Real Property Managers I, LLC, and Exodus Communications Real Property I, LP.

*Arizona cgl*  
(prevailing Eastern time) or at such time thereafter as counsel may be heard. The sale of the Acquired Assets will be subject to the entry of an order of the Bankruptcy Court approving the sale. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that objections to the relief requested by the Sale Motion shall be set forth in writing and shall specify with particularity the grounds for such objections or other statements of position and shall be filed with the Court on or before January 13, 2004 at 4:00 p.m. prevailing Eastern standard time and shall be served so as to be received by that same date and time. Any objection not conforming to the foregoing will not be considered by the Bankruptcy Court.

**PLEASE TAKE FURTHER NOTICE** that the failure of any person or entity to timely file an objection shall be deemed a consent to the sale of the Assets to the Proposed Purchaser, or Successful Bidder, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the assets to be sold or the Debtors' consummation and performance of the APA (including, without limitation, the transfer of the acquired Assets free and clear of all liens, claims, and interests and the assumption and assignment of the Assigned Contracts), if authorized by the Court.

**PLEASE TAKE FURTHER NOTICE** that this Notice of the Auction and Sale Hearing is subject to the full terms and conditions of the Sale Motion, Bidding Procedures Order and Bidding Procedures which shall control in the event of any conflict and the Debtors encourage parties in interest to review such documents in their entirety, which are available upon written request from undersigned counsel.

Dated: December \_\_, 2003

PACHULSKI, STANG, ZIEHL, YOUNG,  
JONES & WEINTRAUB P.C.  
Laura Davis Jones (Bar No. 2436)  
Scotta E. McFarland (Bar No. 4184)  
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[Proposed] Co-Counsel for the Debtors and Debtors in Possession