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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. )

**NOTICE OF (A) HEARING TO CONSIDER CONFIRMATION OF PLAN OF LIQUIDATION; (B) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION; (C) VOTING RECORD DATE AND VOTING DEADLINE; AND (D) INJUNCTION PROVISIONS OF THE PLAN OF LIQUIDATION**

**CONFIRMATION HEARING.** A hearing (the "Confirmation Hearing") to consider confirmation of the Second Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Plan") will commence on the 13th day of July, 2004, at 3:30 p.m., prevailing eastern time, before the Honorable Charles G. Case II, at the Bankruptcy Court, 824 Market Street, Third Floor, Wilmington, Delaware. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court, and providing written notice to parties who have filed objections to confirmation of the Plan. The Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. Persons may obtain copies of the Plan and the related Disclosure Statement by contacting Bankruptcy Services, LLC at (866) 222-1116, or by visiting its website at www.bsillc.com. Capitalized terms in this notice that are not defined herein shall have the meanings ascribed to them in the Plan.

**PLAN OBJECTIONS.** The Court has established July 2, 2004, as the last date for filing and serving objections to the confirmation of the Plan (the "Plan Objection Deadline"). Objections to confirmation of the Plan, including the substantive consolidation of the Debtors proposed in the Plan, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Sixth Floor, Wilmington, Delaware 19801. Objections must (a) state with particularity the legal and factual grounds for the objection, (b) provide, where applicable, the specific text that the objecting party believes to be appropriate to insert into the Plan, and (c) describe the nature and amount of the objector's Claim. The Court will consider only written objections filed and served in conformance with these requirements by the Plan Objection Deadline.

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Objections to the Plan must be both (a) filed so as to be actually RECEIVED by the Clerk of the United States Bankruptcy Court by the Plan Objection Deadline, and (b) served on the following

<sup>1</sup> The Debtors consist of the following entities: Cable & Wireless USA, Inc., Cable & Wireless 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, LLP.

*None*

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parties (the “Notice Parties”), so that the objections are actually RECEIVED by 4:00 p.m., prevailing eastern time, on the Plan Objection Deadline:

**Co-Counsel to the Debtors and Debtors in Possession**

Kirkland & Ellis LLP  
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Chicago, IL 60601  
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Attn: Laura Davis Jones, Esq.

**Co-Counsel to the Debtors and Debtors in Possession**

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Los Angeles, CA 90017  
Attn: Bennett L. Spiegel, Esq.

**Co-Counsel to the Official Unsecured Creditors Committee**

Winston & Strawn, LLP  
200 Park Avenue  
New York, NY 10166-4193  
Attn: David Neier, Esq.

**Co-Counsel to the Official Unsecured Creditors Committee**

Young Conaway Stargatt & Taylor, LLP  
The Brandywine Building  
1000 West Street, 17th Floor  
P.O. Box 391  
Wilmington, DE 19899-0391  
Attn: Robert S. Brady, Esq.

**Co-Counsel to the Official Unsecured Creditors Committee**

Winston & Strawn, LLP  
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Attn: Eric E. Sagerman, Esq.

**Counsel to Cable and Wireless plc**

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Attn: Chetan Gulati, Esq.  
Douglas K. Mayer, Esq.  
Philip Mindlin, Esq.  
Eric Rosof, Esq.

**United States Trustee**

Office of U.S. Trustee  
J. Caleb Boggs Federal Building  
844 N. King Street, Suite 2207  
Lock Box 35  
Wilmington, DE 19801  
Attn: Richard Shepacarter, Esq.

**VOTING.** Holders of Claims against the Debtors as of May 14, 2004 (the “Voting Record Date”), that are impaired under the Plan are entitled to vote on the Plan. Ballots to be used for accepting or rejecting the Plan (“Ballots”) have been mailed to all entities that the Debtors believe are entitled to vote. In order to be counted, completed Ballots must be received by Bankruptcy Services, LLC (the “Solicitation Agent”) by 4:00 p.m., prevailing eastern time, on July 2, 2004 (the “Voting Deadline”), at the following address:

Bankruptcy Services, LLC  
757 Third Avenue  
Third Floor  
New York, New York 10017  
Attention: Cable & Wireless Solicitation Agent

The Court may extend or waive the period during which votes will be accepted, in which case the Voting Deadline shall mean the last time and date to which such solicitation is extended. If

you did not receive a Ballot and you believe you are entitled to vote on the Plan, you should consult with your attorney regarding your rights, including your right to object to confirmation of the Plan.

**Solicitation Procedures Order.** The Court entered, on May 12, 2004, an order (A) scheduling a confirmation hearing; (B) establishing a plan objection deadline and a voting deadline; (C) approving the form and manner of notices; (D) setting the voting record date; (E) approving the form of ballots, voting instructions, and notice of non-voting status; and (F) approving voting and tabulation procedures, including special procedures to allow the tabulation of votes by parties to rejected contracts and leases (the "Solicitation Procedures Order"). The Solicitation Procedures Order establishes deadlines and rules governing various issues in connection with confirmation of the Plan, including objection to Claims for voting purposes. A copy of the Solicitation Procedures Order is available at [www.bsillc.com](http://www.bsillc.com), or by telephone request directed to Bankruptcy Services, LLC at (866) 222-1116.

**INJUNCTION PROVISIONS OF THE PLAN OF LIQUIDATION.** The Plan provides for injunctive relief that is not otherwise provided for in the Bankruptcy Code in the following respects:

- Except as otherwise provided in the Plan, all entities that have held, hold or may hold Claims against or Interests in the Debtors will be, as of the Effective Date, permanently enjoined from taking any actions against any of the Debtors or the Liquidating Trust or any of their property on account of such Claims or Interests including, but not limited to, (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (c) creating, perfecting or enforcing any lien or encumbrance; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or the Liquidating Trust; and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; *provided, however, that (a) nothing contained in the Plan shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan and (b) the injunction set forth in this paragraph shall not prevent any party from pursuing claims or causes of action that, while nominally against a Debtor or Debtors, seek recovery only against third parties, such as insurers.*

By accepting distributions pursuant to the Plan, each Holder of an Allowed Claim will be deemed to have specifically consented to the Injunction set forth in Article IX.B of the Plan.

- Upon entry of the Confirmation Order, the Debtors, the Committee, PLC, the Liquidating Trust, the Agent and their respective directors, officers, members, employees, advisors, attorneys, affiliates, subsidiaries or agents shall not have or incur any liability to any holder of a Claim or Interest, any other parties in interest in the Chapter 11 Cases, for any act or omission in connection with, related to, or arising out of, the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence, and, in all respects, the Debtors, any Committee, PLC, the Liquidating Trust, the Agent and each of their respective directors, officers, members, employees, advisors, attorneys, affiliates,

subsidiaries and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. After entry of the Confirmation Order, all holders of Claims and Interests shall be enjoined and restrained from commencing or continuing any action or proceeding arising out of or related to consummation of the transactions contemplated by the Plan.

- The Confirmation Order will permanently enjoin the commencement or prosecution by any entity, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released pursuant to the Plan, including, but not limited to, the claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released in Article IX.C of the Plan.
- Pursuant to Bankruptcy Code § 1123(b)(3)(A) and Bankruptcy Rule 9019, the Plan constitutes an application for approval of a compromise and settlement of any and all claims and causes of action (the “Global Settlement,” a copy of which is attached as *Exhibit E* to the Disclosure Statement) of (a) the Debtors, the Estates and anyone claiming a right in a derivative capacity on their behalf (the “Debtor Claimants”); and (b) any Holder of a Claim who submits a Ballot but does not choose to opt-out of granting the Optional Release (as described in Article III.B.3 of the Plan) by checking the appropriate box on the Ballot<sup>2</sup> (the “Third Party Claimants” and, together with the Debtor Claimants, the “Releasers”) against PLC and all its direct and indirect subsidiaries, their officers, directors, and affiliates, and each of their present and former parent corporations and direct and indirect subsidiaries or affiliates, together with each of their present and former shareholders, present and former officers, directors, and employees, present or former attorneys and present and former advisors or consultants (excluding, for all purposes, Exodus Federal Systems, Inc.) (collectively, the “Released Parties”).

On the Effective Date, the Releasers will unconditionally and irrevocably release the Released Parties from any and all direct, indirect or derivative claims, obligations, suits, judgments, damages, rights, causes of action, liabilities, claims or rights of contribution and indemnification, and all other controversies of every type, kind, nature, description or character whatsoever, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part upon any act or omission, transaction, event or other occurrence taking place from the beginning of the world to the Effective Date arising from or relating in any way, directly or indirectly, to the Debtors, their assets, operations or liabilities, the Chapter 11 Cases, the Plan, or the Disclosure Statement; *provided, however*, that the Releasers shall not be deemed to have released any rights to enforce the terms of the Plan or their rights to distributions thereunder. **BY RETURNING A BALLOT WITHOUT CHECKING THE BOX TO OPT OUT OF THE OPTIONAL**

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<sup>2</sup> Holders of Class 6 Claims that are subordinated pursuant to Bankruptcy Code § 510 will not receive a distribution under the Plan and are not eligible to receive the PLC Individual Release Consideration for granting the Optional Release. Therefore, the Holder of such a Claim shall not be deemed to have granted the Optional Release even if such Holder submits a Ballot without checking the opt-out box.

**RELEASE, THE RELEASORS CONSENT TO AND GRANT THIS RELEASE AND ACKNOWLEDGE THAT THEY MAY HAVE CLAIMS OR LOSSES OF WHICH THEY ARE NOT CURRENTLY AWARE, OR THEY MAY HAVE UNDERESTIMATED.** The consideration for the releases was given in part in exchange for the release of such claims. The Releasors waive any rights or benefits under California Civil Code Section 1542, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with debtor

and any rights or benefits under similar laws. The Confirmation Order shall specifically provide for the foregoing releases, other than any claim of a Third Party Claimant based upon an express written guarantee by PLC in favor of a Third Party Claimant of lease obligations of the Debtors to such Third Party Claimant. Notwithstanding any of the foregoing, the Debtor Claimants are not releasing any right of setoff, recoupment or defensive counterclaim they may have against the Claims of the Non-Participating PLC Affiliates or any direct or indirect subsidiary of a Debtor.

On the Effective Date, the Releasors shall be permanently enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind, asserting any setoff, right of subrogation, contribution, indemnification or recoupment of any kind, directly or indirectly, or proceeding in any manner in any place inconsistent with the releases granted to the Released Parties pursuant to the Plan. The Confirmation Order shall specifically provide for such injunction.

Dated: May 28, 2004

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