



The Bigger, Better Network.

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December 11, 2009

Mr. Anthony Ritch
Country Manager
Cable & Wireless (Cayman Islands) Limited
2nd Floor, Trinity Square
71B Eastern Avenue, George Town
PO Box 293
Grand Cayman KY1-1104

Dear Mr. Ritch,

Re: Digicel – LIME Interconnection Agreement Termination Rates Dispute.

Digicel hereby acknowledges receipt of your letter dated November 27 (the "Letter").

Digicel acknowledges that the extended term according to Clause 2.2 of the Interconnection Agreement between the parties (the "ICA") expired on July 28, 2009. However we would not agree that the ICA has continued to operate on a "month to month basis" but rather that it operated until we managed to agree a new agreement, which is the common way to act when an agreement expires and the parties continue to live by it. From the date of expiration July 28th up to November 2009, LIME and Digicel have continued good faith negotiations to conclude a new ICA and have made significant progress of agreeing all the issues that was outstanding when the negotiations originally started (in excess of 150 issues were identified).

Following a letter of grievance from you dated August 26 and a response dated September 2, including a number of additional grievances from us we subsequently met on the 15th and 23rd of September and managed to agree additional outstanding issues, leaving only a handful to be submitted to ICTA for dispute resolution – all in accordance with the ICTA Dispute Resolutions Regulations. Our understanding based on correspondences from that last meeting which was supported by your letter dated October 12, was that C&W were to launch such proceedings with the ICTA which we were waiting for you to file such a request.

Based on the above we are extremely surprised to receive your Letter stating that you will terminate the ICA rather than follow the established regulations and procedures to address these types of disputes. As you would be aware Digicel has now filed such a request with the ICTA in order to get the outstanding issues between the parties resolved as is envisaged in the relevant regulation.

Separate and apart from C&W's refusal to follow the applicable regulations in Cayman, Digicel has several other objections and comments to your Letter.

Directors: Denis O'Brien (Chairman), Michael Alberga, Leslie Buckley, Conor O'Dea

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- Digicel has at several occasions stated its view that the Agreement dated July 27, 2004 (the "Imputation Agreement"), in relation to Imputation Tests and termination rates still is effective. The consequence of your Letter is that the Imputation Agreement is breached, see e.g. Article 7. Any such breach will be addressed accordingly.
- The ICA is effective until the ICTA has ruled in the Dispute Resolution filing. There is nowhere support to your position that you can unilaterally impose new terms and conditions to an existing agreement. What would be possible under the ICA, Digicel assumes, would be to disconnect the services. Is this what C&W intend to do?
- Should the tariff schedule C&W annexed to the Letter be seen as an offer from C&W on which it is prepared to offer interconnection services, assuming it will disconnect the current service?
- Digicel will provide its services under the same terms and conditions which it currently does and would like to know by return if C&W accepts these terms, in particular the mobile termination rates.
- What should be evident from the above Digicel disagrees with your statement in the last paragraph and states that Digicel will not provide its interconnect services under any draft agreement sent out by C&W in February 2009 (especially against the background that the parties have agreed more than 150 deviations to that draft) but will only continue to provide services based on the ICA including its tariff schedule.

Please be aware that this letter has been copied to the ICTA considering the very serious consequences your Letter will have should you act accordingly.

We reserve our rights.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Victor Corcoran", followed by a long horizontal line.

Victor Corcoran
Chief Executive Officer

cc. Mr. David Archbold, Managing Director - ICTA