



SONY PICTURES DIGITAL ENTERTAINMENT SELECTS DIGITAL ISLAND'S 2WAY WEB SERVICES TO DELIVER BROADBAND CONTENT

2Way Web Services Enable Sony Pictures Digital to Boost Web Site Performance and Reduce Operational Costs of Delivering Digital Entertainment Content

SAN FRANCISCO, January 7, 2002 – Digital Island, Inc., a Cable & Wireless company (NYSE: CWP), today announced an agreement to provide 2Way Web Services™ to Sony Pictures Digital Entertainment Inc. (SPDE). Digital Island's 2Way Web Services help SPDE to cost-effectively deliver its online digital entertainment business and dramatically improve the performance and reliability of SPDE's Web sites, including www.sonypictures.com and www.screenblast.com.

SPDE's 2Way Web Services design includes Digital Island's 2Deliver™ service. The 2Deliver service provides an excellent Web experience, boosts online transactions and reduces the cost of delivering content to millions of visitors worldwide ranging from banner ads and static images to dynamic content and streaming media files.

On Sony Pictures Entertainment's Web site, operated and managed by Sony Pictures Digital Entertainment, visitors can watch video clips, access entertainment information and engage in activities designed around the company's film and television properties. At the Sony Pictures studio store, customers can purchase videos and DVDs and pick up merchandise from their favorite TV shows.

SPDE's recently launched Screenblast.com is a broadband creativity platform that lets users experience original entertainment, create, edit and publish their own music and video, and share their creativity with others around the world. The site offers a powerful suite of creation software and studio-quality video and audio assets to enhance original creations.

"SPDE's aim is to make Sony Pictures the leading provider of digital entertainment," said Brian Lakamp, senior vice president of Broadband Services for Sony Pictures Digital Entertainment. "With Digital Island's 2Way Web Services we can cost-effectively leverage and deliver our digital entertainment content."

“We are excited to help an entertainment leader improve performance, reduce operational costs and drive revenue by serving engaging, interactive content worldwide,” said Ruann Ernst, president and CEO, Digital Island. “SPDE’s selection of our 2Way Web Services confirms Digital Island as the preferred service provider for media and entertainment companies.”

Digital Island’s 2Deliver service leverages both centralized and distributed edge computing resources to ensure companies serve a compelling online experience by improving speed, enhancing the quality of multimedia applications, expanding coverage, augmenting capacity on an as-needed basis and providing control in the form of identifying and flagging content, all in a secure and guaranteed setting.

The underlying technology components of Digital Island’s 2Way Web Services include Footprint[®] Service Enabled Technology, which features a number of technology components, including transport, traffic management, content management, control systems and peering systems.

About Sony Pictures Digital Entertainment

Sony Pictures Digital Entertainment (SPDE), an operating unit of Sony Pictures Entertainment (SPE), oversees the activities of SPE's digital production and online assets including Sony Pictures Imageworks, Sony Online Entertainment, SoapCity, and all of the studio's online promotional presence. SPDE focuses primarily on three areas: 1) producing and developing visual effects and computer-generated imaging (CGI), digital character animation, and original content for motion picture, television, online and PlayStation audiences; 2) the developing of new forms of online content, games and interactive programming; and 3) leading SPE's efforts to provide online, open-access electronic digital distribution, interactive television and the deployment of new forms of digital content and services over the emerging broadband IP Internet Protocol) networks.

About Digital Island

Digital Island®, a Cable & Wireless company, is the industry’s leading provider of 2Way Web Services that enable enterprises to leverage the Internet to increase the profitability of online operations, increase customer value and decrease costs. Digital Island provides robust managed hosting, content delivery and network infrastructure and applications required to transact, deliver, and manage profitable transactions and interactions. Digital Island leverages a global network of data centers, Cable & Wireless’ advanced IP network reaching 70 countries and edge computers in 35 countries to lower transaction costs. Digital Island is headquartered in San Francisco. www.digitalisland.net

About Cable & Wireless

Cable & Wireless is a major global telecommunications business with revenue of over £8 billion (US\$11 billion) in the year to 31 March 2001 and customers in 70 countries.

Cable & Wireless' focus for future growth is on IP (Internet Protocol) and data services and solutions for business customers. It is developing advanced IP networks and value-added services in the US, Europe and the Asia-Pacific region in support of this strategy. With the capability of its global IP infrastructure and its strength in key markets, Cable & Wireless holds a unique position in terms of global coverage and services to business customers. For more information about Cable & Wireless, go to www.cw.com

Important Notice:

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This news release contains certain forward-looking statements, including, without limitation, statements concerning Cable & Wireless' and Digital Island's operations, economic performance and financial condition. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Actual results could differ materially from the results referred to in the forward-looking statements. These forward-looking statements are based largely on Cable & Wireless' and Digital Island's current expectations and are subject to a number of risks and uncertainties, including, without limitation, changes in external market factors, changes in business or growth strategy or an inability to execute strategy due to changes in such company's industry or the economy generally, the emergence of new or growing competitors, various other competitive factors and other risks and uncertainties indicated from time to time in Cable & Wireless' and Digital Island's filings with the U.S. Securities and Exchange Commission. In light of these risks and uncertainties, there can be no assurance that the results referred to in the forward-looking statements contained in this news release will in fact occur. Additionally, neither Cable & Wireless nor Digital Island makes any commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that may bear upon forward-looking statements.

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