

PRESS RELEASE

For immediate release

19 July 2006

CABLE & WIRELESS MAKES FORMAL PROPOSAL TO ACQUIRE KEYTECH LTD., BERMUDA

Cable and Wireless plc ("Cable & Wireless") has made a formal proposal to the Board of Directors of KeyTech Limited ("KeyTech"), the holding company of the leading telecommunications group in Bermuda, to acquire 100% of KeyTech's outstanding share capital.

The proposal values each KeyTech share at Bermudian dollars (BD\$) 17.00, equivalent to BD\$205 million (approximately £113 million), and is payable in cash. This represents a premium of 35% over the 30 day weighted average closing price of BD\$12.61. The proposal is subject to customary due diligence and regulatory approvals, and KeyTech Board and shareholder approvals.

Cable & Wireless has been the primary provider of international telecommunications services in Bermuda for over 115 years. Harris Jones, Cable & Wireless' Group Managing Director, International said: "The provision of a comprehensive service offering combined with Cable & Wireless' international scale and expertise will benefit both our customers and the economy of Bermuda. In addition, we will be well positioned to meet future competitive and technological challenges with enhanced service offerings and investments in infrastructure."

ENDS

This press release does not constitute an offer to exchange or purchase any KeyTech shares. Any offer will be made pursuant to an official offer document.

Notes to editors

About Cable & Wireless

Cable & Wireless is one of the world's leading international communications companies. It operates through two stand-alone business units – International and UK.

The International business unit operates integrated telecommunications companies in 33 countries offering mobile, broadband, domestic and international fixed line services to residential and business customers, with principal operations in the Caribbean, Panama, Macau, Channel Islands and Monaco. In Bermuda, Cable & Wireless provides international voice and data services to residential and business customers.

The UK business unit provides enterprise and carrier solutions to the largest users of telecoms services across the UK, US, continental Europe and Asia, and wholesale and residential broadband services in the UK through Bulldog.

For more information about Cable & Wireless, go to www.cw.com

About KeyTech

KeyTech is a diversified telecommunications holding company focused largely on the Bermuda market. Its key business segments are Bermuda Telecom Company Limited, M3 Wireless Ltd., Logic Communications Limited and Bermuda Yellow Pages Limited. For the financial year to 31st March 2006, KeyTech reported total revenues of BD\$98.9 million and consolidated net income of BD\$11.7 million.

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