



CABLE & WIRELESS

Announcement

8 May 2006

Cable & Wireless update on termination of US SEC registration

Cable and Wireless plc ("Cable & Wireless") (LSE ticker: CW. or CW/ or CW.L) announced today, 8 May 2006, that it is in the process of requiring US Holders with fewer than 100,000 Ordinary shares to dispose of their holding, allowing the Company to terminate the US registration of its Ordinary shares with the US Securities and Exchange Commission ("SEC").

Cable & Wireless originally announced on 9 September 2005 its intention to terminate its American Depository Receipt ("ADR") programme (former NYSE ticker: CWP), de-list from the New York Stock Exchange ("NYSE") and thereafter terminate its registration with the SEC.

The Company then announced on 14 December 2005, that it had terminated its ADR programme and voluntarily de-listed from the NYSE effective from 4pm Eastern Standard Time on 13 December 2005.

Subsequently, the Company held an Extraordinary General Meeting on 14 December 2005 to approve an amendment to its Articles of Association (the "Articles"), allowing the Board to restrict the number of US Holders. As announced by the Company on 14 December 2005, the amendment was approved by 97.8% of the votes cast.

In order to terminate its US registration, Cable & Wireless is required to certify to the SEC that it has fewer than 300 US Holders. The Company has therefore invoked the power contained in the amended Articles and is in the process of requiring US Holders with fewer than 100,000 shares to dispose of their holding. The Company will instruct its brokers to dispose of any such holdings that remain after 29 May 2006. Thereafter, the Company intends to file a Form 15 with the SEC, terminating the US registration of its Ordinary shares.

Following the termination of Cable & Wireless' US registration, the SEC requires that the Company maintains the number of US Holders below 300 for a period of 18 months. In order to achieve this requirement, the Company intends to require US Holders below a certain threshold shareholding to dispose of their shares during that time. The threshold will be set from time to time, at the discretion of the Board, to achieve the objective of keeping the number of US Holders below 300.

The Company is terminating its SEC registration because it believes the increasing costs of maintaining its registration in the US and complying with other applicable obligations outweigh the benefits obtained by the Company and its shareholders as a whole. However, terminating its registration with the SEC will affect neither Cable & Wireless' listing of ordinary shares on the London Stock Exchange nor its high level of communication and disclosure for all shareholders, including US investors. Cable & Wireless is and will continue to be subject to the listing rules, the prospectus rules and the disclosure rules made by the UK Listing Authority, and to the Combined Code on Corporate Governance. Like any other company whose shares are traded on the London Stock Exchange, Cable & Wireless maintains high standards of corporate governance.

For further information regarding this press release please contact the Company as detailed below.

Definitions

“**US Holder**” means (i) persons resident in the US who hold shares in Cable & Wireless (including, without limitation, shares at any time represented by American Depositary Shares) in any manner described in Rule 12g 3-2(a)(1) of the US Securities Exchange Act of 1934 and (ii) persons who appear, at any time, to the Board to fall within sub-paragraph (i) of this definition of US Holder, and includes any person (including any corporation, partnership, trust, estate or other organisation) with a registered address in the United States who holds shares in Cable & Wireless directly or for whose account such shares are held by a broker, dealer, bank (or nominee for any of these); and

“**US**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

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About Cable & Wireless

Cable & Wireless is one of the world's leading international communications companies. It operates through two standalone 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, Monaco and the Channel Islands.

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 consumer and small business broadband services in the UK through Bulldog.

For more information about Cable & Wireless, go to www.cw.com <<http://www.cw.com>>