

Telecom Egypt Announces Changes to its Board of Directors and Executive Management Promotions

Cairo, 01 June 2011: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), today announced two changes to the composition of its Board of Directors, effective immediately.

- Hesham Mekkawy has decided to step down from Telecom Egypt's Board of Directors, with immediate effect to devote more time to other projects. The search for a replacement Independent Non-Executive Board of Directors has already commenced.
- Farghaly Bakry Selim has retired from Telecom Egypt's Board of Directors. Mr. Selim was appointed to the Board of Directors in 1999 as the employees' representative. Adel Hussein Abdel-Aziz has been appointed as his replacement as the employees' representative.

Commenting on the changes to TE's Board of Directors, Mr. Akil Beshir, Chairman of Telecom Egypt, said:

"TE's board of directors would like to extend its thanks to Mr Mekkawy and Mr Selim for their important contributions over the years. Their respective insight and commitment has been highly valuable to the company. We feel confident that Mr Selim's replacement will share his enthusiasm for TE's future and the opportunity which lies ahead."

The Board of Directors also today confirmed three promotions within its Executive Management.

- Hassan Helmy has been promoted to SVP for Financial and Administrative Affairs and Chief Financial Officer. He has served as the company's CFO since 2009, having joined from KPMG, and will now assume responsibility for TE's administrative affairs. Helmy is a fellow of the Chartered Association of Certified Accountants in the UK and a member of the Egyptian Society of Accountants and Auditors. He holds a Bachelor of Commerce from Cairo University.
- Mohamed Sayed Al Dessouky has been promoted to SVP and Chief Technology Officer (CTO) responsible for overseeing all network technology related functions across the TE Group including planning, implementation and operations and maintenance. Al Dessouky will replace TE's new interim Chief Executive Officer, Mohammed Abdel Rehim Hassanein, in the role of CTO. Al Dessouky has been with the company in various managerial and technical positions since 1973. He holds a B.Sc. Communications Engineering.
- Tarek Aboualam has been promoted to SVP for International and Wholesale. Aboualam, who joined TE in 2009, has more than 16 years of experience in the telecommunications field in the Middle-Eastern and European markets, working for a combination of Egyptian and International operators. He holds a bachelor degree in Telecommunications engineering from Alexandria University.

Akil Beshir added:

"Helmy, Al Dessouky and Aboualam have all proven themselves highly efficient and capable operators in their respective fields and we are keen to ensure that performance which exceeds expectations and contributes tirelessly to customer continuity is duly rewarded."

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Notes to Editors:

Within this statement, we may make forward-looking statements regarding future events or the future performance of the Company. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. When relying on forward-looking statements, you should carefully consider the political, economic, social and legal environment in which Telecom Egypt operates. Such forward-looking statements speak only as of the time of this release today. Accordingly, Telecom Egypt does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise other than as required by applicable laws, the Listing Rules or Prospectus Rules of the United Kingdom Listing Authority, the Egyptian Financial Supervisory Authority or The Egyptian Exchange. The documents filed from time to time with these authorities may identify important factors that could cause actual results to differ materially from those contained in any forward-looking statements.

About Telecom Egypt

Telecom Egypt (TE), Egypt's incumbent telecommunications operator, started its operations in 1854 with the first telegraph line in Egypt. Then it was corporatized in 1998 to replace the former Arab Republic of Egypt National Telecommunication Organization (ARENTO). The Company is the largest provider of fixed-line services in the Middle East and Africa with 9.3 million subscribers as at 31 March 2011.

TE provides retail telecommunication services including access, local, long distance and international voice, Internet and data, and other services. The company also provides wholesale services including bandwidth capacity leasing to ISPs, and national and international interconnection services. Telecom Egypt's services also include the provision of narrowband and broadband internet access through its subsidiary TE Data. TE Data has active operations in Egypt and Jordan.

TE currently participates in the mobile segment in Egypt by providing mobile interconnectivity through its current, increased 44.95% holding in Vodafone Egypt, one of the three existing Egyptian mobile operators. TE's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on the Egyptian Exchange and the London Stock Exchange.