



Telecom Egypt and 15 Other Telecommunications Companies Sign Agreement to Build High Bandwidth Undersea Cable System from UK to India

Cairo, 6th May 2008: Major leaders of the global telecommunications industry today signed a formal Construction and Maintenance Agreement (C&MA) to build the first direct, high-bandwidth optical-fiber submarine cable system from the United Kingdom to India. The Europe India Gateway (EIG) cable system, which will cost close to US\$700 million, will significantly enhance capacity and diversity between the countries of these regions.

16 telecommunications companies are investing in the project: AT&T; Bharti Airtel; BT; C&W; Djibouti Telecom; Du; Gibtelecom; IAM; Libyan Post, Telecom and Information Technology Company; MTN Group Ltd; Omantel; PT Comunicações, S.A.; Saudi Telecom Company; Telecom Egypt; Telkom SA Ltd; and Verizon Business.

The EIG cable system, targeted to be operational in second quarter of 2010, is a 15,000 kilometer (9,000 mile) system that will connect 13 countries and three continents. Landings are planned in the United Kingdom, Portugal, Gibraltar, Morocco, Monaco, France, Libya, Egypt, Saudi Arabia, Djibouti, Oman, United Arab Emirates, and India. In addition to serving these regions, the EIG cable system will also provide seamless interconnection with other major cable systems connecting Europe, Africa, Asia and North America. The system will utilize state-of-art next generation technology that is designed to provide up to 3.84 terabits (Tbps) using dense-wavelength-division-multiplexing (DWDM) to provide upgradeable transmission facilities that support Internet, e-commerce, video, data and voice.

In addition to complementing existing high bandwidth cable systems in the region, the EIG cable system will provide much needed diversity for broadband traffic currently relying largely on traditional routes from Europe to India. This is important considering the threat of earthquakes in this region. The EIG cable system, with its large bandwidth and high quality transmission technology, will help meet the present and future growth in telecommunications traffic between the targeted regions.

In addition to the C&MA signing, the EIG Consortium also signed a supply contract with Alcatel-Lucent and Tyco Telecommunications for the cable system's construction.

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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 Capital Markets Authority or the Cairo and Alexandria Stock 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 11.23 million subscribers as at the end of December 2007.

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 44.79% 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 Cairo and Alexandria Stock Exchanges and the London Stock Exchange.