



TE Data Launches TE Live in Cooperation with Microsoft First Service of its Kind in Egypt and the Middle East

Cairo, 1st September, 2009: TE Data, a subsidiary of Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), today announced the launch of **TE Live**, in partnership with Microsoft, the first service of its kind in Egypt and the Middle East.

“Creating this new partnership with Microsoft; software global pioneer, is an exciting step and is a partnership of which we are very proud. We are the first company in Egypt and the Middle East and just the sixth provider worldwide to provide this kind of service.

“In less than ten years the advances we have been able to make in the Egyptian broadband data market are milestones of which Telecom Egypt is very proud. Supportive technologies and world class partners are enabling us, through our subsidiary TE Data, to revolutionize the communications landscape and continually enhance the user experience. The combination of Microsoft technical innovation and the depth of our local market expertise is, indeed, compelling,” said Telecom Egypt’s CEO, Tarek Tantawy”.

“There has been a great deal of work done by members of the Telecom Egypt Group to advance broadband capabilities in Egypt and enable us to fulfill and exceed the level of features and functionality now required by domestic Internet users. In this regard we continue to lead the market,” added TE Data Managing Director, Ahmed Ossama.

Current and new TE Data subscribers will be able to access and use many applications and benefits which utilize Windows Live technology through www.telive.net.

Advantages to subscribers include:

- Users get an email account with unprecedented storage limit. Inbox capacity expands automatically according to user needs, in addition to antivirus and anti-spam capabilities.
- Users can integrate many email addresses, such as Gmail and Yahoo, and access them from one place.
- Skydrive service: 25GB storage space which enables users to save files, photos, and videos to be accessed from anywhere online. These files could be shared with online friends as well.
- Each user can create a folder containing photos and data shared with others.
- Skydrive contains a Calendar which enables users to easily organize their time, appointments, and meetings while enabling others to access their schedules.
- Instant chatting service using Live Messenger.
- Special friend groups and communities can be created enabling them to chat, share and exchange information, photos, videos, files, news, calendar, and schedules over one website.

The service depends on synchronization over Internet of all instant communication methods. All these features could be easily used anywhere online or via a mobile device.

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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 9.8 million subscribers as at 30 June 2009.

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 Stock Exchange and the London Stock Exchange.

About TE Data

TE Data is Egypt's largest Internet and data transfer service provider. TE Data S.A.E. was established in late 2001 by Telecom Egypt, which owns 95.04% of TE Data shares, to act as its data communications and Internet subsidiary.

TE Data was awarded a Class A license, from Egypt's National Telecommunications Regulatory Authority (NTRA), which allows TE Data to build its own national network, and operate its international data gateway.

TE Data stands ready to design, test, deploy, and manage IP- based network solutions. TE Data takes pride in serving both the home-based customers and various business sectors with the same vigor and dedication.

TE Data's market share has reached 60% and own 70% of the Internet capacity in Egypt, which is the largest international Internet capacity in Egypt and the Middle East.

Furthermore, established TE Data Jordan licensed by the Telecommunication Regulatory Commission in Jordan on July 2004, which, for the last four years, has succeeded in providing various and outstanding services to its customers in Jordan.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.