



## **Telecom Egypt Announces the Acquisition of Remaining TE Data Stake**

**Cairo, 5 January 2010:** Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) announces the purchase of the remaining 4.95% of shares in its broadband subsidiary, TE Data, from three local Egyptian banks. This takes TE's ownership in TE Data to 100% with immediate effect.

Commenting on the move, Mr. Tarek Tantawy, Chief Executive Officer & Managing Director of Telecom Egypt said:

"The Egyptian telecommunications market is in an immensely dynamic phase and broadband sits at the heart of this revolution. Demand for broadband data access and services is projected to grow significantly over the next three to five years and TE's vision is to lead from the front.

"TE Data has consistently been one of our best performing subsidiaries, delivering revenue growth of 27% CAGR over the last five years. We expect the importance of this segment to grow further going forward and, as such, have taken advantage of the opportunity to establish full ownership of the business."

At the end of September 2009, TE Data had 572 thousand ADSL subscribers, an increase of 68% in comparison to the same period in 2008; placing TE Data's market share at 61%. TE's internet and data revenues during nine months 2009 increased by 18% on 2008.

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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 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 9.6 million subscribers as at 30 September 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, 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 61% 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 five years, has succeeded in providing various and outstanding services to its customers in Jordan.