

Telecom Egypt Announces Engagement with Europe India Gateway (EIG) Submarine Cable System through the TE Transit Corridor – Deal Worth US\$50 Million

Cairo, 6th May 2008: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) announced today the signature of a US\$50 million contract with EIG in relation to its TE Transit Corridor.

The geographic position of Egypt allows for an efficient crossing from the Red Sea to the Mediterranean Sea for submarine cable systems. TE being Egypt's only fixed network operates the TE Transit Corridor, which comprises the terrestrial infrastructure linking the two Seas, over multiple diverse and redundant routes. Additional terrestrial routes over the Sinai Peninsula add to the unique resilience of the TE Transit Corridor and favourable submarine cable build economics by avoiding shallow waters. The TE Transit Corridor was developed over nearly 20 years to be the route of choice for crossing submarine cable systems in this geography, which multiplies the benefit of the crossing systems through TE for their ability to achieve interconnection and restoration with other systems.

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 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. Hence EIG will be the first consortium system to use TE North and South new landing stations in Sidi Kerir and Ras Sidr, and shall land in Europe in Monaco and connect thereof to Marseille, as well as the UK. 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.

It's worth mentioning that in November of last year, Telecom Egypt entered into contracts totaling US\$126 million in relation to TE Transit corridor and TE North with IMEWE, SEACOM and VSNL. This new engagement brings total value of contracts signed by TE in this relation to US\$176 million.

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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.