

Telecom Egypt Agrees to Sell Two Minority ISP Investments

Market Leading Internet Subsidiary – TE Data – To Become Strategic Focal Point

Cairo, February 7, 2008: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), announced today that it has signed a share purchase agreement to sell its 27.27% stake in Nile Online (NOL) and its 16.46% stake in The Egyptian Company for Networks (EgyNet) to Etisalat Misr. Both transactions are expected to be completed before March 31st 2008.

Commenting on the transaction, Akil Beshir, Chairman and CEO of Telecom Egypt, said:

“This move represents excellent value for Telecom Egypt and provides us with the opportunity to focus on our majority owned Internet subsidiary, TE Data, which is currently the market leader and is growing rapidly. It is another example of the Egyptian telecommunications and data market, in particular, organizing itself more formally, which we embrace.”

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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 11.03 million subscribers as at the end of September 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.