

## **Telecom Egypt to Liquidate Investment in Algeria**

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**Cairo, November 13, 2008:** Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), today announced that it has jointly agreed with its partner, Orascom Telecom Holdings (OTH) (Ticker: ORTE.CA; OTLD.LN), to liquidate their joint venture in Algeria, Consortiame Algerien De Telecommunications (CAT).

CAT was awarded the second fixed line license in Algeria in 2005 and since its inception the company has faced competitive difficulties. As a result, the company has not been able to operate as expected.

Commenting on the decision to liquidate the company, Akil Beshir, Chairman and CEO of Telecom Egypt, said:

“We still believe the Algerian market represents a very promising market for telecommunications services. However, given the competitive difficulties that we have been facing, we have decided to exit the Algerian market and direct our resources to other promising opportunities. For this reason, we have taken the unfortunate decision to liquidate our joint venture with immediate effect.”

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**For further information:**

### **Investor Relations Contacts**

**Ahmed Fathallah**  
**Investment & Investor Relations Director**  
**Tel: +202 3131 6699**  
**Fax: +202 3131 6115**

**Alia A. Allouba**  
**Investor Relations Manager**  
**Tel: +202 3131 5217**  
**Fax: +202 3131 6116**

**E-mail: [investor.relations@telecomegypt.com.eg](mailto:investor.relations@telecomegypt.com.eg)**

**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 11.3 million subscribers as at the end of September 2008.

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.