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Auditor's Report

To The Board of Directors of Telecom Egypt

We have audited the accompanying consolidated balance sheets of Telecom Egypt as of 31 December, 2006 and the related consolidated statements of income, changes in the shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Telecom Egypt as of 31 December, 2006, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, Egypt
2 April 2007



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