



Auditor's Report



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Auditor's Report
to the shareholders' of Telecom Egypt Company

We have audited the accompanying balance sheet of Telecom Egypt Company (An Egyptian Joint Stock Company) as of December 31, 2004 and the related statements of income, cash flows and changes in equity 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 financial statements based on our audit.

We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of provisions of applicable Egyptian laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We have obtained the information and explanations, which we deemed necessary for our audit. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above together with the notes attached thereto present fairly, in all material respects, the financial position of the company as of December 31, 2004 and the results of its operations and its cash flows for the year then ended, in accordance with Egyptian Accounting Standards, and comply with applicable Egyptian laws and regulations.

The company keeps proper accounting records, which include all that is required by law and the statutes of the company, and the accompanying financial statements are in agreement therewith. The inventories count was performed by the company's management in accordance with methods in practice.

The financial information contained in the report of the Board of Directors prepared in conformity with the company's law No. 159 for 1981 and its executive regulations is in agreement with the company's accounting records within the limits that such information is recorded therein.

Cairo, March 30, 2005



Member Firm of
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