



***FULL YEAR 2005 RESULTS
INVESTOR PRESENTATION***

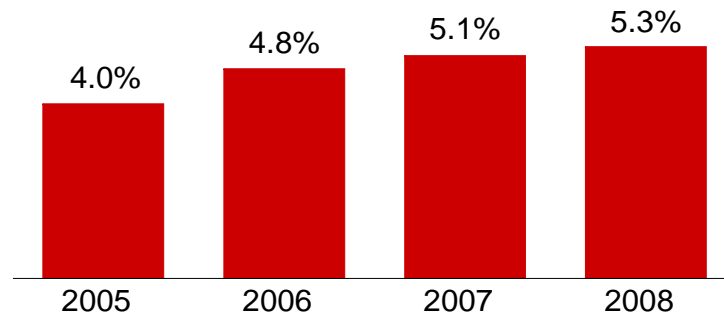
www.telecomegypt.com.eg

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Improving Business Context

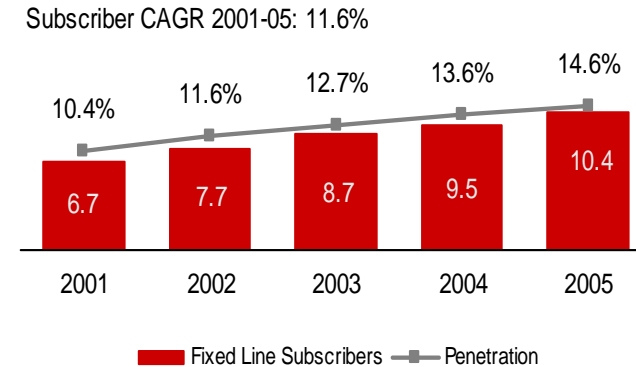
Among Highest Regional GDP Growth



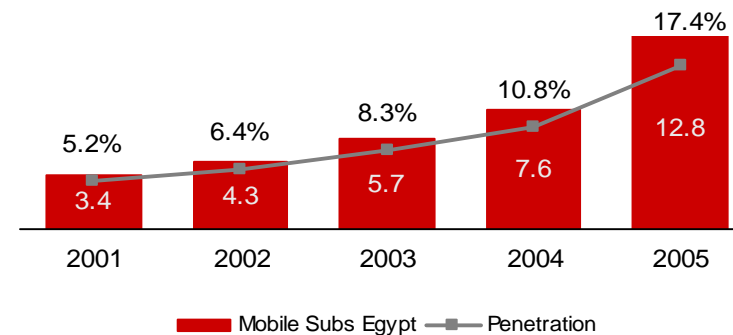
Source: Economist Intelligence Unit, Global Insight.

- Among fastest economic growth rates in the region
- Reduction in inflation and interest rates
- Significant cuts of c.50% in corporate taxes introduced in June 2005 (corp. tax= 20%)
- Economic reforms and deregulation of industries in progress
- Young population (up to 60% of population <25 yrs)
 - 1m school graduates per annum
 - 300k university graduates per annum

Egypt Fixed Line Subscribers and Penetration



Egypt Mobile Subscribers and Penetration



Source: EFG-Hermes Research

Telecom Egypt at a Glance

Overview

- Over 150 years of history
- Despite liberalisation of telecommunications, TE remains sole provider of fixed line and international services
- TE is 80% owned by Egyptian Government and 20% free float
- Industry leading profitability margins
- Largest customer base among MENA incumbents

Key Statistics - 2005

Turnover	EGP 8.4bn <i>USD c. 1.5bn</i>
EBITDA ⁽¹⁾	EGP 4.7bn <i>USD c. 820m</i>
Net Income	EGP 1.8bn <i>USD c. 321m</i>
Total Assets	EGP 31.9bn <i>USD c. 5.6bn</i>
Total Equity	EGP 22.7bn <i>USD c. 4.0bn</i>
Subscribers	10.4m
Teledensity	14.6%
Monthly Average Rev. per Sub. ⁽²⁾	EGP 70.2 <i>USD c. 12.1</i>
# of Employees	c.54K

(1) Defined as operating profit plus depreciation and amortisation

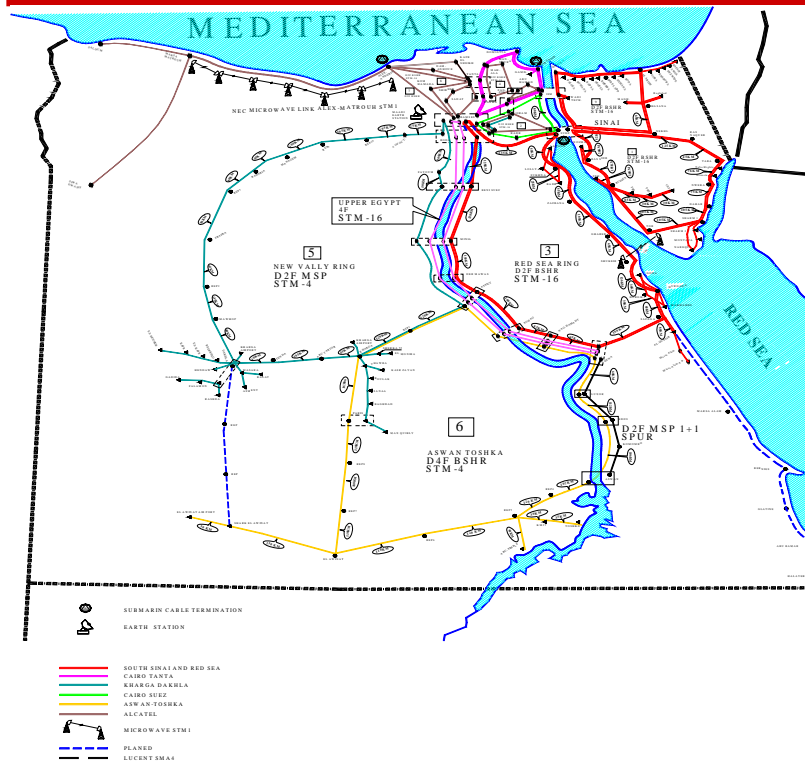
(2) Total Revenue / 2005 average subscribers.

Note: Financial figures reported are based on the Egyptian Accounting Standards

Source: Telecom Egypt.

Modern Network Infrastructure

Network Overview



Network Highlights

- 100% digitalized
- 22,000 km of fibre optic cables
- 10.4m access lines with switching capacity of 12.7m (as of Dec '05)
- National fixed line coverage of 95% of populated areas
- Operational CDMA network in Delta, upper Egypt and North Sinai
- Three IN platforms enabling VAS
- IP migration underway
- ATM network to be operational from July 2006

Telecom Egypt's network is fully digitalised, has significant excess capacity and requires very limited modernisation

Key Investments

Vodafone Egypt

- TE owns 25.5% in Vodafone Egypt
- Current Market Cap: EGP 24.2bn (Dec'05)
- Current market share by subscribers: c.48%
- TE has 3 members on Vodafone Egypt's 13-member Board of Directors
- Dividends received rose from EGP 27 million in 2004 to EGP 133 million in 2005

CAT (Algeria)

- CAT is owned jointly (50/50) by Telecom Egypt and Orascom Telecommunications Holdings (OTH)
- 15-year fixed line license
- License was awarded in May 2005
- Service Launch Q1 2006 (services include voice, data and internet)
- Attractive market opportunity

Internet and Data: TE Data – Growth Engine

Overview

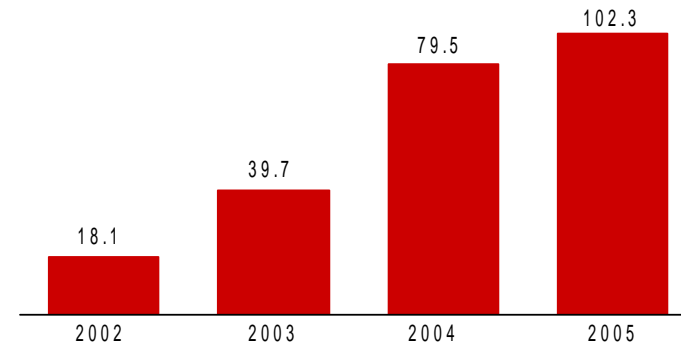


- 95% subsidiary of Telecom Egypt
- A broadband market leader with 30% market share
- **Services:**
 - Switched Access (Dialup)
 - Broadband Access (ADSL, WiFi)
 - Managed / Global Data Services (IPVPN, IP Transit)
 - Data Center Services (Shared, Dedicated Hosting)
- **Extensive Marketing Infrastructure**
 - Tailored focus on residential and business customers
- **Operations**
 - Egypt, Jordan, UAE
 - TE Data Jordan
 - Offers retail and wholesale services, including international voice
 - 8% broadband market share
 - 40% premium rate service market
 - TE Data Gulf
 - Consulting and Professional services

Source: TE Data.

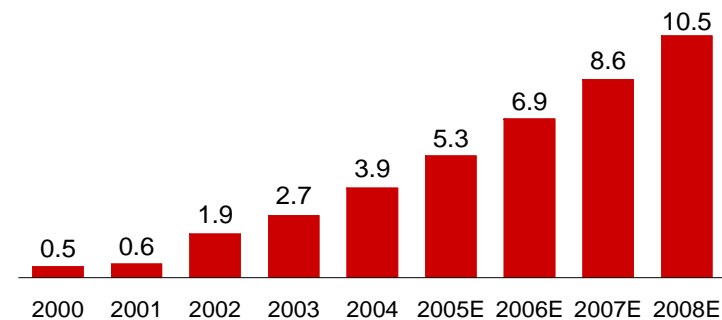
Internet & Data Revenue Growth

(EGP in millions)



Internet Users in Egypt

(million subscriber)



Source: Hot Telecom.

Strategic Outlook

2005

FOCUS

- Increase penetration
- Re-asses financing costs
- Regional expansion
- Build demand for data services
- Initial Public Offering

YEAR END TARGET

- National fixed line coverage of 95% of populated areas
- Add 1 million subscribers
- Mid - 50% EBITDA margin

2006

FOCUS

- Increase penetration
- Enhance operational efficiency
- Rebalance tariffs
- Regional implementation
- Broaden new services
- Growth in data segment

YEAR END TARGET

- 1 million new fixed line subscribers
- 50% Broadband market share
- 6 – 7% revenue growth
- Low-mid 50% EBITDA margin
- Monthly ARPU down approx 2%

Profit & Loss – Track Record of Growth

EGP in millions

FYE 31-Dec	2004A	2005A
Revenues	7,749	8,363
Operating Expenses	(2,425)	(2,781)
Gross Profit	5,324	5,583
Other Operating Expenses	(927)	(915)
EBITDA	4,397	4,668
EBITDA Margin	%56.7	%55.8
Net Profit Before Tax	1,419	2,269
Net Profit for the Year	1,009	1,837
Earnings per share LE/Share	0.48*	1.03*

- Fourth consecutive year of revenue growth
- Sustainable EBITDA margins in low-mid 50%
- Stable interconnection costs
- Non cash items (release of unused provisions and FX gains contributing positively to bottom line growth)

Ongoing P&L performance to be driven by ongoing rebalancing, increased penetration, management of liberalisation and continued focus on personnel costs

Source: Telecom Egypt.

* After deduction of employee's share in dividends and board of directors bonus subject to the approval of the AGM

Note: All financial figures reported are based on Egyptian Accounting Standards

Balance Sheet – Conservative Leverage

EGP in millions

FYE 31-Dec	2004A	2005A
Assets		
Fixed assets (net)	23,534	21,764
Projects in progress	1,314	1,140
Investments in subsidiaries & affiliates	708	1,429
Investments available for sale	148	95
Other debit balances-Long term	1,600	1,397
Other assets	132	100
Total non-current assets	27,436	25,925
Total currents assets	5,970	5,971
Total Assets	33,406	31,896
Total Shareholder's Equity	23,180	22,707
Non-current Liabilities		
Loans and credit facilities	3,446	1,735
Bonds Loan	-	2,000
Creditors & other credit balances	55	55
Deferred tax liabilities	-	61
Total non-current liabilities	3,501	3,851
Total Shareholders' Equity & Non-current liabilities	26,681	26,558

- License fee reimbursement due from NTRA
- Vodafone Egypt stake - “Investments in Subsidiaries & Affiliates”
 - Carried at cost
 - Additional investment in Vodafone Egypt stake in Q1 2005
- Conservative leverage
 - 2004 net debt of EGP 4.9bn
 - FY 2005 net debt stood at EGP 4.1bn
- Highly successful landmark EGP 2.0bn bond issuance in February 2005

Telecom Egypt is conservatively capitalised and enjoys potential for ongoing balance sheet optimisation to enhance shareholder returns

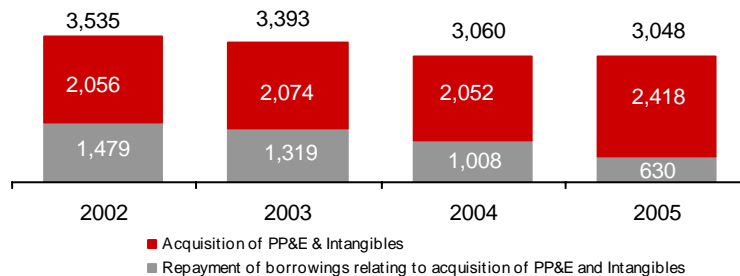
Source: Telecom Egypt.

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Cash Flow Related to Capital Expenditures

Historic Capex-related Cash Flows

(EGP in millions)



Source: Telecom Egypt.

- Cash flow based concept (includes debt repayments related to Capex made in prior years)
- Telecom Egypt invested heavily in its network in order to grow its subscriber base in 2005 and will continue this program in 2006
 - 1m subscribers added in 2005 and an additional 1m subscribers to be added in 2006
- Ongoing investment to enhance management information and network management systems
- 2007+ Capex projected to fall significantly as TE focuses on high ARPU areas

Scope for significant boost to cashflow performance from 2007 as capex-related cashflow is rationalised

Investment Highlights

Visible Growth Drivers



- Tariff rebalancing
- Increased penetration
- Macro-economic growth and increased consumer / corporate spending power
- Compelling Algerian opportunity
- Rapid Broadband and corporate data growth

Focus on Optimising Quality of Revenues



- Increase percentage of subscription based revenues
- Marketing of tailored solutions for specific customer segments
- Exploit competitive pricing versus mobile

Limited Network Modernisation Requirements



- 100% digitalization already achieved
- Network already IP-enabled: platform for “triple play” offering

Clear Strategy for Managing International Liberalisation



- Retain key aspects of the value chain for international IB and OB
- Work with NTRA on ongoing pricing control
- Make economically attractive offers to retain key international and local operators' traffic

Strong Platform for Cashflow Generation



- Industry leading EBITDA margins
- 2007+ Capex rationalization
- Conservative capital structure