

Telecom Egypt Issues a Two Billion Egyptian Pounds Bond

Cairo, Monday, December 27th, 2004

Telecom Egypt (TE) has announced the issuance of tradable non-convertible bonds with a total value of 2 billion Egyptian pounds with a tenor of 5 years.

It's worth mentioning that Meris "Middle East Ratings and Investors Service", Moody's Investors Service partner and affiliate in Egypt, issued an entity and a bond issue national scale credit rating of "AA" to Telecom Egypt with a "stable" outlook. This rating, "AA", is a reflection of Telecom Egypt's stable and solid financial performance. Meris also clarified that TE is a well established entity that has clear mitigates for potential risk factors. The average life of TE's Bonds is 3 years and 10 months, which makes its yield to maturity higher than comparable treasury bonds with similar tenor.

Key Bond characteristics are depicted below:

- Tenor: 5 years starting from the second day of close of public subscription
- Size: 2 billion Egyptian pounds
- Number of Bonds offered: 20 million bonds
- Par value: 100 Egyptian pounds per bond paid in full upon subscription
- Central Depository: issued bonds will be registered in Misr for Clearance, Settlement and Central Depository upon close of public subscription
- Cairo & Alexandria Stock Exchange (CASE) listing: issued bonds will be registered in official list within a period of three months from close of public subscription provided that number of subscribers in the offering exceeds 150 subscribers.
- Interest Rate: The offering will be split into two tranches; fixed and floating with face interest rates of 10.95% and 0.70% above Central Bank of Egypt (CBE) discount rate respectively. Coupons shall be distributed quarterly.
- Subscription Period: subscription starts after 15 days from publishing the public subscription note (26 December 2004) and extends for a period of two months starting from the day of opening public subscription. The issuer may at its sole discretion close the subscription period after 10 days from its start in the events that the issue has been fully subscribed.

Places to obtain the Public Subscription Note

- **Banque Du Caire:** Adly (19 Adly Street) – Al Alfy – Roushdy – Kasr El Nil – Al Azhar – Tharwat – Shoubra – Heliopolis – Giza – Dokki – Orouba – Salah Salem (Alexandria) – Sizoustris – Port Said
- **Bank of Alexandria:** Main Branch Kasr El Nil (49 Kasr El Nil Street) – Tahrir – Zamalek – El Abbasseya – El Nozha – Salah Salem (Alexandria) – Saad Zaghloul – Sidi Gaber – Mansoura – Al Mahala Al Kobra – Luxor – Suhag – Assuit - Al Menya - Tanta
- **Arab African International Bank:** Garden City – Cairo – Heliopolis – Maadi –

- **Citigroup:** Garden City Branch
- **Capital Market Authority**

This release includes summarized information on the issuance and is not intended to act as a selling, promoting or marketing means of Telecom Egypt's Bonds. Prospective investors are advised to refer to the complete prospectus for further information and details as well as performing their own independent analysis of this investment opportunity prior to taking the buying decision.

About Telecom Egypt

Telecom Egypt (TE), Egypt's incumbent telecommunications operator, was established in 1998 to replace the former Arab Republic of Egypt National Telecommunication Organization (ARENTO). The company has a fixed line subscriber base in excess of 10 million subscribers which makes it the largest fixed line provider in the Middle East and Africa.

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