

Telecom Egypt Maintains Credit Rating of "AA" Stable Outlook for the Company and its EGP 2 Billion Bond Issue

Cairo, 30th January, 2006: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), today announced that Middle East Rating & Investors' Service (MERIS) has maintained its National Scale Rating of "AA" with a "Stable" outlook for the entity and bond rating.

An "AA" grade denotes very strong creditworthiness and a low likelihood of credit default, relative to other domestic issuers. The attached "stable outlook" assumes that the company will be able to sustain its current business and financial results in the medium term.

Commenting on the rating, Mr. Ali Salama, Vice Chairman for Financial and Commercial Affairs, said:

"We are delighted to being awarded one of the highest National Scale Ratings awarded to a company operating in Egypt. The rating agency has looked positively at our restructuring efforts as well as our actions to prepare ourselves for market liberalization. Such a positive credit rating reflects the financial strength and credit worthiness of Telecom Egypt."

- Ends -

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Notes to Editors:

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). As at end September 2005, the company had a fixed line subscriber base in excess of 10.3 million subscribers, making it the largest fixed line provider in the Middle East and Africa.

About Telecom Egypt's Bond Issue

In February 3rd 2005, Telecom Egypt (TE) has closed the public subscription for its EGP 2 billion bond issue. The bond issue was 100% offered for public subscription. The issue consisted of 20 million negotiable, callable bonds not convertible into shares at a par value of EGP 100 each. The issue was divided into two tranches; tranche A: fixed rate tranche at an annual coupon rate of 10.95% payable quarterly and tranche B: floating rate at an annual coupon rate based on the following calculation (Central Bank of Egypt discount rate + 0.70%) payable quarterly. The bond has an amortizing repayment structure with a final maturity of 5 years from the day following the close of public subscription. The proceeds of the issue were used to refinance existing debts and to finance new investments.

About Middle East Rating & Investors' Service (MERIS)

MERIS is Moody's affiliate for Egypt and other countries in the Middle East region. It focuses on issuing independent credit ratings, opinions of the relative creditworthiness of bond issuers or fixed-income issues, research and analysis to various corporate and banking market participants at the national scale/level