

Telecom Egypt's Consortium with Telecom Italia Advances to the Final Stages of the Egyptian Third Mobile License Tender

Cairo, 12 June 2006: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) announced today that its consortium with Telecom Italia has been qualified by the National Telecommunications Regulatory Authority (NTRA) for the technical component of its bid for Egypt's third mobile license. The consortium is one of nine consortia that will now progress to the final round of considerations by submitting a financial proposal and going through a financial auction.

Telecom Egypt announced in May that it had formed a consortium with Telecom Italia, with TE as the majority owner, to participate in the tender. The two companies worked closely in preparing a joint technical proposal and will now submit a joint financial proposal.

Commenting on the company's bid, Chairman of Telecom Egypt, Akil Beshir, said, "Having been deemed technically qualified by the NTRA is a great endorsement of the partnership we have formed with Telecom Italia, which we believe to be an ideal mix of strong local market knowledge coupled with extensive technical and commercial experience. I would also like to stress that financially we are in good shape moving into the final round of considerations."

Telecom Egypt currently participates in the growing mobile segment in Egypt through its strategic 25.5% shareholding stake in Vodafone Egypt, one of the two Egyptian mobile operators, which has been a very successful and profitable investment that achieved strong financial results for TE.

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Notes to Editors:

About Telecom Egypt

Telecom Egypt (TE), Egypt's incumbent telecommunications operator, started its operations in 1854 with the first telegraph line in Egypt. Then it was corporatized in 1998 to replace the former Arab Republic of Egypt National Telecommunication Organization (ARENTO). The Company is the largest provider of fixed-line services in the Middle East and Africa with more than 10.5 million subscribers as at the end of March 2006 representing a teledensity of 14.7 percent.

TE provides retail telecommunication services including access, local, long distance and international voice, Internet and data, and other services. The company also provides wholesale services including bandwidth capacity leasing to ISPs, and national and international interconnection services. Telecom Egypt's services also include the provision of narrowband and broadband internet access through its subsidiary TE Data. TE Data has current operations in Egypt, Jordan, and Dubai and has ambitious plans in other parts of the MENA region.

Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on the Cairo and Alexandria Stock Exchanges and the London Stock Exchange.

About Telecom Italia Group

The Telecom Italia Group is one of Europe's telecommunications industry leaders. Group activities span the entire advanced communications services chain including fixed and mobile telephony, internet, media and innovative business solutions and systems through TIM, Telecom Italia Media and Olivetti. TIM, the mobile telephony unit, has long been a lead technological innovator in Italy and worldwide. TIM has brought to market third generation technologies, the EDGE-UMTS platform, new high-speed multimedia services and wireless and Internet data transmission. The Group also promotes research and innovation through the laboratories of Telecom Italia lab, which develop technologies that improve and enhance the competitiveness of the services the Group provides.