

Telecom Egypt's Internet Subsidiary Operational Update
-Launch of International VOIP Service in Jordan
-Signing an Interconnection Agreement with PCCW Global

Cairo, 9th February, 2006: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN), announced that its Internet Subsidiary, TE Data, launched an International prepaid calling card service using VoIP technology from any fixed line in Jordan through its fully owned subsidiary TE Data Jordan. The new service provides the Jordanian market with International voice calls from Jordan to Egypt. It is worth mentioning that Egypt is currently the top destination for International voice traffic originating from Jordan. The new service is a natural alternative to the Egyptian population in Jordan and provides the Jordanian market with competitive rates to Egypt, which makes it well positioned to capture a significant portion of that traffic.

TE Data has also announced the signing of an Interconnection agreement with PCCW Global, a business unit of PCCW Limited, a world leader in next generation broadband solutions that acquired the Hong Kong telephone company. The two-party Agreement calls for the sharing of technical and commercial infrastructure with the aim of building a mutually stronger position in Asian, Middle Eastern, European and North American telecommunications markets. Integrating TE Data's and PCCW Global's capabilities and know-how will also serve to enhance the product portfolios and broaden the range of services offered by both parties. Thus, this cooperation will allow each party to extend its respective MPLS enabled Protocol network to expand the range of services each party is able to offer to its own customers worldwide.

TE Data's Chairman and Managing Director, Mr. Mohamed Elnawawy commented "We are very excited about the recent developments happening in our company. I believe that the recent EGP 225mn capital increase, launching our new VoIP services in Jordan and signing the interconnection agreement with a reputable company like PCCW are all very promising developments that will help us sustain our status as the fastest growing segment within the Telecom Egypt Group.

- 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 TE Data

TE Data was established in 2001 by Telecom Egypt to function as its data communications and Internet arm. The company is the fastest growing data communications and Internet services provider in Egypt. Currently, with operations in Egypt, Jordan, Dubai, and ambitious plans in other parts of the MENA region, TE Data's portfolio includes narrowband and broadband Internet access services, managed dedicated Internet access services, IP VPN connectivity services, global connectivity services in addition to consulting and professional services. TE Data's portfolio of services covers the communications needs of all whether consumers, small and medium enterprises, large enterprises, and Internet Service Providers.