

Telecom Egypt's Internet Subsidiary TE Data launches the First IP-TV based Entertainment Service in Egypt

Cairo, 7th November, 2006: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) announced that it's Internet Subsidiary; TE Data; has launched the first IP-TV based service in Egypt under the name TE-VU. TE-VU provides a range of streaming and Video on Demand (VoD) content to TE Data's existing and new ADSL subscribers over TE Data's IP MPLS network and Telecom Egypt's last mile copper lines.

TE-VU, pronounced "TE View", demonstrates the capabilities of TE Data's IP MPLS network to provide the next generation bandwidth intensive service. TE-VU involves the broadcasting of high quality TV channels and VoD on the TE Data network. TE Data's current and new ADSL subscribers can subscribe to TE-VU and have exclusive access to a variety of Streaming and VoD content.

Commenting on the new service offering, Akil Beshir, Chairman of Telecom Egypt said:

"The Internet and data business is one of the fastest growing segments in the TE Group and the launch of the new IP-TV based service by our Internet subsidiary TE Data is part of the group's strategy to provide tailored full service solutions to our customers. We have been and continue to be committed to the development of the broadband Internet market in Egypt and we look forward to see the take-up of the new service by our customers. "

TE Data's Vice Chairman and Managing Director, Emad El-Azhary commented:

"TE Data's vision is to build one IP network to cater for all communications services. TE-VU is a realization to this vision. Such a service will help us provide a unique value to our customers and raise our Broadband service ARPU."

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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 10.6 million subscribers as at the end

of June 2006 representing a teledensity of 14.8 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.

TE currently participates in the mobile segment in Egypt by providing mobile interconnectivity and though its current 48.97% holding in Vodafone Egypt, one of the two Egyptian mobile operators.

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

About TE Data

TE Data is a 95% owned subsidiary of Telecom Egypt established in 2001 to act as the retail Internet and Data arm of Telecom Egypt. The company is the fastest growing data communications and Internet services provider and the broadband access market leader in Egypt. Currently, with operations in Egypt and Jordan 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.