

Telecom Egypt Wins a 15 years Fixed-line License in Algeria For USD 65 Million

Cairo, 7th March, 2005

Telecom Egypt (TE) and Orascom Telecom Holdings (OTH) won the license for building and operating a fixed line telephone network to provide national and international services. This new operation is expected to meet the increasing demand in the telecommunication field in Algeria. The duration of the license is 15 years with a value of USD 65 million. The new company that will be established will be 50% owned by each party.

The Algerian Government granted the license to the Egyptian consortium which gives it the right to connect and provide communication service in towns and cities in Algeria. As per the contract, out of 48 Algerian states an average of 5 states per year will be connected during the first 3 years; afterwards 10 states will be connected annually. Over the long run operating costs are estimated in the range of USD 200 to 300 million.

Eight different groups took the Request for Proposal (RFP) to win the license; however, the Egyptian consortium only provided a proposal to get the fixed line license in Algeria.

Mr. Beshir, Chairman of Telecom Egypt, expressed his happiness for winning such a great project in the Algerian market which represents a huge investment opportunity. He further added that this agreement will open new channels of communication and cooperation between Telecom Egypt and the rest of the Arab and African countries.

Mr. Beshir also added that this license is part of TE's plan for cross border expansion.

Eng. Azza Torky, Telecom Egypt Vice Chairman for International Services, Backbone, New Services and Marketing, noted that TE has the ability of winning international bids and added that the company has a bundle of solutions and advanced information programs that combine both international quality and economic prices while providing the best services depending on the trained Egyptian human resources. She said that the company aims for regional expansion especially that it signed an agreement before with Jordan and Sudan to extend fiber optic cables to provide the ultimate benefit to the citizens residing in those countries.

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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