



Telecom Egypt and Cyta Announce Mediterranean Region Cooperation

Cairo, 3rd June, 2009: Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) and Cyprus Telecommunications Authority (Cyta) today announced, that they have entered into an agreement to cooperate through extension of Telecom Egypt's TEN Cable System to Cyprus, thereby creating reciprocal Eurasia and Eastern Mediterranean opportunities. As part of this cooperation, Cyta will purchase a fiber-pair on TEN, capable of transporting a terabit of telecommunications capacity from Cyprus to Egypt and Europe. TE, in turn, will obtain both the opportunity to transport Cyta traffic to key European and Asian destinations, and the opportunity to cost-effectively reach regional markets accessible via Cyprus.

Telecom Egypt's TEN Cable System, which is currently under construction by Alcatel-Lucent, is scheduled to go into service towards the end of the year, linking Egypt to France with over ten terabits of telecommunications bandwidth. The cable system is being installed with underwater branching units, which enable TEN to be extended to other Mediterranean countries in the future, including Greece. These extensions will form MedGateway - a bridge between Mediterranean countries, Europe and Asia. The extensions will also provide TE with access to new markets, as well as the opportunity to provide these MedGateway partners with connectivity to key markets in Europe and Asia through TE's extended network, beyond France and Egypt.

Cyta currently serves as a hub for regional telecommunications in the Eastern Mediterranean, with cables linking Cyprus to the Levant region, Greece, Egypt, Italy, and other European destinations. Cyta's new fiber-pair subsystem, which will be named ALEXANDROS, will complement these existing facilities, enhancing the robustness of Cyta's international access through physical diversity and significant increase in bandwidth.

Mr. Akil Beshir, Chairman of Telecom Egypt echoed the enthusiasm in this cooperation reached between Cyta and TE. "Telecom Egypt is pleased that Cyta is our first regional partner to join the MedGateway project as part of the TEN. Along with our existing fiber-pair customers, who rely on TEN as a critical conduit between Asia, Africa and Europe, this agreement has assured that TEN is truly becoming a regional and global building block for international communications through the region. Through each of these relationships, TE aims to continue to expand its reach to major destinations of the globe."

"Cyta is extremely pleased to have reached agreement with Telecom Egypt for this new and important project for Cyprus. ALEXANDROS will enable Cyta to have access to new opportunities to better serve our customers both at home as well as our neighbours in the region. Our partnership with Telecom Egypt affords us the opportunity, through TE, to allow our customers to reach the world." said Mr. Stavros Kremmos, Chairman of Cyta's Board of Directors.

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Notes to Editors:

Within this statement, we may make forward-looking statements regarding future events or the future performance of the Company. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. When relying on forward-looking statements, you should carefully consider the political, economic, social and legal environment in which Telecom Egypt operates. Such forward-looking statements speak only as of the time of this release today. Accordingly, Telecom Egypt does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise other than as required by applicable laws, the Listing Rules or Prospectus Rules of the United Kingdom Listing Authority, the Egyptian Capital Markets Authority or the Cairo and Alexandria Stock Exchange. The documents filed from time to time with these authorities may identify important factors that could cause actual results to differ materially from those contained in any forward-looking statements.

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 11.6 million subscribers as at 31 March 2009.

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 active operations in Egypt and Jordan.

TE currently participates in the mobile segment in Egypt by providing mobile interconnectivity through its current, increased 44.95% holding in Vodafone Egypt, one of the three existing Egyptian mobile operators. TE's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on the Egyptian Stock Exchange and the London Stock Exchange

About Cyta:

Cyprus Telecommunications Authority (Cyta) is the primary telecommunications provider in Cyprus. Its product portfolio covers the whole spectrum of electronic communications ranging from fixed and mobile telephony to internet service provision and broadband applications. Cyta is particularly active in the area of international submarine fibre optic cables, providing wholesale products and services on a global basis, and has established Cyprus as a regional telecommunication hub in the Eastern Mediterranean.