

## **Telecom Egypt Clarifies Situation Regarding Prepaid Card Companies**

**Cairo, 28 September 2011:** Following inaccurate media reports, and to clarify the situation, Telecom Egypt (TE) can confirm the total amount of receivables from certain prepaid card companies is EGP 128 million – not EGP 2.5 billion, as has been reported in the local media.

An impairment allowance was made in TE's previous year's company accounts as soon as concern over the slowness of settlement was first evident.

Meanwhile, TE has diligently followed the appropriate legal process regarding the potential to recoup any of the outstanding amounts.

Firstly, TE has submitted a formal complaint to the National Telecommunications Regulatory Authority (NTRA) to resolve the outstanding issue, pursuant to the provisions of the contract and the requirements of the Telecommunications Law No. (10) for the year 2003.

Secondly, arbitration cases have now been filed against all three operators, for which a decision is pending.

**- Ends -**

**For further information:**

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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 Financial Supervisory Authority or The Egyptian 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 9.0 million subscribers as at 30 June 2011.

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 Exchange and the London Stock Exchange.