



Telecom Egypt Proposes Amendments to the Articles of Association at the Extraordinary General Assembly

Cairo, January 17, 2012: Telecom Egypt (TE) (*Ticker:* ETEL.CA; TEEG.LN), today announced that on the 11 January 2012 the Board of Directors approved the following amendments to the provisions of Articles Nos. 21, 26 and 28 of the Articles of Association of Telecom Egypt.

The amendments to the articles are subject to shareholder approval at the Extraordinary General Assembly of the Company to be held on Sunday, January 29, 2012.

<u>Article 21, before amendment:</u>	<u>Article 21, after amendment:</u>
The Company shall be managed by a Board of Directors <u>of eleven members to be appointed by the General Assembly, as follows:</u>	The Company shall be managed by a Board of Directors <u>of a minimum of seven members and a maximum of eleven members to be appointed by the General Assembly. As an exception to the foregoing method of appointment, the Board of Directors shall be formed of eleven members as follows:</u>
(a) Three members who meet the requirement of independence as detailed in this Article.	(a) Three members who meet the requirement of independence as detailed in this Article.
(b) A member representing the employees of the Company, to be nominated by the General Syndicate for Telecommunications Employees from amongst the employees of the Company.	(b) A member representing the employees of the Company, to be nominated by the General Syndicate for Telecommunications Employees from amongst the employees of the Company.
(c) Seven members who shall be designated by virtue of a Prime Ministerial Decree upon a recommendation by the Minister of Telecommunications & Information Technology.	(c) Seven members who shall be designated by virtue of a Prime Ministerial Decree upon a recommendation by the Minister of Telecommunications & Information Technology.
(d) The three independent members shall be nominated by non-State shareholders owning 1% or more of the Company shares, and each independent member must meet the following requirements:	(d) The three independent members shall be nominated by non-State shareholders owning 1% or more of the Company shares, and each independent member must meet the following requirements:
(i) He/she may not have been an	(i) He/she may not have been an

<p>employee of the Company, or any of its affiliates or sister companies during the last five years.</p>	<p>employee of the Company, or any of its affiliates or sister companies during the last five years.</p>
<p>(ii) He/she may not have any substantial dealings with the companies during the last three years whether directly or as a partner, shareholder, manager or key employee at any entity which had substantial dealings with the Company.</p>	<p>(ii) He/she may not have any substantial dealings with the Company, <u>its affiliates or sister companies</u> during the three years <u>preceding his/her appointment</u>, whether directly or as a partner, shareholder, manager or key employee at any entity which had substantial dealings with the Company, <u>its affiliates or sister companies</u>.</p>
<p>(iii) He/she may not have received or have the right to receive any fees or additional payments except for the allowances and remunerations of Board members, or have the right to participate in a share incentive scheme, if any, or any incentive or pension scheme in the Company.</p>	<p>(iii) He/she may not have received or have the right to receive any fees or additional payments except for the allowances and remunerations of Board members, or have the right to participate in a share incentive scheme, if any, or any incentive or pension scheme in the Company.</p>
<p>(iv) He/she may not be a relative up to the fourth degree of any Board member of the Company, or its CEO or his/her representative.</p>	<p>(iv) He/she may not be a relative up to the fourth degree of any Board member of the Company, or its CEO or his/her representative.</p>
<p>(v) He/she may not be a co-member in the board of directors of any of the companies cooperating with the Company or have a close engagement with any Board member by way of contributing in any other company or entity.</p>	<p>(v) He/she may not be a co-member in the board of directors of any of the companies cooperating with the Company or have a close engagement with any Board member by way of contributing in any other company or entity.</p>
<p>(vi) He/she may not represent a substantial shareholding in the Company.</p>	<p>(vi) He/she may not represent a substantial shareholding in the Company.</p>
<p>(vii) He/she may not have served on the Board of Directors of the Company for nine years or more as of the date of his/her first appointment.</p>	<p>(vii) He/she may not have served on the Board of Directors of the Company for nine years or more as of the date of his/her first appointment.</p>
<p>Should the non-State shareholders fail to nominate three independent members or nominate less than three members, or if the aforementioned requirements are not met by the independent</p>	<p>Should the non-State shareholders fail to nominate three independent members or nominate less than three members, or if the aforementioned requirements are not met by the independent</p>

members nominated by the non-State shareholders, then the Board of Directors may nominate independent members to complete the number of nominated independent members, provided that they also meet the aforementioned requirements of independent members.	members nominated by the non-State shareholders, then the Board of Directors may nominate independent members to complete the number of nominated independent members, provided that they also meet the aforementioned requirements of independent members.
<u>Article 26, before amendment:</u>	<u>Article 26, after amendment:</u>
The Board of Directors shall hold its meetings in the Head Office of the Company whenever it so requires upon an invitation by the Chairman of the Board of Directors or at the request of one-third of its members. The Board of Directors shall meet at least four times during each fiscal year. <u>Furthermore, the Board of Directors may convene outside the Head Office of the Company or outside Egypt</u> , provided that all the Board members are present or represented and may also meet via conference call. <u>Under all circumstances approved by the Board of Directors, it may hold its meetings outside Egypt</u> , with its resolutions being passed in writing if all members so agree.	The Board of Directors shall hold its meetings in the Head Office of the Company <u>or any of its branches in the Republic</u> whenever it so requires upon an invitation by the Chairman of the Board of Directors or at the request of one-third of its members. The Board of Directors shall meet at least four times during each fiscal year. <u>Furthermore, the Board of Directors may convene outside the Head Office of the Company, at any of its branches or outside Egypt</u> , provided that all Board members are present or represented and may also meet via conference call, with its resolutions being passed in writing if all members so agree.
<u>Article 28, before amendment:</u>	<u>Article 28, after amendment:</u>
A Board meeting shall not be valid unless attended by <u>at least a majority of its members</u> .	A Board meeting shall not be valid unless attended by <u>a majority of its members, provided that they shall include at least one independent member</u> .

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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 8.6 million subscribers as at 30 September 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.