



Telecom Egypt signs mobile license agreement

Fulfils company's aspiration to become Total Telecom Operator in home market

Cairo, August 31, 2016: Telecom Egypt (te) (Ticker: ETEL.CA; TEEG.LN), today confirmed that it has finalized the terms of its mobile license with the Egyptian National Telecommunications Regulatory Authority (NTRA).

Under the terms of the license award te can manage a full-fledged mobile operation to service the Egyptian market, effective from 31 August, 2016.

Commenting on the license, Managing Director and CEO, Tamer Gadalla, said:

“Becoming a total telecom operator has been a central commitment of te’s customer focused strategy. With this award te’s objective of moving from being a fixed line operator to a mobile operator becomes a reality. te will, therefore, better meet the evolving needs of its customers.

“In anticipation of this moment, we have been modernizing our infrastructure and investing in state-of-the-art fibre technologies. We are therefore confident to meet the timeframe stipulated in the license agreement. The ability to operate our own mobile services will allow te to once again focus on growth.”

The terms of the license are as follows:

- 4G spectrum of 2*5 MHZ in the frequency band 1800 MHZ and 2*10 MHZ in the frequency band 700 MHZ.
- A value of EGP 7,080 million, of which EGP 5,200 million is to be paid up front.
- The remaining portion will be paid in equal instalments over the next four years.
- 50% paid in Egyptian pounds, 50% paid in US Dollars.
- Telecom Egypt has to make the services available within 6 months.
- The initial license term is for a period of 15 years.
- te has the right to renew the license for another five years, with a renewal fee up to EGP 2,000 million, to be paid at year 15 from the date of license.

Mr. Gadalla continued:

“Today’s announcement is an important milestone for Egypt as well. We are grateful to the National Telecommunications Regulatory Authority (NTRA) for expediting and finalizing these license negotiations. This is a critical step forward to making Egypt a more connected society, allowing Egyptians to harness the superior data speeds high-quality 4G networks can deliver at home and at work.”

Telecom Egypt has already advanced negotiations with a leading regional bank to provide bank finance overdraft facilities to fund up to 50% of the up-front cost of the license.

- End -



For more information, contact:

Mohamed Kamal

Investor Relations & Media Director

Tel: +202 3131 5219

Fax: +202 3131 6115

E-mail: investor.relations@te.eg

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 6.3 million subscribers as at 30 June 2016.

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.