

## Telecom Egypt's BoD approves the acquisition of 50% of Egyptian International Submarine Cable Co.

**Cairo, 23 September 2018:** Telecom Egypt announces that its board of directors has approved the acquisition of 50% of its subsidiary Egyptian International Submarine Cable Company "EISCC" at a value of USD 15mn.

On 17 September 2018, Telecom Egypt had announced that EISCC had completed the acquisition of Middle East and North Africa Submarine Cable "MENA Cable" from Orascom Investment Holding "OIH" at a total enterprise value of USD 90mn. Earlier in August, Telecom Egypt had also announced the signature of a Memorandum of Understanding (MoU) with Bharti Airtel, according to which Telecom Egypt will bundle assets of its international submarine network with assets on MENA Cable. The deal, which is expected to be concluded soon, will enable Telecom Egypt to recover its entire investment in MENA Cable.

The BoD's decision to acquire the remainder of EISCC has multiple financial advantages including:

- Full consolidation of MENA Cable profitability from the Bharti Airtel transaction
- Immediate savings of cUSD 10mn as a result of the new structure
- Total recognition of recurring revenue over the life time of the cable (min. of 15 years)

### **Ahmed El Beheiry, Managing Director and Chief Executive Officer, commented:**

"Management has worked tirelessly since the beginning of the year to secure the revenue of its international submarine cable network and had announced to investors that it foresees a short-term return on the acquisition of MENA Cable. We have since reported several milestones in our plan including the conclusion of the acquisition of MENA Cable as well as the signing of a MOU to recover our investment. Today's announcement is very important as it will enable the full consolidation of the asset and the expected revenue over its lifetime. The completion of today's transaction marks the second fully owned submarine cable by Telecom Egypt in addition to TE North".

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## **About Telecom Egypt**

Telecom Egypt is the first total telecom operator in Egypt providing all telecom services to its customers including fixed and mobile voice and data services. Telecom Egypt has a long history serving Egyptian customers for over 160 years maintaining a leadership position in the Egyptian telecom market by offering its enterprise and consumer customers the most advanced technology, reliable infrastructure solutions and the widest network of submarine cables. Aside from its mobile operation "WE", the company owns a 45% stake in Vodafone Egypt. Telecom Egypt's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange. Please refer to Telecom Egypt's full financial disclosure on [ir.te.eg](http://ir.te.eg)

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