

Investor's Eye

Telecom Egypt renews transmission and infrastructure services agreement with Vodafone Egypt

5 February 2018



telecomegypt

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Our strategy: partnership and focus

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The renewal of Vodafone's transmission agreement is an extension of our cooperation and part of our main strategy to secure long-term wholesale revenue

Starting a new phase where partnership is the key

Telecom Egypt starts a new phase as the first total telecom operator in Egypt. With its new brand "We" in the market, Telecom Egypt needs to begin this important phase without any historical burdens and clear up the backlog of historical disputes to sustain financial growth in the coming years and clean the balance sheet.

Telecom Egypt welcomes cooperation with the licensed mobile operators, which are perceived as Telecom Egypt's successful partners, not only competitors in the retail space. The settlement marks the first step in the way for future expansion of the business relationship as the mobile operators are a significant contributor to Telecom Egypt's wholesale revenue. The launch of "We" allows the mutual leasing of network components, where Telecom Egypt will lease radio access network and the mobile operators' Telecom Egypt's access/core network.

Avoiding uncertainty and focusing on what's important

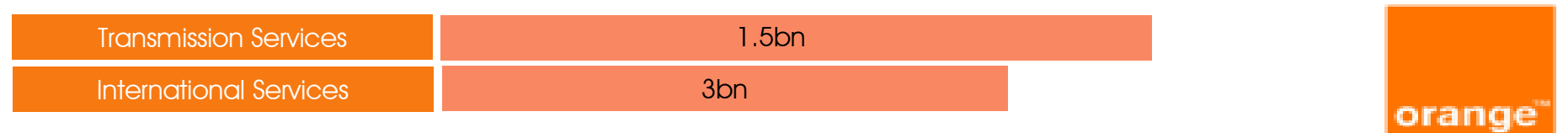
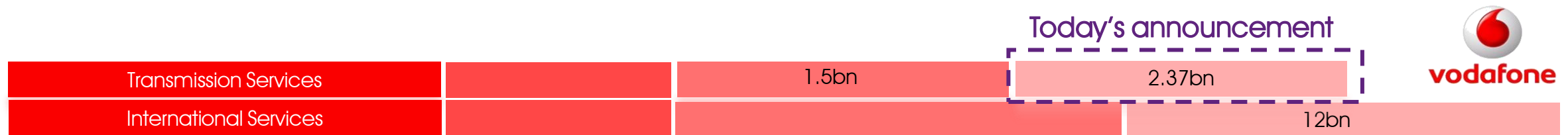
Prolonged disputes only lead to uncertainty and distraction, while Telecom Egypt needs to become a fast and dynamic operation with a focus on the huge opportunities in the Egyptian telecom market:

- Addressing the youth segment through our data offering
- Underpenetrated fixed broadband market
- Infrastructure projects and being part of the economic reform
- **Capitalizing on its infrastructure assets and growing demand for data in the Egyptian market**

Telecom Egypt needs to focus on its own internal operations to extract efficiencies and develop synergies with its newly launched mobile segment

Agreements with domestic MNOs

Today's agreement in context



Our main goals

- 1 Securing longer term agreements with domestic mobile operators
- 2 Boosting our wholesale revenue stream by monetizing our infrastructure investments

Vodafone transmission services renewal

5 February 2018

Telecom Egypt (Ticker: ETEL.CA; TEEG.LN) announces signing a wholesale agreement with Vodafone Egypt to provide transmission and infrastructure services. The agreement will take effect from January 2018 for three year ending 2021.

The agreement guarantees a minimum revenue of EGP 2.37bn for Telecom Egypt over the tenure of the agreement, while Vodafone Egypt will benefit from new technical and commercial terms.

The agreement was signed by Telecom Egypt's CEO Ahmed El Beheiry and Mr. Alexander Froment-Curtil, Vodafone Egypt's CEO.

This agreement represents a new step to maximize the commercial cooperation between the two companies and confirms the importance of partnership as the key driver to ensure the continuation of such cooperation between the two parties.

Ahmed El Beheiry, Telecom Egypt's Managing Director and Chief Executive Officer, commented:

"We are pleased to sign this agreement, which supports the relationship between the two companies and reflects our eagerness to create strategic bonds with the local operators. Our model of long term agreements guarantees our market leadership in infrastructure and transmission services, especially in light of Telecom Egypt's huge investment in its infrastructure and our continuous thrive to offer better technical and commercial alternatives to our customers."

Vodafone international services renewal

2 November 2017

Telecom Egypt (te) (Ticker: ETEL.CA; TEEG.LN), announced signing the renewal of the long-term agreement with Vodafone Egypt, to provide international call conveyance services. The agreement will take effect from September, 2017, and extends to year-end 2022.

The agreement is expected to represent a total value for Telecom Egypt of approximately EGP 12 billion throughout the agreement term.

The renewed agreement extends the terms of the bilateral commercial commitments between both companies for more than 5 years, to ensure Telecom Egypt's leadership position in the international calls conveyance services to and from the Egyptian market.

The renewal of the agreement's conditions will come to serve the interests of Telecom Egypt and Vodafone Egypt as it includes mechanisms to cope with the current market dynamics and to enable both parties to cooperate in fighting the international fraudulent traffic activities and limit the illegal bypass routes for international calls, while maximizing returns on Telecom Egypt's international gateway.

Etisalat Misr International Services & National Roaming Agreements

14 June 2017

Telecom Egypt (te) (Ticker: ETEL.CA; TEEG.LN), today announced the signing of the two agreements for a National Roaming and International Voice Services with Etisalat Masr (Egypt) to provide te's mobile business with 2G, 3G and 4G mobile services through national roaming over Etisalat's existing network. It will also provide International Voice Services through the international gates of te. Both agreements extend for five years, and follow the recent Memorandum of Understanding between te and Etisalat relating to these services.

Ahmed El Beheiry, Managing Director and Chief Executive Officer of Telecom Egypt commented:

"Signing the national roaming agreement is one of the most important steps in the final preparations for our entry to the mobile market. Agreements such as this one with Etisalat will accelerate the provision of mobile services expected by the company's customers and our investors; helping the company to cement its position in leading the Egyptian communications market. We believe our ambition to provide Egyptians with the first fully integrated services in the market is truly exciting, driven by our customers and their demand value for money alongside more sophisticated telecommunications services. We are working very hard to ensure a successful commercial and operational transition by continuing to invest in developing our infrastructure and modernizing our networks, and building out our customer service infrastructure to ensure a swift launch."

Transmission and int'l services with Vodafone and Mobinil

13 January 2015

Telecom Egypt (te) (Ticker: ETEL.CA; TEEG.LN) has today announced the signing of two long-term agreements with both Mobinil and Vodafone Egypt. The agreements, which will see te provide international communication and domestic transmission services, will take effect immediately and are expected to represent a total value of approximately EGP 15 billion.

Both Mobinil and Vodafone Egypt's international services agreements are valid for four years, while infrastructure services will vary for each operator – five years for Mobinil and three years for Vodafone Egypt.

The agreements consist of two distinct elements.

Infrastructure services

te owns an extensive infrastructure network of thousands of km all over Egypt. Over the past two years, te has been working to extend the capability of this infrastructure by 6.25% and increase its capacity by 50%.

The agreements are expected to represent a total value for te's wholesale business of approximately EGP 3 billion over the lifetime of the contracts.

International services

te provides international services to MNOs who chose this wholesale solution as an alternative to acquiring their own international gateway license. te's share of revenue from international communication services is around 35%.

Infrastructure Services Agreement with Etisalat

18 July 2013

Telecom Egypt (TE) (Ticker: ETEL.CA; TEEG.LN) today announced it has signed a long-term agreement with Etisalat Misr, a subsidiary of Etisalat UAE, for the supply of infrastructure services. The agreement grants Etisalat Misr the right to use domestic transmission services across TE's extensive network. The agreement takes immediate effect and is expected to represent a total value for TE of approximately EGP 200 million annually. Telecom Egypt owns an extensive and advanced infrastructure which a majority of telecommunications companies depend on to offer their retail telecom services in the Egyptian market as a better commercial option rather than building their own infrastructure networks. Telecom Egypt continues to invest in and develop its infrastructure, allowing it to continue to provide high quality services to serve the Egyptian market, which use the latest global techniques.

Telecom Egypt aims to achieve customer satisfaction in the Egyptian market and providing total telecommunications services that enable its customers to have access to high-quality advanced services.

Commenting on the agreement, TE Managing Director & CEO, Mohamed Elnawawy, said:

"Our agreement with Etisalat Misr is reflective of the continued strength of our infrastructure and the resilience of the Egyptian telecoms market as a whole. In choosing to rely on our capability and track record, Etisalat Misr will become an important customer, whose growing need for capacity in Egypt we fully expect to be able to satisfy."

Thank You

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