

Telecom Egypt concludes the acquisition of Middle East and North Africa Submarine Cable “MENA”

Cairo, 17 September 2018: Telecom Egypt announces the conclusion of the acquisition of Middle East and North Africa Submarine Cable “MENA Cable” from Orascom Investment Holding “OIH” through its subsidiary Egyptian International Submarine Cable Company “EISCC”. As previously announced, the total enterprise value of MENA Cable is USD 90mn of which USD 40mn represents the equity value of MENA Cable and the remainder its outstanding debt. EFG Hermes acted as the brokerage company for executing the transaction on Telecom Egypt’s side.

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

“I am very pleased with the closing of this transaction that will add MENA Cable to our international cables network in line with the company’s strategy to expand its international connectivity to enable Egypt’s vision of becoming a digital route. The decision to acquire MENA Cable is a result of our vision to achieve a short-term return from this transaction capitalizing on the growing data demand from India. Telecom Egypt had announced in August the signing of a Memorandum of Understanding (MoU) with Airtel, wherein, Telecom Egypt will bundle MENA’s assets with existing assets of the TE network. Airtel will be granted IRUs (Indefeasible Right of Use) on MENA Cable and TE North cable systems as well as large capacities on a long-term basis on two new cable systems (SMW5 & AAE1). We expect to formalize the partnership with Airtel into an agreement soon, which will enable Telecom Egypt to recover all of its investment in MENA Cable”.

- End -

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

For more information, contact:

The investor relations team

Email: investor.relations@te.eg