

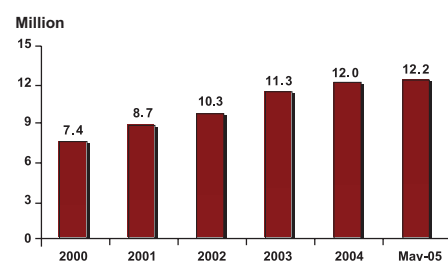
# Egypt ... Open for Business



## Communications & IT Sector

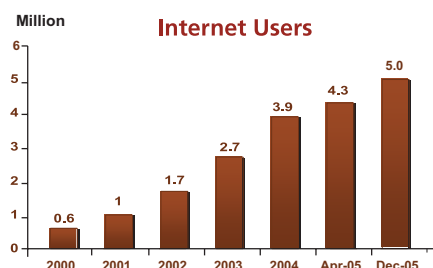
- Egypt's CIT sector is one of the fastest growing information and communications markets in the world. Egypt is host to 1530 CIT companies, both foreign and local, providing 40,000 jobs.
- In 1999 the Egyptian government launched an integrated strategy to develop the CIT sector. The program, called the "Egyptian Information Society Initiative", focuses on e-Readiness, e-Business, e-Learning, e-Health, e-Government, and e-Heritage.
- The Egyptian government is committed to providing a hospitable legal environment for attracting CIT investments through the revision of laws and regulations and by enactment of the Communication Organization Law and Law Number 15, 2004 authorizing and organizing "the Digital Signature."
- The CIT sector has attracted investment of EGP 15 billion over the past 3 years and now is served by Telecom Egypt, 2 mobile operators, 4 network service providers, 8 public data carriers, 214 ISPs, 3 switch manufacturers, 4 satellite communication companies, and 6 network cable and fiber optic cable manufacturers.
- The Egyptian government launched the "PC for every home" initiative in November 2002, allowing citizens with telephone lines to buy personal computers by paying modest monthly installments.
- The Egyptian government launched a "free Internet" initiative in 2002 which led to a dramatic increase in the number of Internet users.
- The number of telephone land lines is forecast to reach 16 million by the end of 2007.
- The number of mobile phone users jumped from 2.2 million in 2000 to 9.4 million in May 2005, with service provided by two companies, MobiNil & Vodafone Egypt. The Ministry of Communications and Information Technology is encouraging multinational companies to establish and operate a third mobile phone company working with the 3G system.
- The Smart Village business park is an excellent example of Egypt's high-tech infrastructure, economic incentive packages, and its commitment to the future. The project provides an attractive, high-tech working environment for IT and telecom companies and their employees.
- Egypt Ranks #12 in Global Offshore sites, according to A.T. Kearney's 2005 Offshore Location Attractiveness Index, A.T. Kearney Analysis.
- MCIT has endorsed an R&D program by forming virtual centers of excellence consisting of academia, local industry, multinational companies active in Egypt, startup companies, and the Egyptian expatriate community in Europe and North America. The centers will focus on Data Mining, Wireless Technology, Convergence, and Electronic Design.
- In order to support Greenfield startup companies, MCIT runs a yearly business plan competition in which the top three entrants receive funding to launch their companies in the Smart Village. In 2005, there were 370 applications. In 2006, a new business plan competition will be conducted, this time rewarding the top 5 winners. The startups not only receive financial support, but also management, marketing, accounting and legal advice.
- The Technology Development Fund was established to finance companies with smart and aggressive business plans, and that demonstrate a clear understanding of the market. The size of the fund was raised from EGP 50 million to EGP 150 million in 2006.

### Number of Telephone Lines



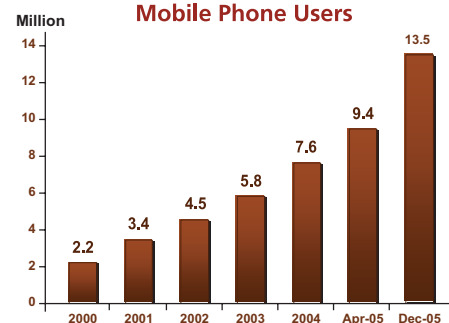
Source: Ministry of Communications and Information Technology

### Internet Users



Source: Ministry of Communications and Information Technology

### Mobile Phone Users



Source: Ministry of Communications and Information Technology

Many of the world's largest technology and communications companies have entered the Egyptian market in recent years in order to tap the opportunities presented by Egypt's rapidly growing market.

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