a letter from the Chairman

the year of challenges

Dear Shareholders,

On behalf of the members of the Board of Directors and myself, I present to you our 2013 annual report for Jordan Telecom Group/Orange Jordan. In this report we share our year's achievements and our audited consolidated financial records. We also share our future vision for the year 2014 in which we will continue to lead the local communications arena and to realize the vision of His Majesty King Abdullah II in making Jordan the information and communication technology hub for the region at large.

2013 was filled with developments and events that affected our operational costs and revenues, but it was also a year in which we successfully proved our ability to respond to the different challenges we faced and continue to face, including; the doubling of the tax imposed on mobile service to 24% and the doubling of the tax imposed on mobile handsets to 16%. These factors resulted in the drop of our revenues. Furthermore, the 150% rise in electricity costs seen mid 2012, the additional 5% rise experienced in 2013, and finally the 5% rise seen in the beginning of 2014 significantly increased our operational costs. In parallel with these factors, we were also affected by increasing market competition and a fall in people's spending power caused by world economic crises.

From another angle, the Arab Spring, and specifically the Syrian crisis, caused us to stop work on one of our major projects; the fiber-optic network project "JADI". JADI was originally set to pass through Jordan, Saudi Arabia, Syria, and Turkey and to link the region's east and west through a fiber-optic cable network. At a time when the Kingdom is still affected by financial and economic difficulties, this development had a significant effect on our potential growth.

In the year 2013, we were able to leave more marks on the local communications industry, as we presented a number of voice, internet and network communication solutions targeting different market segments. We attribute these achievements to our strong network capacities that cover the Kingdom at large, and on the vast experience we gain from Orange Group globally. These factors enabled us to win the 2013 SAMENA Council Award in recognition of our B2B services, combining technological advancement, innovation and the ability to cater to specific communication needs.

2013 also saw the launch of cutting-edge cloud computing services as well as our second "Data Center", which is the most advanced in the region, where we offer our corporate clients hosting services for their servers alongside other solutions. We have also introduced a number of advanced products and services through our "Technocenter", which was established in 2008 to serve the AMEA region.

Stemming from our belief that we are an entity that is dedicated to our country and our community, we continued to work throughout 2013 toward fostering positive change in a number of community sectors including health, education, fighting poverty, and sports, as part of our social responsibility.

We were also the first to benefit from the challenges facing our industry and company, and to convert them into opportunities, whereby in Q3 2013 we launched our "Transformation Program", which is to be implemented until the end of 2015. The program embodies our striving to create change and new opportunities, and it entails taking fast decisions that will affect all areas of our business, with a goal to achieve the best possible results. This program will be able to transform our current operational practices for the better, making us ready to effectively tackle any new market challenge we might face.

Although we are well aware that the challenges we face today will still exist in 2014 and beyond, we are still committed to continue investing in our network and our infrastructure, providing our customers with a unique communication experience with services and offerings that exceed their expectations. We will continue to contribute to Jordan's GDP and to the different endeavors that promise a better quality of life for the people of Jordan. We will continue our contribution to supporting education and fighting poverty, and to investing in our employees through enhancing their capacities in all areas relevant to their work.

In closing, I extend my thanks to the Orange Group for its ongoing support, allowing us to provide the best to the Jordanian community. I also extend my gratitude to our subscribers for their loyalty toward our brand and to our shareholders for the trust they have placed in us, our Board of Directors, and our management. I also extend my thanks to our Board of Directors for the support and guidance they have given us as we strive to achieve the company's goals, and I also thank our management team and especially our CEO, Mr. Jean-Francois Thomas. Last but not least, I thank our team across all governorates who have worked diligently to provide the best quality of service.

I confirm that we will continue giving Jordanians the best quality of service. I also confirm our commitment to realizing the vision of His Majesty King Abdullah II.

Regards,

Dr. Shabib Ammari
Chairman
Jordan Telecom Group/Orange Jordan

a letter from the CEO

Dear Shareholders,

2013 was filled with challenges for the telecommunications industry, forcing us to paddle against a strong current of obstacles. Between challenging global trends, regulatory hurdles and unfavorable market conditions, Orange Jordan has had to adapt to external forces with agility and innovation.

Last year's local telecom industry was characterized by aggressive competition and intense price wars, made fiercer by many product lines approaching market saturation. The doubling of government "special taxes", coupled with the massive increase in electricity costs have adversely affected our revenues and margins, along with the negative impact of the global trend toward "Over The Top" services on telecom revenues.

Consequently, our 2013 revenues were down by more than 10% over last year's figures, while earnings before interest, tax, depreciation and amortization (EBITDA) decreased by 29.5% compared to 2012.

Despite all these challenges, we were still able to maintain our pioneering status in the local market, and we are still recognized as the reference source for the sector and the leading choice for our subscriber base. We even expanded our subscriber base to reach more than 4 million across all our services. We achieved this goal by continuing to cater to people's needs, offering them top quality services and innovative offers, which in turn enhanced their satisfaction.

Rather than accepting the situation, we proved our resilience by transforming these challenges into opportunities, solidifying our position as the digital coach and innovator. One of the most proactive ways was the development of our Transformation Program, "Never Anymore Business As Usual", which is based on four key pillars; revenues and growth, efficiency and cost, brand and customer experience, and values, behavior and culture, which aim to put the company on the track of recovery and renewed success.

We began to see the first signs of the program's success in the stabilization of our enterprise line of business revenues and the positive impacts of our cost control programs.

As we pushed forward through these difficulties, our team has continued to be our most invaluable asset, rising to every challenge with professionalism. These traits proved especially critical when, in April, a disruption of more than 60 of our fiber-optic network cables resulted in an outage that affected our internet, fixed line and mobile services for subscribers across Amman and some parts of the Kingdom. Our team worked around the clock for more than 24 hours, restoring all services in record time. This unfaltering resolve and speedy recovery speak of the tenacity of our team and the strength of our network.

Throughout 2013, we made strides to further strengthen our network. By increasing our capital expenditures, we expanded our network coverage and introduced unprecedented internet speeds to the Jordanian market, offering 80Mbps and 100Mbps options through our new VDSL and FTTH services.

Greater still than our commitment to innovation is our dedication to our customers, who are the reasons we exist, and with the launch of our flagship "Customer Testing Center", the first of its kind in the region, we now have a dedicated center in which to test Orange's products, services, and offers prior to introducing them to the market. This outstanding customer experience is what we aim to deliver at all our touch points, which is why we expanded our "One-Shop Design" to feature seven new shops.

We further demonstrated our customer focus in 2013 through the launch of several new service plans and promotional campaigns, targeting various customer segments. In particular, we launched new offers designed to cater to the tech-savvy, budget-constrained lifestyles of local youth, offering affordable options that have seen exceptional success.

However, innovations in telecommunications amount to little if you're not effectively connecting with your customers. Therefore, we continued to develop new channels and strategies for communicating with our customers, particularly via social media, where our interactive approach has garnered international recognition. The Orange Jordan Facebook page was ranked third on the list of "Socialbakers" of the top socially devoted brands on Facebook. Social media isn't the only channel through which we show exceptional devotion to our customers. The commitment of the entire Orange Jordan team was never more evident than when 700 of our team members took to the streets in April for one of our direct marketing and promotional activities.

In December, we emotionally reached out to customers through our "Reasons to Believe" campaign. The campaign aimed to increase brand loyalty while calling attention to the company's wide array of flexible services.

2013 also helped us strengthen our corporate partnerships, reinforcing our existing relationships and forging new ones. Most notably, Orange Jordan established a partnership with the "Abdali Boulevard" project, through which we delivered a tailor-made infrastructure supported by our fiber optic network. We also continued to build upon our longstanding partnership with the armed forces, as the exclusive provider of telecommunication solutions for the "Armed Forces Hotel".

Despite all the constraints we faced, there were two fields in which we decided not to loosen up our efforts namely, pumping investments into our networks and supporting the local community, both through funding numerous community-enhancing initiatives and the participation of our employees.

Although 2013 presented Orange Jordan with many challenges, we have reacted to them with resilience and motivation. In the coming year, we will continue to work within our "Transformation Program", approaching obstacles as opportunities and employing our strengths to further our goals.

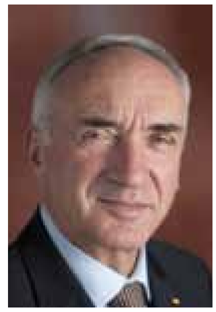
I would like to thank all of our shareholders for their exceptional support and trust, and our Board of Directors, chaired by Dr. Shabib Ammari, our executive team, including our Deputy CEO Raslan Deiranieh and the entire Orange Jordan team. With your ongoing cooperation, we will continue to realize His Majesty King Abdullah II's vision of putting Jordan on the world map of information and communication technology.

Regards,

Jean-François Thomas
Chief Executive Officer
Jordan Telecom Group/Orange Jordan

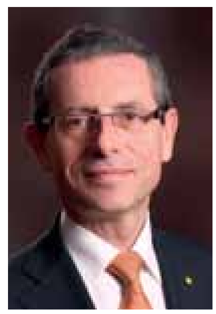
2013 board of directors

H.E. Dr. Shabib Ammari
Chairman of the Board of Directors
Jordan Telecom Group
Orange Jordan



Mr. Marc Rennard
Vice Chairman of the Board of Directors
Jordan Telecom Group
Orange Jordan

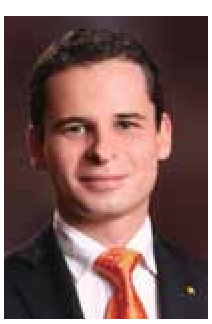
H.E. Dr. Mohammad Abu Hammour
Member of the Board of Directors
Jordan Telecom Group
Orange Jordan



Mr. Michel Monzani
Member of the Board of Directors
Jordan Telecom Group
Orange Jordan

Major General Omar Alkhaldi (PhD)
Member of the Board of Directors
Jordan Telecom Group
Orange Jordan

Dr. Samer Al Mofleh
Member of the Board of Directors
Jordan Telecom Group
Orange Jordan



Mr. Henri De joux
Member of the Board of Directors
Jordan Telecom Group
Orange Jordan

Legal Advisor: Thaer Najdawi
Auditors: Ernst & Young

2013 executive committee

Mr. Jean-Francois Thomas
Chief Executive Officer
Jordan Telecom Group
Orange Jordan

Mr. Tamouh Khauli
Chief Information Security Officer
Jordan Telecom Group
Orange Jordan

Mr. Ahmed Salah
Chief Sourcing, Logistics and Quality Officer
Jordan Telecom Group
Orange Jordan

Dr. Ibrahim Harb
Chief Legal and Regulatory Officer
Jordan Telecom Group
Orange Jordan

Mr. Saed Al-Khaldi
Chief Commercial Officer
Jordan Telecom Group
Orange Jordan

Mr. Yvan Savinien
Chief Strategy Officer/Secretary General of the Board of Directors
Jordan Telecom Group
Orange Jordan

Mr. Raslan Deiranieh
Deputy Group CEO
Chief Financial Officer
Jordan Telecom Group
Orange Jordan

Mr. Sami Smeirat
Vice President
Chief Enterprise Officer
Jordan Telecom Group
Orange Jordan

Mr. Walid Al Doulat
Vice President
Chief Wholesale Officer
Jordan Telecom Group
Orange Jordan

Mr. Minh Tran
Chief Marketing and Communication Officer
Jordan Telecom Group
Orange Jordan

Miss Berengere Audrant
Chief Human Resources Officer
Jordan Telecom Group
Orange Jordan

Mr. Olivier Wicquart
Chief Information Technology and Networks Officer
Jordan Telecom Group
Orange Jordan

2013 financial highlights

2013 marked another year of solid financial position although the intensely competitive telecom market in Jordan and challenging economic environment affected our operational cost in addition to the new special tax imposed on the mobile services.

Moreover, we remained focused on our cost optimization strategy to improve our efficiency and productivity to compensate for market challenges.

We are keen to maintain our strong financial results and improve our position in the market every year. We also reaffirm our commitment to providing our customers with the best quality of services and breakthrough products which leads to increasing our shareholders' value.

It gives us a great pleasure to present the 2013 consolidated annual financial highlights of Jordan Telecom Group.

consolidated financial and statistical highlights

presented below is a summary of the consolidated data for 2013 against 2012

income statement data

(MJD)	2013	2012	change %
Revenues	360.3	408.0	(11.7)%
Operating expenses			
Cost of services	(172.3)	(173.2)	(0.6)%
Selling and distribution expenses	(40.5)	(37.7)	7.4%
Administration expenses	(23.0)	(24.8)	(7.4)%
Government revenue share	(7.8)	(9.2)	(16.0)%
Brand fees	(4.2)	(4.3)	(3.2)%
Business support fees	(3.3)	(3.3)	0.0%
Total operating expenses	(250.9)	(252.6)	(0.7)%
Other income	0.4	0.3	22.3%
Profit from operations (EBITDA)	109.8	155.8	(29.5)%
EBITDA margin	30.5%	38.2%	(7.7)%
Depreciation and amortization	(47.9)	(50.5)	(5.2)%
Net foreign exchange differences, finance costs and finance income	8.8	6.6	33.0%
Profit before income tax	70.6	111.9	(36.9)%
Income tax expense	(19.1)	(28.7)	(33.5)%
Profit for the year	51.7	83.2	(37.8)%
Attributable to:			
Equity holders of parent	51.5	83.1	(38.0)%
Non-controlling interest	0.2	0.1	116.6%
Profit margin	14.4 %	20.4%	(6.0)%
Earnings per share (JD)	0.206	0.332	(38.0)%
Weighted average number of shares (million shares)	250	250	0.0%

calculated variance may differ from the financials due to the rounding factor

summary of balance sheet data

(MJD)	2013	2012	change %
Assets			
Total current assets	370.1	384.3	(3.7)%
Property, plant and equipment	189.4	193.4	(2.1)%
Other non-current assets	58.8	64.5	(8.9)%
Total non-current assets	248.2	257.9	(3.8)%
Total assets	618.3	642.2	(3.8)%
Liabilities and equity			
Total current liabilities	248.2	241.0	3.0%
Total non-current liabilities	5.9	6.2	(5.3)%
Total equity	364.1	394.9	(7.8)%
Total liabilities and equity	618.3	642.2	(3.8)%

calculated variance may differ from the financials due to the rounding factor

summary of cash flow statement

(MJD)	2013	2012	change %
Net cash from operating activities	86.7	111.7	(22.4)%
Net cash used in investing activities	(31.4)	(31.3)	0.3%
Net cash used in financing activities	(82.6)	(90.3)	(8.5)%
Net decrease in cash and cash equivalent	(27.3)	(10.0)	174.5%
Cash and cash equivalents	243.0	270.3	(10.1)%

calculated variance may differ from the financials due to the rounding factor

financial ratio analysis

	2013	2012	change %
Profitability ratios			
Return on total assets	8.2%	12.7%	(35.9)%
Return on total equity	13.6%	20.9 %	(35.0)%
Liquidity ratios			
Current ratio	1.49	1.59	(6.5)%
Cash ratio	0.98	1.12	(12.7)%
Leverage ratios			
Total liabilities to equity ratio	69.8%	62.6%	11.5%
Interest – bearing debt ratio*	1.6%	1.6%	(0.1)%
Total debt ratio**	41.1%	38.5%	6.7%
Assets coverage ratio***	74.5%	78.2%	(4.7)%
Assets management ratio			
Total assets turnover ratio	57.2%	62.6%	(8.7)%
Fixed assets turnover ratio	188.2%	204.0%	(7.7)%
Total capital turnover ratio	94.9%	102.4%	(7.3)%
Growth ratios			
Dividends per Share (JD)	0.206	0.332	(38.0)%
Dividends payout ratio	102.0%	99.3%	2.7%
Dividends yield ratio	5.1%	6.2%	(17.7)%
Valuation ratios			
Book value per share	1.46	1.58	(7.8)%
Market to book value ratio	2.81	3.36	(16.1)%
Price – earning ratio	19.91	15.95	24.8%

*total debt (total equity + total debt)

** total liabilities/total assets

*** total tangible assets/total liabilities

revenues

Performance of this year witnessed a drop in the group revenue of (11.7)%, as the Group achieved JD 360.3 million in 2013 compared with JD 408.0 million in 2012 due to the high competition in the market affecting both mass and business sectors, in addition to the big drop in roaming visitors' revenues.

Also, the recent decision during July 2013 to increase the special tax on mobile services from 12% to 24% had a big negative impact on the mobile revenues.

operating expenses

The term Operating Expenses (OPEX) means the cost of services, selling and distribution expenses, administration expenses, government revenue share, brand fees and business support fees. The Group OPEX witnessed a decrease of (0.7)% to reach JD 250.9 million in 2013 against JD 252.6 million in 2012 despite the electricity cost increase related to the government decision to increase telecom electricity charges by more than 150% in addition to the new increase of 5% imposed during August 2013. Consequently, the total increase in electricity cost exceeded JD 10 million per year.

On the other hand, in the second half of 2013, the group launched the Transformation Program to transform the group's business to a more efficient business model that aims to improve the group's performance in light of the recent challenges and changes impacting the telecom market.

The main component of operating expenses was cost of services, which includes the interconnection fees paid to other national and international telecommunications networks, certain license fees, technical costs, such as network operating (including electricity) and maintenance expenses, expenses related to technical personnel and, additionally, cost of SIM cards, prepaid scratch cards and the cost of subsidized handsets.

Cost of services registered a decrease of (0.6)% reaching JD 172.3 million in 2013 compared with JD173.2 million in 2012 as a result of drop in revenues.

Selling and distribution expenses increased by 7.4% to reach JD 40.5 million in 2013 compared to JD 37.7 million in 2012 mainly due to the increase in selling and distribution commissions.

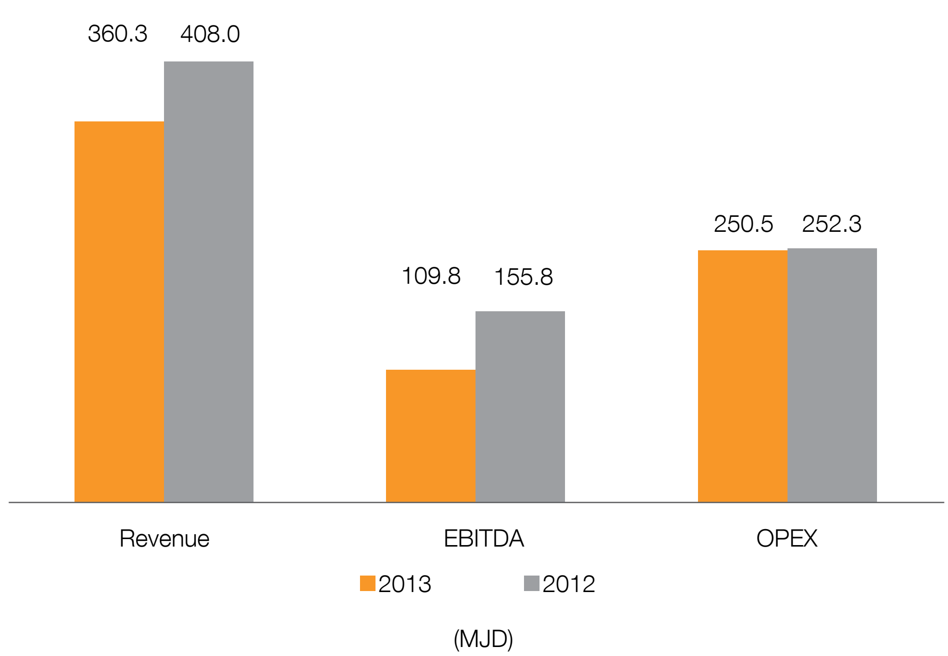
Administration expenses decreased by (7.4)% to reach JD 23.0 million in 2013 compared to JD 24.8 million in 2012 as a result of the cost optimization program implemented by the group.

Government revenue share equals 10% of net revenue that Orange Mobile is required to pay to the Telecommunications Regulatory Commission pursuant to the Mobile License Agreement.

Government revenue share reached JD 7.8 million in 2013, a decrease of (16)% from 2012, due to the drop in the revenue.

Brand fees represent 1.6% of operating revenues that Jordan Telecom Group is required to pay to Orange for using the Orange brand in all Jordan Telecom Group subsidiaries. It was around JD 4.2 million in 2013 compared to JD 4.3 million in 2012.

Business support fees represent what the Group is required to pay to Orange France pursuant to the business support agreement. Business support fees of the Group reached JD3.3 million in 2013 ,the same amount as in 2012.



EBITDA

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) consist of sales of services less operating expenses.
Group EBITDA showed a decrease of (29.5)% to reach JD 109.8 million in year 2013 compared with JD 155.8 million in 2012.
This drop is mainly linked to the decrease in our revenue.
The EBITDA margin for the Group decreased to reach 30.5% at year end 2013 compared to 38.2% last year.

depreciation and amortization

Consolidated depreciation and amortization expenses decreased by (5.2)% to reach JD 47.9 million in 2013 compared to JD 50.5 million in 2012.

net foreign exchange differences

Consolidated net foreign exchange differences consist of changes in valuations of deposits and loans arising from changes in foreign exchange rates. 2013 showed a gain of JD 1.2 million compared with a gain to JD 0.2 million in 2012.

finance costs

Consolidated finance costs consist of the interests and other charges which are paid on the Group's financial indebtedness. Finance costs decreased by (16)% to reach JD 0.08 million in 2013, down from JD 0.10 million in 2012.

finance revenues

Consolidated finance revenues consists of revenues earned on cash deposits in various currencies. Finance revenues increased by 19.2%, reaching JD 7.7 million in 2013 from JD 6.5 million in 2012.

other income

Other income consists of gains and losses on dispositions of fixed assets and other miscellaneous income. Other income in 2013 was around JD 0.41 million opposed to JD 0.34 million in 2012, showing a 22.3% increase.

income tax

In 2013, the Group reported JD 19.1 million as income tax, with a decrease of (33.5)% from 2012, in which it was JD 28.7 million.

profit for the year

Jordan Telecom Group generated JD 51.7 million as net profit after tax for 2013, with a decrease of (37.8)% compared to JD 83.2 million in 2012. This decrease was linked mainly to the drop in our gross operating income.

minority interest

Minority interest represents Lightspeed partners' share (49%) of the yearly loss or profit. It came at JD 0.2 million in 2013 compared to JD 0.1 million in 2012.

liquidity and capital resources

The primary source of liquidity is net cash from Operating Activities. For the year 2013, our net cash from operating activities decreased by (22.4)% to JD 86.7 million compared to JD 111.7 million for the year 2012. Net cash used in Investing Activities witnessed an increase by 0.3%, to reach JD 31.4 million in 2013 from JD 31.3 million in 2012. For the year 2013, our net cash used in Financing Activities reached JD 82.6 million compared to JD 90.3 million in 2012. Free cash flow in 2013 reached JD 70.6 million compared to JD 117.8 million in 2012, a decrease of (40.1)%.

cash and cash equivalent

Cash and cash equivalent witnessed a decrease of (10.1)% from JD 270.3 million in 2012 to JD 243 million in 2013.

capital expenditures

CAPEX for Jordan Telecom Group reached JD 39.2 million at the end of 2013 compared with JD 38.0 million in 2012.

group subscribers

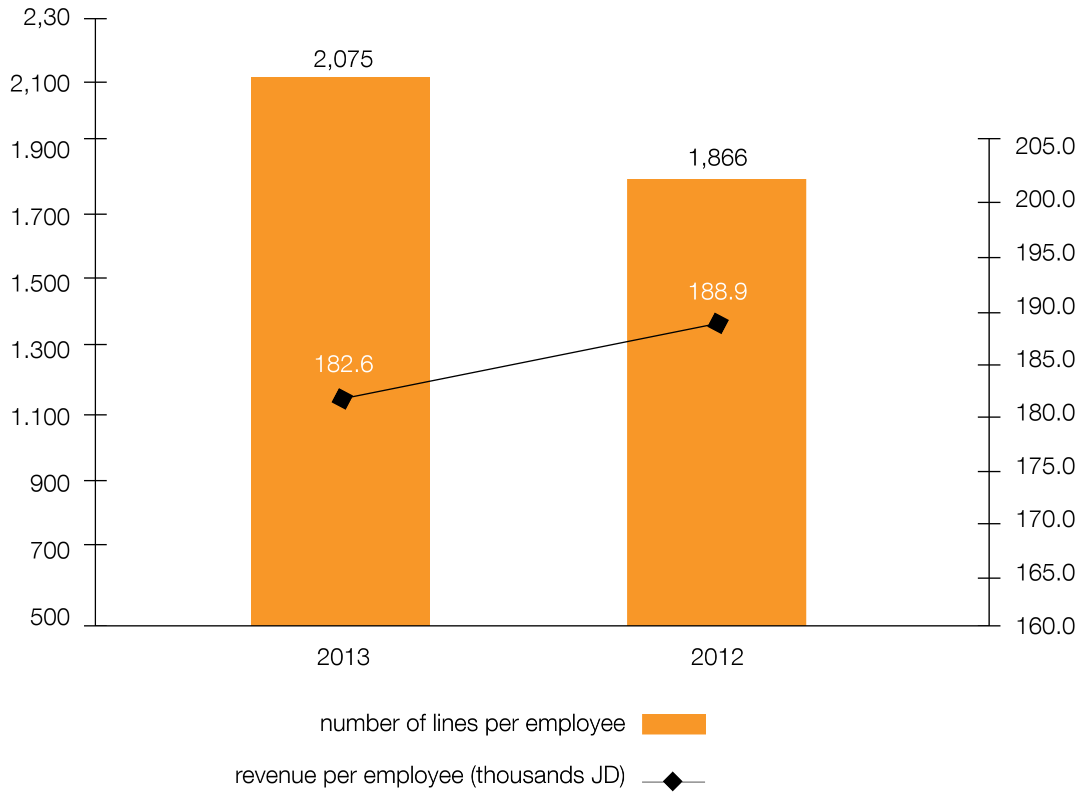
Jordan Telecom Group subscribers showed an increase by 1.6% to reach 4,094 (K lines) in 2013 compared to 4,030 (K lines) in year 2012. This increase came as a result of our competitive mobile and internet offers, especially the high demand on the internet offers (ADSL & wireless) and "Internet Everywhere", as well as our new mobile prepaid offers.

human resources

Jordan Telecom Group's number of employees decreased by (8.6)% from 2,159 in 2012 to 1,973 in 2013 (including Lightspeed employees). Total number of temporary employees reached 163 in 2013 compared with 187 in 2012.

staff efficiency

The Group's efficiency indicators posted JD 182.6 thousand revenue per employee in 2013 over JD 188.9 thousand in 2012.
The number of lines per employee jumped to 2,075 lines in 2013, showing an increase of 11.2% against 2012, where it reached 1,866 lines. The boost was affected by the growth in the number of lines.



segment analysis:

Presented below are the detailed operational results for each business segment of the Group:

- Fixed line voice servies segment (Orange Fixed), data services segment (Orange Internet) and lightspeed - Bahrain
- Mobile communication segment (Orange Mobile)

The following table presents sales of services, operating expenses and EBITDA by business segment for the periods indicated:

summary of consolidated income statement

(MJD)	2013	2012	change %
Revenues			
Orange Fixed, Orange Internet & Lightspeed	280.9	297.6	(5.6)%
Orange Mobile	160.5	195.1	(17.7)%
Intercompany	(81.1)	(84.7)	(4.3)%
Total revenues	**360.3**	**408.0**	**(11.7)%**
Operating expenses			
Orange Fixed, Orange Internet & Lightspeed	(206.1)	(211.7)	(2.7)%
Orange Mobile	(125.5)	(125.2)	0.3%
Intercompany	81.1	84.7	(4.3)%
Total operating expenses	**(250.5)**	**(252.3)**	**(0.7)%**
EBITDA			
Orange Fixed, Orange Internet & Lightspeed	74.9	85.8	(12.8)%
Orange Mobile	35.0	69.9	(50.0)%
Total EBITDA	**109.8**	**155.8**	**(29.5)%**

Orange Fixed, Orange Internet & Lightspeed

Orange Fixed is the Group's largest business segment. After the opening of the market to competition, Jordan Telecom Group still holds about 98% market share, with competition on international traffic outgoing and incoming.

Orange Internet is the leading internet service provider in Jordan. In 2001, the Group acquired Global One Communications (Jordan) Ltd. The data communication segment entered into a Brand License Agreement with Orange Internet Interactive.

Orange Internet provides various services, such as corporate internet leased lines, ADSL service for residential and corporate customers, web-hosting and mail-hosting solutions, internet roaming through dial-up and wireless internet (WiFi) connectivity at airports, cafes and restaurants in Jordan.

On April 16th, 2007, Lightspeed Communications entered into a major partnership with Jordan Telecom Group to launch innovative services in Bahrain, such as bundled broadband services for residential, small and medium enterprises and the corporate sector, as well as providing prepaid card telephony services.

Lightspeed Communications is Bahrain's first alternative fixed line telecommunications operator, offering value added and innovative services for residential and business customers.

revenues

Orange Fixed, Orange Internet & Lightspeed revenues decreased by (5.6)% in 2013, driven by the decrease in the wholesale activities.

ADSL service showed a drop in 2013 due to the high migration from old ADSL residential offers to "Baity" offers with lower ARPU.

operating expenses

Orange Fixed, Orange Internet & Lightspeed operating expenses decreased by (2.7)% in 2013 to reach JD 206.1 million up from JD 211.7 million in 2012. This decrease is linked to the decrease in revenue and the cost optimization program adopted by the Group.

EBITDA

By the end of 2013, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) showed a decrease of (12.8)%, reaching JD 74.9 million in year 2013 over JD 85.8 million in 2012.

Orange Mobile

The Group's mobile communication segment consists of the mobile communication products and services offered by Orange Mobile, which was registered first on September 1st, 1999. With an aim to build a new, highly advanced mobile communication network to serve the Kingdom. Orange Mobile began commercial operations in September 2000. It is ranked as the number two provider of mobile services in Jordan. The competition emerged with the entrance of other mobile operators resulting in renewed and intense price competition. Orange mobile was the first to get a 3G+ license in Jordan in 2010. In 2013, Orange mobile grew stronger, expanded its family and provided the market with a more and more innovative services and competitive offers.

revenues

Orange Mobile had a drop in its revenues of (17.7)% compared to 2012. In 2013 Orange continued to face a tough competitive market and a reduction in the prices affected all business sectors in addition to a significant drop in roaming visitors revenues.

Furthermore, the increase of special tax from 12% to 24% on mobile services affected the mobile revenues negatively.

operating expenses

The mobile segment recorded JD 125.5 million as operating expenses in 2013, compared to JD 125.2 million in 2012, showing a (0.3)% increase.

EBITDA

Orange mobile's EBITDA decreased by (50)% in 2013 to JD 35.0 million, compared to JD 69.9 million in 2012.

disclosure schedule report pursuant to Jordan Securities Commission instructions for the year 2013

1. the services rendered by Jordan Telecom Group - Orange

- fixed telephone service
- mobile Services (voice + data)
- ADSL service
- wholesale services
- services dedicated to enterprises “B2B” (leased lines services, frame relay, video conferencing)

- Company’s locations and number of employees of each location:
Headquarters, Jabal Amman, 1st Circle, City Center Building, P.O. Box 1689, Amman 11118 Jordan

governorate	no. of locations	no. of employees
Headquarters	1	508
Amman	67	909
Ajloun	12	4
Irbid	59	112
Jarash	14	7
Al-Mafraq	39	17
Al-Balq’a	23	22
Madaba	10	11
Al-Zaraqa	19	51
Al-Aqaba	15	24
Al-Karak	39	45
Ma’an	24	18
Al-Tafilah	18	13
Total	**340**	**1,741**

- the amount of capital investment in 2013 for Jordan Telecom was (JD 14,841,722) and for Jordan Telecom Group was (JD 39,242,785)

2. subsidiaries

All Subsidiary Headquarters, Jabal Amman 1st Circle, City Center Building, P.O. Box 1689 Amman 11118 Jordan, except Headquarters of Lightspeed Communication W.L.L Manama, Kingdom of Bahrain P.O. Box 18681

name of the subsidiary	nature of business	capital (JD)	equity %	no. of emp.
Petra Jordanian Mobile Telecommunications Co. Ltd. (Orange mobile)	GSM operator	70,000,000	100%	332
Jordan Data Communications Co, Ltd. (Orange internet)	ISP	750,000	100%	29
Dimension Company for Digital Development of Data Ltd. (e-Dimension)	Content	220,000	100%	-*
Lightspeed Communication W.L.L	Telecom & internet	5,076,000	51%	34

*e-Dimension employees became part of Jordan Telecommunications Company staff

3. a. members of the Board of Directors

H.E. Dr. Shabib Ammari
Chairman of the Board of Directors

Dr. Shabib Ammari is the Chairman of the Board of Directors of Jordan Telecom Group-Orange Jordan. He has held this position since January 2000, originally representing the Government of Jordan. Dr. Ammari was repeatedly elected as the Chairman of the Board of Directors representing France Telecom Group (now Orange) in the year 2006 and until now.

A Royal Decree included the appointment of His Excellency Dr. Shabib Ammari as a member of the Senate as of 25/10/2013.

A Royal Decree included Dr. Shabib Ammari as a Minister of Industry and Trade in His Majesty's Government of H.E. Dr. Fayez Tarawneh from 2/5/2012 to 7/10/2012. Dr. Ammari rejoined the Board of Directors on 24/10/2012 and was elected as the Chairman of the Board of Directors on that date and till now.

Dr. Ammari is a Deputy Chairman of the Board of Trustees at the Royal Scientific society (H.R.H. Prince Al-Hassan Bin Talal Chair), and a Member of the Privatization Council, the National Economic Dialogue, the Board of Trustees of King Hussein Bin Talal University and the Board of Directors of the Arab Jordan Investment Bank.

Dr. Ammari holds a PhD in Economics (1980) from the University of Southern California (USA), where he worked as a Senior Lecturer until (1985).

Mr. Marc Rennard
Vice Chairman of the Board of Directors

Mr. Marc Rennard joined the France Telecom/Orange Group Executive Committee in May 2010.

He has been, since 2006, the Executive Vice President International of the FT/Orange Group in charge of the Africa, Middle East and Asia region which is made up of 20 affiliates, 3 listed companies, 17 000 employees and more than 70 million customers.

In 2004, Marc Rennard was appointed Vice President - International of FT/Orange. In this capacity, he resided as Chairman and/or Board Member of several international Fixed line, Mobile and Internet subsidiaries.

Prior to that, Marc Rennard had been chosen in 2003 to be Chairman and Chief Executive Officer of UNI2, a telecommunications operator and France Telecom subsidiary in Spain.

From 1996 to 2002, he served as Deputy Managing Director of TDF and Chairman of TDF VIDEO SERVICE. He was both Chairman of TDF Cable and Commercial Director of TDF from 1992 to 1996.

Marc Rennard began his career in 1979 as a surveys manager at ISEOR. He became, in 1982, a Consultant at CEREP COMMUNICATION, then Agency Director in 1984 and Managing Director in 1986.

From 1989 till 1992, he was appointed Managing Director of "Société des Montagnes de l'Arc", "Groupe Caisse des Dépôts".

Marc Rennard, 56 years old, is a graduate of EM Lyon and holds a post graduate diploma in Management Science.

H.E. Dr. Mohammad Abu Hammour
Member of the Board of Directors

H.E. Dr. Mohammad Abu Hammour is a member of the Board of Directors of Jordan Telecom Group–Orange Jordan. He has held this position since 2012. He previously served as Minister of Industry and Trade in 2003, served as Minister of Finance during (2003-2005) and was reappointed as Minister of Finance during (2009-2011).

H.E. Dr. Abu Hammour represented many banks, companies and institutions in their respective boards of directors. Before that, he occupied the position of Secretary general of the Ministry of Finance (2000-2003), consultant to the Ministry of Finance (1998-2000), lecturer at the University of Jordan (1998-1999) and in the Central Bank of Jordan (1987-1998). H.E. Dr. Abu Hammour was decorated as the best Finance Minister in the Middle East for the years 2004 and 2010.

H.E. Dr. Abu Hammour holds a PhD Degree in Economics from the University of Surrey/UK (1997), in addition to a Master's Degree in Economics from the University of Jordan (1989) and a BA Degree in Economics from the Al-Yarmouk University (1984).

Mr. Michel Monzani
Member of the Board of Directors

Mr. Michel Monzani is a member of the Board of Directors of Jordan Telecom Group-Orange Jordan, also the Senior Vice President within Orange Africa, Middle East and Asia Division, leading the Middle East & North Africa Operations.

Mr. Monzani was elected as the Chairman of the Board of Directors during the period from 3/5/2012 to 24/10/2012.

Mr. Monzani was formerly the Senior Vice-President in charge of Poland at France Telecom-Orange. Prior to that, he was appointed Head of the Strategy Department within the International Division with a world-wide responsibility for the corporate development of France Telecom Group.

In 2002, Mr. Monzani was seconded to Poland to assist TP management in restructuring the domestic consumer sales network. Previously, he held the position of Senior Vice-President in charge of the Sales and Services Division for the French territory. Mr. Monzani was appointed Senior Vice-President in charge of France Consumer Division in 1996.

In 1991, he served as the Regional Director of France Telecom-Orange, covering the North of France. Earlier, he held various responsibilities in the fields of IT, consumer and business sales. He is also a Board Member of various telecommunications companies.

Mr. Monzani graduated from HEC School of Management, Paris. He is a Chevalier de l'Ordre National du Merite.

Major General Omar O. Alkhaldi (PhD)
Member of the Board of Directors

General Omar Obied Al Khaldi is currently working as Chief of Staff of Strategic Planning/Jordan Armed Forces-General Head Quarter. He received his Bachelor's degree in Mechanical Engineering from Lawrence Technological University/USA, and his Master's & PhD Degrees in Engineering Management from Brunel University/UK. He has practical experience in various fields of Mechanical Engineering, Engineering Management, Maintenance Management Systems, Defense Studies, Quality Control, Safety, Logistics and Supply Systems. His work

experiences include:
*Director of JAF Department of Defense Studies
*Cr1 MBT Liaison Officer, UK/London Office
*Technical Advisor to H.R.H Prince Abdullah (His Majesty King Abdullah II) when he was the Chief of the Special Forces
*Manufacturing Manager
*Quality Control Manager
*Field Workshops Manager

Dr. Samer Al Mofleh
Member of the Board of Directors
Dr. Samer Al Mofleh has served as a Member of the Board of Directors of Jordan Telecom Group-Orange Jordan since April 2013, and has been an Advisor for Strategic Planning to the Director General of the Social Security Corporation since April 2011, in addition to being a lecturer for the graduate students at Talal Abu-Ghazaleh College of Business for Postgraduate Studies/German Jordanian University since 2010.
Dr. Al Mofleh worked as an Economic Expert at The Prime Ministry of Jordan/Prime Minister's Office (2011-2010) and an Economic Expert at The Jordan Investment Board (2010-2008), and worked as a part-time Expert with the World Bank Group on some projects in the region, in addition to working as a lecturer at the School of Management and Logistics Sciences at the German Jordanian University.
Dr. Al Mofleh holds a PhD Degree in Engineering from the University of Bristol (2008), in addition to a MSc Degree in Engineering Business Management from Coventry University (2004), and a BSc Degree in Computer Engineering from Applied Science University (2002). Dr. Al Mofleh also holds some professional certifications and has a number of research publications related to e-government and e-services development in the Kingdom.

Mr. Henri De joux
Member of the Board of Directors
Mr. Henri De joux is a Member of the Board of Directors of Jordan Telecom Group-Orange Jordan and he is currently deputy General Secretary of France Telecom-Orange, notably in charge of corporate governance, group real estate, legal affairs and public relations. He is also a Board Member at Mobinil, the first mobile operator in Egypt.
He joined France Telecom in 2001 and since then has occupied various positions within the Group, first in the field of mergers and acquisitions and as Secretary of the Board of France Télecom S.A. He has also spent two years in Spain in charge of integration projects for the Group's operations in Spain.
Mr. Henri de Joux is a graduate of the EM Lyon Business School and also holds a legal degree. He is currently auditor at the Institute of Higher National Defence Studies (IHEDN)

3. b. top management (executives):

The management is in charge of managing the day to day work of Orange Jordan and its subsidiaries.

Mr. Jean-Francois Thomas
Chief Executive Officer
Mr. Jean-François Thomas, CEO of Jordan Telecom Group -Orange Jordan since 2012 is a graduate in Business Management and Information Technologies from Ecole Nationale Supérieure des Télécommunications - France. He also graduated in Physics, Mathematics and Economics from Ecole Polytechnique.
He has over 25 years of experience in communications business and occupied marketing, sales, business development, operations and management positions. He has held the responsibilities of Deputy Chief Executive and Chief Operating Officer at Mauritius Telecom (2008 - 2012). He served as Regional Director (2006 - 2008) at France Telecom, Orange Alsace, Strasbourg, (2001 - 2005) Vice President Asia, France Telecom Long Distance, Hong Kong. He also held several senior management positions from (1997 - 2001) as President, France Telecom Japan, (1991 - 1996) as Director Marketing and Development, France Telecom world wide networks & services (1988 - 1992) as Vice President, France Telecom Japan.
Mr. Thomas was elected VP of the French Chamber of Commerce and Industry in Japan in 1998 and VP of the European Business Community in Japan in 1999. He also held the position of Chief Financial Officer of the French Chamber of Commerce & Industry in Mauritius from (2010 - 2012) and previously was appointed as the French Government Counselor for international trade. Mr. Thomas is a regular speaker at industry conferences and contributor to industry publications.

Mr. Raslan Deiranieh
Deputy Group CEO
Chief Financial Officer
Mr. Raslan Deiranieh is the Deputy Group CEO and the Chief Financial Officer of Jordan Telecom Group-Orange Jordan. He joined Jordan Telecom in 1998 as a Manager of the Treasury Department. He is also the Chairman of Lightspeed Communication W.L.L based in Bahrain. Before that, Mr. Deiranieh served as Foreign Investment Section Head at the Central Bank of Jordan. Mr. Deiranieh is a Board Member in Jordan Dubai Islamic Bank. He is also the Chairman of JAMA (Jordan Association of Management Accountants).
Mr. Deiranieh was a Board Member of Jordan Data Communication Company and e-dimension company for Digital Development of Data Ltd. He previously represented the Social Security Corporation on the Board of Directors of Jordan Press Foundation (Al-Rai Newspaper) and Jordan Steel company.
Mr. Deiranieh holds a BA in Accounting and Computer Science with honors from Al-Yarmouk University (1985) as well as the award of Scientific Excellence from the same university and the Distinguished Graduates award. Mr. Deiranieh holds a Master's degree in Accounting from the University of Jordan and has a certificate of Orange Finance and Controlling from the European School of Management ESCP.

Mr. Tamouh Khauli
Chief Information Security Officer
Mr. Tamouh Khauli is the Chief Information Security Officer of Jordan telecom Group-Orange Jordan. He heads Orange Security Operations Center. He joined Orange Jordan back in 2002 as Chief Executive Officer of e-dimension, the technical

arm & technology incubator of Jordan Telecom at that time. During his former career history, Mr. Khauli was Senior Vice President of Operations at Novell USA, and topped his career achievements with several years working at the USDOD (United States Department of Defense) with concentration on the development of "Class 3 Public Key Infrastructure" Military Security Encryption.

Mr. Khauli led several research teams from various foremost companies and universities, including MIT (Massachusetts Institute of Technology). His research included telecommunication network infrastructure, communication platform security, cryptography and encryption technologies, IP Multimedia Subsystems, hacking protection, forensics techniques and other related fields. Mr. Khauli represented The Hashemite Kingdom of Jordan at the Computer Networks Defense Symposium II. He was awarded several medals of excellence in international conferences and technical workshops where he attended as Keynote Speaker. In addition to his BSc in Business Administration and Computer Science from Oxford University- UK and Master's Degree from New York University - USA, Mr. Khauli was certified by Novell as Certified Network Engineer in 1990, and in 1994 he received his Microsoft CNE certification, which he combined with a third certification from Lucent USA as Technical Platforms Security Engineer.

Mr. Sami Smeirat

Vice President/Chief Enterprise Officer

Mr. Smeirat is currently the Vice President/Chief Enterprise Officer of Orange Jordan. He has held the position of CEO of Jordan Data Communication Company Ltd since 2007.

In 2003, he was the Chief Executive Officer of Wanadoo until it was re-branded Orange Internet. He also led the exclusive partnership with Equant as their distributor in Jordan and the re-branding of Global One to Wanadoo. Prior to that, he was the co-founder of Cyberia Jordan in 2001, in which he worked as the deputy CEO and Chief Commercial Officer; the Corporate Sales Manager at Global One since 1996, before managing Consumer and Corporate Sales since 1999; and Teaching and Research Assistant at the University of Jordan for two years.

Mr. Smeirat holds a BSc in Electrical Engineering from the University of Jordan and a Master's Degree in Communications Engineering as well as MBA in Business Administration from NYIT.

Mr. Ahmed Salah

Chief Sourcing, Logistics and Quality Officer

Mr. Ahmed Salah is the Chief Sourcing, Logistics and Quality Officer of Jordan Telecom Group-Orange Jordan. He has held this position since 2008. His previous appointment of Chief Quality Assurance and Processes Officer commenced in 2006. Prior to that, he served as the Chief Quality Assurance and Processes Officer of Petra Jordanian Mobile Telecommunication Ltd (PJMC) since 2003. During his tenure with Jordan Telecom Group, he acted as the Chief Sales Officer, as well as the Chief Human Resources Officer for both MobileCom and Jordan Telecom. Mr. Salah studied, lived and worked in the UK for 32 years. He worked for British Telecommunication, where he held various senior technical, managerial and commercial positions for 16 years.

Mr. Salah also acted as a Senior Consultant to the International Telecommunications Union and the Commonwealth Telecommunication Organization.

Mr. Ahmed Salah holds a BSc in Computer Science.

Mr. Walid Al Doulat

Vice President/Chief Wholesale Officer

Mr. Walid Al Doulat holds the position of Vice President for the Wholesale Business Unit of Jordan Telecom Group-Orange Jordan. He has held this position since 2010. In 1992, he joined the Jordan Telecom as an Operation and Maintenance Transmission Engineer where he worked his way up to his current position.

Mr. Al Doulat received his BSc degree in Electrical Engineering/ Telecommunications from the Jordan University of Science and Technology (JUST) in 1989. Following his graduation he worked at the same University as a Teaching Assistant till end of 1991.

Dr. Ibrahim Harb

Chief Legal and Regulatory Officer

Dr. Ibrahim Harb is the Chief Legal and Regulatory Officer of Orange Jordan. He has held this position since May 2010.

Prior to that, Dr. Harb was the Legal and Regulatory Director of Orange Jordan (2005 - 2010). Before that, he held, in 2004, the position of Acting Human Resources Officer at Jordan Telecom. He was the Training Manager and the Training Center Manager (1999 - 2004) at Jordan Telecom.

Dr. Ibrahim holds a PhD in Communications Engineering.

Mr. Minh Tran

Chief Marketing and Communication Officer

Mr. Minh Tran is the Chief Marketing and Communication Officer of Jordan Telecom Group-Orange Jordan. He joined the company in 2010, following an extensive track record with France Telecom Group that spans well over 15 years, during which he held various managerial positions in the Group as Commercial Entity Director for the Retail, Professional and Enterprise Market. His previous designation was Senior Vice President – Strategic Plan & Marketing at SONATEL Group in Dakar, Senegal, where he worked for 4 years (2006 - 2010). He also worked as Director of Operations of the R&D Center for Corporate Services for a period of 2 years (2004 – 2006).

Mr. Tran holds a post secondary diploma in Quality and Methods Engineering from Ecole Superieure des Sciences et Technologies de l'Ingenieur de Nancy - ESSTIN, and a postgraduate degree in Human Sciences (Interpersonal Communication) from the University of Nice.

Mr. Saed Al-Khaldi

Chief Commercial Officer/Sales & Customer Services Business Unit

Mr. Saed Al-Khaldi is the Chief Commercial Officer of Jordan Telecom Group-Orange Jordan (Mass Market) since 2011, responsible for the Retail Sales (Direct and Indirect) along with the proactive Small & Medium Enterprise Sales, Telemarketing activities, Customer Services, Operational Marketing & Elite program.

He was formerly Managing Director/Wholesale/Middle East at AT&T since 2006, responsible for regional voice and data wholesale. Mr. Al-Khaldi held a senior position as Regional Director/MENA at Globecomm Systems Inc. (2002 – 2006). He

joined Global One Communications in 1995 and was appointed Regional Director in 1999. He also held several positions at IBM and Arab Bank since 1990.
Mr. Al-Khaldi holds a BSc degree in Computer Science and a MBA in Emphasis in Computer Resources & Information Management.

Miss Berengere Audrant
Chief Human Resources Officer
Miss Audrant has held this position since 2012. She joined Orange Jordan as Human Resources Development Director in January 2011.
Before Joining Orange Jordan, Miss Audrant held various HR positions within Orange Group in France for 17 years. She has worked for Orange Business Services Division, in particular, as Global HR Business Partner when creating the Unit Global Services, or as Chief HR Officer for the Orange Group Affiliate Equant France.
Miss Audrant holds a Master's Degree in Human Resources.

Mr. Yvan Savinien
Chief Strategy Officer/Secretary General of the Board of Directors
Mr. Yvan Savinien is Chief Strategy Officer/Secretary General of the Board of Directors of Orange Jordan. He joined the Company in August, 2013 with more than 15 years xperience in the Telecom Industry for Operators and Consulting Firms, in strategy, business development and transformation, operations and IT management. He held various managerial positions in the Group as VP of Strategy & Business Development at Orange Dominicana (2009 - 2013), VP of Strategy & Business Performance at Orange Caraïbe (2004 – 2009) and Manager at Accenture, Organization & IT Consulting Company – France & European Countries (1999 – 2004), Project Manager at Coteba Management, Real Estate Management Company – France & French Polynesia (1996 – 1998), and Civil Engineer at the French Foreign Office of the French Embassy in Senegal (1994 – 1996).
Mr. Savinien holds a Master's Degree in Civil Engineering from ESTP, Paris, France and has Professional Trainings in Management, Strategy, Finance, Project Management and Softwares.

Mr. Olivier Wicquart
Chief Information Technology and Networks Officer
Mr. Olivier Wicquart is the Chief Technical Officer (Information Technology and Network) of Jordan Telecom Group–Orange Jordan. He joined the company in October 2013, following various positions in Orange Group, as Head of Operational Units (2004-2006), Transformation Director (2007), Director of the Technical Call Centers (2007-2008), and Director of Field Operations (regrouping all the field operations on networks and for the customers, for Orange France, 2009-2013).
He also worked previously (1992-2002) for the French Ministry of Defense as an engineer (1992-1996), as Chief of Staff of military shipyards (1997-1999) and advisor of the Minister of Defense for R&D and programs (2000-2002).
Mr. Olivier Wicquart graduated from Sup'Aero (école nationale supérieure de l'aéronautique et de l'espace) in 1992.

4. the names of shareholders who own 5% or more of the capital as of 31/12/2012, 31/12/2013:

shareholders	no. of shares 31/12/2012	shareholding % (2012)	no. of shares 31/12/2013	shareholding % (2013)
Joint Investment Telecommunications Co.	127,499,999	51%	127,499,999	51%
Social Security Corporation	72,200,000	28.88%	72,200,000	28.88%
Noor Telecommunications Holding Company Limited	25,000,000	10%	25,000,000	10%
Total	224,699,999	89.88%	224,699,999	89.88%

5. the competitive situation of the company:

After the exclusive rights termination in 1/1/2005, the TRC issued individual and class licenses for fixed line services to several companies. Additionally, the mobile telecommunication service has affected the company's market share in the local market.
The Company's share of the total domestic market:

Orange Fixed	98%
Orange Mobile	(33%-35%)
Orange Internet	>40%

6. the degree of dependence on specific resources:

Jordan Telecom Group purchased 29.8% of it's total purchases from Ericsson .

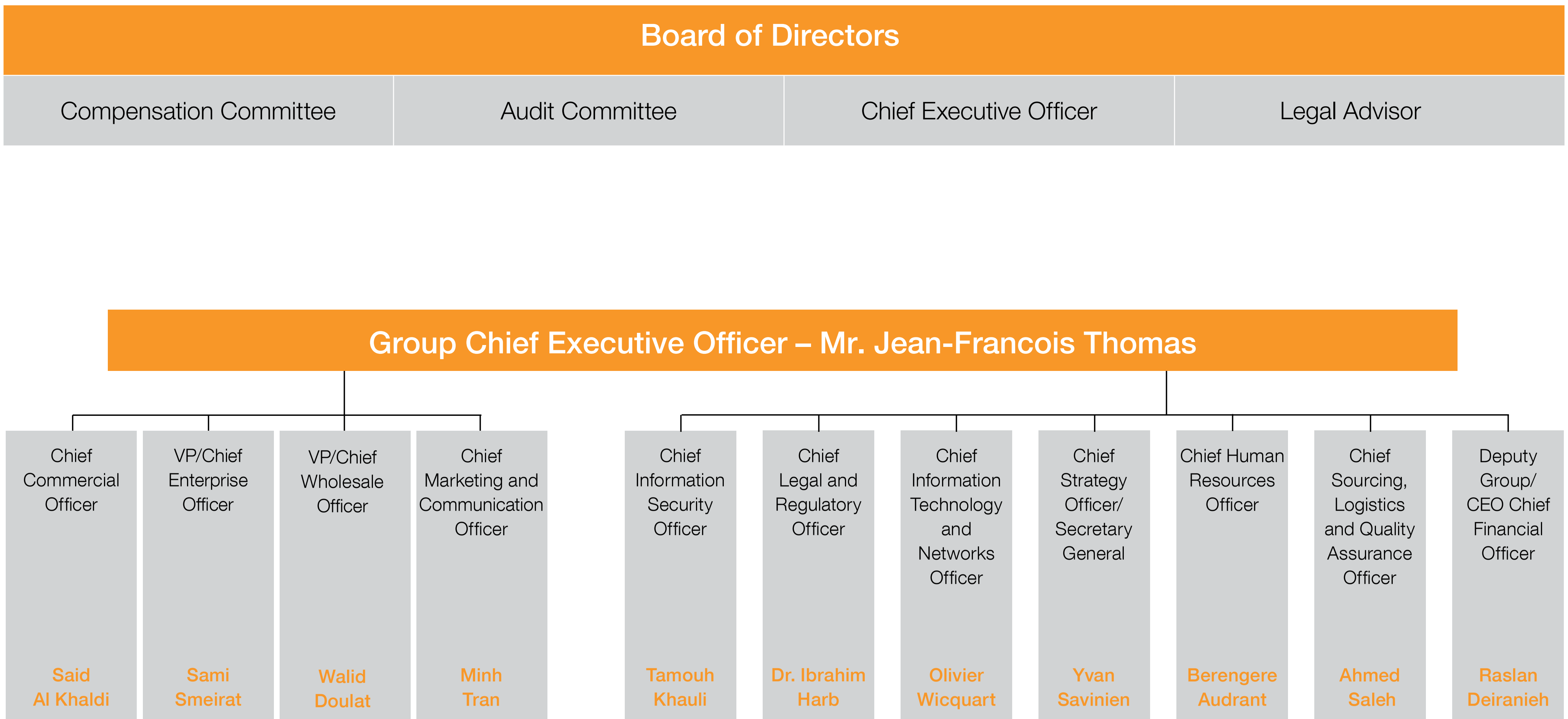
7. the privileges enjoyed by the company:

Jordan Telecom does not enjoy any privileges and does not hold any patent. On the other hand, Jordan Telecom has the right to use the brand name "Orange".

8. the decisions of the government:

There are no decisions issued by the Government or international organizations or others, which have material effect on the Group's business, products or competitive ability. Pursuant to the license issued to it, the Group complies with international quality standards and applies the following quality standards:
- ISO 9001:2008 standards (Quality Management Systems)
- BSI 25999 standards (Business Continuity)
- COBIT (IT standard)

9.a. the organizational structure of Jordan Telecom Group:



9.b. number of employees and type of qualifications

qualification	Jordan Telecom (Orange Fixed)	Petra Jordanien Mobile Tel. Com. (Orange Mobile)	Jordan Data Communication Co. (Orange Internet)	Lightspeed
Doctorate (PhD)	2	0	0	0
Master's	75	15	4	2
High Diploma	9	1	0	0
BA	960	279	21	16
Diploma	358	21	0	9
Tawjihi	128	13	1	6
Below Tawjihi	209	3	3	1
Total	1,741	332	29	34

9.c training programs during 2013

no.	description	number of trainees
1	Financial Courses	17
2	Management Courses	798
3	Marketing & Sales Courses	570
4	Quality Courses	20
5	Technical Courses	621
6	Computers Courses	327
7	Language Courses	91

10. the risks to which Jordan Telecom Group is exposed:

Jordan Telecom Group faces risks of competition from mobile telecommunications and other telecom companies who serve fixed line services

11. the achievements realized by the company:

the achievements are mentioned in Jordan Telecom Group results in page (10)

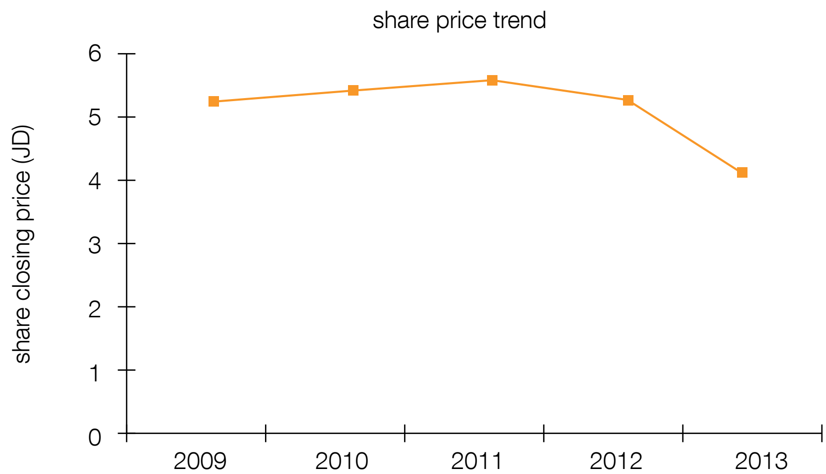
12. the operations of infrequent nature during 2013:

there is no financial impact for non-recurring transaction that occurred during the fiscal year and related to the core activity of the company

13. the time series of profits, distributed dividends, shareholders' equity and prices issued by the company for five years:

descripition	2009	2010	2011	2012	2013
Profits (JD)	104,029,766	95,082,809	89,799,214	83,096,208	51,490,517
Distributed dividends (JD)	105,000,000	97,500,000	90,000,000	82,500,000	*52,500,000
Dividends %	42%	39%	36%	%33	21%
Shareholders equity (JD)	420,532,199	410,615,008	402,914,222	396,010,430	365,000,947
Shares prices (JD)	5.17	5.38	5.53	5.30	4,10

* proposed dividend in 2013



14. the analysis of the financial position of Jordan Telecom Group:

the financial analysis was included in the consolidated financial and statistical highlights.

15. future outlook:

this is mentioned in “The future vision of the Group”

16. the remuneration of the external auditor of the company and its subsidiaries during 2013:

company	auditing remuneration (JD)
Jordan Telecommunications Co, (Orange Fixed)	39,500
Petra Jordanian Mobile Telecommunication Co, ltd, (Orange Mobile)	41,500
Jordan Data Communication Co, Ltd, (Orange Internet)	7,000
Dimension Company for Digital Development of Data Ltd, (e-Dimension)	500
Lightspeed Communication W.L.L	16,920

17. the shares owned by the members of the Board of Directors and top management:

no shares are owned by any of the members of the Board of Directors, nor by any of the top management members and their relatives, nor by any company controlled by them

18. the remunerations and rewards in 2013 for the members of the Board of Directors were JD 210,189 and for the top management members were JD 1,338,849

19. donations and grants:

No.	Donations to	Amount (JD)
1	General Trade Union of Workers in Public Services & Free Occupations	60,000
2	Rawafed Cultural Gathering	4,800
3	Islamic Charity Center Society	3,400
4	Tkiyet Um Ali	3,000
5	Young Women's Christian Association/Amman	1,250
6	Local Author	1,250
7	UNICEF Gala Dinner	1,140
8	Jordanian Rahala Team	1,100
9	Jordanian Women's Association Awareness	1,000
10	Al-Hussein Bin Talal University Fellowship Association	1,000
11	Al-Menber Al-Nqabe	300
12	Promise Welfare Society	250
	Total	78,490

20. the contracts concluded by the company with subsidiary, sister and affiliated companies:

A management agreement was renewed between Orange Jordan and France Telecom. there are also a number of agreements signed between the company and its subsidiaries in the daily normal conduct of business.

21. the company's key contributions in the areas environmental preservation and community service:

supporting sports in Jordan

At Orange Jordan, we have a passion for engaging with the people, and in 2013 we managed to reflect our positivity in the field of sports.

Our aim was to contribute to placing Jordan on the international map of athletics, which is a goal we achieved by supporting exceptional sports talents across all segments, including our National Football Teams for both genders and all age groups.

Last year, we continued our partnership with the Jordan Football Association (JFA) as their official telecom sponsor.

Within our capacity, we supported our National Football Team beyond the communication service field. We were there cheering for the team every step along the way of the 2014 Brazil World Cup Qualifiers. The team's achievements lifted the spirits of Jordanians across the Kingdom, and we were proud to be part of that.

In further recognition of exceptional athletic talent, we also honored the National Women's Football Team last year on account of their notable achievements at the Asian Confederations Cup for Women Qualifiers.

In 2013, we also continued our exclusive support and sponsorship for the "Shabab Al-Urdun" Jordan Youth Club for the tenth consecutive year.

In the same year, we also reiterated our belief in the youth of today. We partnered with the Jordan United Football Academy (JUFA) and the Hungarian Premier Football Club, PECSI MFC, to sponsor a joint initiative geared toward discovering hidden football talents aged 8 to 20 in Jordan. Together, we gave 40 young Jordanians the opportunity to train with the Hungarian experts in Hungary.

We also worked to strengthen team spirit internally through sports, launching this year our fourth annual five-player team football tournament. We held this event under the slogan "Our Road to Distinction", founded on our belief that sports are a healthy and effective way to raise morale.

Our support for sports stems from our aim to enrich lives and to touch the community's well-being in ways that go beyond offering communication solutions.

we were in some of Jordan's main events

sponsoring the MENA ICT Forum

We were the key sponsors of the MENA ICT Forum. The 2013 edition of this event brought together field specialists from Jordan, the region and international markets. The event offered a space for the reciprocation of ideas and insights about the sector's development, while also enhancing Jordan's place on the international map of information technology and communication.

participating in the 10th Convergence Summit

Orange Jordan participated in the 10th Convergence Summit held under the Royal patronage of HRH Princess Sumaya Bint El Hassan. The summit's discussion panels focused on the state of the industry globally and regionally, the future of telecom services and media consumption in the region, the role of startups and industry incumbents, cloud computing trends, and strategies for broadcast, online and social media.

golden sponsors for the 4th Bands Across Boarders (BAB) concert
As part of our support for culture and the arts, we were the golden sponsors for the 4th BAB concert. The event hosted performances by Orange Youth Ambassador, Jordanian singer, Hani Mitwasi, Algerian Singer and Guitarist, Suad Massy, as well as other local and regional artists.

main sponsors of Amman Citadel Festival
Contributing to efforts made toward promoting Jordan as an ideal touristic destination that is both open and inviting to diversity, we were the main sponsor for the Amman Citadel Festival. The event featured performances by local, regional and international icons, and it also exposed members of the Jordanian community to music sounds from around the world.

holding a concert featuring our youth ambassador, Hani Mitwasi, and the Spanish Flamenco Dance Troupe
We held a concert featuring Orange Youth Ambassador, Jordanian singer, Hani Mitwasi, at the Amman Baccalaureate School stadium. In his performance, he was on stage alongside the Spanish Flamenco Dance Troupe, and together they created a memorable performance.

supporting education in Jordan

granting academic scholarships in collaboration with JOHUD
As part of our long-term partnership with the Jordanian Hashemite Fund for Human Development (JOHUD), we offered academic scholarships to distinguished Tawjihi students. These scholarships covered the tuition fees and academic expenses of these students' higher education, enabling them to pursue their studies in different public universities across the Kingdom.

granting academic scholarships to Princess Sumaya University for Technology (PSUT) students
We granted academic scholarships to distinguished students enrolled at the Princess Sumaya University for Technology in 2013. These scholarships cover the tuition fees and academic expenses of these students' higher education.

elevating education
King's Academy honored us at Orange Jordan for our support and contributions to its educational mission in its early years, naming one of its courtyards after Orange. Through a generous gift made in the school's early years, Orange became a valued partner in King's Academy's mission to cultivate future generations of independent, creative and responsible leaders.

we continued supporting entrepreneurship

partnering with Oasis500
We signed an exclusive partnership agreement with the MENA region's premier investment program, Oasis500, to support the training of 120 business innovators who own entrepreneurial projects in the arenas of ICT.

sponsoring Zaytouneh

We teamed with Zaytouneh, a Middle Eastern online video portal founded by a Jordanian entrepreneur focused on cooking and recipes. This alliance is in line with the company's aim to provide lifestyle solutions for the needs of a modern society.

partnering with Zee Launch Pad

We provided the communication solutions for Eses4Venture Zee Launch Pad, a unique project offering SME founders, young entrepreneurs and SOHOs a space to run their ventures.

sponsoring winners of the ArabNet developers contest

We sponsored the winners of the ArabNet Developers contest from Jordan.

carrying out several initiatives in Ramadan

During the Holy Month of Ramadan, we joined forces with Tkiyet Um Ali to distribute food packages across governorates. These packages targeted less fortunate families across the Kingdom reaching more than 5,000 families.

From another angle, we also supported children through our Orange Orphans Tent, offering Iftar meals to orphans on a daily basis. We also distributed Eid clothes to the orphans of Mabarrat Um Al Hussein.

On the internal level, our team organized an internal donation campaign targeting several civil society organizations. They set up donation boxes across our buildings where fellow team members were invited to donate clothes, toys and any other items to better the lives of the less fortunate.

Furthermore, we distributed donation coupons to our VIP clients, allowing them to be part of our Ramadan food packages campaign targeting less fortunate families, and in an effort to get our fans involved in our acts of good will we utilized our social media channels to launch our "You Choose" campaign. This campaign invited our fans to vote for the cause they would like us to dedicate our efforts to. Based on their votes, we set our priorities for our good acts this Ramadan.

we continued supporting the community

supporting injured soldiers

We collaborated with the Hashemite Commission for Injured Soldiers to distribute food packages to this segment and their families.

contributing to JOHUD's goodwill campaign

As part of our long standing agreement with JOHUD, we contributed to their Goodwill Campaign for the winter season. In this campaign, we donated winter clothing, heaters and other items aimed at making winter less harsh for the less fortunate.

holding entertaining activities for students of the Queen Alia School for the Hearing Impaired

We held a number of fun activities to the students of the Queen Alia School for the Hearing Impaired with the participation of some Orange employees.

we supported the advancement of health

signing a partnership agreement with King Hussein Cancer Center and Foundation

As part of our ongoing aims to support projects that promise further social development for the community, we signed a partnership agreement with the King Hussein Cancer Center and Foundation, through which we provide the latter with a financial donation for its facility expansion project.

Orange Mobile Clinic

The Orange Mobile Clinic initiative, held in collaboration with JOHUD and as part of the Goodwill Campaign, toured a number of governorates where doctors offered consultancy and diagnosed various medical practices. Volunteers from Orange Jordan also took part in the initiative where they helped doctors in their check-ups as well as worked in the pharmacy and organized the visits' schedule for patients from the area.

our 2013 unit achievements

Our achievements throughout the year 2013 are only the result of the hard work and efforts of our team across all units. Although the year passed was filled with challenges, our team was able to change obstacles into opportunities.

Our strategy for the year 2013 was to focus on continuing to tailor our offering to fit the different communication needs of a wide spectrum of community segments and starting to transform the company to adapt to the changing market. Here we highlight for you how our units contributed to this goal.

launching our "Never Anymore Business As Usual" Transformation Program (NAMBAU)

As part of our aim to adapt to changing market demands and to face obstacles we meet impacting our work, whether through the external factors of an unstable working environment, a changing economic climate, changing laws, increasing taxes, and fierce competition between operators or internal factors calling for the need to apply a more flexible, empowering and creative corporate structure, we launched the "Never Anymore Business As Usual" Transformation Program (NAMBAU). This integrated program comes with many operational procedures with aims to improve our performance and results. The program has been implemented since Q3 2013 and will last for 2 years.

The program calls for us to take a proactive approach that affects our different operations, enabling us to look for ways to reduce running costs while continuing to benefit our clients. It allows us to increase our revenues, increase our profits, and empower our teams to be more efficient and cost-conscious through working within 4 main pillars:

1- Revenues and growth, which focuses on finding new revenue channels for our company. For this purpose we place our trust in our marketing, sales and business development teams and their insight to generate new avenues for revenue.

2- Brand and customer experience, where we focus on boosting our brand image and become the operator of reference. It also aims to provide an unmatched experience for our customers. Within this resolve we launched our "Reasons to Believe" campaign as a way to generate more loyalty and as a reminder of how life changes with Orange for the better while involving the team.

3- Efficiency and cost, where we strive to become more productive and cost efficient in our operations, and we search to find faster, smarter and more cost-effective ways to run our operations within all our units.

4- Values, behavior and culture, where we all need to be the brand ambassadors of Orange, so that we find ways to empower our team and adopt best operational practices with the sole aim of overcoming our challenges.

To date, and under the umbrella of the Transformation Program, we have launched several innovative services and secured the latest handsets for our subscribers such as the iPhone 5S and iPhone 5C for "Clicks" subscribers, and we reduced the number of disconnected internet, mobile and fixed services subscriptions for our customers. We placed our services within the easy reach of our subscribers through the renovation and launch of new shops that include the "One-Shop Design" concept.
We also changed some aspects within our operational procedures with aims to reduce operating costs and enhance our team's fighting spirit.

In the year to come, we will continue to move forward with our Transformation Program, striving to show how challenges are changed into opportunities. We will achieve the goals the program is set out to achieve and we will remain the reference source and leading choice among our subscribers.

marketing our brand

On the marketing front, we continued tailoring our offerings so that they fit the different communication needs of a wide spectrum of community segments.

More specifically, we focused on our brand and customer experience as a means to combat the different challenges facing our economy, our industry and our profitability. We were committed to ensuring that Orange Jordan fulfills its promise for introducing cutting-edge communication advancements to the population at large, while maintaining its reputation as a provider of cost-effective and relevant fixed, mobile, internet, content and network services.

For our pre-paid subscribers, we managed to enhance our service portfolio with competitive offers targeting the mass, the youth and the expat community.

Our offers in 2013 covered voice packages, data bundles and reduced international calling rates. Highlights from our pre-paid offers included the "Dardish" offer, which we made available for all customers in all governorates with no subscription fees, free minutes on our network, preferred data bundle rates and discounted international calling rates.

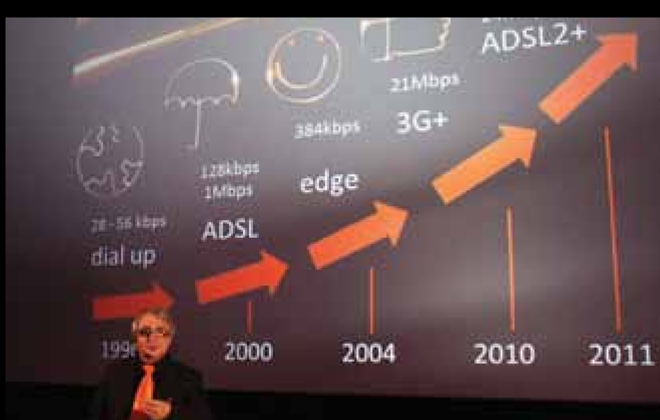
With the youth forming our largest demographic in Jordan, we also launched our "Yalla Shabab" pre-paid bundle. This monthly offer combined local calling minutes and SMS in addition to a 2GB data package all for a monthly subscription of JD 5.

Furthermore, and with aims to be relevant to the times, in addition to existing expat targeted offers, we launched the "Syria Line", a pre-paid line targeting Syrians in Jordan with free minutes within the Orange network in addition to special calling rates to Syria, Turkey and Lebanon.

From another angle, we launched solutions that enable our subscribers to make calls in any situation. In this regard, we introduced services such as call continuity, emergency minutes when needed, call back when out of credit, private number when requested and missed call alert when out of reach, all of which are solutions that make communication more hassle free.

In the year 2013, we also made our mark within the internet service sector. Being an integrated telecom provider, in September 2013, we launched "Baity", our revamped ADSL offer targeting home users. It was the first unlimited offer for internet and calls to be introduced in our market. "Baity" enabled customers all over Jordan to communicate with their entire family without any additional expenses.

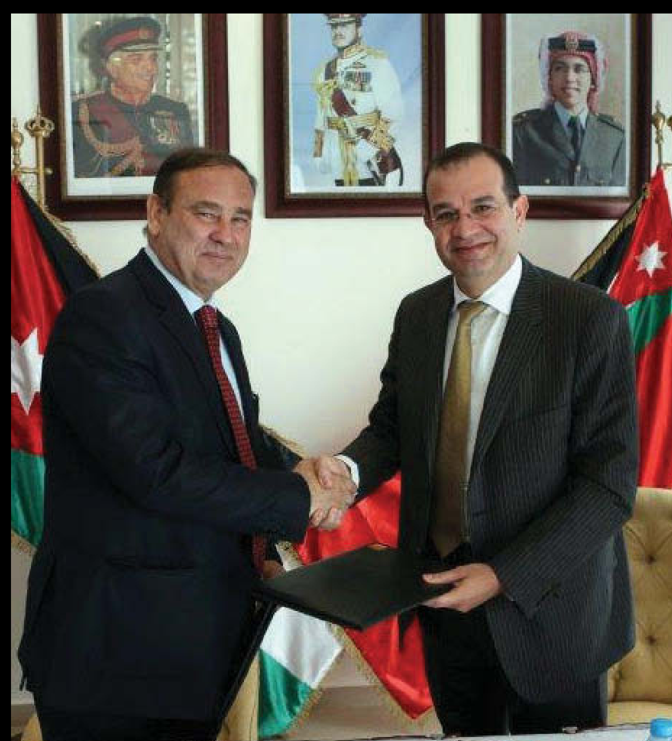
In 2013, we also confirmed our role as a pioneer and a digital coach in this segment, spearheading the launch of VDSL and FTTH connectivity for the first time in the Kingdom. With this launch we catapulted internet speeds to 80Mbps and 100Mbps respectively.



We also matched our technical offerings with equally innovative content offerings, whereby in 2013 we entered into a strategic partnership with several key content partners such as "Zaytouneh", which provides video cooking tutorials, as well as "Nadeek", the local football website, along with many more. We also partnered with several cutting-edge applications such as "Anghami" music streaming and "Lamsa", which is the first Arabic language educational application targeting children aged 1 to 6.

In 2013, we also launched a new holistic offer called "My Orange Office" targeting small businesses and professionals working from home, providing them with fixed line calls discounted to all destinations, high-speed ADSL, mobile lines and Internet Everywhere, as well as value-added services including professional email addresses, domain names and webhosting. The offer came as one bundle payable via one bill to make the customers' life easier.

We also recorded notable achievements in our Technocenter, which is the first to be established in the Middle East serving the AMEA region at large. In 2013, we were able to deploy an emergency credit and a bonus program in all AMEA countries. We also saw a churn reduction thanks to the bonus program and a higher acceptance rate for new services thanks to the information security management system (ISMS).



enhancing our business services

Throughout 2013, we continued to serve our business customers as well, offering innovative solutions covering a broad span of telecommunication and IT needs. These achievements were made thanks to our Enterprise Business Unit team.

The unit spearheaded the launch of a new range of very attractive Ultimate Business Line (UBL) mobile bundles, which include free calls to both domestic and international destinations.

It also developed its offering for the most advanced business solutions, offering managed data services from business internet bundles to different managed IPVPN.

Furthermore, it saw in 2013 the launch of Orange Jordan's second Data Center, thus increasing its ability to offer co-location services addressing the most demanding customer needs.

Located in Marj Al Hamam, the center is the most advanced in the region, meeting international standards and allowing Orange to offer fully redundant hosting services in conjunction with the Hashem Station. The center also supports cloud computing services developed by Orange, such as our Infrastructure-as-a-Service fully managed virtual machines that provide full flexibility to fit every customer's application.

Such achievements have been recognized by the Council of SAMENA, which awarded Orange Jordan as "2013 Best Telecom Provider of Business Solutions".

The most representative example of advanced telecom solutions in Jordan is the Abdali Development Zone, the new heart of Amman, where our company developed fully integrated communications solutions based on fiber-optic infrastructure, following an agreement signed with Abdali Boulevard.

In 2013, Orange Jordan also strengthened its cooperation with a number of private- and public-sector institutions. Thus, a partnership was signed whereby our company became the exclusive telecommunications provider of the Jordan Armed Forces hotel, the telecommunication sponsor of the Special Operation Forces Exhibit and Conference (SOFEX) 2013, and the partner of choice of prominent schools and universities as well as NGOs.

achieving unmatched data security

In 2013, Orange Security Operations Center (OSOC) has worked to overcome the challenges facing regulators and business owners in the domains of cyber security, business continuity and data protection, not to mention operational security.

It developed the 'OJ Secure Cloud' to be the first integrated cloud solution to offer cloud security to the public in the near future. It also launched a pilot version of a commercial security solution for home and SME security surveillance CCTV that offers users the flexibility of monitoring their properties from anywhere.

In 2013, the unit also continued offering our patented Net Protect IP-based security threat(s) monitoring and control solution. This solution protects corporations from eminent denial-of-service (DoS) attacks.

From another angle, the unit also saw a continuation of its activities, as it has been providing for many years Orange Jordan's Enterprise Business Unit clients with the industry's most comprehensive bouquet of managed security services from basic features all the way up to the most sophisticated securely integrated networking technologies.

In 2013, the unit has made its mark as a keeper of online and offline security for the company's operations and subscribers alike.

strengthening the impact of wholesales

From another angle, our Wholesales Unit was able to maintain the strength of our wholesales operations. Consequently, it attracted new internet subscribers while maintaining existing ones.

It also contributed to spreading high-speed internet services and reducing its cost as part of the Alternative Middle East Europe Route (AMEER) partnership agreement formed between four leading telecom operators in the Middle East: TTI/Paltel, Orange Jordan, ITC and Datamena, which was launched by DU. The partnership was established to provide a diverse route from the UAE to Europe through a terrestrial passing through the western Jordanian borders. This link serves to avoid all known bottlenecks through which regional cables pass.

The Wholesale Unit also revived relationships with the Company's roaming partners and consequently rejuvenated business activity within this segment.

Furthermore, it expanded, improved and enhanced our international voice and IP networks by adding more routes. Its aim was to accommodate the increasing traffic we were receiving on our voice and IP offerings. The end result was optimized cost, increased reliability and availability of both our voice and IP networks.

offering the best network to our customers

The year 2013 was characterized by several achievements made by our Information Technology and Networks Unit (ITN).

We signed an agreement with Ericsson through which we will be enhancing our radio access network using Ericsson's latest RBS 6000 family of base stations. This energy-efficient compact solution will allow Orange Jordan to develop new, high-speed mobile broadband services while reducing the deployment cost.

From another angle, we launched a new Data Center, which is considered to be the most advanced in Jordan and the region at large, thanks to the latest technologies it introduces and its high security standards. This center, which is ISO 27001 certified, is also the first in Jordan that was built to offer hosting and cloud computing services in the most efficient manner.

In 2013, Orange Jordan was challenged by two critical incidents which served to test, confirm and reaffirm the strength of our network. The first one was the fiber-cut outage that took place in April, whereby Orange Jordan's team restored the service completely in record time, returning connectivity to customers within 2 days following the incident. This achievement was made possible by our unmatched network capacity and the commitment and know-how of our team.

The capacity and strength of our network and infrastructure was also evident in the snow-storm that hit Jordan mid December 2013. The storm was deemed the heaviest the Kingdom had seen during the past 30 to 40 years. It impacted almost all regions in Jordan for 3 continuous days. During this time, the ITN teams worked around the clock to manage the snow accumulation on the site, its impact on the infrastructure and the long electricity cuts. Thanks to our enhanced network capacities, they managed to secure the service for all customers so that not even a single area in Jordan experienced a loss of connectivity.

confirmation

1. the Board of Directors confirms that there are no substantial matters which may affect the continuation of the company in the next fiscal year
2. the Board of Directors confirms its responsibility for the preparation of the financial statements and the provision of an effective control system in the company

Chairman of the Board	Vice Chairman	Member of the Board
H.E.Dr. Shabib Ammari	Mr. Marc Rennard	Mr. Michel Monzani

Member of the Board	Member of the Board	Member of the Board
Dr. Samer Al Mofleh	H.E. Dr. Mohammad Abu Hammour	Mr. Henri De joux

Member of the Board
Major General Omar O. Alkhaldi (PhD)

3. we, the undersigned below, confirm the accuracy and completion of the information and statements set out in the report

Chairman of the Board	Chief Executive Officer	Deputy Group CEO/Chief Financial Officer
H.E. Dr. Shabib Ammari	Mr. Jean-Francois Thomas	Mr. Raslan Deiranieh

4. the Company confirms that it is in full compliance with the material obligatory requirements stated in the corporate governance guidelines of the listed companies. As to the indicative guidelines, the Company does take them into consideration to the extent of compliance with the company's Articles of Association and the Companies' law

consolidated financial statements

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Building a better working world

90 Years in MENA

Auditors' Report To The Shareholders Of
Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts and the accompanying consolidated financial statements and financial information in the Board of Directors' report are in agreement therewith.

30 January 2014
Amman – Jordan

Ernst + Young

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement of Financial Position
as of 31 December 2013

	Notes	2013 JD	2012 JD
ASSETS			
Non-current assets			
Property and equipment	4	189,404,285	193,449,042
Intangible assets	5	54,955,793	59,564,081
Deferred tax assets	6	3,810,185	4,935,161
		248,170,263	**257,948,284**
Current assets			
Inventories	7	4,990,122	6,067,061
Trade receivables and other current assets	8	89,462,508	78,941,698
Balances due from telecom operators	9	32,709,722	28,983,675
Cash and short-term deposits	10	242,960,460	270,280,336
		370,122,812	**384,272,770**
TOTAL ASSETS		**618,293,075**	**642,221,054**
EQUITY AND LIABILITIES			
Equity			
Paid in capital	11	250,000,000	250,000,000
Statutory reserve	12	62,500,000	62,500,000
Retained earnings	13	52,500,947	83,510,430
Equity attributable to equity holders of the parent		**365,000,947**	**396,010,430**
Non-controlling interests		(853,415)	(1,079,136)
Total equity		**364,147,532**	**394,931,294**
Non-current liabilities			
Interest bearing loans	14	5,348,095	5,808,858
Employees' end of service benefits	15	568,514	439,707
		5,916,609	**6,248,565**
Current liabilities			
Trade payables and other current liabilities	16	160,214,578	174,818,699
Balances due to telecom operators	9	86,989,109	65,328,870
Interest bearing loans	14	652,132	702,771
Employees' end of service benefits	15	373,115	190,855
		248,228,934	**241,041,195**
TOTAL EQUITY AND LIABILITIES		**618,293,075**	**642,221,054**

the attached notes from 1 to 24 form part of these consolidated financial statements

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2013

	Notes	2013 JD	2012 JD
Net revenues		360,341,861	408,016,220
Cost of services		(172,253,037)	(173,247,753)
Gross margin		**188,088,824**	**234,768,467**
Administrative expenses		(22,984,427)	(24,829,123)
Selling and distribution expenses		(40,481,066)	(37,698,097)
Government revenue share	17	(7,751,098)	(9,224,912)
Business support fees and brand fees	18	(7,450,050)	(7,589,308)
Depreciation and amortization		(47,855,802)	(50,499,368)
Operating profit		**61,566,381**	**104,927,659**
Net foreign currency exchange difference		1,157,131	233,047
Finance costs		(82,543)	(98,412)
Finance income		7,732,081	6,488,464
Gain on sale of property and equipment		410,682	335,821
Profit before income tax		**70,783,732**	**111,886,579**
Income tax expense	6	(19,067,494)	(28,686,162)
PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR		**51,716,238**	**83,200,417**
Attributable to:			
Equity holders of the parent		51,490,517	83,096,208
Non-controlling interests		225,721	104,209
		51,716,238	**83,200,417**
Earnings per share			
For profit for the year attributable to equity holders of the parent			
Basic and diluted earnings per share	19	0.206	0.332

the attached notes from 1 to 24 form part of these consolidated financial statements

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement of Changes in Equity
for the year ended 31 December 2013

	Attributable to equity holders of the parent					
	Paid in capital JD	Statutory reserve JD	Retained earnings JD	Total JD	Non-controlling interests JD	Total equity JD
At 1 January 2013	250,000,000	62,500,000	83,510,430	396,010,430	(1,079,136)	394,931,294
Dividends paid (Note 13)	-	-	(82,500,000)	(82,500,000)	-	(82,500,000)
Profit and comprehensive income for the year	-	-	51,490,517	51,490,517	225,721	51,716,238
At 31 December 2013	**250,000,000**	**62,500,000**	**52,500,947**	**365,000,947**	**(853,415)**	**364,147,532**
At 1 January 2012	250,000,000	62,500,000	90,414,222	402,914,222	(1,183,345)	401,730,877
Dividends paid	-	-	(90,000,000)	(90,000,000)	-	(90,000,000)
Profit and comprehensive income for the year	-	-	83,096,208	83,096,208	104,209	83,200,417
At 31 December 2012	**250,000,000**	**62,500,000**	**83,510,430**	**396,010,430**	**(1,079,136)**	**394,931,294**

the attached notes from 1 to 24 form part of these consolidated financial statements

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	2013 JD	2012 JD
Operating activities		
Profit before income tax	70,783,732	111,886,579
Non – cash adjustments to reconcile profit before tax to net cash flows		
Finance costs	82,543	98,412
Finance income	(7,732,081)	(6,488,464)
Provision for doubtful accounts	1,834,520	1,215,250
Provision for damaged and slow moving inventories	1,067	9,428
Depreciation of property and equipment	42,709,358	45,509,285
Amortization of intangible assets	5,146,444	4,990,083
Employees' end of service benefits	443,457	632,143
Gain on sale of property and equipment	(410,682)	(335,821)
Net foreign currency exchange difference	(303,498)	(445,354)
Working capital adjustments:		
Inventories	1,075,872	2,094,178
Trade receivables and other current assets	(12,027,072)	(6,335,223)
Balances due from telecom operators	(3,726,047)	(978,753)
Trade payables and other current liabilities	(5,980,816)	(5,997,073)
Balances due to telecom operators	21,660,239	18,386,294
Employees' end of service paid	(132,390)	(19,086,893)
Income tax paid	(26,734,306)	(33,499,295)
Net cash flows from operating activities	**86,690,340**	**111,654,776**
Investing activities		
Purchase of property and equipment	(38,704,629)	(32,509,602)
Proceeds from sale of property and equipment	450,710	524,206
Increase in intangible assets	(538,156)	(5,447,770)
Finance income received	7,403,823	6,132,243
Net cash flows used in investing activities	**(31,388,252)**	**(31,300,923)**
Financing activities		
Repayment of interest-bearing loans	(207,904)	(208,107)
Dividends paid	(82,331,517)	(89,999,230)
Finance costs paid	(82,543)	(98,412)
Net cash flows used in financing activities	**(82,621,964)**	**(90,305,749)**
Net decrease in cash and cash equivalents	(27,319,876)	(9,951,896)
Cash and cash equivalents at 1 January	270,280,336	280,232,232
Cash and cash equivalents at 31 December	**242,960,460**	**270,280,336**

the attached notes from 1 to 24 form part of these consolidated financial statements

1. corporate information

Jordan Telecom was registered as a public shareholding company on 8 October 1996.

The consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company ('the Group') for the year ended 31 December 2013 were authorized for issue in accordance with the Board of Directors' resolution on 30 January 2014.

The principal objectives of the company and its subsidiaries are described in Note 3.

2.1 basis of preparation

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are presented in Jordanian Dinars which represents the functional currency of the Group.

basis of consolidation

The consolidated financial statements comprise the financial statements of Jordan Telecom and its wholly owned subsidiaries, which are: Petra Jordanian Mobile Telecommunications Company, Jordan Data Communications Ltd. and Dimension Company for Digital Development of Data (e-dimension), and its partially owned subsidiary of 51%, Light Speed Communications W.L.L. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Subsidiaries are fully consolidated from the date Jordan Telecom obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, transactions, income and expenses and profits and losses resulting from intra-company transactions, are eliminated in full.

Subsidiary losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.2 changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2013 are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2013:

ifrs 10 consolidated financial statements, ias 27 separate financial statements

iFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.
This standard became effective starting from 1 January 2013. This standard had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

2.2 changes in accounting policies - continued

IFRS 11 joint arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Ventures. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

This standard became effective starting from 1 January 2013. This standard had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

IFRS 12 disclosure of interests in other entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

This standard became effective starting from 1 January 2013. This standard had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

IFRS 13 fair value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard became effective for annual periods starting from 1 January 2013. This standard had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

amended standards

IAS 1 presentation of items of other comprehensive income – amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment became effective starting from 1 January 2013.

IFRS 7 disclosures — offsetting financial assets and financial liabilities — amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

IAS 19 employee benefits (revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group does not expect the amendments to have any impact on its financial position or performance as the Group does not have employees benefit plans. The amendment became effective starting from 1 January 2013.

IAS 27 separate financial statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment became effective starting from 1 January 2013. This standard had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

2.2 changes in accounting policies - continued

amended standards - continued

IAS 28 investments in associates and joint ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12 IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment became effective for annual periods starting from 1 January 2013.

2.3 standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IAS 32 offsetting financial assets and financial liabilities — amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

2.4 use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

2.5 summary of significant accounting polices

accounts receivable

Trade receivables are stated at original invoice amount less any provision for any uncollectible amounts. An estimate for doubtful accounts is made when collection of part or the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

inventories

Inventories are valued at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each item to its present location and condition and is determined using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

interest bearing loans

Loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the statement of comprehensive income when liabilities are derecognised as well as through the amortisation process.

2.5 summary of significant accounting polices - continued

property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.
Depreciation is calculated on a straight line basis, the depreciation rates are estimated according to the estimated useful lives of assets as follows:

Buildings	25 years
Telecommunications equipment	5 to 20 years
Other assets	2 to 7 years

The carrying values of property and equipment are reviewed periodically for impairment when events or changes in circumstances that indicates that the assets are recorded at values exceeding their recoverable amounts, consequently, the assets are written down to their recoverable amounts, and impairment is recognised in the consolidated statement of comprehensive income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

finance costs

Finance costs are recognised as an expense when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

business combinations

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling interests.

intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible assets with a finite useful life is reviewed at least at each financial year end. Intangible assets with indefinite useful lives are tested for impairment annually, such intangibles are not amortized.

trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods received or services rendered, whether billed by the supplier or not.

employees’ end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees’ final salary and length of service, subject to the completion of a minimum service period in accordance with the Group’s internal policies. The expected costs of these benefits are accrued over the period of employment. Actuarial gains and losses are recognised as income or expense and where material is amortized over the expected average remaining working lives of the employees.

taxation

current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

2.5 Summary of Significant Accounting Polices - continued

deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

impairment and unrecoverability of financial assets

At each statement of financial position date the Group assesses whether there is an indication that a financial asset or group of financial assets may be impaired. If such indications exist, the estimated recoverable amount of that assets is determined and any losses resulted from the impairment is calculated as the difference between the recoverable amount and the carrying amount. Impairment losses are recognised in the consolidated statement of comprehensive income.

provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can reliably be measured.

revenue recognition

Revenues from Group activities are recognised as follows:

service revenues

Telephone service and Internet access subscription fees are recognised as revenue on a straight-line basis over the service period.
Charges for incoming and outgoing telephone calls are recognised as revenue when the service is rendered.
Revenue- sharing arrangements are recognised gross, or net of content or service provider fees when the provider is responsible for the service rendered and for setting the price to be paid by subscribers.

equipment sales

Revenues from equipment sales are recognised when the significant risks and rewards of ownership are transferred to the buyer.
When the equipment is sold by a third-party retailer (indirect distribution channel) who purchases it from the Group the related revenue is recognised when the equipment is sold to the end-customer.

2.5 summary of significant accounting polices - continued

leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. All differences resulted from the retranslation are taken to the consolidated statement of comprehensive income.

3. operating segments

The primary reporting segments were determined based on the risk and rewards for the Group which is substantially affected by the segments' products and services.
The Fixed-line voice segment constructs, develops and maintains fixed telecommunication network services.
The Mobile communications segment installs, operates and manages a cellular network in Jordan.
The Data services segment provides, furnishes, installs, maintains, engineers and operates communication facilities for the provision of data network and internet access services to its customers and helping companies to be more efficient in the way they do their business on internet.

The following tables represent revenues and profit and certain assets and liabilities information of the Group's business segments for the years ended 31 December 2013 and 2012.

year ended 31 December 2013	Fixed-line voice JD	Mobile Communications JD	Data services JD	Total JD
Net Revenues				
External customers	159,013,350	149,509,831	51,818,680	360,341,861
Inter-segment	69,885,080	10,969,032	200,523	81,054,635
	228,898,430	**160,478,863**	**52,019,203**	**441,396,496**
Segment results				
Operating profit before depreciation and amortization, interest and tax	5,380,001	61,382,246	42,659,936	109,422,183
Depreciation and amortization				(47,855,802)
Net foreign currency exchange difference				1,157,131
Finance costs				(82,543)
Finance income				7,732,081
Gain on sale of property and equipment				410,682
Income tax expense				(19,067,494)
Profit and comprehensive income for the year				**51,716,238**
Assets and liabilities				
Segment assets	271,115,779	318,153,347	29,023,949	618,293,075
Segment liabilities	136,703,744	111,625,706	5,816,093	254,145,543
Other segment information				
Property and equipment	93,803,479	90,558,185	5,042,621	189,404,285
Intangible assets	14,977,658	38,293,014	1,685,121	54,955,793

3. operating segments - continued

year ended 31 December 2012	fixed-line voice JD	mobile communications JD	data services JD	total JD
Net Revenues				
External customers	174,791,318	180,196,191	53,028,711	408,016,220
Inter-segment	69,667,863	14,896,458	97,646	84,661,967
	244,459,181	**195,092,649**	**53,126,357**	**492,678,187**
Segment results				
Operating profit before depreciation and amortization, interest and tax	20,475,393	90,883,713	44,067,921	155,427,027
Depreciation and amortization				(50,499,368)
Net foreign currency exchange difference				233,047
Finance costs				(98,412)
Finance income				6,488,464
Gain on sale of property and equipment				335,821
Income tax expense				(28,686,162)
Profit and comprehensive income for the year				**83,200,417**
Assets and liabilities				
Segment assets	300,325,580	314,687,127	27,208,347	642,221,054
Segment liabilities	133,640,900	108,007,805	5,641,055	247,289,760
Other segment information				
Property and equipment	96,270,482	94,394,100	2,784,460	193,449,042
Intangible assets	16,060,167	41,980,603	1,523,311	59,564,081

4. property and equipment

	land and buildings JD	telecommunications equipment JD	other property and equipment JD	projects in progress JD	total JD
2013					
Cost:					
At 1 January 2013	77,913,141	754,453,896	67,681,796	736,493	900,785,326
Additions	1,967,171	33,261,689	510,829	2,964,940	38,704,629
Transferred from projects in progress	-	79,265	-	(79,265)	-
Disposals	-	(56,886)	(1,026,809)	-	(1,083,695)
At 31 December 2013	**79,880,312**	**787,737,964**	**67,165,816**	**3,622,168**	**938,406,260**
Depreciation:					
At 1 January 2013	38,509,101	613,369,856	55,457,327	-	707,336,284
Depreciation for the year	1,542,831	39,880,536	1,285,991	-	42,709,358
Disposals	-	(40,800)	(1,002,867)	-	(1,043,667)
At 31 December 2013	40,051,932	653,209,592	55,740,451	-	749,001,975
Net book value:					
At 31 December 2013	**39,828,380**	**134,528,372**	**11,425,365**	**3,622,168**	**189,404,285**
2012					
Cost:					
At 1 January 2012	77,169,051	726,117,807	67,035,767	1,339,922	871,662,547
Additions	1,193,242	29,593,964	1,606,160	116,236	32,509,602
Transferred from projects in progress	2,838	716,827	-	(719,665)	-
Disposals	(451,990)	(1,974,702)	(960,131)	-	(3,386,823)
At 31 December 2012	**77,913,141**	**754,453,896**	**67,681,796**	**736,493**	**900,785,326**
Depreciation:					
At 1 January 2012	37,506,244	572,495,723	55,023,470	-	665,025,437
Depreciation for the year	1,454,847	42,828,974	1,225,464	-	45,509,285
Disposals	(451,990)	(1,954,841)	(791,607)	-	(3,198,438)
At 31 December 2012	**38,509,101**	**613,369,856**	**55,457,327**	**-**	**707,336,284**
Net book value:					
At 31 December 2012	**39,404,040**	**141,084,040**	**12,224,469**	**736,493**	**193,449,042**

5. intangible assets

	FLAG access rights JD	mobile operating license and frequency rights JD	other intangibles JD	total JD
Cost:				
At 1 January 2013	24,185,319	59,347,657	821,447	84,354,423
Additions	27,838	316,679	193,639	538,156
At 31 December 2013	**24,213,157**	**59,664,336**	**1,015,086**	**84,892,579**
Amortization:				
At 1 January 2013	6,694,568	17,367,054	728,720	24,790,342
Amortization	1,110,347	4,004,268	31,829	5,146,444
At 31 December 2013	**7,804,915**	**21,371,322**	**760,549**	**29,936,786**
Net book value				
31 December 2013	**16,408,242**	**38,293,014**	**254,537**	**54,955,793**
31 December 2012	17,490,751	41,980,603	92,727	59,564,081

FLAG access rights, mobile operating license and frequency rights and other intangibles are being amortized over their useful economic lives of 20 and 15 years, respectively.

On 29 July 2009, Telecommunications Regulatory Commission (TRC) offered 3G frequencies to the four existing mobile operators, through a tendering process. The Group was the only operator who submitted a full compliant offer for an amount of JD 50,350,000 on 19 August 2009.

As a result, the Group has been granted the frequencies license to provide 3G services for 15 years and a exclusively period starting from the commercial launch date for 12 months or 18 months starting from 13 August 2009 (the date of the Group's approval of the TRC offer), whichever comes first. The commercial launch date was on 3 March 2010.

6. income tax

major components of income tax expense for the years ended 31 December 2013 and 2012:

	2013 JD	2012 JD
Consolidated statement of comprehensive income		
Income tax charge – current year	17,942,517	27,646,182
Deferred tax assets adjustments		
Employees' end of service benefits	1,124,977	1,039,980
Income tax expense reported in the consolidated statement of comprehensive income	**19,067,494**	**28,686,162**

the reconciliation between income tax expense at the statutory income tax rate and income tax expense at the Group's effective income tax rate for the years ended 31 December 2013 and 2012 is as follows:

	2013 JD	2012 JD
Accounting profit before income tax and non-controlling interests	**70,558,011**	**111,782,370**
At statutory income tax rate of 24%	16,933,923	26,827,769
Tax adjustments for:		
Subsidiaries profit	(58,998)	(25,913)
Provision for doubtful accounts	427,200	288,000
Non-deductible expenses and provisions for income tax purposes	1,862,349	2,065,810
Previous years' tax returns differences	(1,221,957)	(1,509,484)
Deferred tax assets	1,124,977	1,039,980
Income tax expense reported in the consolidated statement of comprehensive income at effective income tax rate of 27% (2012: 25.7%)	**19,067,494**	**28,686,162**

deferred income tax asset at 31 December relates to the following:

	2013 JD	2012 JD
Provision for doubtful accounts	1,084,303	1,084,303
Legal cases provision	401,416	401,416
Employees' end of service benefits	2,324,466	3,449,442
	3,810,185	**4,935,161**

income tax assessments have been agreed with the Income Tax Department for all the years up to 31 December 2011. Currently, the Income Tax Department is reviewing the Group's income tax position for 2012

7. inventories

	2013 JD	2012 JD
Materials and supplies	3,417,325	3,871,582
Handsets and others	3,245,582	3,877,404
Provision for damaged and slow moving inventories	(1,672,785)	(1,681,925)
	4,990,122	**6,067,061**

the materials and supplies are held for own use and are not for resale

movement on the provision for damaged and slow moving materials and supplies is as follows:

	2013 JD	2012 JD
Opening balance	1,681,925	1,846,621
Additions	1,067	9,428
Reversal	(10,207)	(174,124)
	1,672,785	**1,681,925**

8. trade receivables and other current assets

	2013 JD	2012 JD
Trade receivables	71,532,968	66,387,696
Unbilled revenue	12,797,396	13,567,275
	84,330,364	**79,954,971**
Provision for doubtful accounts	(29,778,163)	(28,023,643)
	54,552,201	**51,931,328**
Amounts due from related parties	4,869,896	3,215,911
Other current assets *	30,040,411	23,794,459
	89,462,508	**78,941,698**

* included in other current assets amounts due to the Group for land of JD 4,435,471 that was classified to other receivables

trade receivables are non-interest bearing. The Group does not obtain collateral over trade receivables except for some distributors' trade receivables where guarantees are obtained.

as at 31 December 2013, trade receivables at nominal value of JD 29,778,163 (2012: JD 28,023,643) were impaired and provided for

8. trade receivables and other current assets - continued

movements on the provision for doubtful accounts were as follows:

	2013 JD	2012 JD
Opening balance	28,023,643	26,808,393
Charge for the year	1,754,520	1,215,250
Ending balance	**29,778,163**	**28,023,643**

as at 31 December, the ageing analysis of unimpaired trade receivables is as follows:

	neither past due nor impaired JD	past due but not impaired				
		1-30 days JD	31-90 days JD	91-180 days JD	>180 days JD	total JD
2013	**16,125,696**	**10,357,919**	**10,237,544**	**5,151,891**	**12,679,151**	**54,552,201**
2012	15,897,809	13,543,319	10,643,183	5,367,780	6,479,237	51,931,328

Management determines the doubtful debts on customers' balances level and builds up a provision based on this analysis.

Unimpaired receivables are expected to be fully recoverable. The Group has a credit department that continuously monitors the credit status of the Group's customers. Service will be disconnected for customers exceeding certain limits for certain period of time.

9. balances due from/to telecom operators

The Group has agreements with local and foreign telecom operators, whereby amounts due from and to the same operator are subject to the right of offset. The net balances as of 31 December 2013 and 2012 are as follows:

	2013 JD	2012 JD
Balances due from telecom operators	36,782,415	32,976,368
Provision for doubtful accounts	(4,072,693)	(3,992,693)
Balances due from telecom operators	**32,709,722**	**28,983,675**
Balances due to telecom operators	**86,989,109**	**65,328,870**

Balances due from telecom operators are non-interest bearing and not guaranteed.

9. balances due from/to telecom operators - continued

as at 31 December, the ageing analysis of balances due from telecom operators is as follows:

	neither past due nor impaired JD	past due but not impaired				
		1-90 days JD	91-180 days JD	181-270 days JD	>271 days JD	Total JD
2013	**13,423,296**	**6,912,190**	**4,462,713**	**1,923,392**	**5,988,131**	**32,709,722**
2012	13,774,395	9,506,679	2,249,367	394,789	3,058,445	28,983,675

Unimpaired receivables are expected to be fully recoverable.

10. cash and short- term deposits

Short term deposits represent deposits with commercial banks in Jordan for periods between one day and three months in Jordanian Dinars, Euros, and US Dollars amounting to JD 242,960,460 as of 31 December 2013 and JD 270,280,336 as of 31 December 2012 with an effective interest rate of 4.43 %, 0.99 % and 0.70%, respectively (2012: JD 3.85 %, Euro 1.0 % and US $0.63%).

11. paid in capital

Jordan Telecommunications Company (Jordan Telecom) authorized and paid in capital consists of 250,000,000 shares with par value of one Jordanian Dinar each.

12. statutory reserve

As required by the Jordanian Companies' Law, 10% of the net income before tax is transferred to statutory reserve. The Group may resolve to discontinue such annual transfers when the reserve totals 25% of the issued share capital. The Group decided not to transfer any amount to the statutory reserve starting 2005.

The statutory reserve is not available for distribution to the shareholders.

13. dividends paid and proposed

The Board of Directors will propose a cash dividend for 2013 of JD 0.210 per share totaling JD 52,500,000 which is subject to the approval of the General Assembly.

During the year, dividends of JD 0.33 per share totaling JD 82,500,000 relating to 2012 were declared and paid.

14. interest- bearing loans

current	2013 JD	2012 JD
French Government Protocol/Second Loan	384,497	370,772
French Government Protocol/Third Loan	147,901	142,622
The Housing Bank for Trade and Finance loan	119,734	189,377
	652,132	**702,771**

non-current	2013 JD	2012 JD
French Government Protocol/Second Loan	4,533,282	4,742,245
French Government Protocol/Third Loan	814,813	928,352
The Housing Bank for Trade and Finance loan	-	138,261
	5,348,095	**5,808,858**

- French Government Protocol/Second Loan

On 23 February 1995 the Government of Jordan, represented by the Ministry of Planning, signed a financial protocol with the Government of the Republic of France to finance several development projects including a FRF 52,000,000 loan to finance the construction and operation of Tla'a Al-Ali Communication Switch Unit. The loan is subject to an annual interest rate of 1% payable on the total amount outstanding from the date of each drawing and shall be paid semi-annually. Principal payments of each withdrawal shall be paid in 40 equal consecutive 6 monthly instalments, the first instalment falling due 126 months after the end of the calendar quarter during which each drawing is made. Drawings commenced on 1 July 1995.

The repayment of this loan started on 31 March 2006.

- French Government Protocol/Third Loan

On 24 October 1996 the Government of Jordan represented by the Ministry of Planning signed a financial protocol with the Government of the Republic of France to finance several development projects including a FRF 15,000,000 loan to finance the construction of Al-Ashrafia Communication Switch Unit. The loan is subject to an annual interest rate of 1% payable on the total amount outstanding and shall be paid semi-annually. Principal payments of each withdrawal shall be paid in 30 equal consecutive 6 monthly installments, the first installment falling due 90 months after the end of the calendar quarter during which each drawing is made. Drawings commenced on 1 July 1997.

The repayment of this loan started on 31 March 2005.

- Housing Bank for Trade and Finance Loan

On 30 June 2009 Light Speed Company obtained a loan from the Housing Bank for Trade and Finance- Bahrain to finance Light Speed needs.

The loan of USD 1,750,000 is payable in 36 monthly installments starting 1 October 2009. The loan is subject to an interest rate equals to 3 months LIBOR plus a margin of 3% on the daily outstanding balance of the loan (with a minimum interest rate of 6%) and the interest shall be paid at the end of each month.

15. employees' end of service benefits

In accordance with the Group's by-laws, the Group provides end of service benefits for its employees who have chosen the option to accumulate the end of service benefits starting from 1 January 2012.

The amounts recognised in the consolidated statement of financial position in respect of end of service benefits are as follows:

current	2013 JD	2012 JD
Provision at 1 January	190,855	19,085,314
Expenses recognised in the consolidated statement of comprehensive income	261,363	192,436
End of service benefits paid	(79,103)	(19,086,895)
Provision at 31 December	**373,115**	**190,855**

non-current	2013 JD	2012 JD
Provision at 1 January	439,707	-
Expenses recognised in the consolidated statement of comprehensive income	182,094	439,707
End of service benefits paid	(53,287)	-
Provision at 31 December	**568,514**	**439,707**

The principal actuarial assumptions used:

	2013	2012
Discount rate at 31 December	4.8%	4.8%
Expected rate of increase of employee remuneration	4%	4%
Average length of employee service	10 years	10 years
Present value of end of service provision	**941,629**	**630,562**
There are no material actuarial gains or losses.		

During May 2011, the Group signed an agreement with the General Trade Union for Public Services and Free Vocations whereby the Group shall provide additional benefits to the employees which include the option for all employees to liquidate their end of service benefit accumulated up to 31 December 2011 during 2012 with an option of either to accumulate the end of service benefits again starting from 1 January 2012 or have the benefit added to their monthly salary.

16. trade payables and other current liabilities

	2013 JD	2012 JD
Trade creditors	81,198,031	83,753,611
Accrued expenses	31,710,720	36,007,805
Subscribers' deposits	20,527,609	20,838,206
Deferred revenues	12,601,684	12,225,435
Government revenue share	7,751,098	9,224,912
Amounts due to related parties	4,744,549	11,256,326
Dividends payable	1,422,678	1,254,195
Contractors' retentions	258,209	258,209
	160,214,578	**174,818,699**

17. government revenue share

In accordance with the agreement signed with the Telecommunications Regulatory Commission (TRC), a percentage of certain telecommunications services revenues is payable to TRC.

18. business support fees and brand fees

The Group calculates and pays business support fees to Orange Group, in accordance with the agreement signed between the Group and Orange Group.

During July 2007, the Group entered into a license agreement with Orange Brand Services Limited whereby, Jordan Telecommunications Company, Petra Jordanian Mobile Telecommunications Company and Jordan Data Communications were granted the right to use Orange brand in Jordan in return for royalty fees at 1.6% of the operating revenues. The license agreement is valid for 10 years.

19. earnings per share

	2013	2012
Profit for the year attributable to the equity holders of parent (JD)	51,490,517	83,096,208
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share	**0.206**	**0.332**

No figure for diluted earnings per share has been calculated as there are no potentially dilutive ordinary shares outstanding.

20. related party disclosures

The financial statements include the financial statements of Jordan Telecommunications Company and the subsidiaries listed below:

name	country of incorporation	percentage of equity interest		description of service
		2013	2012	
Petra Jordanian Mobile Telecommunications Company	Jordan	100%	100%	Mobile Communications
Jordan Data Communications Ltd.	Jordan	100%	100%	Data
Dimension Company for Digital Development of Data	Jordan	100%	100%	Content
Light Speed Communications Company W.L.L	Bahrain	51%	51%	Data

Related parties are shareholders, senior management of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the consolidated statements of comprehensive income are as follows:

	2013 JD	2012 JD
Orange Group and its subsidiaries (shareholder)		
Business support fees and brand fees	7,450,050	7,589,308
Operating expenses	5,229,746	5,612,520
Revenues	16,566,902	21,306,090
Government of Jordan (shareholder)		
Government revenue share	7,751,098	9,224,912
Key management personnel		
Executives' salaries and bonus	1,194,944	1,379,802
Board of Directors remuneration	210,189	151,125

Balances due from and to related parties are disclosed in notes 8 and 16 to these consolidated financial statements.

21. commitments and contingences

operating lease commitments

The Group has entered into operating leases on land and buildings. These leases have a maximum life of one year and as follows:

	2013 JD	2012 JD
Within one year	7,040,902	6,662,037

capital commitments

The Group enters into commitments during the ordinary course of business for major capital expenditures, primarily in connection with network expansion projects. Outstanding capital expenditure amounted to JD 15,779,646 as of December 31, 2013 (2012: JD 14,314,685).

legal claim

The Group is a defendant in a number of lawsuits with a value of JD 19,772,717 (2012: JD 22,712,592) representing legal actions and claims incident to its ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Accordingly, a provision of JD 1,554,232 has been made.

guarantees

The Group has issued letters of guarantee amounting to JD 15,902,075 (2012: JD 5,285,613) in respect of legal claims and performance bonds.

22. risk management

interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdraft and term loans).
The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2013.
The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

2013

	changes in interest rate %	effect on profit for the year JD
JD	1	1,897,857
USD	1	324,511
EUR	1	166,545

2012

	changes in interest rate %	effect on profit for the year JD
JD	1	1,946,332
USD	1	580,325
EUR	1	144,476

The effect of decrease in interest rate is expected to be equal and opposite to the effect of increases shown.

22. risk management - continued

credit risk

The credit risk is the risk that other parties will fail to discharge their obligations to the Group. The Group manages credit risk with its customers by establishing credit limits for customers' balances and also disconnects the service for customers exceeding certain limits for a certain period of time. Also, the diversity of the Group's customer base (residential, corporate, government agencies) limits the credit risk. The Group also has a credit department that continuously monitors the credit status of the Group's customers.

The Group deposits its cash balances with a number of major high rated financial institutions and has a policy of limiting its balances deposited with each institution.

liquidity risk

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sales require amounts to be paid within 30 days from the date of sale.

The table below summarises the maturities of the Group's financial liabilities at 31 December 2013 and 2012, based on contractual undiscounted payment.

31 December 2013	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	39,794,513	25,204,267	20,493,800	450,000	85,942,580
Balances due to telecom operators	20,046,768	40,186,708	26,597,981	157,652	86,989,109
Loans	174,165	477,967	2,129,597	3,218,498	6,000,227
Total	**60,015,446**	**65,868,942**	**49,221,378**	**3,826,150**	**178,931,916**

31 December 2012	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	46,389,115	13,064,953	34,664,165	891,704	95,009,937
Balances due to telecom operators	26,538,017	27,177,823	11,501,673	111,356	65,328,869
Loans	171,992	530,779	2,705,242	3,103,616	6,511,629
Total	**73,099,124**	**40,773,555**	**48,871,080**	**4,106,676**	**166,850,435**

22. risk management (continued)

currency risk

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (US $ 1.41 for JD 1).

The Group has loans payable in Euros and short term deposits in Euros. Changes in Euro exchange rates may significantly affect the loans values.

The table below indicates the effect of a reasonably possible movement in the JD rate against foreign currencies on the consolidated statement of comprehensive income, with all other variables held constant.

	changes in Euro rate to JD %	effect on profit before tax JD
2013		
EUR	5	538,698
2012		
EUR	5	413,182

The effect of decrease in Euro rate is expected to be equal and opposite to the increase shown.

23. fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, receivables and some other current assets. Financial liabilities consist of term loans, payables and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

24. capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012. Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD 365,000,947 as at 31 December 2013 (2012: JD 396,010,340).