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His Majesty King Abdullah II

"Our ambitions for Jordan exceed the volume of the achievements our homeland has witnessed over the past years. This drives us to exert more effort as we continue to build a brighter future for all Jordanians, men and women."

letter from the Chairman

Our constant objective is connecting Jordanians to each other and to the world. This is the value we provide to our customers: connecting people to people, connecting businesses to businesses and connecting all to information and entertainment.

to our Shareholders

The global telecommunications industry remains as competitive as ever, showing growth despite the economic downturn, and Orange is also growing in Jordan providing innovative and qualitative services to all customers at reasonable prices. In years past, we had set our goal to be the best telecommunications company in Jordan. In 2008, we are proud that we have surpassed our own goals by becoming a better, more technologically-advanced and more profitable company. Whilst we are working to develop our shareholder value, we have constantly at the front of our minds that not only is France Telecom Group a major shareholder, but so are the people of Jordan through the investment by Social Security and the investments in the stock market.

The dynamic growth unleashed by the continual change in the global telecommunications industry was a key driver in our development during the year. We have continued building Orange as the most trusted brand name in telecommunications by adding new technologies, investing in new assets, and hiring the best people we could find in Jordan.

solid 2008 results
Capitalizing on opportunities in Jordan and the region, our business strategy delivered an outstanding year of results for our customers and profits for our shareholders. We have always said that we would operate better within a competitive situation; and so we focused on people efficiency, improved network automation, and a keen attention to wireless and internet solutions. Integrating people and businesses to technologies, we introduced numerous services that are today enabling our customers to stay in touch with their businesses very effectively and with high quality connectivity, wherever and whenever. As the leaders of the telecom industry in Jordan, everything we have done, from reducing IP prices, to offering 8M and launching V.O.D services, has all heavily contributed to spreading the internet culture through a connected Jordan.

Overall, our customer base continued to grow. It reached 2.52 million, 3.4 percent higher than at the end of 2007 with net profit increasing by 6.1 percent compared to 2007, reaching JD100.3 million and earnings before interest, tax, depreciation and amortization for Orange Jordan increased by 5.5 percent reaching JD183.2 million. Consolidated revenues for Orange Jordan edged up 0.9 percent in 2008 over the same period the year before reaching JD401.4 million compared to JD397.9 million. 2008 was a difficult year, yet we realized growth and for the first time in our history we went beyond the JD400 million mark in revenues, and JD100 million mark in net profits with the increase in prices of oil and commodities, people's priorities changed, which led to a minor impact on the telecoms sector.

empowering communities
While powering our communication lines to connect people, we empowered communities to lead more productive lives in a more interconnected environment. In 2008, we have demonstrated our exceptional corporate citizenship. We have invested over JD2 million this year in deep rooted community initiatives that impacted the lives of families. As one of our main contributions to the society at large, we supported the upgrading of schools through our heavy weight investment of Her Majesty Queen Rania Al Abdullah's Madrasati initiative and our similarly huge investment in The King's Academy. This commitment will be extended over a wide five year period with the aim of ensuring a sustainable benefit. Not only did we help people in communities across Jordan by not only providing them with improved opportunities for a better life, but we also provided them with tools for future success based on technology and innovation. It gives us pride to know that as we grow, we continue to contribute to the growth and prosperity of the Kingdom of Jordan and of its people.

looking ahead
I am proud to say that this is the best time to lead this company, and for our company to lead Jordan's telecommunications industry. Our mix of great people and excellent technology enables us to pursue aggressive growth in the future, one that is based on mobility, innovation and integration of the full possibilities of the new information age.

The launch of our advanced Internet Protocol TV service (IPTV), "TV from Orange", a service launched in collaboration with INTRACOM TELECOM, and Arab Radio and Television Network (ART), clearly made us stand out in the market place and has proved to be another successful first launch in Jordan with a great future on the horizon.

Another resounding achievement this year, a result of the strategic partnership with Orange France Telecom, was the inauguration of the first Technocentre outside of Europe, all this forms a part of France Telecom Group's belief in Orange Jordan and in the healthy economic climate in the Kingdom servicing Arab and African countries. The Technocentre has produced excellent advances in services for our customers and we will only offer more and more over the years to come; extending further than the most recently added services such as the notification on reachability (NOR) service. Significant investment in the Technocentre is bringing in real rewards not just for our set up here in Jordan but also elsewhere in the Middle East, Africa and Asia as the Orange brand continues to imbed itself in the region.

Additionally, we are currently working on creating a state of the art information security office. The decision has been made that Orange Jordan is to invest in up-to-date processes protecting the data of Jordan's commercial sectors and individuals at large; a commitment that we have affirmed to His Majesty.

To end with, allow me to extend my deepest thanks and gratitude to our shareholders and clients for their faith and trust in Orange Jordan. I would also like to express my sincere thanks to the devoted efforts of our employees, management and Board of Directors for the remarkable results of 2008. And on behalf of the Board, I would like to express gratitude towards the Jordanian authorities, particularly the Ministry of Information and Communications Technology and the Telecommunications Regulatory Commission for their continuous support and vital accomplishments in providing the legal framework, securing what is needed to uphold and develop the sector in Jordan.

Looking forward to 2009 with you.

Dr. Shabib Ammari (PhD Econ)
Chairman of the Board of Directors
Orange Jordan (Jordan Telecom Group)

letter from the CEO

Our published ambitions for last year were to further extend our leadership in the market, with firm commitment to making the most of our shareholder investments, and to deliver industry-leading innovation and performance. As we embedded the Orange brand further into our core operations and values, we accomplished our ambitions in 2008, and more.

to our Shareholders

With all the changes taking place in the telecommunications industry, Orange Jordan has developed a strategy to draw on the talents of our employees, the commitment of our management team, the foresight of our Board of Directors, and our technological innovation. We used these great assets to deliver the best results in the history of Orange Jordan, and therefore, our industry investors noted our solid execution, operational excellence, and commitment to growing shareholder value.

Our 2008 results show that our focus on performance and execution has paid off, most notably in our revenue profile. During 2008, Orange Jordan remained the number one operator in Jordan, with a total of 2.52 million customers. At JD242.8 million, Orange fixed remained the largest source of income for Orange Jordan. Orange mobile was able to provide Orange Jordan with higher profitability and an expanded customer base. By connecting 1.76 million customers to our mobile telecom network by end of 2008, Orange mobile increased the subscriber base by 2.6 percent, from 1.71 million at the end of 2007, generating earnings of JD187 million compared to JD183.5 million at the end of 2007.

Orange Jordan's consolidated earnings increased by 0.9 percent, or JD3.5 million, from JD397.9 million in 2007 to reach for the first time more than JD400 million at JD401.4 million in 2008. However, the largest growth in terms of income and number of subscribers, was achieved by Orange internet where earnings rose by 50.4 percent to JD21.2 million, and the number of customers soared by 55.6 percent to 102.200 subscribers. Compared to the earnings of JD14.1 million with 65,700 subscribers at the end of 2007.

Orange Jordan generated JD100.3 million net profits after tax at the end of last year, its best results ever. Capital expenditure reached JD55.8 million for the year end 2008, a decrease of 6.7 percent compared to the JD59.8 million invested in 2007. However, despite being very prudent in our investments generally, and given the world economic crisis, we were compelled to invest heavily in our network to support the increasing demand from our growing number of subscribers.

competitive edge through leadership in innovation

Orange Jordan has achieved its growth as a direct result of the dedicated efforts of our management, employees, as well as the support of our shareholders, and by deploying groundbreaking communications innovations in an intensely competitive marketplace for telecommunications services. Our Technocentre, launched in March 2008, has delivered cutting edge solutions and innovative products not just for Jordan and beyond, supporting Orange investments elsewhere in the Middle East, Africa and Asia and we look forward eagerly to bringing greater innovations to the market.

We believe that having the best, widest and strongest network is key to being the best communications company, so we continued to differentiate our businesses through network quality. We have upgraded our backbone networks to increase the performance and reliability of the vast amount of internet traffic that we carry. A fine example of the results of infrastructure upgrades was the 8M internet speed that Orange Jordan kicked off in the Kingdom, which continues to play a central role in our strategy of equipping as many Jordanians as possible with rapid network access. To aid this we reduced the internet protocol (IP) connectivity costs from 15 percent up to 52 percent for internet providers, in line with the global trend of decreasing the cost of providing services to internet service providers (ISPs) consequently benefiting customers and end users.

Our network currently offers internet access to individuals homes, businesses and government customers, steadily expanding its speed and reach throughout the Kingdom. We also helped customers remain connected to their work life, wherever and whenever, by introducing "Business Everywhere", a service that connects their laptops over GPRS/EDGE, WiFi or ADSL services.

Our reliable wireless network has long been a source of customer loyalty, and we have extended this competitive edge into other arenas, such as the broadband offer from livebox for our mobile users, a state-of-the-art technology from Orange Jordan that brought in double play services such as "Surf and Talk" and further advances towards triple play bringing internet, Voice over IP and TV together known as "TV from Orange". We also launched the first of its kind roaming offer, and were the first to launch the internationally acclaimed "iPhone" here in Jordan.

Moreover, we have again consolidated our position as an innovation leader in mobile communications. The fact that we had over 1.76 million customers, grown within only seven years of operation, this demonstrates how well our innovative mobile communications offers are being received. We are sure that the mobile and internet subscriber base will continue to grow with the performance improvements we are planning in 2009.

Our efforts in the Jordanian competitive marketplace have diversified our revenue base, provided new growth opportunities and created shareholder value. Few companies are better positioned to benefit both customers and shareholders than Orange Jordan. In 2009, we will continue to deliver the differentiated Orange Jordan experience that will build our competitive advantage and customer loyalty into the future.

eye on the community

Building on past years' activities that reflected exceptional Corporate Social Responsibility (CSR), Orange Jordan continued to deliver real and positive impact within the Jordanian society by investing more than JD2 million in CSR activities during 2008. Ranked amongst the top three corporations in Jordan for our commitment to CSR, we have invested more than JD15 million in the community since privatization started in 2000, and an average JD2.5 million per year since Orange France Telecom became the majority shareholder in 2006.

Our activities within the Jordanian society reflect our deep roots in the communities we serve and our commitment to using our size, talent, and technology to improve our local society. We take pride in the magnitude and nature of the activities we support, and our commitment to social development and improving the quality of life for future generations is a mission we attack with the same kind of consistency, clarity and accountability that we exhibit in achieving our other performance objectives.

the future

The hard work of innovating is never finished, nor is the desire to be the best in the business ever totally fulfilled. We will always have much more to do, but our 2008 results show what concrete leadership can accomplish when we stand united around big, ambitious goals, on a strong foundation of rock-solid values and ethics.

With our good execution and sound financials, we have the confidence to be able to control our destiny, even in uncertain economic times. More broadly, we think our fundamental strength will serve us well as we prepare for the next phase of growth in communications. 2009 will bring us many challenges with multiple players in the market, fiercer competition and even more demanding customers. We are ready to face the challenge by maintaining the same strategy of being the number one operator by offering innovative and high quality products and services at reasonable prices to every member of the community, and by putting the customers at the heart of our business and the right people in the right places to serve them.

I am confident that Orange Jordan team will continue to produce outstanding results for shareholders and customers in the years ahead. To this end, I would like to thank our shareholders, Board of Directors, our management team, our dedicated employees, and our customers for their loyalty and commitment. Without their support and confidence in Orange Jordan, all of the above would have never been achieved.

With greatest respect.

Mickael Ghossein
Chief Executive Officer
Orange Jordan (Jordan Telecom Group)

Board of Directors 2008

Dr. Shabib Ammari
Chairman of the Board of Directors
France Telecom Group

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

Eng. Abdel Rahman Al-Khatib
Member of the Board of Directors
Executive Privatization Commission

H.E. Akel Biltaji
Member of the Board of Directors
Social Security Corporation

Mr. Hugues de Verdalle
Member of the Board of Directors
France Telecom Group

Miss Asema Doughan
Member of the Board of Directors
Jordanian Ministry of Finance

Mr. Mickael Ghossein
Chief Executive Officer
Orange Jordan (Jordan Telecom Group)

Mr. Michel Monzani
Member of the Board of Directors
France Telecom Group

back row, left to right:

H.E. Akel Biltaji,
Mr. Michel Monzani,
Miss Asema Doughan,
Mr. Mickael Ghossein,
Eng. Abdel Rahman Al-Khatib.

front row, left to right:

Mr. Hugues de Verdalle,
Dr. Shabib Ammari,
Mr. Marc Rennard.

Management Committee (GroupCom) **2008**

Mr. Mickael Ghossein
Chief Executive Officer

Mr. Francois de Loynes
Executive Vice President

Mr. Raslan Deiranieh
Chief Finance Officer

Mr. Tamouh Khauli
Vice President Orange Innovations and Corporate Integrated Solutions
CEO E-Dimension Company Ltd

Mr. Laurent Marini
Vice President Jordan Telecom Group Wholesale

Mr. Ahmed Salah
Chief Sourcing, Logistics and Quality Officer

Mr. Ammar Shaheen
Chief Human Resources Officer

Mrs. Majd Shweikeh
Vice President Orange Personal
CEO Petra Jordanian Mobile Telecommunication Company Ltd (Orange mobile)

Mr. Sami Smeirat
Vice President Orange Enterprise
CEO Jordan Data Communication Company Ltd

Mr. Amer Sunna
Chief Information Technologies and Network Officer

Mr. Philippe Vogeleer
Chief Strategy Officer
Secretary General

Mrs. Wassila Zitoune
Vice President Orange Home

Legal Advisor: Amosh Legal Advisor & Arbitration
Auditors: Ernst & Young

back row, left to right:

Mr. Ahmed Salah,
Mr. Philippe Vogeleer,
Mr. Ammar Shaheen,
Mr. Laurent Marini,
Mr. Tamouh Khauli,
Mr. Sami Smeirat,
Mr. Francois de Loynes,
Mr. Amer Sunna.

front row, left to right:

Mrs. Wassila Zitoune,
Mr. Raslan Deiranieh,
Mr. Mickael Ghossein,
Mrs. Majd Shweikeh.

mobile customers

1.7

a peek into our milestones

The year 2008 was one filled with triumph for Orange Jordan. Through the support of our loyal customers, and our team's resilience, we have withstood world economic challenges. We have celebrated many milestones from our epic story of success. Here we highlight what we are primarily proud of.

best of

2008

1 For the first time in Orange Jordan's history revenues went beyond the JD400 million mark and beyond JD100 million mark in net profits. Consolidated revenues for Orange Jordan edged up 0.9 percent in 2008, over the same period of the year before reaching JD401.4 million compared to JD379.9 million.

2 Orange Jordan demonstrated exceptional corporate citizenship, investing more than JD2 million in deep rooted community initiatives that impacted the lives of thousands of families. Again this year, Orange Jordan focused on education, sustainable development, culture and arts as its main axes of sponsorship.

3 Orange mobile became the only operator in the country offering the revolutionary iPhone 3G, a phone that combines a phone, an iPod and internet access into one small, lightweight mobile handset.

4 Orange Jordan maintained its number one market position while its customer base continued to grow and reached 2.52 million, 3.4 percent higher than it was at the end of 2007.

5 Orange France Telecom's first Technocentre outside Europe was formally launched in Jordan in March 2008, demonstrating France Telecom Group's commitment to international innovation.

6 Orange internet successfully obtained an individual license for voice telecom services. The numbering range 08778x xxx is allocated for the Business Internet Voice service that will be provided via Orange internet.

7 Orange internet ADSL subscribers reached over 102,200 million.

8 Jordan Telecom Group Wholesale launched Bitstream, offering lower priced ADSL all inclusive packages of ADSL access line and internet connectivity, with higher download capacity; all under one bill.

9 Orange Jordan revamped seven main shops in four regions, enhancing work environment for staff and helping better serve customers, and opened a VIP lounge in Abdoun Mall to provide VIP customers with the best quality of service.

10 Orange Jordan opened a new shop in the Jordanian Engineers Association as part of its plan to expand its direct distribution network in prime locations catering to all customer segments.

11 Orange internet fixes recurrent free set up fees on ADSL, resulting in a major impact on the market represented in 46% growth in subscriptions

12 Jordan Telecom Group exceeded its Wholesale Unit objectives; revenues from incoming by 5%, revenues from Transit by 3% and revenues from selling capacity by 20% and doubled the sales on the International IP capacity from 2165.5MB to 3932MB.

13 Orange Jordan's ADSL provisioning project won the best six sigma lean project for Q1, 2008 through the deployment of business improvement programs and methodologies.

14 Orange Jordan developed and implemented five Quality Management Systems (QMS) for Home, Personal and Enterprise, Orange Jordan Shops and Customer Care directorates; all receiving ISO 9001-2000 certificates.

15 Orange Jordan received three awards in the SAMENA Telecommunications Council award ceremony, during the "Convergence to Jordan 2008" summit.

million subscribers

2.

52

three things that make us do more

Because we understand the needs of our subscribers, we make it our priority to offer products and services that best suit their needs. We understand that smart communication solutions are key for keeping the world connected. We satisfy the notion that the world is a small village, simply by the unique, well thought-out services bouquet we offer.

a year of consolidation

2008 was the year of consolidation where Orange Jordan celebrated the fruits of its strategic transformation since Orange became the sole commercial brand for the fixed, mobile, internet and content services; aligning key performance areas and repositioning Orange Jordan for long term growth and success.

The Orange brand introduced in 2007 meant a new way of working, new values, new services with the transformation and consolidation, aiding Orange Jordan in delivering its commitment to improve customer facing services, service provisioning and fault handling; placing customers at the top of its priorities, offering unmatched experiences, with staff well trained to fulfill customer needs and exceed expectations by communicating and offering first-class telecom solutions.

Orange Jordan continued to enjoy a competitive range of telecom solutions and top quality services, due to the extraordinary potential of the Orange brand and the expertise of our strategic partner Orange France Telecom, the owner of the Orange brand.

Consolidation of the integrated operator strategy was seen in the streets with 50 shops across the Kingdom, as well as the seven main shops outside of Amman being fully refitted to meet the Orange international approach to serving customers proving that a positive service environment could bring positive actions, similar improvements saw the expansion of Orange Jordan's direct distribution network, all supported by a 'virtual' training experience to the shop employees enabling simulated training on real case transaction scenarios.

Further innovation will appear on door steps as Orange's bus was fully refitted this year into a mobile shop with a plan to reach many new areas offering solutions and products for fixed, mobile, and internet users for the first time in 2009.

Harmonization of a wide range of HR policies, tools, and systems drove the enhancement of internal equity, retention of key dynamic employees, and an increased sense of loyalty and belonging.

With the consolidation and the devoted efforts of all employees and management, Orange Jordan concluded 2008 with remarkable success. As Orange Jordan continues to emerge as a powerful, effective, and innovative integrated operator, it is committed to deliver both customer benefit and shareholder value in the years to come.

integrated shops across the Kingdom

50

future vision

Planning, insight, purpose, innovation, focus, enthusiasm, and action are all requirements for success. Orange Jordan epitomizes these requirements. The management of Orange Jordan understands that big thinking and good planning precede great success. This is how Orange Jordan achieved its distinction in the Jordanian market and around the world, and this is why planning for the future constitutes an important part of our philosophy at Orange Jordan. Being the first to establish an integrated offer and experience under the Orange brand, an experience that has now been copied by other operators in Jordan and in the region, our media livebox and investment in the futuristic IPTV are considered as leaders and trend setters, a significant entry point into the future of communications.

Clearly we do not only plan and think, we also execute. We deal not only in visions and ideas, but in implementation. We put new thinking into practice, and we deliver our promises for the future.

To attain more eminent success, Orange Jordan is also moving in the direction of improving customer care over and above the required. We have plans to develop and motivate our employees, our greatest assets, and we have a comprehensive education and training plan in place for 2009 and beyond to ensure that we have the best people in the right place at the right time.

In a globalized economy, where telecommunications play an essential role in modern life and consumers demand more services every day, innovation is necessary, and innovation is very much accessible at Orange Jordan, particularly due to the establishment of the Orange Technocentre in Jordan last year following great innovation in 2008 such as 8M, ADSL, IPTV, and the internationally acclaimed iPhone.

Much of what we started in 2008 will be continued into 2009 and beyond. We are only at the start of our evolution. 2009 will be an exciting and invigorating year, as downloading speed will be increasing continuously with a multitude of voice services, multimedia services, work and entertainment. And as wireless accessed technologies have expanded consumer needs beyond basic voice into a new realm of multiple senses of hear, see and do, these services will be available over a single connection to the consumer's mobile laptop to place voice calls, watch a movie, or engage in interactive sessions.

Wireless broadband access solutions with high bandwidth capacities are also in extreme demand in the telecom industry. With expansion of these solutions, consumers will find different ranges of content on the market to choose from. The ranges will be more and more unlimited and they will suit the specific needs of every customer. To name a few, there will be education, e-Health, entertainment, and infotainment solutions to satisfy specific needs with markets becoming segment focused.

At Orange Jordan, we pride ourselves for seeing possibilities before they become obvious. A Technology, Media and Telecommunications park, the first of its kind in the Kingdom, is among our plans for the future. Orange Jordan is also investing in an information security office with up-to-date processes to protect the data of Jordan's commercial sectors and individuals at large, a commitment that we have affirmed to His Majesty the King.

In 2009, we will do our best to exceed our customers' expectations and to continue planning for the future. We will, as always, stay committed to innovation, quality and all the values that determine the distinction of Orange Jordan.

exceeding customer expectations

2008 has been rich with attractive products and innovative services that exceeded customers' expectations and gave new meaning to telecom services in Jordan, reflecting Orange Jordan's strategy to bring up-to-the-minute global services and technologies to the region and to deliver His Majesty King Abdullah's vision in making Jordan a regional ICT hub.

In September, Orange internet introduced "TV from Orange", an Internet Protocol based TV (IPTV) that delivers television programming via a broadband connection like high speed ADSL and offers fully interactive services with pause, fast-forward, and rewind functionalities, as well as, Video on Demand. By this launch, Orange Jordan became one of the first telecom operators of the world to offer this service, placing Jordan at the epicenter of innovation in the region.

Orange internet has consistently led innovation into the market over the years with 2008 reaching new heights with "Surf and Talk", livebox and the 8M internet speed, providing subscribers with ADSL access and internet connectivity as well as the ability to make local and international calls through a voice over IP number.

Orange Enterprise was also the pioneer in launching "Business Everywhere" through Orange Business Services. This first-of-its-kind, service enables subscribers to stay in touch with their businesses effectively and with high quality, wherever and whenever, through connecting their laptops over GPRS/EDGE, WiFi, or ADSL services.

Also last year, Orange mobile became the only operator in the country offering the revolutionary iPhone 3G, a phone that combines a phone, an iPod and internet access into one small, lightweight mobile phone.

A series of offers were also launched to benefit fixed line users, such as: the free unlimited calls offer in the South (Kerak, Tafileh, Maan), in an unprecedented initiative to develop the usage of fixed lines in governorates with low penetration.

Moreover, the year 2008 clearly established Orange Jordan as the innovation leader in mobile services. In April, Orange mobile launched the best value for money and widest range of mobile internet bundles, starting at just 99 piasters. Later that year, messaging bundles were introduced along the same principle of wide range and best value. In addition, full flexibility between SMS and MMS credit was introduced and it proved to be a tremendous success with Orange mobile customers. This flexibility is still exclusive to Orange in Jordan.

Shortly afterwards, Orange mobile launched another exclusive service called Notification on Reachability (NOR). This simple and highly effective service helps customers stay in touch by notifying the caller when the person she/he is trying to reach has become available again.

Summer saw another Orange first to the region with prepaid mobile customers being able to subscribe to Caller Line Identification Restriction (CLIR). Thanks to its extremely successful implementation of the TRC request to document all prepaid lines, Orange was the first to launch this service for prepaid users.

Furthermore, Orange mobile launched a roaming retail offer that changed the perception of high priced roaming services. The offer enables subscribers to roam in nine different destinations in the Middle East, Europe, Canada and USA and receive all incoming calls for only 10p/min. Also, Orange mobile launched the permanent International Zoning offer dividing the world into only seven zones providing a flat rate per zone, starting from as low as 7 piasters per minute. Another attractive offer was the "Hajj" offer which allowed for free incoming calls while roaming in KSA all day and night.

Catering to the Youth segment, Orange mobile launched a bundle of increasingly attractive offers, such as the "keefo" offer enabling subscribers to send 100 free text messages per month to friends, in addition to the "friends" offer whereby for a minimum monthly fee, subscribers can talk for free day and night with five friends and family members.

Orange worked hard throughout 2008 to launch many innovative products and services that give Orange Jordan a competitive advantage. Among these efforts, Orange Jordan improved the quality of its internet services, providing the service via four redundant cable systems to prevent service interruption, and launched all inclusive internet bundles with reduced prices in one bill.

Additionally, Orange launched two discounted offers for IP connectivity, decreasing the prices per MB from JD250 to JD142 (43% reduction) within one year. Furthermore, it launched the Bitstream 3 (IPstream) service with a discounted offer to the market, enabling ISPs to sell the ADSL service end to end in one-stop shops with more competitive packages.

The best is yet to come as Orange Jordan is preparing a bundle of unparalleled products and services to meet all customer needs, driving benefit to customers and a competitive advantage to Orange Jordan.

one-to-one conversations with our customers, listening and responding

With our customers sitting at the heart of everything we do, 2008 saw vast improvements in our service quality. We set targets in how we deal with customers, implemented far reaching training programmes and launched the on-line ordering for fixed and internet services. All our residential and Small/Medium business customers can now order their fixed and internet telecom needs through the Orange Jordan website. Customers no longer have to lose precious time by queuing in shops as they can be cared for by Orange Jordan from their offices and homes by a trained and skilled team of field sales and in short time.

As customers started to use the internet service provided by Orange Jordan's website, Orange also launched fixed and internet call centers to help customers who wanted a one-to-one relationship. This customer facing channel has been providing a high level of differentiated care for all residential, Small Office/Home Office (SOHO) and Small/Medium Enterprises (SME) customers, dealing with general inquiries, complaints and fault handing.

Many of the innovative services Orange Jordan introduced during 2008 set new standards for Jordan in dealing with customer service. During the year, high value levels of 90% efficiency were recorded for dealing with postpaid customers inquiries in addition to answering all calls with an average waiting time of 31 seconds in the queue, an improved efficiency rate increase of 59% compared to 2007.

90% efficiency

partnerships and agreements

2008

witnessed many strategic and partnership agreements signed between Orange Jordan, and different business sectors, aimed at providing the best solutions in the market and improving the every day lives of the citizens of Jordan.

Bringing connectivity to a wider user base, Orange Jordan signed various interconnection agreements with Wi-tribe and Metro Beam to enable the use of WiMax internet services and pre-paid voice services for numerous cities across Jordan. A further 15 similar interconnection agreements were approved by the Telecom Regulatory Commission (TRC).

Working closely with the TRC, Orange internet successfully obtained an individual license, allocating the numbering range 08778x xxx for the Business Internet Voice service that will be provided via Orange internet. Orange Jordan's historic connections with Government institutions and NGOs were massively extended by Orange Enterprise in 2008 as Orange Jordan enabled faster more efficient, cost effective private data and voice communications through fixed, internet, leased line, mobile, BlackBerry and IPVPN services as well as frame relay, hosting and backbone protection. Benefiting from this were the Ministry of Finance, Ministry of Agriculture, Ministry of Culture, Greater Amman Municipality, Jordan Customs, Executive Privatization Commission, JUNET, Municipalities for Salt and Zarqa, and UNRWA. Similar agreements were also signed with major organizations and corporations including Central Bank of Jordan, Amman Stock Exchange, Capital Bank, Jordan Islamic Bank, Jordan Kuwait Bank, Ericsson, The Housing Bank for Trade and Finance, Bank of Jordan, Arab Jordan Investment Bank, Arab Potash Company, Jordan Phosphate Mines Company, Silos and Supply Company, ART media, and SEGCO.

Enabling these major agreements, Orange Jordan entered into cooperation agreements with Space Telecom, the leading company of telecommunications and security systems for commercial and governmental institutions whereby Orange Jordan will support, activate, and develop the telecommunication systems for private and public entities in different areas of the Kingdom.

Enhancing further its close cooperation with Jordan Engineers Association, Orange Jordan extended the relationship by broadening the line of offered services, members, employees and visitors of the Association can now enjoy a wider number of telecom services offered by Orange.

Another important highlight was a franchisee agreement signed by Orange Jordan to increase and enhance its retail presence in prime locations in Amman, an approach that will be expanded further in

2009

In working towards the launch of "TV from Orange" and in a drive to give customers a range of quality programmes via the IPTV and VoD services, Orange Jordan signed an agreement with INTRACOM Telecom for the platform, and partnership agreements with ART (Arab Radio and Television) for the non-exclusive rights agreement for the produced, licensed, copyrighted and redistributed content of ART; and also with Orbit Productions for the non-exclusive rights agreement for the produced, licensed, copyrighted and redistributed content of mediagates video on demand content.

Supporting one of the largest security expos in the world, Orange Jordan participated in SOFEX, held at Marka Airport, enabling corporate customers and international journalists and visitors to use Orange WiFi, ADSL, livebox and fixed services to connect to their home offices and relay news to the news desks across the world.

Orange Jordan's approach to community revolves around improving the lives of citizens today and tomorrow. In entering into an agreement with Hoppecke (battery manufacturers) to promote the recycling of old batteries, Orange Jordan can now promote the safe dispose of old batteries in an environmentally-friendly manner through the specialized services of Hoppecke.

102.

a glance at our innovation

Our Technocentre offers state of the art solutions. It is the nucleus that enables us to connect the world. We make the furthest corners of the globe just one phone call, or email away.

internet
subscribers

200

Amman Technocentre: driving innovation and speeding up time to market services

During his visit to Jordan in September 2007 as part of the introduction of the Orange brand to the Kingdom, Didier Lombard CEO and President of France Telecom Group announced Orange Jordan's commitment to providing the wider region with a dynamic Technocentre that would be a key driver of innovation. Additionally, this prominent step underlined the continuing, strong, and growing bilateral relations between France and Jordan, and underpinned a fulfillment of His Majesty King Abdullah's vision for making Jordan an ICT hub.

In March 2008, under the kind patronage of His Excellency Engineer Bassem Rousan, Minister of Information and Communications Technology, Orange France Telecom joined hands with Orange Jordan to inaugurate its first Technocentre outside Europe. The aim of the centre in Jordan is to serve as a principal access for all Orange France Telecom affiliates in Africa, Middle East, and Asia (AMEA region) that wished to acquire the high dedicated innovation streams, including voice products and services, portal and multimedia, broadband growth as well as Small Office/Home Office (Soho)/SME services.

Located at Orange Jordan's headquarters, the Technocentre in 2008 delivered numerous innovative services and products, and continues to work on many more such as: voice services; colored ring back tones/Dandanah, voice SMS and multiply Voice over IP or callers notification; plus the Orange broadband offers and services through the best and most suitable technology. Sohos and SMEs also benefited from the Technocentre with segmented innovations and distinctive features, such as business livebox and fleet management.

The newly opened Technocentre brought together researchers, marketing specialists and network engineers with the aim of designing and marketing new products for the entire Orange France Telecom affiliates. In introducing new products and services, the Technocentre work depends on the "3 Partners" culture, which includes the "Marketing Partner Team" that leads the product global development, the "Development Partner Team" that leads the product technical development, as well as the "Implementation Partner Team" that leads the product integration to the network.

In a country that is geographically closer to, and has a real understanding of issues facing emerging AMEA markets; it is best placed to cater to the needs of these countries in enjoying genuine ground-breaking services within the least possible timeframe, best cost and top quality. It is visible proof of the leading and pioneering role that a telecom operator such as Orange Jordan can commit in exceeding the boarders of the Kingdom to reach out to the region.

2

million JD on

corporate social responsibility and sponsorship activities

one community, one family

We believe that this community has supported us, and it is these community members that have contributed to the success we reflect in our finances. It is only fair for us to give back to the very community that had given us so much. This notion has inspired us to practice our CSR convictions.

our commitment to sustainable development and community interaction 2008 highlights

The management of Orange Jordan believes that Orange Jordan is accountable not only for communication services and financial performance but also for the impact of its activities on the Jordanian society. As a good corporate citizen, Orange Jordan has established business goals compatible with sustainable development, seeking to reconcile growth and competitiveness while integrating the commitment to social development and improving the quality of life for future generations. Through the Jordan Telecom Group Foundation, the corporate social responsibility arm of Orange Jordan, we launched a huge number of initiatives in 2008, sponsoring projects, activities and campaigns, working with the local community and corresponding to the priorities of the country and the royal vision.

As in every year, Orange Jordan exhibited active and constructive contribution in the community. Through a joint project with the Orange Foundation (France Telecom Group), Orange Jordan started implementing the agreement it had signed with the Jordan River Foundation adopting Rasoun, a remote village situated within the Ajloun Governate, to support educational, health and social reform activities in the village. And for the 4th year running, Orange Jordan renewed its partnership with Tkiyet Um Ali supporting its Ramadan campaign titled, "I have a dream, my dream is possible", providing food parcels to 685 families in different parts of the Kingdom.

Additionally, Orange Jordan contributed to the Goodwill campaign for the 7th successive year, to help poor families in different areas under the Jordanian Hashemite Fund for Human Development, granting financial assistance, scholarships, and income–generating projects to underprivileged citizens in the Kingdom as well as creating and operating a mobile clinic for these citizens. And under Her Majesty Queen Rania's initiative aimed at preventing domestic violence "Family support line 110", Orange Jordan provided two free hotlines with fixed and mobile numbers, offering three main services; specialized consulting, psychological guidance and support, and diverting extreme cases to partner companies for further assistance.

Giving more to the community, Orange Jordan joined the Jordanian Environment Society in its "Clean Up The World" campaign in Dibbin Forest, where 300 volunteers from Orange Jordan contributed in cleaning the nature reserve from visitor waste. Also, Orange Jordan sponsored yet again Al Ghad's initiative to distribute CDs of the Holy Qur'an and the biography of Prophet Mohammad during Ramadan.

Working to eliminate the barriers that prevent people from receiving a better education, Orange Jordan sponsored initiatives and projects to enable all people to learn, share, and interact, catering for the wellbeing and development of the students and youth of the Kingdom. Among its efforts to provide Jordan's youth with the tools needed to excel in Jordan's competitive corporate arena, Orange Jordan sponsored the Queen Rania Center for Entrepreneurship (QRCE) for the 3rd year running, as well as Her Majesty Queen Rania's National Entrepreneurship Competition, held by the QRCE, with the objective of assisting Jordanian university students form long lasting profit-generating businesses. Orange Jordan also sponsored the "Ethics" Campaign at the University of Jordan, and the "Anti Drugs" campaign in Jordan, in addition to the annual Spring Fling for universities.

Furthermore, Orange Jordan launched a plan to support the seven schools in the INJAZ School Adoption project, improving the schools' environment and facilities and providing training courses to the students by volunteering employees from Orange Jordan. In recognition of their efforts, Orange Jordan honored 43 of its staff members who took part in this project.

In response to Her Majesty Queen Rania Al Abdullah's initiative, the first of its kind, serving a bid to provide a better educational environment for school students, Orange Jordan sponsored four public schools within the Madrasati initiative. Orange Jordan and the Orange Foundation (France Telecom Group) signed an agreement with the Jordan River Foundation (JRF), whereby Orange Jordan will grant JD 500.000 to support the Madrasati initiative, over the next five years.

Also among its efforts to empower the promising generation to delve into the world of IT and the internet, Orange Jordan participated in the Information Technology, Adaptation and Innovation Camp, assisting in raising IT and internet awareness among participants. Orange Jordan also rewarded the Kingdom's top ten Tawjihi students with laptops and broadband connections.

Orange Jordan also sponsored the three-day Jordan Job Fair and Training Expo 2008, by providing WiFi services and establishing a media and services centre equipped with computers, printers and faxes as well as other telecommunications devices serving the media, participants and visitors. In the Job Fair, Human Resources representatives of Orange Jordan guided fresh graduates on how to fill in job application forms and later employed a large number of graduates who submitted their job applications. Orange Jordan also provided its WiFi services at the Investment and Real Estate Expo 2008.

Orange Jordan also participated in the SOFEX exhibition, where the Enterprise Business Unit offered many services to corporate customers such as WiFi, ADSL, livebox, and fixed line, offering good telecommunication services to corporate customers and journalists to assist them in following up their businesses and news.

Support of women and sports was evident in Orange Jordan's activities in 2008. Orange Jordan supported The International Women's Forum, by sponsoring the Second Leadership Enhancement and Mentoring Program (LEMP-II), supporting promising and potential Jordanian women leaders working in the Information and Communications Technology sector.

Orange Jordan also sponsored the International Table Tennis Championship for the disabled, with players from 12 countries. And in cooperation with the Abu Nseir Sports Club, Orange Jordan sponsored the 3rd Arab Wrestling Clubs Championship, in addition to sponsoring Al Baqa'a Club and for the third year running, the Jordan Youth football Club.

Moreover, Orange Jordan's employees participated in the 15th Annual Dead Sea Ultra Marathon supporting the Neurological patients in Jordan. The Marathon is the main fundraising event for the Society for Care of Neurological Patients, which provides medical aid and covers the costs of necessary surgeries for the needy.

In 2008, Orange Jordan participated in supporting and encouraging the cultural and art movement in the country. Orange Jordan sponsored the Fuheis 18th Festival titled "Jordan, History and Culture", bringing in a wide array of singers, music and folklore troupes, poetry readings, theater, and art shows from Jordan and the Middle East.

Back by popular demand in 2008, the Orange Summer Carnival hit the road again with rising stars Hussein Salman, Ahmed Abanda, Amer Khuffash and Saad Abu Tayeh, appearing in Karak, East Amman, Zarqa and Aqaba; attracting tremendous crowds and bringing enjoyment to all.

Demonstrating the strong relationship and effective cooperation between Jordan and France, Orange Jordan sponsored for the second consecutive year, street carnivals organized by the French Cultural Center celebrating spring, in addition to the French Cultural Week in Aqaba organized by the Department for Culture and Cooperation of the French Embassy. Under the sponsorships of the cultural activities of the French Cultural Center, Orange Jordan sponsored the classical music concert titled "Amman Wears Its Classical Color". It also sponsored the charity gala dinner, organized by the National Music Conservatory prior to the launch of the Middle East Institute for Music Therapy, the first of its kind in the region.

human resources in 2008

harmonization and development of a productive workplace

After implementing the concept of the integrated operator in late 2007; 2008 was the year for harmonizing all policies, tools and systems to enhance internal equity, retain employees and increase their loyalty and sense of belonging.

The new harmonized compensation and benefits policies sitting alongside international standard human resources policies established a balance between the interests of Orange Jordan and the rights of employees. They are all up-to-date policies, efficient and cost-effective, easier to manage and administer and meet employee's needs.

improved HR operations

With the increased need to improve, simplify and better control HR functions, Orange HR corporate services redesigned most of its functions. Manpower Planning was improved so that Orange Jordan's target headcount was identified at the beginning of the year based on business needs and according to KPIs and when a complete activity was transferred from one unit to another, the headcount would also change accordingly.

New testing rules were set for recruitment, measuring English skills, IQ and personality to filter internal and external candidates. And despite the current world economic conditions, Orange Jordan's management decided to continue investing in its human capital by granting qualified employees an above average annual salary increase.

Furthermore, the Competency Development Directorate delivered an extensive training program with 4,194 employees receiving skills, coaching or mentoring guidance, with an average of 3.86 training days per employee.

In the second half of 2008, Orange HR corporate services implemented the Management School and Leadership Model where most of the managers and directors attended four sessions, tailored by the School, based on e-learning training and half-day workshops. The Leadership Model, which is a model of management for Orange France Telecom, is designed to equip Orange Jordan's managers with the right set of competencies, to excel as managers of the 21st century.

improvement of HR tools

Orange HR corporate services implemented new tools to help reduce paper work and speed up processes and work flow. Time attendance terminals were made available in our major buildings, covering almost 2,000 employees. Also, new flexible time attendance rules were set whereby working hours start daily at 8:00 am with flexibility until 9:00 am, provided that working hours are not less than eight hours per day.

Orange Jordan successfully completed implementing the latest release of Oracle e-Business Suite; Oracle R12. With this, Orange Jordan became the first integrated telecom operator in the Middle East and among the first in the world to implement this system. The new system has enabled top management to have one, quick, easy and centralized source of data of their teams and for all Orange Jordan's employees.

The new HR portal was launched in early 2008. It is the most important feature of the intranet site and is accountable for answering about 50% of employees' inquiries and needs immediately, simplifying and speeding up routine procedures and providing staff with significant benefits while acting as an effective communication tool between all staff and HR.

To further reduce time consuming activities, a new Orange HR Call Center was launched in 2008 and is now accountable to answering around 30% of employees' inquires.

extending new benefits for all employees

Orange Jordan's management has taken several solid steps to help its employees face their financial difficulties; in particular by taking over a portion of the financial burden from employees who have children with special needs.

In a step to acknowledge employee contribution to Orange Jordan's development and strong position in the Jordanian market, Orange Jordan management dedicated ten scholarships to the children of employees, covering university credit hours, registration fees, books and other educational expenses for four years taking into consideration the employee's years of experience and employment grade, in addition to the employee's performance and number of children.

provident fund elections

As part of its policy to involve employees in decision making, Orange Jordan's provident fund elections for 2008 ended successfully and three winners were elected to represent all employees from Corporate Services, ITN and Business Units.

The innovative and improved Orange HR corporate services practices applied played a central role in the success of Orange Jordan during 2008 and set the tone for the future. A workplace that offers a productive work environment is an infinite goal for Orange Jordan, as the management believes that well-compensated and happy employees reflect a positive spirit at work, consequently positively impacting the general interests of Orange Jordan. Therefore, the continued development of state of the art HR practices for the benefit of all employees will remain a significant priority for the coming years.

Orange in numbers

This year has been a great one in terms of numbers. We had made strides within a world fueled by economic challenges, and it is only with thanks to our team, and our supportive client base that we were able to earn profits when the world was struck by obstacles.

million JD

net profit

0.3

2008 financial highlights

overview:

2008 marked another successful year for Jordan Telecom Group, as our revenue crossed for the first time the JD400 million mark. Jordan Telecom Group's performance is still on a progressive platform and route even under the tough competitive environment prevailing within the telecom market in Jordan. As we go forward, we are confident that our strategies and strengths will enable us to take advantage of future opportunities. Our confidence is derived from our customers, shareholders, and dedicated employees who all believe in Jordan Telecom Group and our offerings.

Jordan Telecom Group maintains a high level of transparency and disclosure in keeping its shareholders informed of all significant events, forming a trusting relationship between the Group and its shareholders is a key element to the progression of Jordan Telecom Group. It is our responsibility to provide our shareholders with honest and accurate information about our financial position.

Jordan Telecom Group has a solid financial position as well as high cash flows and profits. These results and our strong financial position have enabled us to continue to give high returns to our shareholders, without impacting our investment in growth, reflecting sound financial management. As a result, we are pleased to set out here our financial and non-financial results for 2008.

consolidated financial and statistical highlights

Presented below is a summary of the consolidated data for 2008, against 2007.

income statement data

(MJD)	2008	2007	Change %
Revenues	401.4	397.9	0.9%
Operating Expenses			
Cost of services	136.8	135.0	1.3%
Selling and distribution expenses	37.2	39.4	(5.5)%
Administration expenses	27.7	33.0	(16.1)%
Government revenue share	12.7	13.9	(8.6)%
Brand fees	5.3	2.6	103.8%
Management fees	3.2	3.7	(13.5)%
Total Operating expenses	**222.9**	**227.6**	**(2.0)%**
Profit from operations (EBITDA)*	**178.5**	**170.3**	**4.8%**
EBITDA margin	44.5%	42.8%	3.9%
Depreciation, amortization and impairment	(56.2)	(53.9)	4.3%
Net foreign exchange differences, Finance costs, Finance revenues and other income	17.8	14.8	20.3%
Other fees	(2.9)	(3.4)	(14.7)%
Profit before Income tax	**137.2**	**127.8**	**7.3%**
Income tax	(37.9)	(34.1)	11.1%
Profit for the year	**99.3**	**93.7**	**5.9%**
Attribute to:			
Equity holders of parent	100.3	94.5	6.1%
Minority interest	(1.0)	(0.8)	25.0%
Profit margin	24.9%	23.7%	5.1%
Earnings per share	0.401	0.378	6.1%
Weighted average number of shares (million shares)	250	250	0.0%

* The actual EBITDA is JD173.6 million in year 2007, and JD183.2 million in year 2008, however the EBITDA as shown above in our financial statements as JD170.3 million in 2007, and JD178.5 million in 2008 for financial presentations purposes only, since the exit packages offered to our employees are classified as part of our general and administrative expenses.

summary of balance sheet data

(MJD)	2008	2007	Change %
Assets			
Total Current assets	**423.2**	**406.6**	**4.1%**
Property, plant and equipment	236.2	239.7	(1.5) %
Other non-current assets	16.7	18.3	(8.7)%
Total non-current assets	252.9	258.0	(2.0)%
Total assets	**676.1**	**664.6**	**1.7%**
Liabilities and equity			
Total current liabilities	210.4	206.1	2.1%
Total non-current liabilities	49.9	47.0	6.2%
Total Equity	415.8	411.5	1.0%
Total liabilities and equity	**676.1**	**664.6**	**1.7%**

summary of cash flow statement

(MJD)	2008	2007	Change %
Net cash from operating activities	152.0	167.8	(9.4)%
Net cash (used in) investment activities	(37.6)	(46.9)	(19.8)%
Net cash (used in) financing activities	(95.9)	(86.9)	10.3%
Net increase in cash and cash equivalent	18.5	34.0	(45.6)%
Cash and cash equivalents	341.9	323.4	5.7%

financial ratio analysis

	2008	2007	Change %
Profitability ratios			
Return on Total assets (ROI)	14.96%	14.98%	(0.1)%
Return on Total equity	24.2%	23.2%	4.3%
Liquidity ratios			
Current ratio	2.01	1.97	1.9%
Cash ratio	1.63	1.57	3.6%
Leverage ratios			
Total Liability to equity ratio	62.6%	61.5%	1.8%
Interest – Bearing debt ratio*	7.5%	7.7%	(3.0)%
Total Debt ratio**	38.5%	38.1%	1.1%
Assets Coverage ratio***	90.8%	94.6%	(4.1)%
Assets management ratio			
Total Assets Turnover ratio	59.9%	63.1%	(5.1)%
Fixed Assets Turnover ratio	168.7%	169.3%	(0.3)%
Total Capital Turnover ratio	89.3%	89.2%	0.1%
Growth ratios			
Dividends per share (JD)	0.40	0.38	5.3%
Dividends payout ratio	99.7%	101.3%	(1.6)%
Dividends Yield ratio	8.3%	6.8%	22.1%
Valuation ratios			
Book value per share	1.66	1.65	1.1%
Market to Book value ratio	2.90	3.41	(15.1)%
Price – Earning ratio	12.0	14.9	(19.2)%

* debts/(debts + total equity)

** total liabilities/total assets

*** total tangible assets/total liabilities

revenues

The Group's revenues grew marginally by 0.9% to reach JD401.4 million in 2008 compared with JD397.9 million in 2007. This increment came as an outcome of growth witnessed by all of the Group's segments except for the fixed line segment, where its revenue (pre inter-company eliminations) recorded a slight decrease of 0.3%, totaling JD242.8 million by the end of 2008; while, mobile revenues grew by 1.9% reaching JD187.0 million in 2008 against JD183.5 million in the previous year. The Data segment also generated JD21.2 million as revenues by the end of 2008, representing a substantial increase of 50.3% against the previous year.

operating expenses

The term Operating Expenses (OPEX) means the cost of services, selling and distribution expenses, administration expenses, government revenue share, brand fees and management fees.

The Group managed to optimize OPEX through effective cost control to report a 2.7% decrease to reach JD222.9 million in 2008 compared to JD227.6 million in 2007.

The main component of operating expenses was cost of services, which included interconnection fees paid to operators of other telecommunications networks, certain license fees, technical costs such as network operating 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 1.3% increase, reaching JD136.8 million in the year 2008, compared to 2007. This increase was heavily pushed by the higher interconnection cost from mobile segment due to higher traffic volume as well as higher transmission costs from the data segment.

selling and distribution expenses decreased by 5.5% to reach JD37.2 million in the year 2008, compared to JD39.4 million in the year 2007.

administration expenses decreased by 16.1% to reach JD 27.7 million in the year 2008, compared to JD 33.0 million in the year 2007.

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 JD12.7 million in the year 2008, compared to JD13.9 million in the year 2007, showing a decrease of 8.5%.

brand fees correspond to 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 JD5.3 million in the year 2008, compared to JD2.6 million in 2007.

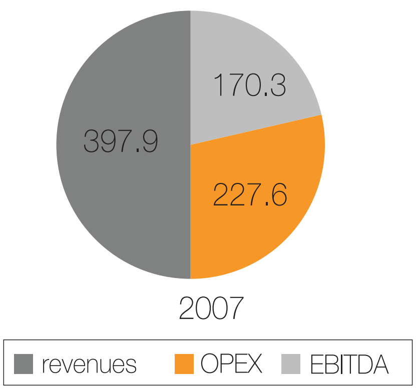
management fees represent what the Group is required to pay to France Telecom pursuant to the Business Support Agreement. Management fees of the Group decreased by 13.5% to reach JD3.2 million in the year 2008, compared to JD3.7 million in the year 2007.

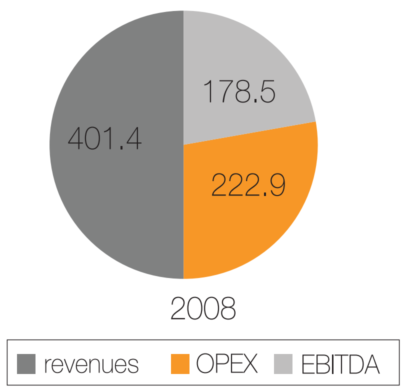
EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) consist of sales of services less operating expenses.

The increased efficiency and cost optimization strategies that Jordan Telecom Group enforced, impacted the EBITDA positively, showing a 5.5% increase from JD173.2 million in the year 2007, to reach JD183.2 million in the year 2008; however the EBITDA will be shown in our financial statements as JD170.3 million in 2007, and JD178.5 million in 2008 for financial presentations purposes only, since the exit packages offered to our employees is classified as part of our general and administrative expenses.

The EBITDA margin for the Group increased to reach 44.5% at year end 2008, from 42.8% for the same period last year. This came as a result of the JD3.5 million increase in revenues and the decrease in OPEX by JD4.7 million.





depreciation, amortization and impairment

Consolidated depreciation, amortization and impairment expense, increased by 4.3% in the year 2008, reaching JD56.2 million compared to JD53.9 million in the year 2007.

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. For the year 2008, they recorded a 2233.3% increase from JD0.03 million in the year 2007 to JD0.7 million in the year 2008.

finance costs

Consolidated finance costs consist of the interest and other charges, which is paid on the Group's financial indebtedness. Finance costs decreased by 0.9% to reach JD2.17 million in the year 2008, from JD2.19 million in the year 2007.

finance revenues

Consolidated finance revenues consist of revenues earned on cash deposits in various currencies. Finance revenues increased by 11.3% reaching JD18.7 million in the year 2008 from JD16.8 million in the year 2007.

other income

Other income consists of gains and losses on dispositions of fixed assets and other miscellaneous income. Other income was in 2008 around JD0.6 million gains opposed to JD0.2 million in the year 2007, showing a 200.0% increase.

other fees

Jordan Telecom Group is subject to the Jordanian universities fees, scientific research and vocational training fees and vocational and technical training fund fees. The Jordanian universities fees are calculated as 1.0% of profit before income tax, while the other fees are equal to 1.0% of our net profit available for distribution. The Group's other fees for the year 2008 were JD2.9 million compared to JD3.4 million for the year 2007.

income tax

Jordan Telecom Group is subject to corporate income tax at a rate of 25% on a non consolidated basis; in the year 2008 the Group reported JD37.9 million as income tax, with an increase of 11.1% from year 2007 in which it was JD34.1 million.

profit for the year

Jordan Telecom Group generated JD100.3 million as net profit after tax for the year 2008, with a remarkable increase of 6.1% compared to JD94.5 million in the year 2007.

minority interest

JD(1.0) million represents Lightspeed partners' share (49%) of the yearly loss or profit.

liquidity and capital resources

The primary source of liquidity is net cash from Operating Activities. For the year 2008, our net cash from operating activities decreased by 9.4%, to JD152.0 million as compared to JD167.8 million for the year 2007, mainly affected by the higher tax paid.

Net cash used in Investment Activities witnessed a decrease by 20.0%, where it reached JD37.6 million in the year 2008 from JD46.9 million in the year 2007.

For the year 2008, our net cash used in Financing Activities reached JD95.9 million compared to JD86.9 million in the year 2007, chiefly driven by the elevated dividends that were paid to shareholders for year 2007.

free cash flow

Is the difference between net cash from operating activities and net cash used in investing activities. The free cash flow in the year 2008 reached JD114.4 million compared to JD120.8 million in the year 2007, with a decrease by 5.3%.

cash and cash equivalent

Cash and cash equivalent also witnessed a significant improvement and reached JD341.9 million in the year 2008, compared to JD323.4 million in the year 2007, revealing a 5.7% growth.

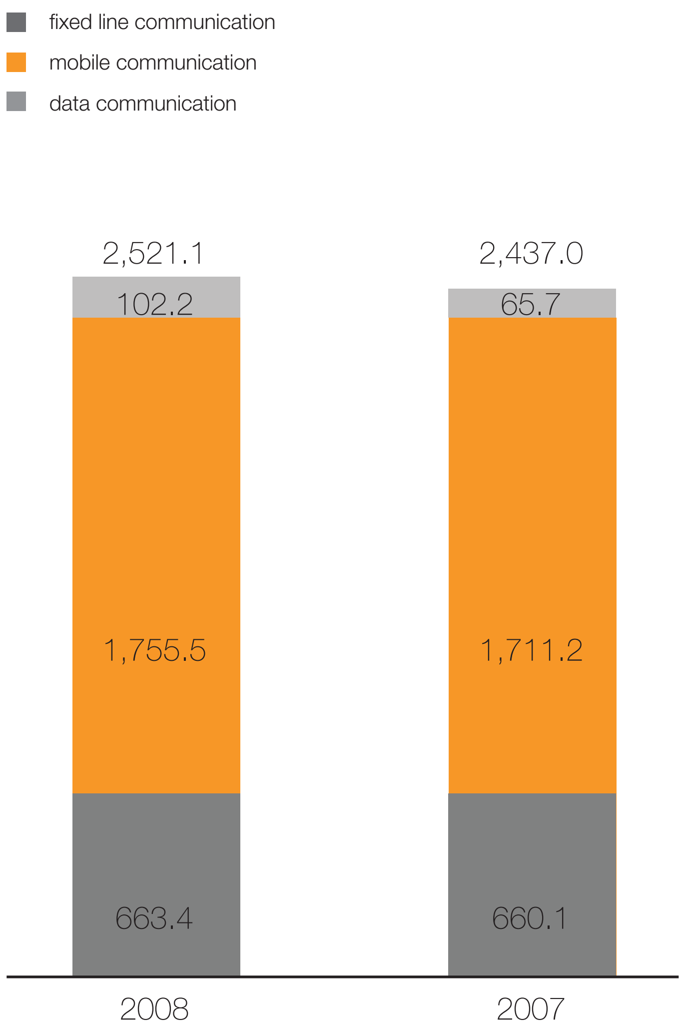
capital expenditures

Capital expenditures for the year 2008 decreased by 6.7%, reporting JD55.8 million against JD59.8 million in the year 2007.

group subscribers

The growth in the Group's subscriber base has largely contributed to its impressive results. The number of Jordan Telecom Group total subscribers climbed by 3.4% to reach 2,521.1 (K lines) in year 2008 compared to 2,437.0 (K lines) in year 2007.

Illustrated below is the breakdown of the Group's subscribers per entity.



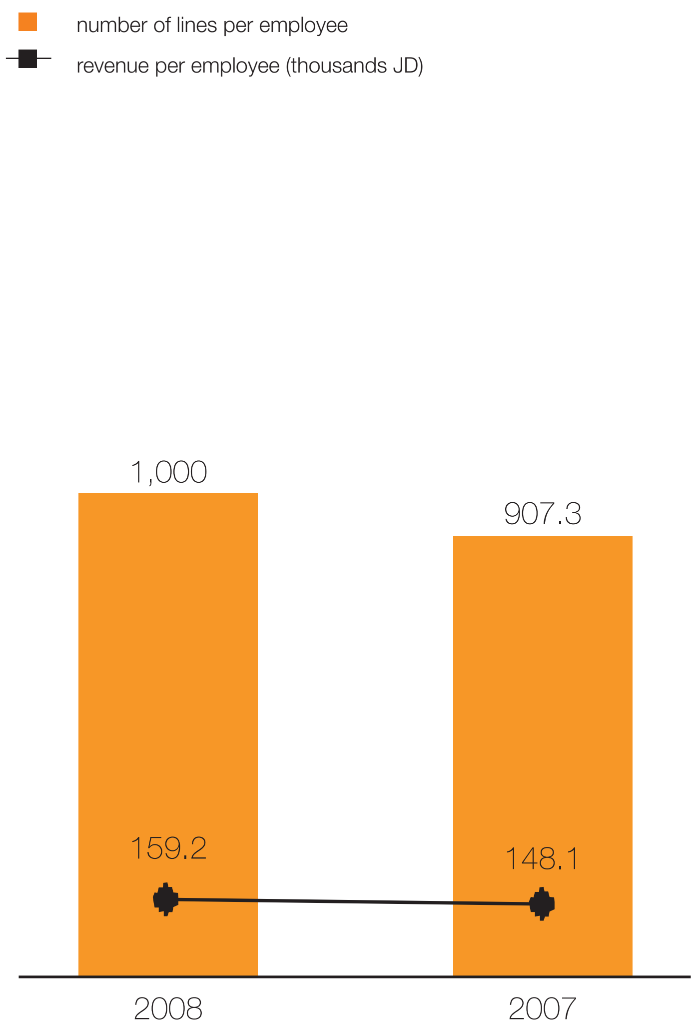
human resources

Jordan Telecom Group is proceeding in its efforts towards achieving optimal levels concerning the number of employees, which dropped by 6.2% from 2,686 in the year 2007 to 2,520 in the year 2008.

staff efficiency

Consequently, the Group's efficiency indicators improved positively in the year 2008, as revenues per employee increased by 7.5% posting JD159.2 thousand in the year 2008 over JD148.1 thousand in the year 2007. This growth was generated from the dual effect of higher revenues and reduced staffing levels.

Also, the number of lines per employee jumped to 1,000 lines in the year 2008, showing an increase of 10.2% against the year 2007, where it reached 907.3 lines at that time in the year 2007. The boost was affected by the growth in number of lines that coincided with the drop in staff.



segment analysis

Presented below are operational results for each business segments of Jordan Telecom Group.

- fixed line communication (Orange fixed)
- mobile communication (Orange mobile)
- data communication (Orange internet, e-dimension and Lightspeed)

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

(MJD)	2008	2007	Change %
Revenues			
Fixed line Communication	242.8	243.5	(0.3)%
Mobile Communication	187.0	183.5	1.9%
Data Communication	21.2	14.1	50.3%
Intercompany	(49.5)	(43.2)	14.6%
Total revenues	401.4	397.9	0.9%
Operating expenses			
Fixed line Communication	135.4	142.2	(4.8)%
Mobile Communication	119.4	115.3	3.6%
Data Communication	17.6	13.3	32.3%
Intercompany	(49.5)	(43.2)	14.6%
Total operating expenses	222.9	227.6	(2.1)%
EBITDA			
Fixed line Communication	107.4	101.2	6.1%
Mobile Communication	67.6	68.2	(0.9)%
Data Communication	3.5	0.9	288.9%
Total EBITDA*	178.5	170.3	4.8%

* The actual EBITDA is JD173.6 million in the year 2007 and JD183.2 million in the year 2008; however the EBITDA as shown above in the Group's financial statements as JD170.3 million in 2007 and JD178.5 million in 2008 for financial presentations purposes only, since the exit packages offered to employees are classified as part of general and administrative expenses.

fixed line communication

backdrop of vigorous competition

Fixed line segment's service is the Group's largest business segment and it currently dominates more than 49.9% of total Group revenues. Four years after the opening of the market to competition, Jordan Telecom Group still holds about 98% market share, with competition on international traffic to and out of Jordan.

revenues

The fixed line segment's revenues dropped by 0.3% in year 2008, to reach JD242.8 million against JD243.5 million in year 2007. The fixed revenues remained essentially stable thanks to the strong performance of the wholesale and data businesses that compensated the drop in voice revenues.

The following table points up a detailed analysis regarding revenues from the group's fixed line segment:

(MJD)	2008	2007	Change %
Traffic revenues	124.1	136.6	(9.1)%
Connection, subscription and others	57.8	59.4	(2.7)%
Leased Lines and Other Data	60.9	47.5	28.2%
Total revenues	242.8	243.5	(0.3)%

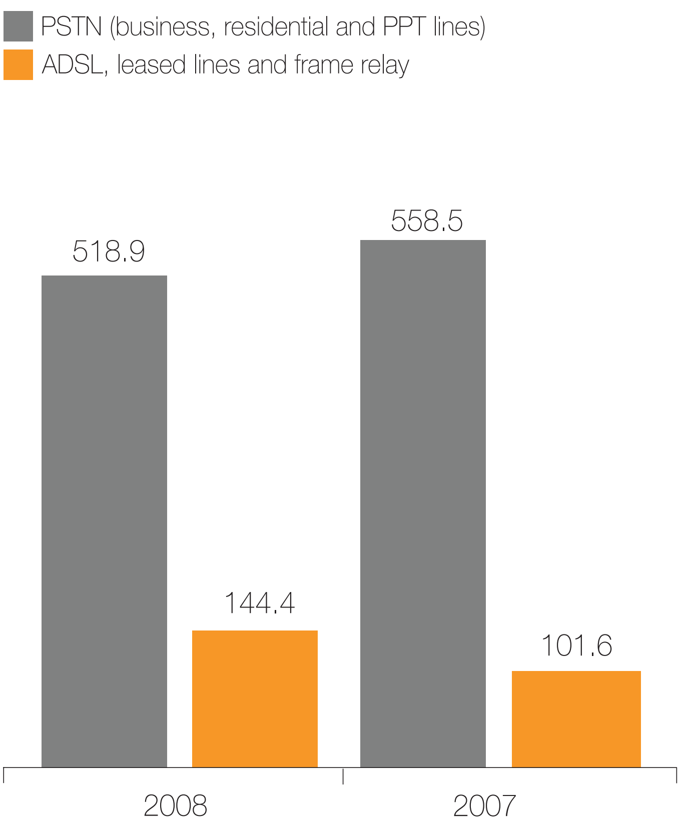
traffic revenues

Traffic revenues consist of all revenues generated from outgoing calls (local, national, internet, mobile and international) and all revenues from incoming calls (mobile or international). It is the main component of fixed revenues, representing 51.1% of fixed line revenues. The year 2008 showed a justifiable decrease of 9.1% in the traffic revenues to reach JD124.1 million compared with the JD136.6 million achieved in 2007.

connection, subscription, and others

In the fixed line segment, sales of services from connections and subscriptions consist of revenues from monthly subscription fees, one-time connection fees, and other tailored supplementary services fees. Others include telex and telegraph services along with value added and supplementary services such as premium services "0900" telephone numbers, 1212 Directory Services, prepaid calling cards, and our toll free "Call Free" 0800 number service.
Connection, subscription and other revenues reached JD57.8 million in the year 2008, compared to JD59.4 million in the year 2007.

Orange fixed chart evolution is illustrated below:



The total number of fixed lines increased by 0.5% in 2008. It stood at around 663.4 K lines at the end of year 2008, thanks to strong ADSL growth (fuelled by the Group's new Bitstream offerings in Q4) and sustained retention efforts on the PSTN, with the controlled introduction of unlimited concept and the launch of the Pro range of products.

leased line and other data services

Posted revenue of JD60.9 million in the year 2008 from JD47.5 million in the year 2007, show a 28.2% growth. This was achieved essentially by the impressive growth in ADSL revenues and the growth in leased lines, justified by the increasing demand for high speed broadband services by governmental and business customers. In addition to that, the growth in ISPs' revenues mainly attributed to the increased usage of such services also contributed.

operating expenses

Fixed line segment operating expenses decreased by 4.8% as a result of Jordan Telecom Group's OPEX reduction programs.

Illustrated below are detailed analyses of the fixed line segment operating expenses and percentage changes for the periods indicated:

(MJD)	2008	2007	Change %
Cost of Services	93.7	95.9	(2.3)%
Selling and Administration expenses	37.2	43.1	(13.7)%
Brand and management fees	4.5	3.2	40.6%
Total Fixed line Communication operating expenses	135.4	142.2	(4.8)%

cost of services. Cost of services for the Group's fixed line voice and data service segment consists of interconnection fees paid to operators of other telecommunications networks and expenses related to technical personnel, together with satellite and cable expenses, network operating and maintenance expenses, the operating license and spectrum license fees payable to the Telecommunications Regulatory Commission pursuant to the PSTN License Agreement, fees paid to municipalities for rights of way for the Group's network and certain other expenses. Cost of services decreased by 2.3% in the year 2008, to reach JD93.7 million from JD95.9 million in year 2007.

selling and administrative expenses. Selling expenses for the Group's fixed line segment consist of advertising and marketing expenses, provisions for bad debts, billing and distribution costs, advertising and promotion costs and marketing staff salaries. Administration expenses consist of information technology, finance and human resources expenses. Selling and administrative expenses for the fixed line decreased by 13.7% from JD43.1 million in the year 2007, to reach JD37.2 million in year 2008.

brand and management fees. The Brand and management fees showed a 40.6% increase in year 2008, to reach JD4.5 million in the year 2008 from JD3.2 million in year 2007.

EBITDA

By the end of 2008, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) showed a significant increase, reaching JD112.1 million in the year 2008, over JD104.5 million in the year 2007. However the EBITDA will be shown in the Group's financial statements as JD101.2 million in 2007 and JD107.4 million in 2008, for financial presentations purposes only, since the exit packages offered to employees is classified as part of general and administrative expenses.

As a result, EBITDA margin in 2008, increased significantly to reach 44.2% compared with 41.6% in year 2007.

mobile communication

a key contributor to growth

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.

revenues

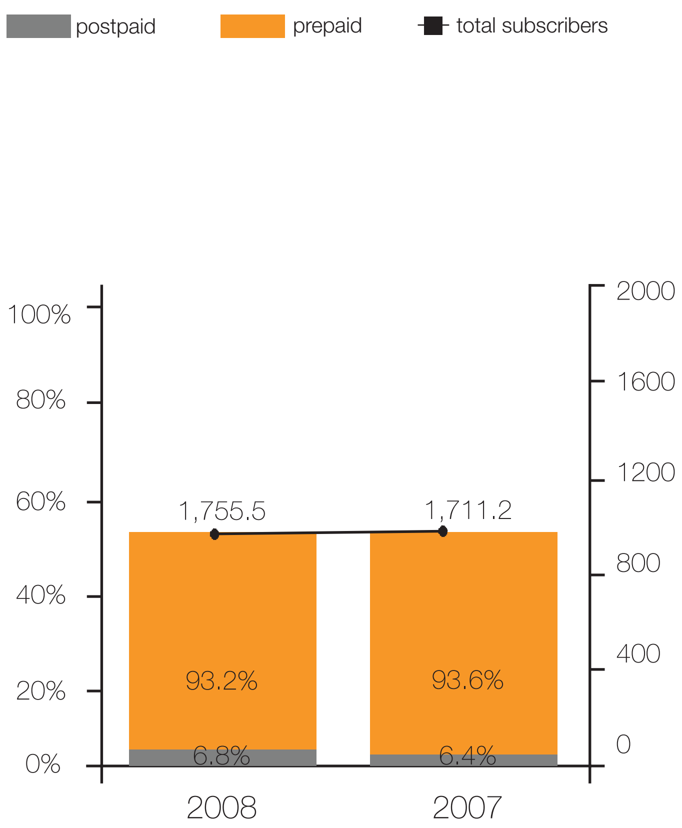
Revenues in the Group's mobile communication segment consist of traffic revenues (both incoming and outgoing), roaming revenue, connection, and subscription charges, value added services, equipment sales and discounts. Mobile communication has generated revenues of JD187.0 million in year 2008, growing by 1.9% when compared to the year 2007. The growth was achieved thanks to the Group's focus on innovation and value added services.

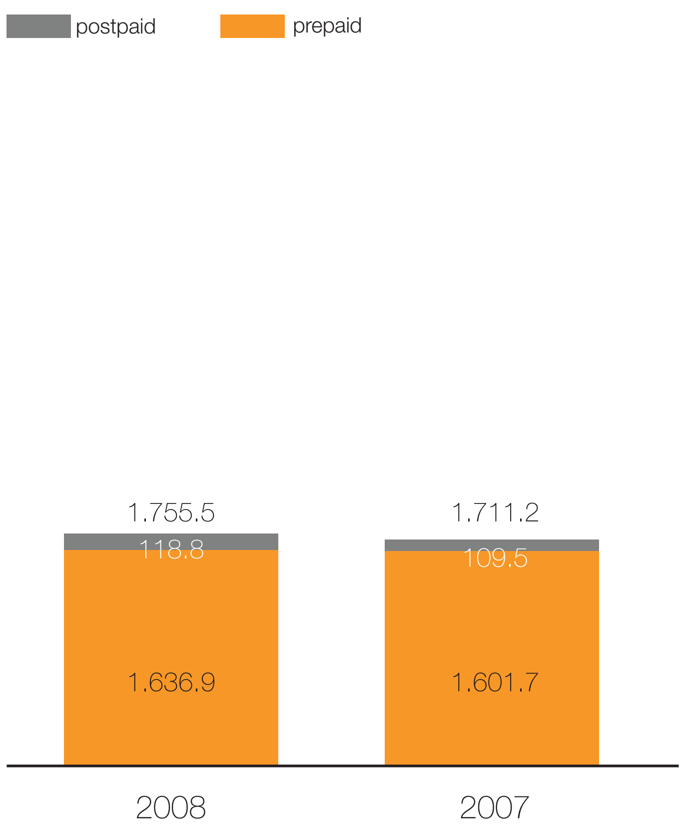
Here are the details of the mobile communication revenues:

(MJD)	2008	2007	Change %
Revenues			
Traffic revenues	151.5	155.9	(2.3)%
Other mobile revenues	35.5	27.6	28.6%
Total mobile communication revenues	**187.0**	**183.5**	**1.9%**

traffic revenues consist of sales of services earned in connection with incoming and outgoing traffic carried on the Orange mobile network. Traffic revenue varies depending on the total number of subscribers, traffic volume, tariffs, and the mix of prepaid and postpaid subscribers. Total traffic revenue decreased by 2.3%, reaching JD151.5 million in the year 2008 against JD155.9 million in the year 2007.

The following charts represent the numbers of mobile communication subscribers:





Orange mobile pursued the growth in its subscriber base by 2.6%, although the market witnessed an increase in competition in the year 2008, to reach 1,755.5 K subscribers in 2008 compared to 1,711.2 K subscribers in the year 2007. Orange mobile has exerted extensive efforts to attract new customers by introducing distinguished new offers, and by consistently providing high quality services. Orange mobile prepaid subscribers represent 93.2% of its total subscribers in the year 2008, compared to 93.6% in the year 2007, while the postpaid proportion of total subscribers increased to 6.8% in year 2008, from 6.4% in the year 2007.

Other mobile revenues. Other mobile revenues consist of roaming revenues, connection and subscription charges, value added services and equipment sales. They also include upfront discounts that Orange mobile offers distributors as an incentive to increase sales of services. Other mobile revenues increased in the year 2008, reaching JD35.5 million, as opposed to JD27.6 million in the year 2007. This major uplift came from the increase in value added services and the increase in subscription charges, as a result from the increase in postpaid subscriber base.

operating expenses

Mobile segment recorded JD119.4 million as operating expenses in the year 2008, compared to JD115.3 million in the year 2007, showing a 3.6% increase.

The operating expenses of the mobile communication segment are presented in details in the table below:

(MJD)	2008	2007	Change %
Cost of Services	79.9	73.5	8.7%
Selling and Administration expenses	23.1	25.1	(7.9)%
Government revenue share, Branding and management fees	16.4	16.7	(1.8)%
Total mobile communication operating expenses	119.4	115.3	3.6%

cost of services. In the mobile communication segment, cost of services consists of expenses relating to the cost of subsidized handsets, interconnection fees paid to operators of other telecommunications networks, expenses related to technical personnel, network operating and maintenance expenses, the operating license and spectrum license fees payable to the Telecommunications Regulatory Commission pursuant to Orange mobile's License Agreement and fees relating to SIM cards and prepaid scratch cards and network.

Cost of services in the Group's mobile communication segment posted an increase of 8.7% in the year 2008, to stand at JD79.9 million compared to JD73.5 million in the year 2007.

selling and administration expenses. In the Group's mobile communication segment, selling and administration expenses consist primarily of advertising and marketing expenses, provisions for bad debts, staff and consulting costs, billing and distribution costs, and commissions paid to the distributors of Orange mobile's products. Selling and administration expenses reached JD23.1 million in the year 2008 over JD25.1 million in the year 2007, showing a decrease of 7.9%.

government revenue share, branding and management fees. In Group's mobile communication segment, Government revenue share fees consist of the revenue share that Orange mobile is required to pay to the Telecommunications Regulatory Commission annually under the Mobile License Agreement, equal to 10.0% of Orange mobile's net revenue. Branding fees equal to 1.6% of operating revenues that Orange mobile is required to pay to Orange for using the Orange brand, and the management fees are what Orange mobile pays to France Telecom pursuant to the Business Support Agreement, consisting of a fixed sum plus an incentive bonus of 30% of the fixed sum if certain targets are met at the end of the year.
Government revenue share, Branding and management fees decreased by 1.8% in 2008, to reach JD16.4 million against JD16.7 million in the year 2007.

EBITDA

Orange mobile's EBITDA decreased by 0.9% in 2008 to JD67.6 million, implying an EBITDA margin of 36.1% in year 2008, compared to JD68.2 million in the year 2007 and 37.2% as EBITDA margin. The decrease in EBITDA margin reflects the efforts made to reduce commercial expenses.

data communication

The Group Data communication segment consists of the international data services and ISP services provided by Orange internet, Lightspeed (Bahrain), and the Internet content provider services provided by e-dimension.
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, fully owned by France Telecom.
Pursuant to this agreement, France Telecom will be paid a fee equal to 1.0% of the gross revenue of the ISP service revenue. Orange internet provides various services such as prepaid and postpaid internet dial–up, and the 090007000 internet dialup service – whereby a customer connects to the internet without a subscription or a prepaid card. The charge will appear on the customers regular PSTN line invoice by Jordan Telecom Group, corporate internet leased lines, ADSL service for residential and corporate, web-hosting and mail-hosting solutions, internet roaming through dialup and wireless internet (WiFi) connectivity at airports and cafes/restaurants in Jordan. The WiFi service is based on prepaid cards concept. At the end of 2008, Orange internet started providing the newly launched ADSL Bitstream services, by which its customers can now apply for a unified billing service for their ADSL product.

e-dimension was established in December 2000. It is a company for Digital Development of Data and introduces new advanced e-solutions to the market. It also offers an array of services from basic web development to specialized high end PSP (Payment Service Provider) service, ICP (Internet Content Provider) service, and ICDN (Internet Content Delivery Network) technology.

Lightspeed Communications is Bahrain's first alternative fixed line telecommunications operator, offering value added and innovative services for residential and business customers.
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 the residential, small and medium enterprises, and the corporate sector, as well as providing prepaid cards telephony services.

revenues

In the synopsis that follows, the comparison combines the results of operations of Orange internet, e-dimension and Lightspeed for the years 2008 and 2007:

(MJD)	2008	2007	Change %
Revenues			
ISP services and content	17.5	11.3	54.8%
International data service	2.5	2.4	4.2%
Lightspeed revenues	1.2	0.44	172.7%
Total data communication revenues	**21.2**	**14.1**	**50.4%**

Data communication sales of services increased by 50.4% to reach JD21.2 million in the year 2008 compared to JD14.1 million in the year 2007, due to the 54.8% increase in ISP services, and the 172.7% increase in Lightspeed revenues. The increase in ISP sales of services was due to the increase in the internet usage in Jordan.

ISP services and content increased by 54.8% to reach JD17.5 million in the year 2008, from JD11.3 million in year 2007, due to the increasing demand on ADSL services which provide internet connectivity at high speeds, and the increasing awareness of the internet, which is supported by Government sponsored initiatives, such as the "PC @ Every Home" initiative as well as a drop in bandwidth costs that directly impacted the end user prices.

Sales of services from international data services increased by 4.2% to reach JD2.5 million in the year 2008, compared to JD2.4 million in the year 2007, due to increasing sales of international IPVPN services to multinational customers.

Orange internet remained the leading ISP provider in Jordan during 2008, and was able to expand its subscriber base by 55.6% where it reached 102.2K subscribers, up from 65.7K subscribers in the year 2007. Orange internet provides services to residential customers on a postpaid and prepaid basis, in addition to faster and higher quality data communications services, at reduced prices.

operating expenses

Operating expenses stood at JD17.6 million in the year 2008, posting an increase of 32.3% over 2007, which stood at JD13.3 million. This was led by the 36.6% increase in cost of services, impacted by the boost in sales of services.

The operating expenses of the data communication segment are presented in details in the table below:

(MJD)	2008	2007	Change %
Cost of Services	12.7	9.3	36.6%
Selling and Administration expenses	4.5	3.6	25.0%
Government revenue share, Branding and management fees	0.5	0.4	25.0%
Total data communications operating expenses	**17.6**	**13.3**	**32.3%**

cost of services for data communication in the year 2008 increased by 36.6%, reaching JD12.7 million compared to JD9.3 million in the year 2007, mainly driven by the boost in revenues.

selling and administrative expenses reached JD4.5 million in the year 2008 compared to JD3.6 million in the year 2007, revealing an increase by 25.0%.

government revenues share; branding and management fees in the year 2008 had a significant increase by 25.0%.

EBITDA

EBITDA in the data communication segments posted JD3.5 million in the year 2008, a 288.9% increase compared to JD0.9 in 2007.

EBITDA margin stood at 16.5% in the year 2008 as opposed to 6.4% in 2007, showing an increase of 10.1 points.

disclosure schedule report pursuant to Jordan securities commission instructions for the year 2008

1. the services rendered by Jordan Telecom

- Fixed telephone service
- ADSL service
- Call free service
- Leased line service
- Telex and telegraph services
- IP connectivity service
- International calls
- Supplementary services
- Directory services
- Frame relay
- Contact center services
- Video conferencing
- Bundled services (voice + data)
- Wholesale services

Company's locations and number of employees of each location:

Headquarter offices, Jabal Amman, First Circle, City Center Building, P.O. Box 1689, Amman 11118 Jordan.

Governorate	No. of locations	No. of employees
Head Quarters	1	498
Amman	75	1,205
Ajloun	12	6
Irbid	60	186
Jarash	14	11
Al-Mafraq	39	26
Al-Balq'a	25	34
Madaba	10	23
Al-Zarqa	20	63
Al-Aqaba	16	35
Al-Karak	39	81
Ma'an	24	23
Al-Tafilah	18	15
Total	**353**	**2,206**

- the amount of capital investment in 2008 for Jordan Telecom was (JD22,900,318) and for Jordan Telecom Group was (JD 55,803,643)

2. subsidiaries

All Subsidiaries Headquarter offices, Jabal Amman 1st Circle, City Center, Building, P.O.Box 1689 Amman 11118 Jordan, except Headquarters offices for 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 Telecommunication Co. Ltd. (Orange mobile)	GSM operator	70,000,000	100%	480
Jordan Data Communication Co, Ltd. (Orange internet)	ISP	750,000	100%	45
Dimension Company for Digital Development of Data Ltd.*	Content	1,000,000	100%	0
Lightspeed Communication W.L.L	Telecom and Internet	4,183,000	51%	40

* Dimensions employees became part of Jordan Communications company staff

3. a. members of the Board of Directors

Dr. Shabib Ammari (Chairman)

Dr. Shabib Ammari is the Chairman of the Board of Directors. He has held this position since January 2000, originally representing the Government of Jordan. Dr. Ammari was re-elected as the Chairman of the board of Orange Jordan in June 2006, representing France Telecom Group.
Dr. Ammari is a Board Member of Arab Jordan Investment Bank, Darat Holdings (PLC), and he is also on the board of trustees at Princess Sumaya University for Technology.
Dr. Ammari holds a PhD in Economics (1980) from the University of Southern California (USA), where he was a senior lecturer until 1985.

Mr. Marc Rennard (Vice Chairman)

Mr. Marc Rennard is the Vice Chairman of the Board of Directors. He is also the Executive Vice President International of Orange France Telecom, in charge of Africa, the Middle East and Asia since 2006. He has also been the Chairman, and the Board Member of several international fixed, mobile and internet subsidiaries of Orange France Telecom since 2004. He was formerly the Vice President of International Operations at the International Division of France Telecom. Prior to that, he was the Chairman and Chief Executive Officer of UNI2 Telecommunications Operator, a France Telecom subsidiary in Spain (2003/2004). Before that, Mr. Rennard was the Deputy Managing Director of TDF (1996/2002), Chairman of TDF Video Service (1996/2002), Chairman of TDF Cable (1992/1996 and 2001/2003), and Commercial Director of TDF (1992/1996). Previously, he was CEO of SMA, a major ski resort in the French Alps.
Mr. Rennard graduated from EM Lyon (France), and holds a Postgraduate Degree in Management Science.

Mr. Hugues de Verdalle

Mr. de Verdalle is a Member of the Board of Directors. He is also the Manager of Subsidiary Financing and Treasury at Orange France Telecom. He has held several positions in Orange France Telecom including Group Financing and Financial Control. Prior to that, Mr. de Verdalle worked between 1990-1995 at Sofinasia, a consulting and investment company, before moving to become an Investment Manager in DEG, a German Investment and Development Bank. Mr. de Verdalle graduated from Sciences Po. Paris and holds a MA in Political Sciences from La Sorbonne Paris (France) and an MBA from ISA (France).

Eng. Abdel Rahman El-Khatib

Engineer Abdel Rahman El-Khatib is a Member of the Board of Directors. He has held this position since Jordan Telecom was privatized in 2000. He is currently the Chairman of Jordan's Executive Privatization Commission (EPC). He also chaired the Technical Committee for the Restructuring of the Jordan Civil Aviation Sector and the Privatization of the Jordanian Airports, in addition to that he headed the Technical Team tasked to restructure and privatize Royal Jordanian Airlines, which was accomplished by the end of year 2007. As a Transaction Manager at the Government of Jordan's (EPC) since 1999, Engineer El-Khatib has participated in the privatization of the telecommunications sector in Jordan. During the years 1994-1998, he occupied the position of Electronic Warfare Director in Royal Jordanian Air Force.
Engineer Abdel Rahman El-Khatib obtained his BSc in Electronic Engineering, a MSc in Electronic Telecommunications Engineering, and a MSc in Strategic Studies.

Miss Asema Doughan

Miss Asema Doughan is a Member of the Board of Directors. She has held this position since January 2008. She is currently the Director of Public Expenditures Directorate at the Ministry of Finance. Previously, Miss Doughan was Chairman of many internal and external committees at the Ministry of Finance and has worked with donor commissions. She has also participated in all Financial Management Reform Projects at the Government of Jordan. Miss Doughan held many positions in the Ministry of Finance.
Miss Asema Doughan obtained her BSc in Economics and Political Science from University of Jordan.

Mr. Michel Monzani

Mr. Michel Monzani is a Member of the Board of Directors at Orange Jordan, and the Senior Vice President within France Telecom Group in Africa, Middle East, and Asia Division, leading the Development and Partnership Department and the Middle East and Asia geographic zone. Mr. Monzani was formerly Senior Vice-President in charge of Poland at Orange France Telecom. 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 Orange France Telecom. 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 the Consumer Division in 1996. Before that, he was the Regional Director of Orange France Telecom, covering the north of France in 1991. Earlier, he held various responsibilities in the fields of IT, consumer, and business sales. He was also a Board Member of various telecommunications companies such as TP Group.
Mr. Monzani graduated from HEC School of Management, Paris. He is a Chevalier de l'Ordre National du Mérite.

H.E. Mr. "Mohammad Akel" Biltaji

H.E. Mr. "Mohammad Akel" Biltaji is a member of the Board of Directors. He is currently a member of the Jordanian Senate Chairman of the Tourism and Heritage Committee and a member of several regional and international organizations. H.E. Akel Biltaji was formerly His Majesty King Abdullah II's advisor for tourism and foreign investment promotion. Prior to that, he was the Chief Commissioner for the Aqaba Special Economic Zone Authority, and he previously served as Minister of Tourism and Antiquities (1997-2001). H.E. Biltaji was also the Chairman of the Jordan Tourism Board, and also held the position of Senior Vice President at the Royal Jordanian Airlines and President of Arab Wings. He earlier held different positions at Jordan TV, and the Arabian American Oil Company (Aramco). H.E. Akel Biltaji is decorated with the Jordanian Al Kawkab Order- first and second class, and the Hussein Order of Merit and Distinction - first class, and is also decorated with the Independence Order - third class. H.E Akel Biltaji is Commander of the French Legion d'Honneur and National Merit Order as well as first class National Orders from Spain, Germany, Norway, Chile, Japan and Austia. H.E. Akel Biltaji has a Higher Diploma in Education from Earlham College/USA.

3. b. top management (executives):

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

Mr. Mickael Ghossein (Chief Executive Officer)

Mr. Ghossein is the Chief Executive Officer of Orange Jordan. He has held this position since September 2006. He is also the Chairman of Lightspeed Communications, the Chairman of SAMENA and a Board Member of INTAJ. Prior to taking up this position, Mr. Ghossein was the Executive Vice President of Orange Jordan (January 2006); Chief Executive Officer of (PJMC) (August 2002 - December 2005); Chief Executive Officer of Orange Reunion, the subsidiary of Orange France Telecom in La Reunion (2000 - 2002); Commercial Chief Officer of MobilRom.

He graduated in Engineering from University of Valenciennes, Institute Superieur Electronique Nord ISEN (France-Telecommunications), and University of Lyon (France-Master Electrotechnics Automatisation).

Mr. Francois de Loynes (Executive Vice President)

Mr. de Loynes is the Executive Vice President of Orange Jordan. He has held this position since September 2006. From the late 70s, Mr. de Loynes has held various positions within Orange France Telecom, primarily in the domains of Marketing and Sales, Budget and Finance. From 2001 until prior to his appointment at Orange Jordan, he was responsible for the Pays de la Loire, a region in the west part of France, handling all local France Telecom activities as network, sales through distribution channels, customer care and after sales activities.

Mr. de Loynes holds a Degree in Law from ESSEC Business School.

Mr. Raslan Deiranieh (Chief Finance Officer)

Mr. Deiranieh is the Chief Financial Officer of Orange Jordan. He has held this position since May 2001. He joined Orange Jordan in 1998 as a Manager of the Treasury Department. Before that, Mr. Deiranieh held the role of Foreign Investment Section Head at the Central Bank of Jordan.

Mr. Deiranieh was a Board Member of Jordan Data Communication Company and e-dimension Company for Digital Development of Data Ltd. He also represented the Social Security Corporation in Jordan Press Foundation (Al-Rai Newspaper).

Currently, Mr. Deiranieh is a Board Member of Lightspeed Communication W.L.L (based in Bahrain); and in Jordan-Dubai Islamic Bank (formerly Industrial Development Bank).

Mr. Deiranieh holds BSc in Accounting and Computer Science from Al-Yarmouk University, plus the award of scientific excellence from the same university. Also, Mr. Deiranieh holds a MSc in Accounting from the University of Jordan.

Mr. Tamouh Khauli (VP Orange Innovations and Corporate Integrated Solutions/CEO E-DC Ltd)

Mr. Khauli is the Vice President of Orange Innovations and Corporate Integrated Solutions CEO E-DC Ltd (previously e-dimension). He has held this position since 2002. Previously, Mr. Khauli held the position of Senior Vice President of Operations at Novell USA and topped his career achievements with four years working at the USDOD (United States Department of Defence) with concentration on the development of the Class 3 Public Key Infrastructure (PKI). During his career, Mr. Khauli led several research teams from various foremost companies and universities in the US including MIT. His research included telecommunication network infrastructure, communication platform security, e-commerce, e-Payment, e-government and other related topics.

In addition to his BSc in Business Administration and Computer Science from Oxford University, and Master's Degree from New York University, Mr. Khauli was certified by Novell as CNE (Certified Network Engineer) in 1990 and in 1994 he received his Microsoft CNE certification, combined with a third certification from Lucent USA as PSE (Platform Security Engineer).

Mr. Laurent Marini (VP Jordan Telecom Group Wholesale)

Mr. Laurent Marini is the VP Jordan Telecom Group Wholesale. He has held this position since October 2008. Mr. Marini brings with him nine years of technical, marketing and sales expertise. He was formerly Sales Director at the International Carrier Sales and Services Division of France Telecom and prior to that, he held positions such as Purchasing Manager, Strategic Account Manager and UK Sales Manager based in London for six years. Earlier in Paris, he worked at Lucent Technologies (Alcatel) as Pre-Sales Engineer designing Carrier Class DLS solutions and at Equant (Orange business services) as Customer Project Manager. Mr. Marini graduated from the Institute National des Telecommunications and holds a MSc in Telecommunication and IS engineering, a MBA in Business Management from

Universiy (Paris), and has attended leadership and entrepreneurship business programs at Cranfield and EM Lyon Business Schools.

Mr. Ahmed Salah (Chief Sourcing, Logistics and Quality Officer)

Mr. Salah is the Chief Sourcing, Logistics and Quality Officer. He has held this position since July 2008. His previous appointment of Chief Quality Assurance and Processes Officer commenced in January 2006. Prior to that, he was the Chief Quality Assurance and Processes Officer for (PJMC) since 2003. During his tenure with Orange Jordan, he also acted as the Chief Sales Officer for (PJMC), as well as the Chief Human Resources Officer for both (PJMC) and Jordan Telecom. Mr. Salah studied, lived and worked in the UK for 32 years and worked for British Telecommunication (BT) in various senior technical, managerial and commercial roles for 16 years.

Mr. Salah also acted as a Senior Consultant to the International Telecommunications Union and the Commonwealth Telecommunication Organization. He graduated in Computer Science.

Mr. Ammar Shaheen (Chief Human Resources Officer)

Mr. Shaheen is Orange Jordan's Chief Human Resources Officer. He has held this position since September, 2007.

Prior to that, Mr. Shaheen worked in the airline industry with Royal Jordanian Airlines as a financial analyst, budget controller, and then head of Management Accounting and Business Planning. Mr. Shaheen joined (PJMC) (now Orange mobile) in June 2000; four months before the official launch of the services as the second GSM operator in Jordan. He was heading the control department that includes accounting, budgeting and business planning, reporting and financial analyses.

Mr. Shaheen holds an MBA from the University of Jordan.

Mrs. Majd Shweikeh (VP Orange Personal/CEO PJMTC Ltd (Orange mobile))

Mrs. Shweikeh is the Vice President of Orange Personal and CEO PJMTC Ltd. She has held this position since January 2006. Mrs. Shweikeh is also a Board Member of the Social Security Corporation Investment Unit, and a member of the International Women Forum and the Young President's Association.

Prior to that, she was the Chief Financial Officer and member of the Operating Committee since 2000; Finance Manager at DHL, the international carrier service, since 1992; Project Accountant for budgeting and project planning at the American International Contractor Inc. (AICI) from 1988 to 1992; and an Auditor with Arthur Anderson. Mrs. Majd Shweikeh holds a first class Honors BSc in Finance from Yarmouk University, and she received the Certified Management Accountant certification from the USA.

Mr. Sami Smeirat (VP Orange Enterprise/CEO JDC Ltd)

Mr. Smeirat is the Vice President of Orange Enterprise and CEO JDC LTD. He has held this position since 2007. In 2003, he was the Chief Executive Officer of Wanadoo until it was re-branded to 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 moving to manage Consumer and Corporate Sales from 1999; and an Assistant of Teaching and Research at the University of Jordan for two years. Mr. Smeirat holds a BSc in Electrical Engineering from the University of Jordan, a MSc in Electrical Engineering and an MBA from NYIT (Jordan).

Mr. Amer Sunna (Chief Information Technologies and Network Officer)

Mr. Sunna is the Chief Information Technologies and Network Officer. He has held this position since July 2008. Prior to that, he worked since January 2006 as Chief Information Officer. He also worked since 2000 as the IT Director and then Chief Information Officer for (PJMC). Before joining Orange Jordan, he worked as a Technical Analyst at Emirates Telecommunication Corporation (ETISALAT/UAE).

Mr. Sunna holds a BSc in Electrical Engineering from the University of Jordan.

Mr. Philippe Vogeleer (Chief Strategy Officer/ Secretary General)

Mr. Vogeleer is the Chief Strategy Officer and Secretary General of Orange Jordan. He joined Orange Jordan in March 2006. Prior to that he has notably been working as the General Counsel and Head of the Program Office for the Open Seamless Alliance, an alliance coordinating the activities of the fixed and mobile affiliates of Orange France Telecom and their partners in the field of international wholesale and retail products and services. He also worked as Head of Regulatory Affairs for Mobistar, the Belgian subsidiary of Orange France Telecom. Prior to joining Orange France Telecom, he worked as Manager for Deloitte and Touche Tohmatsu International, where he provided consulting services to various media and telecommunications companies. Mr. Vogeleer is trained in a Management from INSEAD (France) and Stirling University (Scotland), and in Law from King's College London, KUL (Belgium), Universita di Padova (Italy), and UCL (Belgium).

Mrs. Wassila Zitoune (VP Orange Home)

Mrs. Wassila Zitoune is the Vice President of Orange home. She has held this position since July 2007. She was formally responsible for Marketing Strategic Segmentation in 1993, then as Senior Product Leader in GSM and Paging activities from 1995 to 1998, then as a Sales Director in Paris.

She was appointed in 2001 as the francetelecom.com channel director until 2004 before implementing and leading the Commercial Processes activities in France for all distribution channels from 2004 to 2006. She joined AMEA early 2006 as Executive Project Manager for International Business Development.

Mrs. Wassila Zitoune is a Civil Engineer and holds an MBA in Marketing from HEC Business School - France.

4. the names of shareholders who own 5% or more of the capital as of 31/12/2007, 31/12/2008:

Shareholders	No. of shares 31/12/2008	Shareholding% (2008)	No. of shares 31/12/2007	Shareholding% (2007)
Government of Jordan	7,500,000	3%	36,631,991	14.65%
Joint Investment Telecommunications Co.	127,499,999	51%	127,499,999	51%
Social Security Corporation	72,687,281	29.07%	43,514,790	17.40%
Noor Telecom	25,000,000	10%	25,000,000	10%
Total	**232,687,280**	**93.07%**	**232,646,780**	**93.05%**

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.

6. the degree of dependence on specific resources:

Jordan Telecom purchased 12% of it's total purchases from Alcatel.

7. the privileges enjoyed by the company:

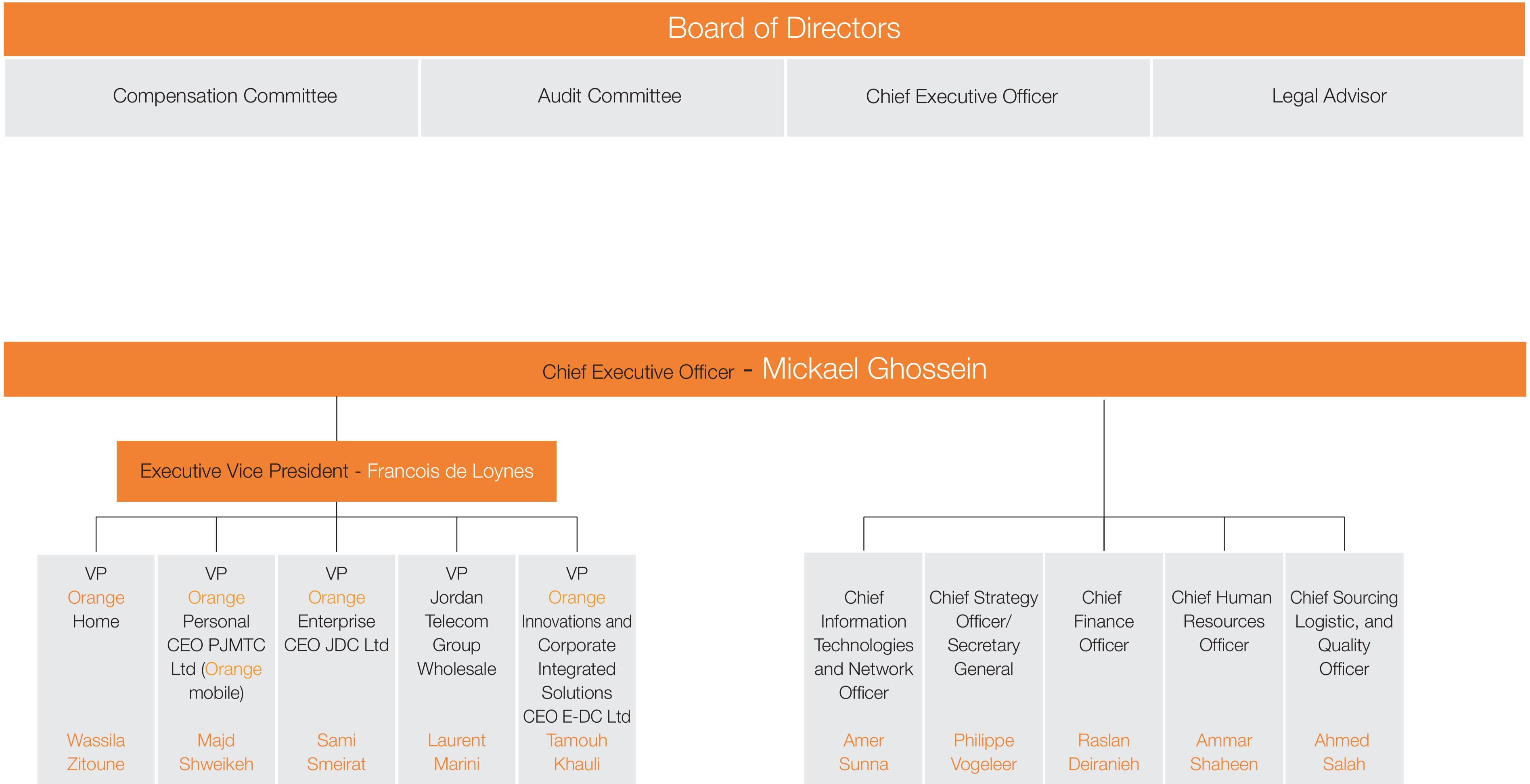
Jordan Telecom does not enjoy any privileges and does not hold any patent.

On the other hand, Jordan Telecom has the right to use the brand name of "Orange".

8. 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 9001:2000 standards
- ISO 14001:2004
- COBIT
- Six Sigma

9.a the organizational structure of Jordan Telecom Group:



9.b number of employees and type of qualifications:

Qualification	Mother Company JT (Orange fixed)	Petra Jordanian Mobile Tel.Com. (Orange mobile)	Jordan Data Communication Co. (Orange internet)	Lightspeed
Doctorate (PHD)	2	-	-	-
Master's	55	15	4	4
High Diploma	13	1	-	-
BA	967	378	30	18
Diploma	452	37	2	3
Tawjihi	301	22	4	15
Below Tawjihi	416	27	5	-
Total	**2,206**	**480**	**45**	**40**

9.c training programs during 2008:

No.	Description	Number of trainees
1.	Financial Courses	123
2.	Management Courses	916
3.	Marketing Courses	179
4.	Quality Courses	43
5.	Sales Courses	1,900
6.	Technical Courses	412
7.	Computer Courses	706
8.	Language Courses	30

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

Jordan Telecom Group faces risks of competition from mobile telecommunications and other telecom companies who serve fixed line services. However, its performance in 2008 was impressive as mentioned in the consolidated financial statements.

11. the achievements realized by Jordan Telecom Group:

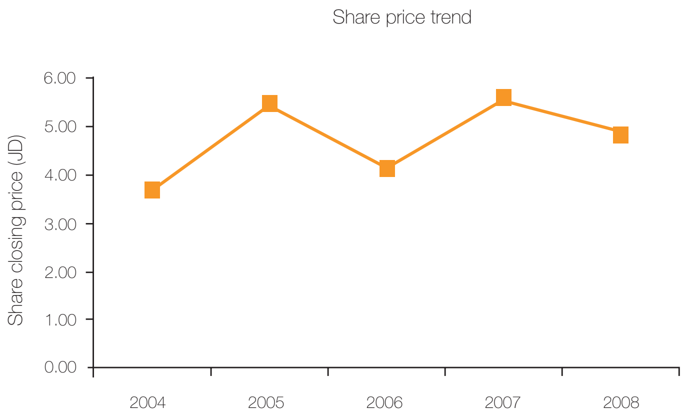
The achievements were mentioned in Jordan Telecom Group's results.

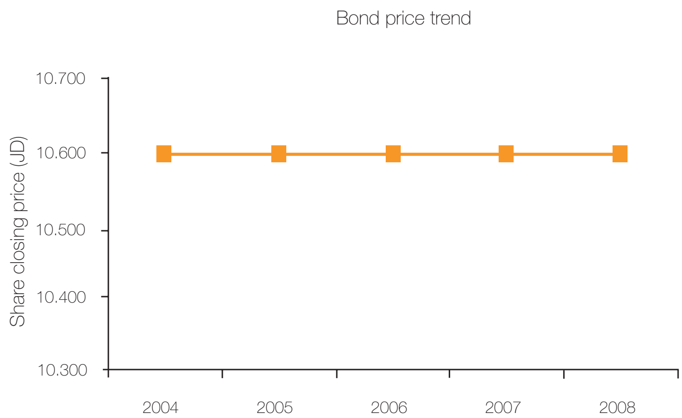
12. the operations of infrequent nature during 2008:

There is no financial impact for non recurring transaction that occurred during the fiscal year and unrelated to the core activity of Jordan Telecom Group.

13. the time series of profits, distributed dividends, shareholders' equity and shares prices issued by Jordan Telecom Group for five years

Description	2004	2005	2006	2007	2008
Profits in (JD)	46,145,972	86,361,691	86,986,351	94,500,428	100,298,024
Distributed dividends (JD)	45,000,000	85,000,000	85,000,000	95,000,000	100,000,000
Dividends %	18%	34%	34%	38%	40%
Shareholders equity (JD)	360,520,507	399,709,253	401,703,981	411,204,409	416,502,433
Shares prices (JD)	3.64	5.50	4.12	5.62	4.82
Bond prices (JD)	10,600	10,600	10,600	10,600	10,600





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 part is mentioned in "The future vision of the Group" (page 53).

16. the remuneration of the external auditor of Jordan Telecom Group and its subsidiaries during 2008

The company	Auditing remuneration (JD)	Other remunerations (JD)
Jordan Telecommunications Co, (Orange fixed)	48,000	59,000
Petra Jordanian Mobile Telecommunication Co, ltd, (Orange mobile)	44,000	9,000
Jordan Data Communication Co, Ltd, (Orange internet)	7,000	4,500
Dimension Company for Digital Development of Data Ltd, (e-dimension)	1000	-
Lightspeed Communication W.L.L	12,220	-

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 2008 for the members of the board of directors were JD122,770 and for the top management members were JD1,568,892.

19. donations and grants:

No.	Donations to	Amount
1.	General Security Department	23,063
2.	Salt Charity Society	200
3.	Association Hashimyat Al-Karak Al-Khayriyyah	1,000
4.	Al- Yobeel School	750
5.	Aesha Mohamed Talal Hawamdeh	2,000
6.	General Trade Union of workers in public services and free occupations	15,000
7.	Fuheis Latin Secondary School	500
8.	Baccalaureat School-Amman	600
9.	Orthodox Philanthropic Society	1,200

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

A management agreement was renewed between Orange Jordan and France Telecom on May 23rd, 2008, for three years.

21. major contributions by the company for the environment and the local community:

Some of the company's contribution in local community service:

Madrasati initiative

Orange Jordan and the Orange Foundation, France Telecom's Corporate social responsibility arm, signed an agreement with the Jordan River Foundation (JRF), whereby Orange Jordan granted JD500,000 to support the Madrasati initiative over the next five years. Madrasati initiative, the first of its kind initiative, was launched by Her Majesty Queen Rania Al-Abdullah in a bid to provide a better educational environment for school students.

Orange Jordan signs an agreement with JRF reviving Rasoun village

As a continuation of the joint project between Orange Foundation, France Telecom's corporate social responsibility arm, and Orange Jordan have signed an agreement with the Jordan River Foundation (JRF), supporting education, health, and social reform activities of Rasoun, a remote village situated within Ajloun Governorate.

Orange Jordan Football Team and Shabab Rasoun meet for a friendly game

In cooperation with the Jordan River Foundation (JRF), Orange Jordan organized a football game between Orange football team and Shabab Rasoun.
This event was timed to coincide with the World Youth Day and it was aimed at supporting Shabab Rasoun team, jointly sponsored by JRF's Youth Initiatives Unit.

Orange launches INJAZ School Adoption Project

Orange Jordan launched a plan to support seven schools within the INJAZ's School adoption project. This project aimed at creating economic opportunities for Jordanian youth.
Through this project, Orange Jordan worked to improve the schools' environment and facilities as both would have a direct impact on the educational and learning process. Additionally, it aimed to bring benefits and learnings from the experiences and skills of the employees volunteerism in strengthening the students' individual and leadership skills, as well as enhancing their economic concepts. It achieved this goal by offering different training courses; set to foster improvements in their work efficiencies as well as their social and economic skills.
The adopted schools were divided into seven different areas throughout the Kingdom. This distribution comes in an attempt to spread the benefit and reach areas within and beyond Amman, namely Irbid, Karak, Wadi Musa and Ma'an. 43 Orange volunteers involved in the long term project to received applause and recognition from Mickael Ghossein, CEO of Orange Jordan.

Orange Jordan sponsored the International Table Tennis Championship for the Disabled

Orange Jordan sponsored the International Table Tennis Championship for the Disabled which was held under the patronage of HRH Prince Raad Bin Zeid, Chairman of the International Paralympic Table Tennis Committee, and organized by the National Club for Physically Handicapped in cooperation with the Jordan Sports Federation for the Handicapped.
The Championship witnessed a huge participation of 65 players from 12 countries.

Orange Jordan employees participated in the 15th Annual Dead Sea Ultra Marathon supporting the Neurological patients in Jordan

Conscious of its social responsibility towards Jordan, and its commitment towards supporting the Kingdom's initiatives, Orange Jordan with the participation of its employees took part in the15th Annual Dead Sea Ultra Marathon, an event held under the patronage of HRH Prince Raad Bin Zeid and organized by the Society for Care of Neurological Patients.
The race began in Amman at Amman International Motor Show and ended at the Dead Sea with the participation of 3,300 runners from 48 Arab and foreign countries including Orange Jordan's employees.

Queen Rania Initiative to prevent domestic violence "Family support line 110"

Orange Jordan provided fixed and mobile lines for cases concerning family support through the Jordan River Foundation. The lines will provide three main services such as specialized consulting, psychological guidance and support and diverting these cases to partner companies which include the Legal Council, Ministry of Education, Ministry of Health, Ministry of Social Development, Higher Youth Council, National Council of Family Cases, General Security Directorate, Jordan River Foundation, Jordanian Hashemite Fund for Human Development, Jordanian Women's Union, the legal group for human rights and the Family Guidance and Counseling Center.

Orange Jordan provides WiFi services at Investment and Real Estate Expo 2008

Orange Jordan sponsored the Third International Exhibition for Material, Construction Techniques and Internal Infrastructure for Jordan and the region (Investment and Real Estate Expo 2008), which was inaugurated by His Excellency, the Prime Minister, Nader Dahabi at Zara Expo Amman.

Orange Jordan further highlights its prominent participation at Jordan Job Fair and Training Expo 2008

Orange Jordan sponsored and supported the Jordan Job Fair and Training Expo 2008, by providing WiFi, and through establishing a media and services center equipped with computers, printers and faxes, as well as, other telecommunications devices serving the media, participants and visitors, thus making it easy for job seekers to send their CVs and their recruitment applications.

Orange Jordan's further contribution to the National Goodwill campaign

Orange Jordan supported the national goodwill campaign chaired by HRH Princess Basma Bint Talal, and which aimes at providing medical care services, income generating projects and educational assistance to needy families across the Kingdom.

Orange sponsors Queen Rania Center for Entrepreneurship for the 3rd consecutive year

Queen Rania Center for Entrepreneurship (QRCE) aims to provide Jordan's youth with the tools needed to excel in the Kingdom's highly competitive corporate arena.

Orange Jordan renews partnership with Tkiyet Um Ali

Stemming from Orange's belief in effective and real partnerships with civic society institutes and for the 4th year running, Orange Jordan renewed partnership with Tkiyet Um Ali supporting its Ramadan campaign, "I have a dream… My dream is possible".
The campaign provides for the needs of the less fortunate and underprivileged families throughout the month of Ramadan by distributing food parcels to 685 families in different parts of the Kingdom.

- Orange Jordan supports the fundraising Gala held ahead the launch of the Middle East Institute for Music Therapy
- In cooperation with Abu Nseir Sports Club, Orange Jordan sponsored the 3rd Arab Wrestling Clubs Championship
- Orange Jordan acted as main sponsor for The International Women's Forum (Jordan) launched the Leadership Enhancement and Mentoring program (LEMP)
- Orange Jordan supported culture and bi-lateral relations though the French Cultural Center
- Orange Jordan welcomed spring time with a special carnival that toured different parts of Jordan.
- Orange Jordan supports the "Ethics" campaign at the University of Jordan
- Orange Jordan sponsors Al-Fuheis 18th Festival, bringing together cultural and community activities in one major event and placing Al-Fuheis as a tourism destination.
- Orange Jordan participates in the Information Technology, Adaptation and Innovation Camp

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
Dr. Shabib Ammari	Mr. Marc Rennard	Mr. Michel Monzani

Member of the Board	Member of the Board	Member of the Board
Mr. Hugues de Verdalle	Miss. Asima Doghan	Eng. Abdel Rahman El- Khatib

Member of the Board
H.E. Akel Biltaji

3.The company confirms the accuracy and completion of the information and statements set out in the report.

Chairman of the Board	Chief Executive Officer	Chief Financial Officer
Dr. Shabib Ammari	Mr. Mickael Ghossein	Mr. Raslan Deiranieh

Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

AUDITORS' REPORT TO THE SHAREHOLDERS OF JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM) PUBLIC SHAREHOLDING COMPANY

We have audited the accompanying financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company and its subsidiaries ('the Group') which comprise the consolidated balance sheet as at 31 December 2008 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Amman – Jordan
22 January 2009

Jordan Telecommunications Company (Jordan Telecom)
Public shareholding company
Consolidated balance sheet
As at 31 December 2008

	Notes	2008 JD	2007 JD
ASSETS			
Non-current assets			
Property and equipment	4	236,252,302	239,667,671
Goodwill	5, 6	1,421,157	3,542,760
Intangible assets	7	12,992,767	8,055,310
Deferred tax assets	8	2,289,869	6,748,052
		252,956,095	258,013,793
Current assets			
Inventories	9	8,485,065	4,574,787
Trade receivables and other current assets	10	54,759,291	61,874,996
Balances due from telecom operators	11	18,026,779	16,810,382
Cash and short-term deposits	12	341,918,405	323,368,757
		423,189,540	406,628,922
TOTAL ASSETS		**676,145,635**	**664,642,715**
EQUITY AND LIABILITIES			
Equity			
Paid in capital	13	250,000,000	250,000,000
Statutory reserve	14	62,500,000	62,500,000
Retained earnings	15	104,002,433	98,704,409
		416,502,433	411,204,409
Minority interests		(629,865)	331,669
Total equity		415,872,568	411,536,078
Non-current liabilities			
Interest- bearing loans	16	8,227,946	8,986,162
Bonds	17	25,000,000	25,000,000
Employees' end of service benefits	18	16,669,035	13,045,935
		49,896,981	47,032,097
Current liabilities			
Trade payables, accruals and other current liabilities	19	164,814,838	165,984,947
Balances due to telecom operators	11	45,029,501	39,544,098
Interest- bearing loans	16	531,747	545,495
		210,376,086	206,074,540
TOTAL EQUITY AND LIABILITIES		**676,145,635**	**664,642,715**

The attached notes 1 to 28 form part of these consolidated financial statements.

Jordan Telecommunications Company (Jordan Telecom Company)
Public shareholding company
Consolidated income statment
For the year ended 31 December 2008

	Notes	2008 JD	2007 JD
Net revenues		401,410,823	397,868,139
Cost of services		(136,820,777)	(135,032,861)
Gross margin		**264,590,046**	**262,835,278**
Administrative expenses		(27,673,922)	(32,974,071)
Selling and distribution expenses		(37,198,625)	(39,367,370)
Government revenue share	20	(12,696,002)	(13,873,938)
Management and branding fees	21	(8,551,515)	(6,317,298)
Depreciation, amortization and impairment		(54,032,657)	(53,819,585)
PROFIT FROM OPERATIONS		**124,437,325**	**116,483,016**
Goodwill impairment loss	6	(2,121,603)	-
Net foreign exchange differences		718,848	34,056
Finance costs		(2,177,720)	(2,190,526)
Finance income		18,690,007	16,782,349
Other income		575,528	159,576
Other fees	22	(2,876,487)	(3,447,840)
PROFIT BEFORE INCOME TAX		**137,245,898**	**127,820,631**
Income tax expense	8	(37,909,408)	(34,074,845)
PROFIT FOR THE YEAR		**99,336,490**	**93,745,786**
Attributed to:			
Equity holders of parent		100,298,024	94,500,428
Minority interests		(961,534)	(754,642)
		99,336,490	**93,745,786**
Earnings per share **For profit for the year attributable to the equity holders of Jordan Telecom** • Basic and diluted	23	**0.401**	**0.378**

The attached notes 1 to 28 form part of these consolidated financial statements.

Jordan Telecommunications Company (Jordan Telecom Company)
Public shareholding company
Consolidated statement of changes in equity
For the year ended 31 December 2008

	Attributable to equity holders of the parent.					
	Paid in capital JD	Statutory reserve JD	Retained earnings JD	Total JD	Minority interests JD	Total equity JD
At 1 January 2008	250,000,000	62,500,000	98,704,409	411,204,409	331,669	411,536,078
Dividends paid (Note 15)	-	-	(95,000,000)	(95,000,000)	-	(95,000,000)
Profit for the year	-	-	100,298,024	100,298,024	(961,534)	99,336,490
Balance at 31 December 2008	**250,000,000**	**62,500,000**	**104,002,433**	**416,502,433**	**(629,865)**	**415,872,568**
Balance at 1 January 2007	250,000,000	62,500,000	89,203,981	401,703,981	-	401,703,981
Dividends paid	-	-	(85,000,000)	(85,000,000)	-	(85,000,000)
Minority interest on acquisition of subsidiary	-	-	-	-	1,086,311	1,086,311
Profit for the year	-	-	94,500,428	94,500,428	(754,642)	93,745,786
Balance at 31 December 2007	**250,000,000**	**62,500,000**	**98,704,409**	**411,204,409**	**331,669**	**411,536,078**

The attached notes 1 to 28 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 2008

	2008 JD	2007 JD
Cash flows from Operating activities		
Profit before income tax	137,245,898	127,820,631
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Non-cash:		
Finance costs	2,177,720	2,190,526
Finance income	(18,690,007)	(16,782,349)
Bad debts expense	3,710,961	6,585,068
Provision for slow moving inventory items	114,555	272,155
Depreciation and impairment of property and equipment	52,919,528	51,789,270
Amortization and impairment of intangible assets	1,113,129	2,030,315
Goodwill impairment loss	2,121,603	-
Employees' end of service benefits	3,623,100	1,362,098
Gain from sale of property and equipment	(575,528)	(264,410)
Foreign currency exchange differences	(205,212)	881,984
Working capital adjustments:		
Inventories	(4,024,833)	(394,242)
Trade receivables and other current assets	4,764,170	(16,717,283)
Balances due from telecom operators	(1,297,732)	(9,960,011)
Trade payables, accruals and other current liabilities	3,333,145	25,466,435
Balances due to telecom operators	5,485,403	16,425,953
Income tax paid	(37,625,000)	(20,747,567)
Net cash flows from operating activities	**154,190,900**	**169,958,573**
Cash flow from investing activities		
Purchase of property and equipment	(49,753,057)	(59,806,231)
Proceeds from disposal of property and equipment	824,426	360,798
Increase in intangible assets	(6,050,586)	(25,000)
Acquisition of a subsidiary, net of cash acquired	-	(3,158,278)
Finance revenue received	17,411,916	15,692,383
Net cash flows used in investing activities	**(37,567,301)**	**(46,936,328)**
Cash flows from financing activities		
Repayment of interest bearing loans	(566,752)	(1,929,060)
Dividends paid	(95,329,479)	(84,961,606)
Finance costs paid	(2,177,720)	(2,190,526)
Net cash flows used in financing activities	**(98,073,951)**	**(89,081,192)**
Net increase in cash and short term deposits	18,549,648	33,941,053
Cash and short term deposits at 1 January	323,368,757	289,427,704
Cash and Short term deposits at 31 December	**341,918,405**	**323,368,757**

The attached notes 1 to 28 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 2008 were authorized for issue in accordance with a resolution of the Board of Directors on 22 January 2009

The principle 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 are presented in Jordanian Dinars which represents the functional currency of the Group.

Statement of compliance
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).

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 as at 31 December each year.

Subsidiaries are fully consolidated from the date Jordan Telecommunications Company 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 that are recognised in assets, are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new IFRIC interpretations during the year:
- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions

The Group has also early adopted the following IFRS and IFRIC interpreations as of 1 January 2008.
- IFRS 8 Operating Segments
- IFRIC 13 Customer Loyalty Programmes

The principal effects of these changes are as follows:
IFRIC 11 IFRS 2 – Group and Treasury Share Transactions
This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. There has been no effect of this change as no such instruments were issued.

IFRS 8 Operating Segments
The IASB issued IFRS 8 in November 2006. IFRS replaces IAS 14 Segment Reporting. The Group early adopted this amendment as of 1 January 2008. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note 3.

IFRIC 13 Customer Loyalty Programmes
This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. There has been no effect of this change as this treatment is in line with the Group's existing treatment.

2.3 Standards Issued But Not Yet Effective

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements
The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 Statement of Cash Flows, IAS 12 Income Taxes, IAS 21 The Effects of Changes in Foreign Exchange Rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control and transactions with minority interests.

IAS 1 Presentation of Financial Statements (Revised)
The revised Standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
These amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for financial years beginning on or after 1 January 2009. The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfill a number of specified features. The amendments to the standards will have no impact on the financial position or performance of the Group, as the Group has not issued such instruments.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 16 was issued in July 2008 and becomes effective for financial years beginning on or after 1 October 2008. The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the Group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Group is currently assessing which accounting policy to adopt for the recycling on disposal of the net investment.

IFRS 2 Share-based Payment (Revised)
The IASB issued an amendment to IFRS 2 in January 2008 that clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. This amendment becomes effective for annual periods beginning on or after 1 January 2009. The amendment is not expected to have any impact on the financial position or performance of the Group.

IAS 23 Borrowing Costs (Revised)
The IASB issued an amendment to IAS 23 in April 2007. The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. This amendment becomes effective for annual periods beginning on or after 1 January 2009. The amendment is not expected to have any impact on the financial position or performance of the Group.

2.4 Use of estimates

The preparation of the 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 allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of 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 and bonds
All loans and bonds are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

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

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

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 income statement.

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 recognized in the consolidated income statement. 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 recognized as an expense when incurred.

Business combinations and Goodwill

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 acquisitions, irrespective of the extent of any minority interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generated units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangibles 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 as 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 these 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 recognized 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 recognized 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 taxation authorities. The tax rates and tax laws used are those that are enacted or substantially enacted by the balance sheet date.

Deferred income tax

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

Deferred income tax assets are recognized 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 balance sheet 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 balance sheet 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 balance sheet.

Impairment and unrecoverability of financial assets
The Group at each balance sheet date assesses whether there is an indication that a financial asset or group of financial assets may be impaired. If such indications exists, the estimated recoverable amount of that asset 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 recognized in the consolidated income statement.

Provisions
Provisions are recognized 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 able to be reliably measured.

Revenue recognition
Revenues from Jordan Telecom activities are recognized as follows:

Service revenues
Telephone service and Internet access subscription fees are recognized in revenue on a straight-line basis over the service period.

Charges for incoming and outgoing telephone calls are recognized in revenue when the service is rendered.

Revenue- sharing arrangements are recognized 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 recognized 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 and receives a commission for signing up the customer, the related revenue is recognized when the equipment is sold to the end-customer in an amount reflecting the Group's best estimate of the retail price.

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 recognized as an expense in the consolidated income statement 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 balance sheet date. All differences resulted from the retranslation are taken to the income statement.

3. Segment information

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced.

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different 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.

Jordan Telecommunications Company (Jordan Telecom)
Public shareholding company
Notes to the consolidated financial statements
At 31 December 2008

The following tables present revenues and profit and certain assets and liabilities information regarding the Group's business segments for the years ended 31 December 2008 and 2007.

Year ended 31 December 2008

	Fixed line voice JD	Mobile Communication JD	Data services JD	Total JD
Net Revenues				
Net revenues to external customers	201,637,722	179,104,569	20,668,532	401,410,823
Inter-segment revenues	41,156,789	7,861,291	512,078	49,530,158
	242,794,511	**186,965,860**	**21,180,610**	**450,940,981**
Segment results				
Operating profit before depreciation, amortization and impairment of assets	70,585,025	94,146,489	13,738,468	178,469,982
Depreciation, amortization and impairment				(54,032,657)
Goodwill impairment loss				(2,121,603)
Net foreign exchange differences				718,848
Finance costs				(2,177,720)
Finance income				18,690,007
Other income				575,528
Income tax expense				(37,909,408)
Other fees				(2,876,487)
Profit for the year				**99,336,490**
Assets and liabilities				
Segment assets	**412,368,612**	**250,935,848**	**12,841,175**	**676,145,635**
Segment liabilities	**162,030,264**	**87,542,832**	**10,699,971**	**260,273,067**
Other segment information				
Property and equipment	125,020,751	108,619,962	2,611,589	236,252,302
Intangible assets	9,028,457	3,794,372	169,938	12,992,767

Year ended 31 December 2007

	Fixed line voice JD	Mobile Communication JD	Data Services JD	Total JD
Net Revenues				
Net revenues to external customers	210,168,089	173,942,842	13,757,208	397,868,139
Inter-segment revenues	33,287,173	9,578,880	376,979	43,243,032
	243,455,262	**183,521,722**	**14,134,187**	**441,111,171**
Segment results				
Operating profit before depreciation, amortization and impairment of assets	75,416,375	87,378,764	7,507,462	170,302,601
Depreciation, amortization and impairment				(53,819,585)
Net foreign exchange differences				34.056
Finance costs				(2,190,526)
Finance income				16,782,349
Other income				159,576
Income tax expense				(34,074,845)
Other fees				(3,447,840)
Profit for the year				**93,745,786**
Assets and liabilities				
Segment assets	**419,515,734**	**234,663,249**	**10,463,732**	**664,642,715**
Segment liabilities	**156,535,440**	**89,123,089**	**7,448,108**	**253,106,637**
Other segment information				
Property and equipment	135,475,538	102,093,959	2,098,174	239,667,671
Intangible assets	3,517,479	4,465,333	72,498	8,055,310

4. Property and equipment

2008	Land and buildings JD	Telecommunications equipment JD	Other property and equipment JD	Projects-in-progress JD	Total JD
Cost:					
At 1 January 2008	80,571,562	564,835,481	66,452,918	9,896,812	721,756,773
Additions	476,760	47,759,140	1,255,157	262,000	49,753,057
Completed projects transferred to property and equipment	59,780	4,767,067	3,625	(4,830,472)	-
Disposals	(97,833)	(8,568,291)	(940,998)	-	(9,607,122)
At 31 December 2008	81,010,269	608,793,397	66,770,702	5,328,340	761,902,708
Depreciation:					
At 1 January 2008	29,134,159	397,826,362	55,128,581	-	482,089,102
Depreciation and impairment of assets	2,409,769	49,373,842	1,135,917	-	52,919,528
Disposals	(69,910)	(8,350,743)	(937,571)	-	(9,358,224)
At 31 December 2008	31,474,018	438,849,461	55,326,927	-	525,650,406
Net book value:					
At 31 December 2008	**49,536,251**	**169,943,936**	**11,443,775**	**5,328,340**	**236,252,302**

Land and buildings include land amounting to JD 481,138 (2007: JD 481,138) owned by the Government of Jordan, which is used by the Group for the public benefit.

During 2008, an amount of JD 131,259 (2007: JD 511,461) was reported as impairment in property and equipment relating to mobile segment. The impairment was recorded by writing down the value of the related property and equipment to its recoverable amount.

4. Property and equipment (continued)

2007	Land and buildings JD	Telecommunications equipment JD	Other property and equipment JD	Projects-in-progress JD	Total JD
Cost:					
At 1 January 2007	80,160,370	512,252,721	58,311,669	10,062,375	660,787,135
Additions	217,866	46,105,771	2,848,565	10,634,029	59,806,231
Upon acquisition of subsidiary (Note 5)	-	-	2,079,806	-	2,079,806
Completed projects transferred to property and equipment	38,815	6,774,951	3,985,826	(10,799,592)	-
Disposals	-	(297,852)	(618,436)	-	(916,288)
Other adjustments	115,262	-	(115,262)	-	-
At 31 December 2007	80,532,313	564,835,591	66,492,168	9,896,812	721,756,884
Depreciation:					
At 1 January 2007	26,801,180	352,510,772	51,192,329	-	430,504,281
Depreciation and impairment of assets	2,226,320	45,530,365	4,032,585	-	51,789,270
Upon acquisition of subsidiary (Note 5)	-	-	615,562	-	615,562
Disposals	-	(214,664)	(605,236)	-	(819,900)
Other adjustments	106,659	-	(106,659)	-	-
At 31 December 2007	29,134,159	397,826,473	55,128,581	-	482,089,213
Net book value:					
At 31 December 2007	**51,398,154**	**167,009,118**	**11,363,587**	**9,896,812**	**239,667,671**

During 2007, the Group has reviewed the classifications within the property and equipment. This has resulted in reclassifying part of the property and equipment with a net book value amounting to JD1,082,627 from intangible assets category. The reclassification made did not have any material impact on the depreciation charge for 2007.

5. Business combination

Acquisition of Light Speed Communications W.L.L.

On 15 April 2007, the Group acquired 51% of the voting shares of Light Speed Communications W.L.L., an unlisted company in the Kingdom of Bahrain offering telecommunication services.

	Carrying values of assets recognized on acquisition JD
Property and equipment	1,464,241
Intangible assets	253,317
Trade receivables and other currents assets	112,913
Cash and bank balances	2,444
	1,832,915
Non-current portion of finance lease	(935,174)
Trade payables and accruals	(1,257,463)
Current portion of finance lease	(506,490)
Equity minority interests	484,174
	(2,214,953)
Net assets acquired	(382,038)
Goodwill arising on acquisition	3,542,760
Total acquisition cost	**3,160,722**

Fair values are not materially different from the carrying value.

The total acquisition cost comprised cash payment attributable to the acquisition:

	JD
Cash out flow on acquisition:	
Cash paid	(3,160,722)
Net cash acquired with the subsidiary	2,444
Net cash out flow	**(3,158,278)**

During 2008, good will was tested for impairment (Note 6).

6. Impairment testing for goodwill

Goodwill acquired through business combinations has been allocated to cash-generating units for impairment testing which resulted from the acquisition of Light Speed Communications.

Carrying amount of goodwill allocated is as follows:

	2008	2007
Goodwill	3,542,760	3,542,760
Impairment loss	(2,121,603)	-
Carrying amount	**1,421,157**	**3,542,760**

The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.
The pre-tax discount rate applied to cash flow projections is 13.3% and cash flows beyond the 5-year period are extrapolated using a 20% growth rate that is the same as the long-term average growth rate for Light Speed Communications.

Key assumptions used in value-in-use calculations
The calculations of value-in-use are most sensitive to the following assumptions:

Gross margins – Gross margins are based on average values achieved in the two years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

Market share assumptions – These assumptions are important because, as well as using industry data for growth rates (as noted below) management assess how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of Light Speed Communications market to be stable over the budget period.

Growth rate estimates – Rates are based on published industry research.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

7. Intangible assets

	Flag access rights JD	Mobile operating license and frequency rights JD	Other intangibles JD	Total JD
Cost:				
At 1 January 2008	6,321,139	8,997,657	678,482	15,997,278
Additions	5,935,365	-	115,221	6,050,586
At 31 December 2008	12,256,504	8,997,657	793,703	22,047,864
Amortization:				
At 1 January 2008	2,803,660	4,618,449	519,859	7,941,968
Amortization	424,387	647,644	41,098	1,113,129
At 31 December 2008	3,228,047	5,266,093	560,957	9,055,097
Net book value -				
31 December 2008	**9,028,457**	**3,731,564**	**232,746**	**12,992,767**
31 December 2007	3,517,479	4,379,208	158,623	8,055,310

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.

During 2007, an impairment of JD909,588 has been booked due to decrease of FLAG rates comparing to 2006 rates, no such event occurred in 2008.

8. Income tax

Major components of income tax expense for the years ended 31 December 2008 and 2007:

	2008 JD	2007 JD
Consolidated income statement		
Income tax charge – current year	33,451,225	35,249,961
Deferred income tax income expense (benefits)		
Allowance for doubtful accounts	4,197,195	(1,394,482)
Impairment of property and equipment	360,000	391,998
Interest capitalized	75,000	75,000
End of service benefits	(174,012)	(247,632)
Income tax expense reported in the consolidated income statement	**37,909,408**	**34,074,845**

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 31 December 2008 and 2007 is as follows:

	2008 JD	2007 JD
Accounting profit before income tax	138,207,432	128,575,273
At statutory income tax rate of 25%	34,551,858	32,143,818
Tax adjustments for:		
Subsidiaries' losses	275,162	251,141
Debts written off	(4,573,450)	-
Allowance for doubtful accounts	900,269	1,643,267
Expenses and provisions not allowable for income tax purposes	2,732,386	1,502,382
Previous years' tax returns differences	(435,000)	(290,646)
Deferred tax assets	4,458,183	(1,175,117)
Income tax expense reported in the consolidated income statement at effective income tax rate of 27.4% (2007: 26.5%)	**37,909,408**	**34,074,845**

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

	2008 JD	2007 JD
Allowance for doubtful accounts	(1,718,820)	2,478,375
Impairment of property and equipment	(56,640)	303,360
Legal cases provision	418,142	418,142
Interest capitalized	100,000	175,000
End of service benefits	3,547,187	3,373,175
	2,289,869	**6,748,052**

Income tax assessments have been agreed with the Income Tax Department for all the years up to 31 December 2006 for Jordan Telecom and Jordan Data Communications, and up to 31 December 2005 for Petra Jordanian Mobile Communications. Currently the Income tax Department is reviewing the Group income tax position for 2007.

9. Inventories

	2008 JD	2007 JD
Materials and supplies	5,361,602	4,473,303
Handsets and others	5,001,112	1,874,405
Provision for damaged and slow moving materials and supplies	(2,228,114)	(2,129,147)
	8,134,600	4,218,561
In transit materials and supplies	350,465	356,226
	8,485,065	**4,574,787**

The materials and supplies are held for own use and are not for resale.

Movements on the provision for obsolete and slow moving materials and supplies were as follows:

	2008 JD	2007 JD
Opening balance	2,129,147	1,875,649
Additions	114,555	272,155
Write off	(15,588)	(18,657)
	2,228,114	**2,129,147**

10. Trade receivables and other current assets

	2008 JD	2007 JD
Trade receivables	57,218,259	80,489,797
Unbilled revenue	17,944,675	15,430,558
	75,162,934	95,920,355
Allowance for doubtful accounts	(37,989,531)	(52,653,706)
	37,173,403	43,266,649
Amounts due from related parties	499,416	1,322,872
Other current assets	17,086,472	17,285,475
	54,759,291	**61,874,996**

Trade receivable are non-interest bearing. The Group does not obtain collateral over trade receivables except for distributors trade receivable.
As at 31 December 2008, trade receivables at nominal value of JD 37,989,531 (2007: JD 52,653,706) were impaired and fully provided for.

Movement in the allowance for doubtful accounts were as follows:

	2008 JD	2007 JD
Opening balance	52,653,706	46,930,824
Charge for the year	3,629,626	6,585,068
Write offs	(18,293,801)	(862,186)
Ending balance	**37,989,531**	**52,653,706**

As at 31 December, the ageing analysis of 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
2008	17,944,675	10,576,969	5,752,140	2,780,664	118,955	37,173,403
2007	15,430,558	11,913,826	9,758,017	3,442,800	2,721,448	43,266,649

Management determines the doubtful debts on customer's 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.

11. 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 set-off. The net balances as of 31 December 2008 and 2007 are as follows:

	2008 JD	2007 JD
Balances due from telecom operators	21,866,218	20,568,486
Allowance for doubtful accounts	(3,839,439)	(3,758,104)
Balances due from telecom operators	**18,026,779**	**16,810,382**
Balances due to telecom operators	**45,029,501**	**39,544,098**

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

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	180-270 days JD	>271 days JD	Total JD
2008	2,067,560	6,218,673	4,025,012	4,532,787	1,182,747	18,026,779
2007	1,597,814	12,232,606	2,307,817	535,515	136,630	16,810,382

Unimpaired receivables are expected to be fully recoverable.

12. 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, Euro and US Dollars amounting to JD 347,891,375 as of 31 December 2008 and JD 335,170,268 as of 31 December 2007 with an effective interest rate of 6.03%, 2.84% and 1.11% respectively (2007: JD 6.25%, Euro 3.6% and US $ 4.5%).

13. Paid in capital

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

14. 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.

15. Dividends paid and proposed

The Board of Directors will propose a cash dividend for 2008 of JD 0.40 per share totalling JD 100,000,000 which is subject to the approval of the General Assembly.

During the year, dividends of JD 0.38 per share totalling JD 95,000,000 relating to 2007 were declared and paid.

16. Interest-bearing loans

	2008 JD	2007 JD
Current		
French government protocol/second loan	379,823	389,644
French government protocol/third loan	151,924	155,851
	531,747	**545,495**

	2008 JD	2007 JD
Non-current		
French government protocol/ second loan	6,631,350	7,192,436
French government protocol/ third loan	1,596,596	1,793,726
	8,227,946	**8,986,162**

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 six 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 FRF15,000,000 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 six 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.

17. Bonds

On 9 July 2002, the Group issued bonds for a total of JD 25 million. The bonds were listed on Amman Stock Exchange and bear a fixed interest rate of 7.25% for the first five years and the average of Prime Lending Rates of reference banks minus 0.25% will apply for the remaining period. The interest is payable on 9 January and 9 July of each calendar year. The bonds are due on 9 July 2010.

18. Employees' end of service benefits

In accordance with the Group's by-laws, the Group provides end of service benefits for its employees. The amounts recognized in the balance sheet in respect of end of service benefits are as follows:

	2008 JD	2007 JD
Provision at 1 January	13,045,935	11,683,837
Expenses recognized in the income statement	4,276,564	4,212,875
End of service benefits paid	(653,464)	(2,850,777)
Provision at 31 December	**16,669,035**	**13,045,935**
The principal actuarial assumptions used:		
Discount rate at 31 December	6.5%	5.5%
Expected rate of increase of employee remuneration	5.5%	4%
Average length of employee service	16.5 years	16.5 years
Present value of end of service provision	**16,669,035**	**13,045,935**

There are no material actuarial gains or losses.

19. Trade payables, accruals and other current liabilities

	2008 JD	2007 JD
Accrued expenses	49,228,707	64,079,401
Subscribers' deposits	18,321,273	18,071,687
Deferred revenues	17,979,875	15,422,848
Amounts due to related parties	3,949,888	435,414
Government revenue sharing	12,696,002	13,873,938
Trade creditors	62,379,794	53,600,568
Contracts retentions	259,299	501,091
	164,814,838	**165,984,947**

20. Government revenue share

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

21. Management and branding fees

The Group calculates and pays management fees to France Telecom, in accordance with the agreement signed between the Group and France Telecom.

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

22. Other fees

	2008 JD	2007 JD
Jordanian universities fees	915,414	1,180,616
Scientific research and vocational training fees	915,414	952,247
Vocational and technical training fund fees	1,045,659	1,314,977
	2,876,487	**3,447,840**

23. Earnings per share

	2008	2007
Profit for the year (JD)	100,298,024	94,500,428
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share (JD)	**0.401**	**0.378**

No figure for diluted earning per share has been calculated as there is no dilutive potential ordinary share outstanding.

24. Related parties disclosures

The financial statements include the financial statements of Jordan Telecommunications Company and the subsidiaries listed in the following table:

	Country of incorporation	Percentage of equity interest		Description of Service
		2008	2007	
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	Kingdom of Bahrain	51 %	51 %	Data

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

The following table provides the total amount of transactions which have been entered into with related parties;

	2008 JD	2007 JD
Management and branding fees	8,551,515	6,317,298
Operating expenses	6,536,407	4,214,406
Revenues	30,106,861	35,301,066
Government revenue share	12,696,002	13,873,938
Executives salaries and bonus	1,440,530	1,540,433
Board of directors bonus	136,630	136,086

Balances due from and to related parties are disclosed in notes 10 and 19 to these consolidated financial statements.

25. Commitments and contingencies

Operating lease commitments
The Group has entered into operating leases on land and building. These leases have an average life between 1 to 3 years.

	2008 JD	2007 JD
Within one year	5,354,640	4,429,963
After one year but less than five years	-	42,417
	5,354,640	**4,472,380**

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 JD5,133,167 as of December 31, 2008 (2007: JD13,649,670).

Legal claim
The Group is a defendant in a number of lawsuits with a value of JD31,426,607 (2007: JD17,202,270) 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 JD1,672,567 has been made.

The custom department is claiming custom fees and sales tax amounting JD10,514,764 until the end of the year 2003 on imported machinery, equipment, operators and cables used in the Group's infrastructure. The management and its legal advisors believe that there are no basis for this claim, since the Group was exempted from custom fees and sales tax on imported and local purchases in accordance with the Council of Ministers resolution.

Guarantees
The Group has given letters of guarantee limited to JD895,478 (2007: JD13,443,299) in respect of legal claims and performance bonds.

26. 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 income statement 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 2008.

The following table demonstrates the sensitivity of the income statement to reasonably possible changes in interest rates, with all other variables held constant. There is no impact on the Group's equity.

2008	Change in interest rate %	Effect on profit for the year JD
JD	1	3,362,295
USD	1	40,174
EUR	1	76,444

2007	Change in interest rate %	Effect on profit for the year JD
JD	1	3,075,678
USD	1	148,038
EUR	1	127,987

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

Credit risk

It is the risk that other parties will fail to discharge their obligations to the Group. The Group manages the credit risk with its customers by establishing credit limits for customers' balances and also disconnects the services for customers exceeding certain limits for 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 also 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 of the date of sale.

The table below summarises the maturities of the Group's financial liabilities at 31 December 2008, based on contractual undiscounted payment

Year ended 31 December 2008	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Bonds	-	-	27,159,000	-	27,159,000
Accounts payable	55,751,236	10,578,446	-	-	66,329,682
Balances due to telecom operators	22,514,750	22,514,751	-	-	45,029,501
Term loan	133,370	400,737	2,746,534	6,813,722	10,094,363
Total	**78,399,356**	**33,493,934**	**29,905,534**	**6,813,722**	**148,612,546**

Year ended 31 December 2007	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Bonds	-	-	27,975,000	-	27,975,000
Accounts payable	45,381,629	40,748,467	-	-	86,130,096
Balances due to telecom operators	19,772,049	19,772,049	-	-	39,544,098
Term loan	137,576	413,376	3,369,768	7,485,375	11,406,095
Total	**65,291,254**	**60,933,892**	**31,344,768**	**7,485,375**	**165,055,289**

Currency risk

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinars exchange rate is fixed against the U.S. Dollar (US$ 1.41 for JD 1), accordingly the Group is not exposed to significant currency risk.

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

The table below indicates the Group's foreign currency exposure at 31 December, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the JD currency rate against the Euro, with all other variables held constant, on the income statement (due to the fair value of currency sensitive monetary assets and liabilities).

	Change in Euro rate to JD %	Effect on profit before tax JD
2008		
EUR	5	(55,763)
2007		
EUR	5	70,266

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

27. Fair values of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

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

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

28. 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 2008 and 31 December 2007.

Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD416,502,433 as at 31 December 2008 (2007: JD411,204,409).