2014
Orange Jordan
annual report

orange™

His Majesty King Abdullah II

More than a decade ago, our country began structural reforms, to integrate into the global economy and support opportunity. Steps included national investments in training and infrastructure, growth-friendly laws and policies, new development initiatives, heightened protection for companies, both foreign and local. Priority is now being given to an improved new generation of laws on investment and public-private partnerships.

a letter from the Chairman

a year of strategic adaptation

Dear Shareholders,

The end of the year always constitutes an opportunity to address you all through the pages of this annual report. It gives me great pleasure to take you through the key milestones, achievements and financial results of Jordan Telecom Group-Orange Jordan for the year 2014, and to share with you our aspirations for the coming year. While the facts outlined in this report reveal that 2014 was replete with unavoidable challenges that markedly affected the sector as a whole, they also demonstrate our resolve and ability to weather all of these challenges, which continue to curb the growth of our industry.

The local challenges that hindered our financial growth in 2014 were manifested in different ways. Perhaps the most prevalent were excessive competition, the diminishing purchasing power of Jordanians and the need for continued investments in our network. These pressures were further exacerbated by the ramifications of government policies enforced prior to and during the year, particularly its rather sudden decision in 2013 to double the special taxes imposed on mobile services and to double the sales tax on mobile handsets, which markedly compromised our revenues the following year.

An even greater challenge we faced came in the form of the government's highly inflated valuation of Orange Jordan's 900 MHz spectrum license, which forced us to renew this license for a period of 5 years as opposed to our original request for a 15-year renewal in order to avoid any potential negative repercussions on our customers, employees, shareholders and partners. The decision, though necessary, was made under strong protest, as the TRC's valuation of the license was blatantly unfair, even if it came with a technology neutrality clause, for which we had not originally applied. Our request was to simply renew our 900 MHz license for a period of 15 years — a request that the TRC had granted to another operator at a pervious date.

The unfortunate circumstances surrounding the renewal of our license were further compounded by the fact that we were not given adequate notice by the TRC regarding its intentions to utilize the 900 MHz more efficiently, and while we support the notion on principle, we take serious issue with both the approach and the final valuation proposed by the government. The Board of Directors and the executive management will continue to maintain their protest, which is why we have placed the matter in the hands of our national courts, whose judges are known for their fairness and integrity.

The escalating repercussions of the "Arab Spring" were equally damaging, contributing to rising operational costs and diminishing revenues, with one notable example being the halting of one of our key projects — the "JADI" fiber optic network project — due to the Syrian crisis. Combating such challenges necessitated fundamental measures, including a major rethinking of our corporate strategy and organizational structure, with the overall objective of transforming these challenges into potential opportunities in as much as possible. This was only possible by taking measurable steps toward reducing our operational costs to accommodate the realities of the region and formulating new offers and services to boost our revenues while still adhering to our longstanding, consumer-centric philosophy.

Given our unwavering commitment to continued development, we have allocated a considerable portion of 2015's budget to the establishment of our 4G network, which we introduced last year as part of a discovery phase in ten locations throughout Amman. After pioneering the introduction of the 3G+ technology in 2010, our investments in our network since year 2000 to date have totaled JD one billion. We are mere months away from commercially launching our 4G services nationwide.

Moreover, in our efforts to integrate customer feedback into the research and development process, we continued to gauge the experience of our customers through our Customer Testing Center (CTC) in Amman, where most of our products and services undergo extensive customer trials prior to their launch. Meanwhile, our Technocenter continues to serve as a one-of-a-kind innovation center in the Middle East, Asia and North Africa region, delivering cutting-edge technologies and concepts geared toward various consumer demographics. One such service was "Orange Cloud", the first service of its kind in the Kingdom and within the Orange Group in the Middle East, Asia and North Africa region.

As a testament to our dedication to service quality and efficient operational management, the year 2014 saw Orange Jordan renew its ISO 9001:2008 certification in the arena of quality management after meeting all of its established criteria.

The challenges we faced throughout the year could not deter our various endeavors in the arena of social responsibility. In 2014, we continued to invest in and support a number of initiatives that delivered measurable value to different segments of local communities, targeting the three primary clusters of education, sports and poverty. Our efforts to instill the principles of social responsibility in the private sector date back to the year 2000, and our efforts in 2014 have allowed us to maintain our role as trendsetters in this regard.

In closing, I would like to extend my gratitude to Orange Group for their continued support during these tiring times. I would also like to thank our customers for their continued loyalty to our brand and to our shareholders for their steadfast trust and support of the various decisions made by our Board of Directors, whose members were re-elected in September 2014. It would be all but impossible to overstate the value of the contributions made by our board members and our executive management team, headed by our CEO, Mr. Jean-Francois Thomas. Last but not least, I must acknowledge and commend the combined efforts of our teams across Jordan, whose dedication and positive spirits form the basis of our ability to adapt to these rapidly changing market dynamics.

I am beyond confident that 2015 will see us demonstrate our continued ability to weather the ramifications of the aforementioned challenges and to continue operating within a destabilized region, marching onwards to achieve the lofty targets we have established for this vital industry. We will continue to be a reference operator. We will work tirelessly to maintain our pioneering position in the market and to deliver an unrivaled customer experience, all the while continuing our efforts to elevate the quality of life for various segments of the local communities. As in previous years, we will continue working towards realizing the vision of His Majesty King Abdullah II, which stems from the firm belief that Jordanians deserve the absolute best.

sincerely,
Dr. Shabib Farah Ammari
Chairman of the Board of Directors of Orange Jordan

a letter from the CEO

Dear Shareholders,

It is with great pleasure that I address you all through the latest edition of the Orange Jordan annual report, highlighting our key achievements during the year 2014.

This past year has been marked by a number of unfavorable market conditions that did not work in the industry's favor. The most prevalent is perhaps the excessive competition in the local ICT sector, which was further compounded by the fact that many services are fast approaching market saturation. Rising electricity costs, increased taxation and regulatory hurdles have also continued to weigh down on the sector, inhibiting opportunities for growth.

As an operator dedicated to revolutionizing this vital sector, we chose to approach these challenges proactively by focusing on unwavering innovation, be it through the introduction of new technologies or through the launch of new offers and services that cater to varying consumer segments. We also made substantial strides in our corporate transformation program, NAMBAU (Never Any More Business As Usual), which entered its second phase at the beginning of year 2014. This program's 4 pillars - growth, customer experience, efficiency, and resource management - have markedly streamlined many aspects of our operations in a manner that best serves our 4 million subscribers.

Despite these challenges, our 2014 revenues were down by 3.2% over last year's figures (compared to a decrease of 11.7% in 2013), while earnings before interest, tax, depreciation and amortization (EBITDA) decreased by 4.1% (compared to a decrease of 29.5% in 2013).

Our prime objective in 2014 was to safeguard our legacy as the digital trendsetter in the Kingdom. This was most evident in our continued dedication to redefining the benchmark of broadband internet through the introduction of fiber technology in the Kingdom and the discovery launch of our 4G network. With fiber, Jordanian consumers can now enjoy unprecedented bandwidths that meet the demands of the modern digital era.This makes it an ideal all-round package for power users seeking ultimate convenience and reliability, in addition to serving as the ultimate solution for highly connected families whose members use multiple screens and devices.

Equally unprecedented speeds and reliability benchmarks were delivered during the discovery phase of our 4G network, which is scheduled for a full-scale launch in the first half of this year. The technology has enabled our customers to tap into the full potential of wireless broadband and its many data-centric applications.

Our efforts to broaden the scope of broadband internet applications did not stop at introducing new technologies. In an effort to embrace the proliferating demand for data usages, such as high-definition video streaming and cloud storage, we revamped our entire lineup of fixed Internet packages to offer unlimited download capacities. We also continued to make fundamental enhancements to the infrastructure of our fixed network in order to provide a more consistent and stable broadband experience. This was shortly followed by the launch of "Orange Cloud" service, which offers our subscribers free online storage, and the "My Orange" application, which allows Orange subscribers to access many of our services directly from their smartphones.

This proactive approach also saw us launching or renewing a number of key offers directed at various consumer segments. One such offer was "Ghair Shekel" our flagship mass offer that delivered the best possible value available on the market. It offers a substantial combination of Orange's voice and data services at a very low price point, making it ideal for budget-conscious or data hungry customers. Moreover, we maintained our longstanding track record of catering directly to members of the Jordanian Armed Forces and their families nationwide by adding new bundles and features to our "ArmyCell 2" offer. We also continued to serve Jordanians residing outside the capital through our "Ezwaty Super Line", which comes with unparalleled features and reduced tariffs.

Given our continued focus on modernizing Jordan's corporate landscape, we continued to expand our portfolio of corporate partnerships in 2014. Our efforts resulted in three major contracts signed with two of the leading real estate projects in the Kingdom, the "Abdali Boulevard" Project and "Saraya Aqaba", as well as Jordan's National Airline, "Royal Jordanian". These large-scale partnerships will see Orange Jordan leveraging on its longstanding expertise to deliver an integrated infrastructure of voice and data services that will help its partners achieve their business objectives.

One of the most critical elements in our long-term communication strategy is social media, which today constitutes the backbone of our interactions with our customers. In 2014, we reinforced our efforts in this regard, maintaining a steady flow of communication through our various social media channels and launching a number of campaigns that reflect our corporate values. Our efforts proved fruitful, as not only did our online following maintain its rapid growth, but we also received recognition from Orange Group for the local social media campaign we launched during the "2014 World Cup" season.

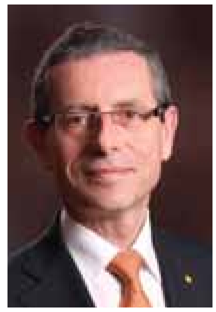
The challenges we faced in 2014 carried numerous lessons that have reshaped the way we approach innovation and sustainable growth. They resulted in an aggressive strategy that has demonstrated its efficacy, one that we will continue to employ in the year to come, during which our prime objective is to be the preferred partner of Jordanians digital life. The next few months will see the full commercial launch of our 4G network, and will also see us intensifying our efforts to develop the network with the objective of delivering unparalleled service quality to our customers. We will also continue working through our "NAMBAU" transformation program in order to further improve our benchmarks across various touch points. Naturally, we will continue working to introduce new products and services that will help make this vision a reality for all.

In closing, I would like to extend my utmost gratitude to our shareholders for their unwavering trust in the Orange brand. I would also like to commend the continued efforts of our team, our Board of Directors and our Chairman, Dr. Shabib Ammari. I wish you all a year of unmitigated innovation and realized potential.

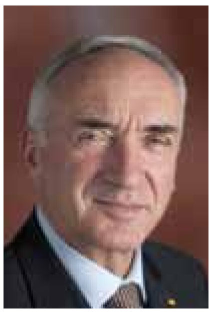
sincerely,
Jean-Francois Thomas
CEO — Orange Jordan

2014 board of directors of Jordan Telecom Group – Orange Jordan

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



Mr. Michel Monzani
Vice-Chairman of the Board of Directors



Mr. Marc Rennard
Member of the Board of Directors

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

Major General Eng. Omar O. Al-Khaldi (PhD)
Member of the Board of Directors

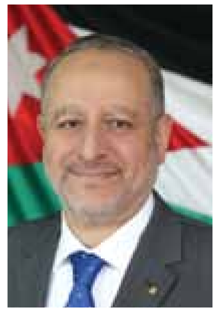
Dr. Samer Ibrahim Al Mofleh
Member of the Board of Directors

Mrs. Maï de La Rochefordière
Member of the Board of Directors

Legal Advisor: Thaer Najdawi
Auditors: Ernst & Young

2014 executive committee of Jordan Telecom Group – Orange Jordan

Mr. Jean-Francois Thomas
Chief Executive Officer



Mr. Raslan Deiranieh
Deputy Chief Executive Officer
Chief Financial Officer

Mr. Patrice Lozé
Deputy Chief Executive Officer
Chief Consumer Officer

Mr. Sami Smeirat
Chief Enterprise Officer

Mr. Waleed Al Doulat
Chief Wholesale Officer

Dr. Ibrahim Harb
Chief Legal, Regulatory and Sourcing Officer

Mr. Yvan Savinien
Chief Strategy & Customer Experience Officer
Secretary General of the Board of Directors

Mr. Olivier Wicquart
Chief Information Technology and Networks Officer

Mr. Tamouh Khauli
Chief Information Security Officer

Dr. Edward Zreik
Chief Human Resources Officer

2014 financial highlights

Jordan Telecom Group faced many challenges and difficulties represented by doubling the special tax from 12% to 24% imposed on our mobile business in H2 2013. Increasing the electricity charges for telecom industry and the inflated price of JD 52.7 million that we were forced to pay for renewing our "2G" / 900 MHz spectrum license, had a severe impact on our operational results. The outcome of the above challenges estimated at around JD 30 million (before tax) on the group's results for 2014.

Despite fierce competitive telecom market in Jordan and the intense that Orange Jordan had to endure, we maintained our strong financial performance in 2014 and we remained focused on cost optimization strategy to improve our efficiency and productivity to compensate the market difficulties.

It gives us a great pleasure to present 2014 consolidated annual financial highlights of Jordan Telecom Group.

consolidated financial and statistical highlights

presented below is a summary of the consolidated data for 2014 against 2013

income statement data

(MJD)	2013	2014	change %
Revenues	**356.4**	**345.0**	**(3.2)%**
Operating expenses			
Cost of services	(170.5)	(161.4)	(5.3)%
Selling and distribution expenses	(40.3)	(43.0)	6.6%
Administration expenses	(21.7)	(22.1)	1.8%
Government revenue share	(7.8)	(8.3)	7.4%
Brand fees	(4.2)	(4.1)	(2.0)%
Business support fees	(3.3)	(3.3)	0.0%
Total operating expenses	**(247.7)**	**(242.2)**	**(2.2)%**
Other income	0.4	1.8	348.4%
Profit from operations (EBITDA)	**109.1**	**104.7**	**(4.1)%**
EBITDA margin	**30.6%**	**30.3%**	**(0.3)%**
Depreciation and amortization	(47.6)	(54.1)	13.6%
Net foreign exchange differences, finance costs and finance income	8.8	7.7	(13.2)%
Profit before Income tax	70.3	58.2	(17.2)%
Income tax expense	(19.1)	(16.6)	(13.2)%
Profit for the year from continuing operations	51.2	41.7	(18.7)%
Profit for the year from discontinued operations	0.5	0.5	(2.8)%
Total comprehensive income for the year	**51.7**	**42.1**	**(18.5)%**
Attribute to:			
Equity holders of parent	51.5	42.0	(18.4)%
Non- controlling interest	0.2	0.1	(60)%
Profit margin	14.5%	12.2%	(2.3)%
Earnings per share	0.205	0.167	(18.7)%
Weighted average number of shares (million shares)	250	250	0.0%

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

summary of balance sheet data

(MJD)	2013	2014	change %
Assets			
Total current assets	369.2	305.9	(17.2)%
Property, plant and equipment	188.8	189.6	0.4%
Other non-current assets	58.8	103.8	76.7%
Total non-current assets	247.6	293.4	18.5%
Assets classified as held for sale	1.5	-	(100)%
Total assets	**618.3**	**599.3**	**(3.1)%**
Liabilities and equity			
Total current liabilities	245.0	239.8	(2.1)%
Total non-current liabilities	5.9	5.0	(15.5)%
Liabilities classified as held for sale	3.3	-	(100)%
Total equity	364.1	354.5	(2.6)%
Total liabilities and equity	**618.3**	**599.3**	**(3.1)%**

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

summary of cash flow statement

(MJD)	2013	2014	change %
Net cash from operating activities	86.4	88.6	2.5%
Net cash used in investing activities	(31.3)	(88.6)	183.4%
Net cash used in financing activities	(82.4)	(52.6)	(36.2)%
Net decrease in cash and cash equivalent	(27.2)	(52.6)	93.1%
Cash and cash equivalents	**242.8**	**190.3**	**(21.7)%**

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

financial ratio analysis

	2013	2014	change %
Profitability ratios			
Return on total assets	8.2%	6.9%	(15.7)%
Return on total equity	13.6%	11.7%	(14.0)%
Liquidity ratios			
Current ratio	1.51	1.29	(14.2)%
Cash ratio	0.99	0.79	(20.0)%
Leverage ratios			
Total liabilities to equity ratio	69.8%	69.0%	(1.1)%
Interest – bearing debt ratio*	1.6%	1.3%	(16.6)%
Total debt ratio**	41.1%	40.8%	(0.6)%
Assets coverage ratio***	74.3%	75.7%	1.9%
Assets management ratio			
Total assets turnover ratio	56.5%	56.7%	0.2%
Fixed assets turnover ratio	186.8%	184.4%	(1.3)%
Total capital turnover ratio	93.9%	96%	2.2%
Growth ratios			
Dividends per share (JD)	0.210	0.168	(20)%
Dividends payout ratio	101.5%	99.7%	(1.8)%
Dividends yield ratio	5.1%	4.8%	(6.6)%
Valuation ratios			
Book value per share	1.46	1.42	(2.6)%
Market to book value ratio	2.81	2.48	(12.1)%
Price – earning ratio	19.8	20.8	5.1%

* total debt (total debt + total equity)
** total liabilities/total assets
*** total tangible assets/total liabilities

revenues

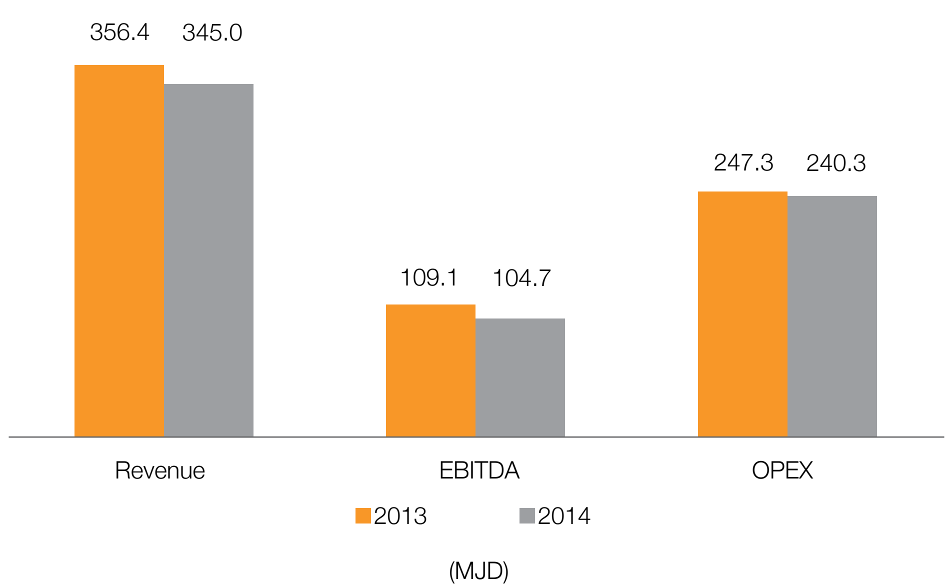
Group's consolidated revenues declined by %3.2 achieving JD 345.0 million in 2014 compared with JD 356.4 million in 2013 due to high competition in the market and the special tax impact.

operating expenses

The term Operating Expenses (OPEX) means the cost of services, selling and distribution expenses, administration expenses, government revenue share, brand fees and business support fees.
The Group OPEX witnessed a decrease by %2.2 to reach JD 242.2 million in 2014 against JD 247.7 million in 2013 despite the increase in electricity cost compared to 2013 due to the increase in electricity tariff.
This decrease came as a result of the Group's continued efforts to optimize spending through the transformation program launched in 2013.
The main component of operating expenses was cost of services, which includes the interconnection fees paid to other national and international telecommunications networks, certain license fees, technical costs, such as network operating (including electricity), and maintenance expenses, expenses related to technical personnel, and additionally, cost of SIM cards, prepaid scratch cards and the cost of subsidized handsets.
Cost of services decreased by %5.3 reaching JD 161.4 million in 2014 compared with JD 170.5 million in 2013 as a result of drop in revenues.
Selling and distribution expenses increased by %6.6 to reach JD 43.0 million in 2014 compared to JD 40.3 million in 2013 mainly due to the increase in selling and distribution fees.
Administration expenses increased by 1.8 % to reach JD 22.1 million in 2014 compared to JD 21.7 million in 2013.
Government revenue share equals %10 of net revenue that Orange mobile is required to pay to the Telecommunications Regulatory Commission pursuant to the Mobile License Agreement.
Government revenue share reached JD 8.3 million in 2014, increase by %7.4 from 2013.
Brand fees represent %1.6 of operating revenues that Jordan Telecom Group is required to pay to Orange Group for using the Orange Brand in all Jordan Telecom Group subsidiaries. It was around JD 4.1 million in 2014 compared to JD 4.2 million in 2013.
Business support fees represent what the Group is required to pay to Orange Group pursuant to the business support agreement. Business support fees of the Group reached JD3.3 million in 2014, the same amount as in 2013.

EBITDA

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) consist of sales of services less operating expenses.
Group EBITDA showed a decrease by %4.1 to reach JD 104.7 million in 2014 compared with JD 109.1 million in 2013. This drop is mainly linked to the decrease in our revenue and increase in selling commissions.
The EBITDA margin for the Group slightly decreased to reach %30.3 at year-end 2014, from %30.6 last year.



* OPEX including other income

depreciation and amortization

Depreciation and amortization expenses increased by 13.6% from JD 47.6 in 2013 to JD 54.1 million in 2014.

net foreign exchange differences

Net foreign exchange differences consist of changes in valuations of deposits and loans arising from changes in foreign exchange rates. For the year 2014, gain of JD 1.7 million compared with a gain of JD 1.2 million in 2013.

finance costs

Finance costs consist of the interests and other charges, which is paid on the Group's financial indebtedness. Finance costs decreased by 9% compared to 2013.

finance revenues

Finance revenues consists of revenues earned on cash deposits in various currencies. Finance revenues decreased by 22% reaching JD 6 million in 2014 from JD 7.7 million in 2013.

other income

Other income consists of gains and losses on dispositions of fixed assets and other miscellaneous income. Other income reached JD 1.8 million in 2014 opposed to JD 0.4 million in 2013.

income tax

In 2014 the Group reported JD 16.6 million as income tax compared with JD 19.1 million in 2013.

profit for the year

Jordan Telecom Group generated JD 42.1 million as net profit after tax for the year 2014, with a decrease of (18.5)% compared to JD 51.7 million in 2013. This decrease was linked mainly to the drop in our gross operating income.

discontinued operations

In 2014, the Group disposed of 100% of its interest in LightSpeed Communications W.L.L. resulting in a gain of JD 0.5 million.

liquidity and capital resources

The primary source of liquidity is net cash from Operating Activities. For 2014, our net cash from operating activities increased by 2.5% to reach JD 88.6 million as compared to JD 86.4 million for 2013.
Net cash used in Investing Activities reached JD 88.6 million in 2014 from JD 31.3 million in 2013.
Net cash used in Financing Activities reached JD 52.6 million in 2014 compared to JD 82.4 million in 2013.
Free cash flow in 2014 reached JD 59.4 million compared to JD 70.0 million in 2013, with a decrease by 15.7%.

cash and cash equivalent

Cash and cash equivalent witnessed a decrease of 21.7% from JD 242.8 million in 2013 to JD 190.3 million in 2014, mainly due to the unexpected and high price of the renewal of the "2G" / 900 MHz spectrum license.

capital expenditures

CAPEX (Excl. license) for Jordan telecom group reached JD 45.2 million at the end of 2014 compared with JD 39.1 million in 2013.

group subscribers

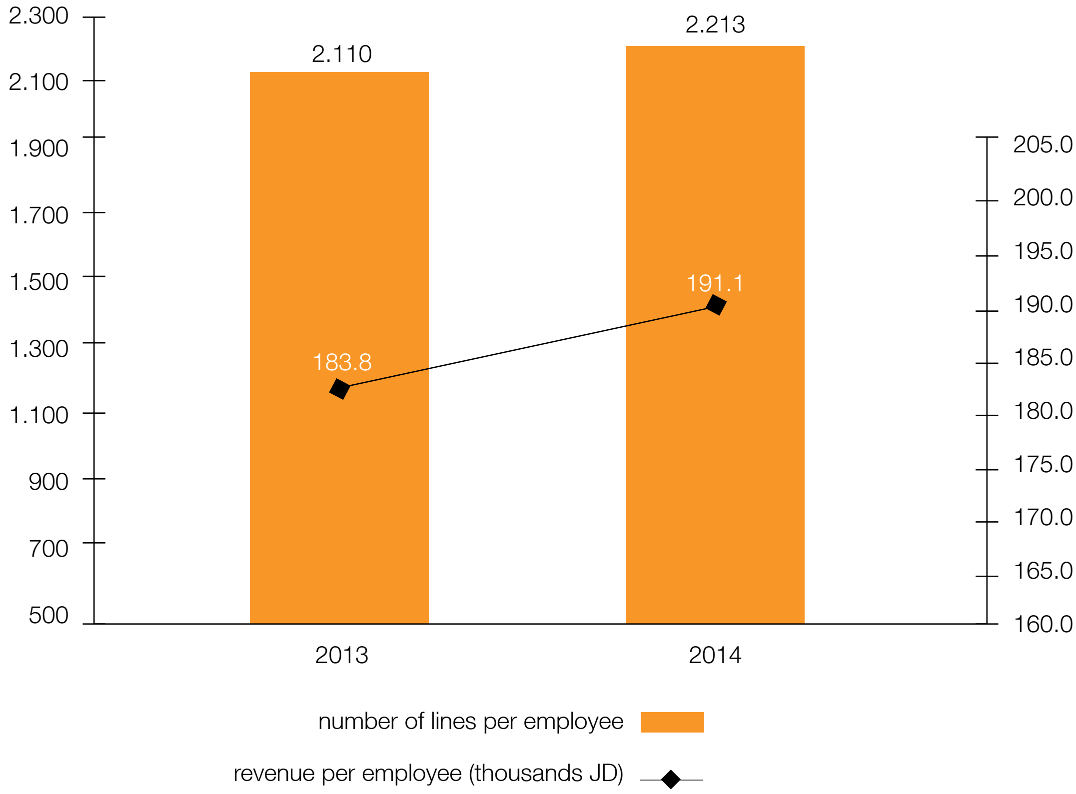
Jordan Telecom Group subscribers showed a decrease by 2.4% to reach 3,994 (K lines) in 2014 compared to 4,090 (K lines) in 2013.

human resources

Jordan Telecom Group's number of employees decreased slightly by 6.9% from 1939 in 2013 to 1805 in year 2014. Total number of temporary employees reached 177 in 2014 compared with 163 in year 2013.

staff efficiency

The Group's efficiency indicators posted JD 191.1 thousand revenue per employee in 2014 over JD 183.8 thousand in 2013.
Also, the number of lines per employee jumped to 2,213 lines in 2014 showing an increase of 5% against 2013 where it reached 2,110 lines.



segment analysis:

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

- Orange Fixed and Orange Internet
- Orange Mobile

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

(MJD)	2013	2014	change %
Revenues			
Orange fixed & Orange internet	276.7	254.3	(8.1)%
Mobile communication	160.5	156.4	(2.6)%
Intercompany	(80.9)	(65.7)	(18.7)%
Total revenues	**356.4**	**345.0**	**(3.2)%**
Operating expenses			
Orange fixed & Orange internet	(202.6)	(185.5)	(8.5)%
Mobile communication	(125.5)	(120.4)	(4.1)%
Intercompany	80.9	65.7	(18.7)%
Total operating expenses	**(247.3)**	**(240.3)**	**(2.8)%**
EBITDA			
Orange fixed & Orange internet	74.1	68.9	(7.1)%
Mobile communication	35.0	36.0	2.9%
Total EBITDA	**109.1**	**104.9**	**(3.9)%**

Orange Fixed and Orange Internet

Orange fixed service is the Group's largest business segment. After the opening of the market to competition, Jordan Telecom Group still holds above 90% market share, with competition on international traffic to and out of Jordan.

Orange internet is the leading internet service provider in Jordan. In 2001, the Group acquired Global One Communications (Jordan) Ltd. The Data communication segment entered into a Brand License Agreement with Orange internet Interactive, Orange internet provides various services such as corporate internet leased lines, Fixed Internet service for residential and corporate, web-hosting and mail-hosting solutions, internet roaming through dial-up and wireless internet (WiFi) connectivity at airports and cafes/restaurants in Jordan.

revenues

Orange fixed and internet revenue decreased by 8.1% in 2014, driven by the decrease in the wholesale activities.

operating expenses

Orange fixed and internet operating expenses decreased by 8.5% in year 2014 to reach JD 185.5 million compared with JD 202.6 million in 2013. This decrease is linked to cost optimization program adopted by the Group.

EBITDA

By the end of 2014, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) showed a decrease by 7.1%, reaching JD 68.9 million in 2014 compared with JD 74.1 million in 2013.

mobile communication

The Group's mobile communication segment consists of the mobile communication products and services offered by Orange mobile, which was registered 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 as the second provider of mobile services in Jordan. The competition emerged with the entrance of other mobile operators resulting in renewed and intense price competition. Orange mobile was the first to get 3G license in Jordan's mobile market in 2010. In 2014, Orange mobile grew stronger, expanded its family, and provided the market with more and more innovative services and competitive offers.

revenues

Orange mobile had a drop in its revenues by 2.6% compared to 2013. In year 2014 Orange continued to face a tough competitive market and a reduction in the prices affected all business sectors in addition to the impact of special tax increase which affected the mobile revenues negatively.

operating expenses

Mobile segment recorded JD 120.4 million as operating expenses in 2014, compared to JD 125.5 million in 2013, showing a 4.1% decrease.

EBITDA

Orange mobile's EBITDA increased by 3% in 2014 to JD 36.0 million compared to JD 35.0 million in year 2013.

disclosure schedule report pursuant to Jordan securities commission instructions for the year 2014

1. the services rendered by Jordan Telecom Group - Orange

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

- company's locations and number of employees of each location:
headquarter offices, Jabal Amman, 1st circle, City Center building, P.O. Box 1689, Amman 11118 Jordan.

governorate	no. of locations	no. of employees
Headquarters	1	494
Amman	64	832
Ajloun	12	6
Irbid	59	107
Jarash	14	8
Al-Mafraq	39	19
Al-Balq'a	23	19
Madaba	10	12
Al-Zarqa	19	51
Al-Aqaba	15	26
Al-Karak	39	41
Ma'an	24	17
Al-Tafilah	18	12
Total	337	1,644

the amount of capital investment in 2014 for Jordan Telecom was (JD 17,109,459) and for Jordan Telecom Group was (JD 97,870,533)

2. subsidiaries

all subsidiaries headquarter offices, Jabal Amman 1st circle, City Center building, P.O.Box 1689 Amman 11118 Jordan

name of the subsidiary	nature of business	capital JD	equity %	no. of Emp.
Petra Jordanian Mobile Telecommunications Co. Ltd. (Orange mobile)	GSM operator	70,000,000	100%	311
Jordan Data Communications Co, Ltd. (Orange internet)	ISP	750,000	100%	27
Dimension Company for Digital Development of Data Ltd. (e-dimension)	Content	220,000	100%	-*

e-dimension employees became part of Jordan Telecommunications Company staff

3. a. members of the Board of Directors

H.E. Dr. Shabib Ammari

Chairman of the Board of Directors

Dr. Shabib Ammari has been the Chairman of the Board of Directors of Jordan Telecom Group – Orange Jordan since January 2000. Originally representing the government of Jordan, Dr. Ammari has been repeatedly elected as the Chairman of the Board of Directors representing France Telecom Group (now Orange), since 2006 until the current day.

Royal Decrees included the appointment of H.E. Dr. Shabib Ammari as a member of the Present Senate as of 25/10/2013, and as Minister of Industry and Trade in His Majesty's government of H.E. Dr. Fayez Tarawneh from 2/5/2012 to 7/10/2012.

Dr. Ammari rejoined the Board of Directors on 24/10/2012 and was elected as the Chairman of the Board of Directors on that date until the current day.

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

Dr. Ammari holds a PhD in Economics (1980) from the University of Southern California (USA), where he worked as a Senior Lecturer until (1985). During the same period, he taught economics at the California State University – Long Beach.

Mr. Michel Monzani

Vice-Chairman of the Board of Directors

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

Mr. Monzani has held the position of Chairman of the Board of Directors from May 2012 to October 2012, and was elected Vice-Chairman of the Board of Directors in April 2014.

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

In 2002, Mr. Monzani was seconded to Poland to assist Orange Poland management in restructuring the domestic consumer Sales Network. Previously, he held the position of Senior Vice-President in charge of the Sales and Services Division for the French territory.

Mr. Monzani was appointed Senior Vice President in charge of France Consumer Division in 1996.

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

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

Mr. Marc Rennard

Member of the Board of Directors

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

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

In 2004, Marc Rennard was appointed Vice President – International of FT/Orange. In this capacity, he resided as Chairman and/or Board Member of several international fixed line, mobile and internet subsidiaries.

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

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

From 1989 till 1992, he was appointed as the Managing Director of "Société des Montagnes de l'Arc", "Groupe Caisse des Dépôts", managing an international Ski Resort.

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

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

H.E. Dr. Mohammad Abu Hammour

Member of the Board of Directors

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

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

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

Major General Eng. Omar O. Al-Khaldi (PhD)

Member of the Board of Directors

General Omar Obied Al-Khaldi is currently working as Chief Executive Officer of KADDB, and Chief of Staff of Strategic Planning /Jordan Armed Forces – General Headquarters.

He received his Bachelor's Degree in Mechanical Engineering from Lawrence Technological University / USA, and his Master's and PhD Degrees in Engineering Management from Brunel University / UK.

He has practical experience in various fields of Mechanical Engineering, Engineering Management, Maintenance Management Systems, Defense Studies, Quality Control, Safety, Logistics and Supply Systems.

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

Dr. Samer Ibrahim Al-Mofleh
Member of the Board of Directors

Dr. Samer Al-Mofleh has served as a Member of the Board of Directors of Jordan Telecom Group – Orange Jordan since April 2013, and has been an Advisor for Strategic Planning to the Director General of the Social Security Corporation since April 2011, in addition to being a lecturer for graduate students at Talal Abu-Ghazaleh College of Business for Postgraduate Studies German Jordanian University since 2010.

Dr. Al-Mofleh worked as an Economic Expert at The Prime Ministry of Jordan / Prime Minister's Office (2010 - 2011) and an Economic Expert at The Jordan Investment Board (2008 - 2010), and worked as a part-time expert with the World Bank Group on some projects in the region, in addition to working as a lecturer at the School of Management and Logistics Sciences at the German Jordanian University.

Dr. Al-Mofleh holds a PhD Degree in Engineering from the University of Bristol (2008), in addition to a MSc Degree in Engineering Business Management from Coventry University (2004), and a BSc Degree in Computer Engineering from Applied Science University (2002). Dr. Al-Mofleh also holds some professional certifications and has a number of research publications related to e-government and e-services development in the Kingdom.

Mrs. Maï de La Rochefordière
Member of the Board of Directors

Since 2012, Maï de La Rochefordière has been the Head of Subsidiaries and Project Financing of the Orange Group. In this role, she manages a team of financing experts in charge of high stake files and is also a Board Member of a number of subsidiaries and holdings in various geographies (including Europe and Middle East).

In 2010, she was named Finance Director of Orange Health Line of Business.

From 2007 to 2010 she managed relationships with investors and financial analysts at the Group Financial Communication.

Prior to that, Maï de La Rochefordière was a Finance Manager and Senior VP Subsidiaries Financing and held different Board Member positions. She actively supported the growth of numerous telecom operators in Europe, Middle East, Africa and Asia by assessing and implementing the most adequate financing structure, and negotiating complex financing debt and equity agreements.

Maï de La Rochefordière began her career in 1996 as a Financial Controller at France Telecom Mobile Services. Afterward, in 1998, she became a Business Plan Manager at France Telecom Mobile International where she designed the business plans of numerous mobile telecom operators and participated to the acquisition and development of green field licenses.

Maï, is a graduate of the Ecole Supérieure des Sciences Commerciales d'Angers.

3. b. top management (executives):

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

Mr. Jean-Francois Thomas
Chief Executive Officer

Mr. Jean-Francois Thomas, CEO of Jordan Telecom Group – Orange Jordan since 2012, is a graduate in Business Management and Information Technologies from the Ecole Nationale Supérieure des Télécommunications – France. He also graduated in Physics, Mathematics and Economics from the Ecole Polytechnique.

He has over 25 years of experience in Communications Business and Occupied Marketing, Sales, Business Development, Operations and management positions. He held the positions of Deputy Chief Executive and Chief Operating Officer at Mauritius Telecom (2008 - 2012). He served as Regional Director at France Telecom (2006 - 2008), Orange Alsace, Strasbourg, Vice President Asia (2001 - 2005), France Telecom Long Distance, and Hong Kong. He also held several senior management positions from (1997 - 2001) as President, France Telecom Japan, (1991 - 1996) as Director Marketing and Development, France Telecom worldwide networks and services as Vice President (1988 - 1992), France Telecom Japan.

Mr. Thomas was elected VP of the French Chamber of Commerce and Industry in Japan in 1998 and VP of the European Business Community in Japan in 1999. He also held the position of Chief Financial Officer of the French Chamber of Commerce and Industry in Mauritius from (2010 - 2012) and was previously appointed as the French Government Counselor for International Trade. Mr. Thomas is a regular speaker at industry conferences and a contributor to industry publications.

Mr. Raslan Deiranieh
Deputy Chief Executive Officer
Chief Financial Officer

Mr. Raslan Deiranieh is the Deputy Chief Executive Officer and the Chief Financial Officer of Jordan Telecom Group – Orange Jordan. He joined Jordan Telecom in 1998 as a Manager of the Treasury Department. He was also the Chairman of Lightspeed Communication W.L.L based in Bahrain. Before that, Mr. Deiranieh served as head of the Foreign Investment Section at the Central Bank of Jordan. Mr. Deiranieh is a Board Member in Jordan Dubai Islamic Bank. He is also the Chairman of JAMA (Jordan Association of Management Accountants).

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

Mr. Deiranieh holds a Bachelor's degree in Accounting and Computer Science with honors from Al-Yarmouk University (1985) as well as the award of Scientific Excellence from the same university and the Distinguished Graduates award. Mr. Deiranieh holds a Master's degree in Accounting from the University of Jordan and has a certificate of Orange Finance and Controlling from the European School of Management ESCP.

■ **Mr. Patrice Lozé**
Deputy Chief Executive Officer
Chief Consumer Officer

Patrice Lozé is the Deputy Chief Executive Officer of Orange Jordan – a position he has held since March 2014. Mr. Lozé has a long and varied history with France Telecom Group (FTG) that extends well over 15 years, during which he held a variety of positions that have garnered him an extensive experience in the arena of telecommunications.

Prior to joining Orange Jordan, Mr. Lozé worked as FTG's Head of Commercial Activities in France for over seven years, overseeing the company's various operations within the country. He has a degree in Law from the Université Paris X Nanterre, a degree from the School of Management (Ecole des Cadres) and a CEDEP certification from INSEAD.

■ **Mr. Sami Smeirat**
Chief Enterprise Officer

Mr. Smeirat has held the position of CEO of Jordan Data Communication Company Ltd. since 2007, in addition to his position as the Chief Enterprise Officer that provides services of telecommunications solutions (mobile, internet and fixed) for the public and private sectors in the Jordanian market.

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; he also worked as the Corporate Sales Manager at Global One since 1996, before managing Consumer and Corporate Sales since 1999; and Teaching and Research Assistant at the University of Jordan for two years.

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

■ **Mr. Waleed Al-Doulat**
Chief Wholesale Officer

Mr. Walid Al-Doulat has held the position of Chief Wholesale Officer of Jordan Telecom Group – Orange Jordan since 2010. In 1992, he joined the Jordan Telecom Group as an Operation and Maintenance Transmission Engineer where he worked his way up to his current position.

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

■ **Dr. Ibrahim Harb**
Chief Legal, Regulatory and Sourcing Officer

Dr. Ibrahim Harb has held the position of the Chief Legal, Regulatory and Sourcing Officer of Orange Jordan since September 2014.

Prior to that, Dr. Harb was the Chief Legal and Regulatory officer of Orange Jordan (2010 - 2014), and the Legal and Regulatory Director of Orange Jordan (2005 - 2010).

Before that, he held, in 2004, the position of Acting Human Resources Officer at Jordan Telecom, and was the Training Manager and the Training Center Manager (1999 - 2004) at Jordan Telecom. Dr. Ibrahim holds a PhD in Communications Engineering.

■ **Mr. Yvan Savinien**
Chief Strategy & Customer Experience Officer
Secretary General of the Board of Directors

Mr. Yvan Savinien is the Chief Strategy and Customer Experience Officer and the Secretary General of the Board of Directors of Orange Jordan. He joined the Company in August, 2013. He has more than 16 years experience in the Telecom Industry working for operators and consulting firms in different domains such as strategy, business development, business transformation, operations and IT management. He joined Orange Group in 2004 and held several managerial positions including Vice President of Strategy and Business Development at Orange Dominicana, and Vice President of Strategy and Business Performance at Orange Caraïbe. Before joining Orange Group he held different positions within the Consulting Firms Accenture and Coteba Management.

Mr. Savinien holds a Master's Degree in Civil Engineering from ESTP, Paris, France, and has several Professional Trainings in Management, Strategy, Finance, Project Management and different software.

■ **Mr. Olivier Wicquart**
Chief Information Technology and Networks Officer

Jordan Telecom Group – Orange Jordan. He joined the company in October 2013, following various positions in Orange Group, as Head of Operational Units (2004 - 2006), Transformation Director (2007), Director of the Technical Call Centers (2007 - 2008), and Director of Field Operations (regrouping all the field operations on networks and for the customers, for Orange France, 2009 – 2013).

He also worked previously (1992 - 2002) for the French Ministry of Defense as an engineer (1992 -1996), as Chief of Staff of military shipyards (1997 - 1999) and advisor of the Minister of Defense for R&D and programs (2000 - 2002).

Mr. Olivier Wicquart graduated from the Sup'Aero (Ecole Nationale Supérieure de l'Aéronautique et de l'Espace) in 1992.

■ **Mr. Tamouh Khauli**
Chief Information Security Officer

Mr. Tamouh Khauli is the Chief Information Security Officer of Jordan Telecom Group – Orange Jordan.

He joined Orange Jordan back in 2002 as Chief Executive Officer of e-dimension, the technical arm and technology incubator of Jordan Telecom at the time.

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

Mr. Khauli led several research teams from various leading companies and universities, including MIT (Massachusetts Institute of Technology). His research included telecommunication network infrastructure, communication platform security, cryptography and encryption technologies, IP Multimedia Subsystems, hacking protection, forensics techniques, and other related fields.

Mr. Khauli represented The Hashemite Kingdom of Jordan at the Computer Networks Defense Symposium II. He was awarded several medals of excellence in international conferences and technical workshops where he attended as Keynote Speaker.

In addition to his BSc in Business Administration and Computer Science from Oxford University – UK, and Master's Degree from

New York University – USA, Mr. Khauli was certified by Novell as Certified Network Engineer in 1990, and in 1994 he received his Microsoft CNE certification, where he combined it with a third certification as a Technical Platforms Security Engineer from Lucent USA.

Dr. Edward Zreik

Chief Human Resources Officer

Edward was born in 1961. He holds a PhD in Human Resources Management, a certification in Research in Management Science and a Masters Degree in Organization Management.

In June 2014, Edward started with Orange Jordan as Chief Human Resources Officer. He was formerly the HR Director at KOREK Telecom under Orange Management where he designed and implemented the "Foundations" of the HR department.

During his 25+ years of experience, Edward occupied many HR managerial positions with Orange Group and with other international groups covering the telecom and the distribution businesses.

4. the names of shareholders who own 5% or more of the capital as of 31/12/2013, 31/12/2014

shareholders	No. of shares 31/12/2013	shareholding % (2013)	no. of shares 31/12/2014	shareholding % (2014)
Joint Investment Telecommunications Co.	127,499,999	51%	127,499,999	51%
Social Security Corporation	72,200,000	28.88%	72,200,000	28.88%
Noor Telecommunications Holding Company Limited	25,000,000	10%	25,000,000	10%
Total	224,699,999	89.88%	224,699,999	89.88%

5. the competitive situation of the company

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

The Company's share of the total domestic market:

Orange Fixed services	> 90%
Orange Mobile services	(30%-35%)
Orange Internet services	> 40%

6. the degree of dependence on specific resources

Jordan Telecom Group purchased 21% of it's total purchases from Ericsson .

7. the privileges enjoyed by the Company

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

8. the decisions of the government

There are no decisions issued by the Government or international organizations or others, which have material effect on the group's business, products or competitive ability. Pursuant to the license issued to it, the Group complies with international quality standards and is certified with the ISO 9001:2008 standards (Quality Management Systems)

9.a the organizational structure of Jordan Telecom Group

Board of Directors

- Compensation & Benefits Committee
- Audit Committee
- Chief Executive Officer
- Legal Advisor / Mr. Thaer Najdawi

Chief Executive Officer – Mr. Jean-Francois Thomas

- Deputy Chief Executive Officer/Chief Financial Officer: Raslan Deiranieh
- Deputy Chief Executive Officer/Chief Consumer Officer: Patrice Lozé
- Chief Enterprise Officer: Sami Smeirat
- Chief Wholesale Officer: Waleed Al-Doulat
- Chief Legal, Regulatory & Sourcing Officer: Ibrahim Harb
- Chief Strategy & Customer Experience Officer/ Secretary General: Yvan Savinien
- Chief Information Technology & Networks Officer: Olivier Wicquart
- Chief Information Security Officer: Tamouh Khauli
- Chief Human Resources Officer: Edward Zreik

9.b. number of employees and type of qualifications

qualification	Jordan Telecom (Orange Fixed)	Petra Jordanian Mobile Tel. Com. (Orange Mobile)	Jordan Data Communication Co. (Orange Internet)
Doctorate (PHD)	3	0	0
Master's	66	15	4
High Diploma	6	1	0
BA	924	259	19
Diploma	320	19	0
Tawjihi	125	13	1
Below Tawjihi	200	4	3
Total	1,644	311	27

9.c training programs during 2014

No.	description	number of trainees
1	Financial courses	45
2	Management courses	566
3	Marketing & Sales courses	808
4	Quality courses	103
5	Technical courses	663
6	Computers courses	170
7	Language courses	81

10. the risks to which Jordan Telecom Group is exposed

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

11. the achievements realized by the company

The achievements were mentioned in Jordan Telecom Group results.

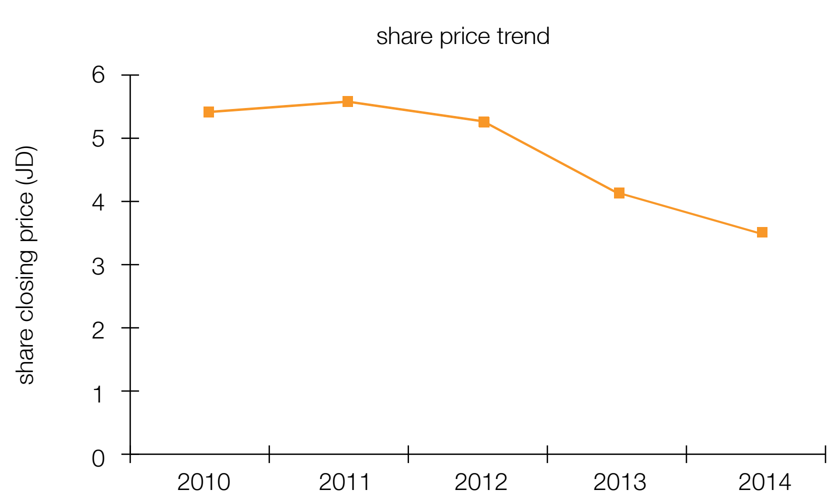
12. the operations of infrequent nature during 2014

The group sold its share in Lightspeed on 12/5/2014.

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

description	2010	2011	2012	2013	2014
Profits in (JD)	95,082,809	89,799,214	83,096,208	51,490,517	42,033,069
Distributed dividends (JD)	97,500,000	90,000,000	82,500,000	52,500,000	42,000,000*
Dividends %	39%	36%	33%	21%	16.8%
Shareholders equity in (JD)	410,615,008	402,914,222	396,010,430	365,000,947	354,534,016
Shares prices (JD)	5.38	5.53	5.30	4.10	3.51

* proposed dividend in 2014



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”.

16. the remuneration of the external auditor of the company and its subsidiaries during 2014

the company	auditing remuneration (JD)
Jordan Telecommunications Co. (Orange Fixed)	40,000
Petra Jordanian Mobile Telecommunication Co. Ltd. (Orange Mobile)	41,000
Jordan Data Communication Co. Ltd, (Orange Internet)	7,000
Dimension Company for Digital Development of Data Ltd. (e-dimension)	500

17. the shares owned by members of the board of directors and top management

No shares are owned by any of the members of the board of directors except for H.E. Dr. Shabib Ammari / Chairman who owned (1) share. No shares are owned by top management members and their relatives nor by any company controlled by them.

18. the remunerations and rewards in 2014 for the members of the board of directors were JD 210,210 and for the top management members were JD 1,527,006

19. donations and grants

No.	donations to	amount (JD)
1	General Trade Union of Workers in Public Services & Free Occupation	68,500
2	Mansheyet Bani Hassan Club	10,000
3	Mujaddidun Association	7,800
4	Retired JTG Club Association	7,000
5	Tkiyet Um Ali	3,000
6	Al-Sheikhh Hussein Sport Club	2,000
7	Doukrh Sport Club	2,000
8	Rawafed Cultural Gathering	1,300
9	Young Women’s Christian Association/Amman	1,250
10	Arab Society For Protection From Dangerous Drugs and Narcotics	1,000
11	Jordanian National Forum For Women	1,000
12	Deraban Association Union	1,000
13	The National Society For Consumer Protection	500
14	Al-Menber Al-Naqabe	500
15	Alber Walataa Jordanian Society	500
16	Jordanian Women’s Development Association of the Deaf	500
17	Jordan Cancer Society	500
18	Jordanian Rahala Team	200
19	Families in need	10,200
Total		118,750

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

There is a management agreement between Orange Jordan and Orange Group. Also a number of agreements signed between the company and its subsidiaries in the daily normal conduct of business.

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

social responsibility

During 2014, Orange Jordan maintained its commitment to deliver measurable changes in various sectors and to improve the quality of life for Jordanians everywhere. We made a number of substantial achievements in this regard, such as receiving an honorary recognition from HRH Princess Basma Bint Talal, President of the National Goodwill Campaign's higher committee, for our sponsorship of the campaign during its 2013/2014 term. Orange Jordan also undertook a number of activities and initiatives, most notably:

social solidarity

- providing aid to winter activities operating under the National Goodwill Campaign to support underprivileged families
- supporting the Charity Clothes Bank by designating a call center to procure monetary, clothing and toy donations
- organizing Iftar meals to 3,000 orphans during the holy month of Ramadan in collaboration with Under My Olive Tree initiative and IBDAA Association
- supporting Tkiyet Um Ali's Ramadan program, including its charity package dissemination activities and its family sponsorship programs, with a focus on the governorates of Ajloun and Mafraq
- supporting the people of Gaza by reducing tariffs on calls made to Palestine, in addition to allocating support funds equivalent to the amount discounted throughout the campaign
- supporting the "Ramadan Campaign" organized by Mujaddidun Charity Association
- supporting housing efforts in the Ay District as part of the "Decent Housing for Decent Living" initiative

education and youth

- allocating scholarships for the 7th year in a row to children of staff members with exceptional general secondary examination records.
- providing educational scholarships within the National Goodwill Campaign
- sponsoring the "AT" educational initiative to support students in selecting their university majors and career paths
- launching "My Curriculum" e-learning campaign, through providing school students with tablet devices containing the education curricula of the Ministry of Education in science and language fields. Also, e-books covering the curricula of other subjects were provided to replace traditional textbooks under the teachers' supervision
- launching "Zedni Elman" (Enrich my Knowledge) campaign, which also delivered Alcatel tablet devices containing support material to the education curricula of the Ministry of Education for the years 2014-2018
- continuing our partnership with Yarmouk University, which we train students on the mobile applications developed through the Orange Incubator — a specialized lab located in the university
- offering scholarships to the students of Princess Sumaya University of Technology (PSUT), as part of a long-term agreement geared toward the continued training and development of young Jordanians

sports

- renewing our sponsorship of the Jordan United Football Academy (JUFA) and the Hungary-based PMFC football center to help football enthusiasts pursue the sport professionally
- sponsoring the Dead Sea Ultra Marathon in its 20th running
- sponsoring the West Asian Football Federation women's football championship
- sponsoring the equestrian competition for barrier jumping
- sponsoring the football season of the Amman Children's Association
- sponsoring the 22nd FIBA ASIA Championship for Women under 18
- sponsoring the athletic activities of the Jordan Youth Club
- sponsoring the activities of the Kingdom's National Football Team as part of the agreement to support the Jordan Football Association
- launching "Our Game, Our Rewards" initiative during the World Cup season

art

- sponsoring the "Art for All" initiative
- sponsoring the "An Eastern Christmas" performances by Dozan wa Awtar
- sponsoring the musical performance by Jordanian artist "Ayah Marrar" to garner donations for various campaigns organized by Zikra Initiative
- sponsoring the "Anger Management" comic performance starring Maz Jobrani, Wonho Chung and Bath Bayakha

health

- sponsoring the medical campaign organized as part of the National Goodwill Campaign in Al Karama, Aqaba
- organizing a free medical day in Hitteen Camp

security

- sponsoring SOFEX 2014

Orange Jordan maintained its longstanding position as a trendsetter within the local ICT sector, making a series of achievements that stepped beyond the delivery of solutions and services in the field of telecommunication technologies. The operator continued to work within its strategy of simplifying the daily lives of various consumer segments in multiple sectors, helping Jordanians realize the many possibilities of the new digital era.

new offers and services

core services

- introducing the discovery phase of 4G services in the Kingdom as part of our continued efforts to deliver the latest technologies to the Jordanian people
- commercially launching fiber services with the "Fiber Speed" offer, allowing Jordanians to experience unparalleled broadband speeds

value-added services

- launching Orange Jordan's cloud service, "Orange Cloud". The service comes with free storage of up to 100 GB, offering customers the reliability and versatility of cutting-edge cloud storage
- launching "No Credit Beep" and "Emergency Credit" to help customers stay connected after their credit runs out
- launching the free "My Orange app", offering customers the ability to manage their account and services through their smartphones
- launching the "eFAWATEERcom" service, which allows customers to view and pay their bills online through various banking networks
- launching "Tawseel Taxi," a mobile-based taxi-locator service, in collaboration with Tawseel Information Technology
- launching the "Buy Back" service, which allows customers to exchange their used handsets for vouchers that can be used at our shops to purchase new handsets

services tailored for enterprises

- launching the first fully secured "Managed Video Surveillance" service for SMEs and enterprises, offering an innovative, cloud-based security solution
- launching an anti DDoS solution to help corporate clients prevent cyber-attacks and maintain reliable networks
- developing our ability to meet advanced ICT needs, having enriched our managed networks portfolio with solutions such as managed Ethernet layer 2 and SIP voice trunking over Business VPN
- developing our Disaster Recovery and IT Infrastructure as a service solution
- enhancing the capacity of our Marj el-Hamam Data Centre

offers

- launching the "Ghair Shekel" mass offer, which delivers a combination of features that allow users to experience all the benefits of the new digital age, making it an ideal all-round package for the Kingdom's youth
- launching new and attractive postpaid offers targeting high-end and elite customers, allowing them to experience the full potential of their smart devices
- restating our commitment to the members of the Jordanian Armed Forces by introducing our "ArmyCell 2" offer, an enhancement on our "ArmyCell" offer, especially with more embedded usages
- introducing "Ezwaty Super Line", which helps residents of governorates beyond Amman to stay in touch at highly competitive rates
- upgrading "Syria Line", offering customers reduced tariffs on calls made to Syria together with a number of other voice and data benefits
- reducing long-distance tariffs on calls made to Arab nations

contributing to the growth of various sectors through strategic partnerships

- providing integrated business solutions to leading corporations operating in various sectors, including the Jordan Oil Shale Company (JOSCO), Jordan Kuwait Bank, the Embassy of the Kingdom of Saudi Arabia, Abdali Boulevard Project, the Jordanian Universities Network, the Abdali Gateway Project, Saraya Aqaba, Royal Jordanian, Marriott Hotel, Amman Baccalaureate Schools and others
- formulating a partnership with Akamai to provide Jordanians with an overall better Internet experience through improved content services
- partnering with AMEER in order to optimize mobile and fixed telecommunication route to Europe and offer an improved customer experience
- developing new products and services through Orange Technocenter, thus delivering added value to several Orange Group affiliates in the MENA region

redefining the standards of customer service and interaction

- conducting a substantial number of tests and evaluations of Orange products in collaboration with our customers, all of which were implemented in the Customer Testing Center in Amman
- inaugurating a number of shops as part of the "One Shop Design" strategy. These shops provide a best in class customer experience

confirmation

1. The Board of Directors confirms that there are no substantial matters which may affect the continuation of the company in the next fiscal year.

2. The Board of Directors confirms its responsibility for the preparation of the financial statements and the provision of an effective control system in the company.

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

Member of the Board	Member of the Board	Member of the Board
Mrs. Mai Rochefordière	H.E. Dr. Mohammad abu Hammour	Dr. Samer Al-Mofleh

Member of the Board
Major General Omar O. Al-Khaldi (PhD)

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

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

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

consolidated financial statements

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Years in MENA

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2014, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

15 March 2015
Amman – Jordan

Ernst & Young

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement Of Financial Position
For The Year Ended 31 December 2014

	notes	2014 JD	2013 JD
ASSETS			
Non-current assets			
Property and equipment	4	189,614,408	188,838,826
Intangible assets	5	102,076,326	54,952,875
Deferred tax assets	7	1,757,428	3,810,185
		293,448,162	**247,601,886**
Current assets			
Inventories	8	3,371,546	4,985,421
Trade receivables and other current assets	9	77,890,264	88,634,579
Balances due from telecom operators	10	34,338,539	32,709,722
Cash and short-term deposits	11	190,264,069	242,849,684
		305,864,418	**369,179,406**
Assets classified as held for sale	6	-	1,511,783
TOTAL ASSETS		**599,312,580**	**618,293,075**
EQUITY AND LIABILITIES			
Equity			
Paid in capital	12	250,000,000	250,000,000
Statutory reserve	13	62,500,000	62,500,000
Retained earnings	14	42,034,016	52,500,947
Equity attributable to equity holders of the parent		**354,534,016**	**365,000,947**
Non-controlling interests		-	(853,415)
TOTAL EQUITY		**354,534,016**	**364,147,532**
Liabilities			
Non-current liabilities			
Interest bearing loans	15	4,289,253	5,348,095
Employees' end of service benefits	16	673,786	527,280
		4,963,039	**5,875,375**
Current liabilities			
Trade payables and other current liabilities	17	158,154,006	157,122,100
Balances due to telecom operators	10	81,062,255	86,989,109
Interest bearing loans	15	474,197	532,398
Employees' end of service benefits	16	125,067	373,115
		239,815,525	**245,016,722**
Liabilities classified as held for sale	6	-	3,253,446
TOTAL LIABILITIES		**244,778,564**	**254,145,543**
TOTAL EQUITY AND LIABILITIES		**599,312,580**	**618,293,075**

The attached notes from 1 to 27 form part of these consolidated financial statements.

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December 2014

	notes	2014 JD	2013 JD
Continuing Operations			
Net revenues		344,980,180	356,370,603
Cost of services		(161,408,557)	(170,475,362)
Gross margin		**183,571,623**	**185,895,241**
Administrative expenses		(22,072,607)	(21,684,189)
Selling and distribution expenses		(42,986,814)	(40,316,679)
Government revenue share	18	(8,321,577)	(7,751,098)
Business support fees and brand fees	19	(7,363,957)	(7,450,050)
Depreciation and amortization		(54,106,066)	(47,609,423)
Operating profit		**48,720,602**	**61,083,802**
Net foreign currency exchange difference		1,687,107	1,157,131
Finance costs		(55,287)	(60,618)
Finance income		6,034,712	7,732,081
Gain on sale of property and equipment		1,841,605	410,682
Profit before income tax		**58,228,739**	**70,323,078**
Income tax expense	7	(16,552,646)	(19,067,494)
Profit for the year from continuing operations		**41,676,093**	**51,255,584**
Discontinued Operation			
Profit for the year from discontinued operations	6	447,775	460,654
Profit for the year		42,123,868	51,716,238
Add: Other comprehensive income		-	-
Total comprehensive income for the year		**42,123,868**	**51,716,238**
Attributable to:			
Equity holders of the parent		42,033,069	51,490,517
Non-controlling interests		90,799	225,721
		42,123,868	**51,716,238**
Earnings per share for profit for the year attributable to equity holders of the parent basic and diluted earnings per share	**20**	**0.168**	**0.206**
for profit from continuing operations attributable to equity holders of the parent basic and diluted earnings per share	**20**	**0.167**	**0.205**

The attached notes from 1 to 27 form part of these consolidated financial statements.

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2014

	attributable to equity holders of the parent					
	paid in capital JD	statutory reserve JD	retained earnings JD	total JD	non-controlling interests JD	total equity JD
Balance at 1 January 2014	250,000,000	62,500,000	52,500,947	365,000,947	(853,415)	364,147,532
Dividends paid (note 14)	-	-	(52,500,000)	(52,500,000)	-	(52,500,000)
Total comprehensive income from continuing operations for the year	-	-	41,676,093	41,676,093	-	41,676,093
Profit from discontinued operation (note 6)	-	-	356,976	356,976	90,799	447,775
Disposal of subsidiary (note 6)	-	-	-	-	762,616	762,616
At 31 December 2014	**250,000,000**	**62,500,000**	**42,034,016**	**354,534,016**	**-**	**354,534,016**
Balance at 1 January 2013	250,000,000	62,500,000	83,510,430	396,010,430	(1,079,136)	394,931,294
Dividends paid	-	-	(82,500,000)	(82,500,000)	-	(82,500,000)
Total comprehensive income from continuing operations for the year	-	-	51,255,584	51,255,584	-	51,255,584
Profit from discontinued operations	-	-	234,933	234,933	225,721	460,654
At 31 December 2013	**250,000,000**	**62,500,000**	**52,500,947**	**365,000,947**	**(853,415)**	**364,147,532**

The attached notes from 1 to 27 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 2014

	notes	2014 JD	2013 JD
Operating activities			
Profit before income tax from continuing operation		58,228,739	70,323,078
Profit before income tax from discontinuing operation		447,775	460,654
Non-cash adjustments to reconcile profit before tax to net cash flows			
Finance costs		55,287	60,618
Finance income		(6,034,712)	(7,732,081)
Provision for doubtful accounts	9	1,388,144	1,780,000
Provision for damaged and slow moving inventories		-	1,067
Depreciation of property and equipment	4	41,929,375	42,469,403
Amortization of intangible assets		12,176,691	5,140,020
Employees' end of service benefits		318,695	419,252
Gain on sale of property and equipment		(1,841,605)	(410,682)
Gain from sale of subsidiary	6	(262,470)	-
Net foreign currency exchange difference		(1,117,043)	(303,498)
Working capital adjustments:			
Inventories		1,613,875	1,074,556
Trade receivables and other current assets		6,349,174	(11,776,856)
Balances due from telecom operators		(1,628,817)	(3,726,047)
Trade payables and other current liabilities		169,956	(6,597,414)
Balances due to telecom operators		(5,926,854)	22,062,452
Employees' end of service paid		(420,237)	(101,704)
Income tax paid		(16,856,393)	(26,734,306)
Net cash flows from operating activities		**88,589,580**	**86,408,512**
Investing activities			
Purchase of property and equipment	4	(38,570,391)	(38,571,553)
Increase in intangible assets		(59,300,142)	(538,157)
Proceeds from sale of property and equipment		2,142,510	450,710
Proceeds from sale of subsidiary		1,419,227	-
Finance income received		5,723,880	7,403,823
Net cash flows used in investing activities		**(88,584,916)**	**(31,255,177)**
Financing activities			
Finance costs paid		(55,287)	(60,618)
Dividends paid		(52,534,992)	(82,331,517)
Net cash flows used in financing activities		**(52,590,279)**	**(82,392,135)**
Net decrease in cash and cash equivalents		(52,585,615)	(27,238,800)
Cash and cash equivalents at 1 January		242,849,684	270,088,484
Cash and cash equivalents at 31 December	**11**	**190,264,069**	**242,849,684**

The attached notes from 1 to 27 form part of these consolidated financial statements.

1. corporate information

Jordan Telecom was registered as a public shareholding company on 8 October 1996. Jordan Telecom is owned 51% by the Joint Investments Telecommunications Company (JIT Co.), a fully owned subsidiary of Orange Group (France).

The consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company (the Group) for the year ended 31 December 2014 were authorized for issue in accordance with the Board of Directors' resolution on 29 January 2015.

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

The head office of the Group is located in City Center, Jabal Amman-Jordan.

2. 1 basis of preparation

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

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

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

basis of consolidation

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

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

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

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

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

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

2.2 changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2014 are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2014:

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

These amendments are effective for annual periods which started on or after 1 January 2014. The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The application of the new amendments did not have any impact on the Group's financial position or performance.

2.2 changes in Accounting Policies - continued

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

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

IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. Application of the interpretation did not have any impact on the Group's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Application of the new amendments did not have any impact on the Group's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

2.3 standards and amendments issued but not yet effective

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Group has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment. The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

2.3 standards and amendments issued but not yet effective - continued

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to:

- materiality
- disaggregation and subtotals
- notes structure
- disclosure of accounting policies
- presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Group's financial position or performance. The application of the amendments are not expected to have a significant impact on the Group's disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

2.4 use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. 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 policies

accounts receivable

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

inventories

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

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

interest bearing loans

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

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

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

property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.

2.5 summary of significant accounting policies - continued

property and equipment - continued

Depreciation is calculated on a straight line basis, the depreciation rates are estimated according to the estimated useful lives of assets as follows:

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

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

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

finance costs

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

business combinations

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

intangible assets

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

The amortization period and the amortization method for intangible assets with a finite useful life is reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually, such intangibles are not amortized.

trade and other payables

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

employees' end of service benefits

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

2.5 summary of significant accounting policies - continued

taxation

current income tax

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

deferred income tax

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

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

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

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

sales tax

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

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

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

impairment and unrecoverability of financial assets

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

provisions

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

2.5 summary of significant accounting policies - continued

revenue recognition

Revenues from Group activities are recognised as follows:

service revenues

Telephone service and Internet access subscription fees are recognised as revenue on a straight-line basis over the service period.

Charges for incoming and outgoing telephone calls are recognised as revenue when the service is rendered.

Revenue - sharing arrangements are recognised gross, or net of content or service provider fees when the provider is responsible for the service rendered and for setting the price to be paid by subscribers.

equipment sales

Revenues from equipment sales are recognised when the significant risks and rewards of ownership are transferred to the buyer.

When the equipment is sold by a third-party retailer (indirect distribution channel) who purchases it from the Group the related revenue is recognised when the equipment is sold to the end-customer.

leases

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

foreign currencies

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

3. segment information

The Group’s operating business 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.

The following tables represent revenues and profit and certain assets and liabilities information of the Group’s business segments for the years ended 31 December 2014 and 2013.

3. segment information - continued

year ended 31 December 2014	fixed-line voice JD	mobile communications JD	data services JD	total JD
Net Revenues				
External customers	147,826,547	147,833,131	49,320,502	344,980,180
Inter-segment	57,191,824	8,539,812	1,865	65,733,501
	205,018,371	**156,372,943**	**49,322,367**	**410,713,681**
Segment results				
Operating profit before depreciation and amortization, interest and tax	684,935	57,469,663	44,672,070	102,826,668
Depreciation and amortization				(54,106,066)
Net foreign currency exchange difference				1,687,107
Finance costs				(55,287)
Finance income				6,034,712
Gain on sale of property and equipment				1,841,605
Profit before income tax				**58,228,739**
Income tax expense				(16,552,646)
Profit for the year from continuing operations				**41,676,093**
Discontinued operation				
Profit for the year from discontinued operations				447,775
Profit for the year				**42,123,868**
Add: Other comprehensive income				-
Total comprehensive income for the year				**42,123,868**
Assets and liabilities				
Segment assets	243,481,465	316,074,872	39,756,243	599,312,580
Segment liabilities	132,697,537	101,725,164	10,355,863	244,778,564
Other segment information				
Property and equipment	97,120,215	87,734,401	4,759,792	189,614,408
Intangible assets	15,041,226	80,779,409	6,255,691	102,076,326

3. segment information - continued

year ended 31 December 2013	fixed-line voice JD	mobile communications JD	data services JD	total JD
Net revenues				
External customers	159,013,350	149,509,831	47,847,422	356,370,603
Inter-segment	69,885,080	10,969,032	3,982	80,858,094
	228,898,430	**160,478,863**	**47,851,404**	**437,228,697**
Segment results				
Operating profit before depreciation and amortization, interest and tax	5,183,460	61,382,246	42,127,519	108,693,225
Depreciation and amortization				(47,609,423)
Net foreign currency exchange difference				1,157,131
Finance costs				(60,618)
Finance income				7,732,081
Gain on sale of property and equipment				410,682
Profit before income tax				**70,323,078**
Income tax expense				(19,067,494)
Profit for the year from continuing operations				**51,255,584**
Discontinued Operation				
Profit for the year from discontinued operations				460,654
Profit for the year				**51,716,238**
Add: other comprehensive income				-
Total comprehensive income for the year				**51,716,238**
Assets and liabilities				
Segment assets	271,115,779	318,153,347	29,023,949	618,293,075
Segment liabilities	136,703,742	111,625,708	5,816,093	254,145,543
Other segment information				
Property and equipment	93,803,479	90,558,185	4,477,162	188,838,826
Intangible assets	14,977,658	38,293,014	1,682,203	54,952,875

4. property and equipment

	land and buildings JD	telecommunications equipment JD	other property and equipment JD	projects in progress JD	total JD
2014					
Cost:					
At 1 January 2014	79,880,312	787,737,964	63,515,377	3,622,168	934,755,821
Additions	826,520	34,111,506	1,095,183	2,537,182	38,570,391
Transferred from projects in progress	-	3,800,356	-	(3,800,356)	-
Disposals	(1,163,950)	(1,066,753)	(753,932)	-	(2,984,635)
Transferred from other current assets*	4,435,471	-	-	-	4,435,471
At 31 December 2014	**83,978,353**	**824,583,073**	**63,856,628**	**2,358,994**	**974,777,048**
Depreciation:					
At 1 January 2014	40,051,932	653,209,592	52,655,471	-	745,916,995
Depreciation for the year	1,500,425	39,411,620	1,017,330	-	41,929,375
Disposals	(893,103)	(1,053,968)	(736,659)	-	(2,683,730)
At 31 December 2014	**40,659,254**	**691,567,244**	**52,936,142**	-	**785,162,640**
Net book value: at 31 December 2014	**43,319,099**	**133,015,829**	**10,920,486**	**2,358,994**	**189,614,408**
2013					
Cost:					
At 1 January 2013	77,913,141	754,453,896	64,164,433	736,493	897,267,963
Additions	1,967,171	33,261,689	377,753	2,964,940	38,571,553
Transferred from projects in progress	-	79,265	-	(79,265)	-
Disposals	-	(56,886)	(1,026,809)	-	(1,083,695)
At 31 December 2013	**79,880,312**	**787,737,964**	**63,515,377**	**3,622,168**	**934,755,821**
Depreciation:					
At 1 January 2013	38,509,101	613,369,856	52,612,302	-	704,491,259
Depreciation for the year	1,542,831	39,880,536	1,046,036	-	42,469,403
Disposals	-	(40,800)	(1,002,867)	-	(1,043,667)
At 31 December 2013	**40,051,932**	**653,209,592**	**52,655,471**	-	**745,916,995**
Net book value: at 31 December 2013	**39,828,380**	**134,528,372**	**10,859,906**	**3,622,168**	**188,838,826**

* Included in Land and buildings amounts due to the Group for land amounting to JD 4,262,321 that was classified in 2009 to other receivables. This balance represents the cost of land which was expropriated by Greater Amman Municipality (GAM) and is currently being disposed by the Group based on a court ruling.

5. intangible assets

	FLAG access rights JD	mobile operating license and frequency rights JD	other intangibles JD	total JD
Cost:				
At 1 January 2014	22,782,573	59,664,336	2,328,051	84,774,960
Additions	1,185,700	53,189,440	4,925,002	59,300,142
At 31 December 2014	**23,968,273**	**112,853,776**	**7,253,053**	**144,075,102**
Amortization:				
At 1 January 2014	7,804,915	21,371,322	645,848	29,822,085
Amortization	1,122,133	10,703,045	351,513	12,176,691
At 31 December 2014	**8,927,048**	**32,074,367**	**997,361**	**41,998,776**
Net book value				
31 December 2014	**15,041,225**	**80,779,409**	**6,255,692**	**102,076,326**
31 December 2013	14,977,658	38,293,014	1,682,203	54,952,875

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.

Mobile operating license include the 3G frequencies which was commercially lunched in March 2010, and being amortized over its useful economic life of 15 years.

The 900 MHz spectrum license that was obtained by Petra Jordanian Mobile Telecommunications Company (Orange Mobile) on 8 May 1999 for the 2G services and valid for 15 years. Accordingly it expired on 8 May 2014. Therefore, Orange Mobile applied during 2013 for renewal of the license to continue providing the same services, however the Company received a letter from the Telecommunications Regulatory Commission (TRC) in the last week of April 2014 informing the Company that the fees for the renewal and continued usage of the 900 MHz spectrum will be JD 156.4 million due to be settled by the 9th of May 2014. Despite the objections raised, Orange Mobile had to renew its 900MHz spectrum license for a period of 5 years in return of JD 52,437,750

TRC aforesaid decision was made on the assumption that Orange Mobile is licensed to utilize the spectrum for “Technology Neutrality” as if it is a new acquisition of spectrum, which was not the case since most of the frequency is preoccupied with the existing users of the 2G services, not to mention that the said decision was contrary to Orange Mobile clear request of renewal for 2G services and not “Technology Neutrality”.

The management of the Company has taken all available legal actions in order to preserve the Company’s interests and maintain the continuity of its operations, since the amount decided and paid to TRC is excessive and incomparable to fees paid by other licensees in Jordan. Accordingly, the recoverable amount of the license cannot be determined reliably until the outcome of the legal actions raised by the Company. As a result, no impairment has been recorded in these financial statements.

6. discontinued operation

On 11 May 2014, the Group disposed of 100% of its interest in LightSpeed Communications W.L.L. for JD 1,419,227. The cash flows generated by the sale of the discontinued operation during 2014 have been considered in the statement of cash flows as part of the investing activities.

The results of LightSpeed Communications W.L.L. for the period are as follows:

	2014* JD	2013 JD
Revenue	1,214,633	4,167,799
Cost of services	(545,189)	(1,974,216)
Gross profit	**669,444**	**2,193,583**
Less: Other expenses	(480,485)	(1,711,004)
Operating income	**188,959**	**482,579**
Less : Finance costs	(3,654)	(21,925)
Profit for the period	**185,305**	**460,654**
Total profit before tax		
Profit before tax from discontinued operations	185,305	460,654
Gain on disposal of the discontinued operations	262,470	-
Total	**447,775**	**460,654**
Cash inflow on sale:		
Consideration received	1,419,227	-
Net cash inflow	**1,419,227**	**-**

The net cash flows incurred by LightSpeed Communications W.L.L. are as follows:

	2014* JD	2013 JD
Operating activities	173,137	259,903
Investing activities	(13,806)	(133,075)
Financing activities	(119,734)	(207,904)
Net cash inflow	**39,597**	**(81,076)**

* Represents the period of activity prior to the disposal dated 11 May 2014.

7. income tax

Major components of income tax expense for the years ended 31 December 2014 and 2013:

	2014 JD	2013 JD
Consolidated statement of comprehensive income		
Income tax charge – current year	14,499,889	17,942,517
Deferred tax assets adjustments		
Employees' end of service benefits	1,160,454	-
Provision for doubtful accounts	892,303	1,124,977
Income tax expense reported in the consolidated statement of comprehensive income	**16,552,646**	**19,067,494**

The reconciliation between income tax expense at the statutory income tax rate and income tax expense at the Group's effective income tax rate for the years ended 31 December 2014 and 2013 is as follows:

	2014 JD	2013 JD
Accounting profit before income tax and non-controlling interests	**58,585,715**	**70,558,011**
At statutory income tax rate of 24%	14,060,572	16,933,923
Tax adjustments for:		
Subsidiaries profit	(32,316)	(58,998)
Provision for doubtful accounts	333,155	427,200
Debts written off	(2,572,530)	-
Non-deductible expenses and provisions for income tax purposes	3,855,745	1,862,349
Previous years' tax returns differences	(1,144,737)	(1,221,957)
Deferred tax assets	2,052,757	1,124,977
Income tax expense reported in the consolidated statement of comprehensive income at effective income tax rate of 28% (2013: 27%)	**16,552,646**	**19,067,494**

Movement on the income tax payable during the year is as follows:

	2014 JD	2013 JD
At 1 January	**19,925,105**	**29,105,586**
Income tax expense for the year	14,499,889	17,942,517
	34,424,994	**47,048,103**
Less: Income tax paid	(16,856,393)	(26,734,306)
Less: Withholding tax on interest income	(301,552)	(388,692)
At 31 December	**17,267,049**	**19,925,105**

Deferred tax assets at 31 December relate to the following:

	2014 JD	2013 JD
Provision for doubtful accounts	192,000	1,084,303
Legal cases provision	401,416	401,416
Employees' end of service benefits	1,164,012	2,324,466
	1,757,428	**3,810,185**

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

8. inventories

	2014 JD	2013 JD
Materials and supplies*	2,858,824	3,417,325
Handsets and others	2,095,507	3,240,881
Provision for damaged and slow moving inventories	(1,582,785)	(1,672,785)
	3,371,546	**4,985,421**

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

Movement on the provision for damaged and slow moving inventories is as follows:

	2014 JD	2013 JD
Opening balance	1,672,785	1,681,925
Additions	-	1,067
Reversal	(90,000)	(10,207)
	1,582,785	**1,672,785**

9. trade receivables and other current assets

	2014 JD	2013 JD
Trade receivables	57,515,418	70,552,587
Unbilled revenue	11,324,409	12,480,224
	68,839,827	**83,032,811**
Provision for doubtful accounts	(19,924,058)	(29,254,787)
	48,915,769	**53,778,024**
Amounts due from related parties	4,636,097	4,869,896
Other current assets	24,338,398	29,986,659
	77,890,264	**88,634,579**

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

As at 31 December 2014, trade receivables at nominal value of JD 19,924,058 (2013: JD 29,254,787) were impaired and provided for.

Movements on the provision for doubtful accounts were as follows:

	2014 JD	2013 JD
Opening balance	29,254,787	27,554,787
Provision for the year	1,388,144	1,700,000
Write offs	(10,718,873)	-
Ending balance	**19,924,058**	**29,254,787**

9. trade receivables and other current assets - continued

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

	neither past due nor impaired	past due but not impaired				
		1-30 days	31-90 days	91-180 days	>180 days	Total
	JD	JD	JD	JD	JD	JD
2014	14,814,460	10,746,195	11,722,375	1,509,565	10,123,174	48,915,769
2013	15,813,500	10,319,692	10,199,788	5,105,115	12,339,929	53,778,024

Management determines the doubtful debts on customers' balances 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.

10. balances due from/to telecom operators

The Group has agreements with local and foreign telecom operators, whereby amounts due from and to the same operator are subject to the right of offset. The net balances as of 31 December 2014 and 2013 are as follows:

	2014 JD	2013 JD
Balances due from telecom operators	37,649,970	35,596,072
Amounts due from related parties	606,062	1,031,143
Provision for doubtful accounts	(3,917,493)	(3,917,493)
Balances due from telecom operators	**34,338,539**	**32,709,722**
Balances due to telecom operators	79,360,439	85,517,236
Amounts due to related parties	1,701,816	1,471,873
Balances due to telecom operators	**81,062,255**	**86,989,109**

Balances due from telecom operators are non-interest bearing 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	181-270 days JD	>271 days JD	total JD
2014	14,402,327	8,096,012	5,464,333	1,219,864	5,156,003	34,338,539
2013	13,423,296	6,912,190	4,462,713	1,923,392	5,988,131	32,709,722

Unimpaired receivables are expected to be fully recoverable.

11. cash and short-term deposits

Cash and short-term deposits include deposits with commercial banks in Jordan for periods between one day and three months in Jordanian Dinars, Euros, and US Dollars amounting to JD 181,825,285 as of 31 December 2014 and JD 242,566,337 as of 31 December 2013 with an effective interest rate of 3.9 %, 0.78% and 1.03%, respectively (2013: JD 4.43%, Euro 0.99 % and USD 0.70%).

Short-term deposits as of 31 December 2014 include a progressive interest-rate deposit with Orange Group amounting to JD 7,160,900 (USD 10,100,000). The effective interest rate was 0.83% for the period from the date of deposit until 31 December 2014.

12. paid in capital

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

13. 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 has elected not to transfer any amount to the statutory reserve starting in 2005. The statutory reserve is not available for distribution to the shareholders.

14. dividends paid and proposed

The Board of Directors will propose a cash dividend for 2014 of JD 0.168 per share totaling JD 42,000,000 which is subject to the approval of the General Assembly.

During the year, dividends of JD 0.21 per share totaling JD 52,500,000 relating to 2013 were declared and paid.

15. interest-bearing loans

	2014 JD	2013 JD
Current		
French Government Protocol/Second Loan	342,464	384,497
French Government Protocol/Third Loan	131,733	147,901
	474,197	**532,398**
Non-current		
French Government Protocol/Second Loan	3,695,248	4,533,282
French Government Protocol/Third Loan	594,005	814,813
	4,289,253	**5,348,095**

15. interest- bearing loans - continued

French government protocol/second loan

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

The repayment of this loan started on 31 March 2006.

French government protocol/third loan

On 24 October 1996 the Government of Jordan represented by the Ministry of Planning signed a financial protocol with the Government of the Republic of France to finance several development projects including a FRF 15,000,000 loan to finance the construction of Al-Ashrafia Communication Switch Unit. The loan is subject to an annual interest rate of 1% payable on the total amount outstanding and shall be paid semi-annually. Principal payments of each withdrawal shall be paid in 30 equal consecutive 6 monthly instalments, the first instalment 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.

16. employees' end of service benefits

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

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

	2014 JD	2013 JD
Provision at 1 January	900,395	582,847
Expenses recognised in the consolidated statement of comprehensive income	318,695	419,252
End of service benefits paid	(420,237)	(101,704)
Provision at 31 December	**798,853**	**900,395**
Employees' end of service benefits – current	**125,067**	**373,115**
Employees' end of service benefits – non-current	**673,786**	**527,280**

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

17. trade payables and other current liabilities

	2014 JD	2013 JD
Trade creditors	85,305,955	80,709,754
Subscribers' deposits	20,358,950	20,527,609
Income tax payable	17,267,049	19,925,105
Deferred revenues	14,031,935	12,592,750
Accrued expenses	8,446,032	11,994,173
Government revenue share	8,321,577	7,751,098
Amounts due to related parties	3,034,822	2,198,933
Dividends payable	1,387,686	1,422,678
	158,154,006	**157,122,100**

18. government revenue share

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

19. business support fees and brand fees

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

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

20. earnings per share

	2014	2013
Profit for the year attributable to the equity holders of parent (JD)	42,033,069	51,490,517
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share	**0.168**	**0.206**

	2014	2013
Profit for the year from continuing operations attributable to the equity holders of parent (JD)	41,676,093	51,255,584
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share	**0.167**	**0.205**

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

21. related party disclosures

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

	country of	percentage of equity interest		description of
name	incorporation	2014	2013	service
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 (Note 6)	Bahrain	0%	51%	Data

Related parties are shareholders, senior management of the Group, and companies of which they are principal owners.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

21. related party disclosures - continued

Balances and transactions with related parties included in the consolidated statements of financial positions and consolidated statement of comprehensive income, respectively, are as follows:

	2014 JD	2013 JD
Consolidated statement of financial position items:		
Orange **Group and its subsidiaries (shareholder)**		
Short-term deposit	7,160,900	-
Amounts due from related parties	5,242,159	5,901,039
Amounts due to related parties	4,736,638	3,670,806
Consolidated statement of comprehensive income items:		
Orange **Group and its subsidiaries (shareholder)**		
Business support fees and brand fees	7,363,957	7,450,050
Operating expenses	4,557,469	5,822,637
Revenues	16,052,166	17,167,040
Government of Jordan (shareholder)		
Government revenue share	8,321,577	7,751,098
Key management personnel		
Executives' salaries and bonus	1,375,114	1,194,944
Board of directors remuneration	210,210	210,189

Balances due from and to related parties are disclosed in notes 9, 10, 11 and 17 to these consolidated financial statements.

22. commitments and contingences

Operating lease commitments

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

	2014 JD	2013 JD
Within one year	6,799,132	7,040,902

capital commitments

The Group enters into commitments during the ordinary course of business for major capital expenditures, primarily in connection with network expansion projects. Outstanding capital expenditure amounted to JD 16,339,631 as of December 31, 2014 (2013: JD 15,779,646).

legal claims

The Group is a defendant in a number of lawsuits with a value of JD 19,844,717 (2013: JD 19,772,717) representing legal actions and claims incident to its ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Accordingly, a provision of JD 1,554,232 has been made.

22. commitments and contingencies - continued

The Group is a beneficiary of a court ruling amounting to JD 4,847,410 which represents the consideration for land expropriated by Greater Amman Municipality (GAM) in 2009. An amount of JD 3,857,910 has been considered a contingent asset and will be recognised as revenue upon collection as it is uncertain, at the date of the financial statement, the amount, method and timing of payment.

guarantees

The Group has issued letters of guarantee amounting to JD 15,844,554 (2013: JD 15,902,075) in respect of legal claims and performance bonds.

23. 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 consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2014.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

	changes in interest rate %	effect on profit for the year JD
2014		
JD	1	1,347,738
USD	1	147,919
EUR	1	136,495

	changes in interest rate %	effect on profit for the year JD
2013		
JD	1	1,897,857
USD	1	324,511
EUR	1	166,545

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

credit risk

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

liquidity risk

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

The following table summarises the maturities of the Group's financial liabilities at 31 December 2014 and 2013, based on contractual undiscounted payment.

23. risk management - continued

31 December 2014

	less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	total JD
Trade creditors and amounts due to related parties	44,979,448	21,439,861	20,721,468	1,200,000	88,340,777
Balances due to telecom operators	11,942,769	36,411,511	32,575,359	132,616	81,062,255
Loans	115,134	359,063	2,273,168	2,016,085	4,763,450
Total	**57,037,351**	**58,210,435**	**55,569,995**	**3,348,701**	**174,166,482**

31 December 2013

	less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	total JD
Trade creditors and amounts due to related parties	37,449,478	24,515,409	20,493,800	450,000	82,908,687
Balances due to telecom operators	20,046,768	40,186,708	26,597,981	157,652	86,989,109
Loans	129,265	403,133	2,129,597	3,218,498	5,880,493
Total	**57,625,511**	**65,105,250**	**49,221,378**	**3,826,150**	**175,778,289**

currency risk

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

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

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

	changes in Euro rate to JD %	effect on profit before tax JD
2014		
EUR	5	444,303
2013		
EUR	5	538,698

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

24. fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and short-term deposits, receivables and some other current assets. Financial liabilities consist of term loans, payables and some other current liabilities.

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

25. 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 2014 and 31 December 2013. Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD 354,534,016 as at 31 December 2014 (2013: JD 365,000,947).

26. subsequent events

Subsequent to the financial statement date and on 25 January 2015, Orange Mobile has been granted approval from the TRC to acquire the frequency license (10 + 10 MHz) in 1800 MHz band for 4G and beyond services for a period of 15 years with a cost of JD 71 M and JD 426k as a stamp fees to be paid within one month of the approval date.

27. comparative figures

The 2013 figures have been reclassified in order to conform to the presentations in 2014. Such reclassification does not affect previously reported profit or equity.

future vision

In 2014, our key objective was to formulate and execute effective strategies to mitigate the many challenges that bridled the development of the local ICT sector. Between increased government taxes, short-sighted regulatory policies and the government's inflated valuation of our 900 MHz frequencies license, the year tested our resolve, particularly given our unrelenting focus on customer satisfaction, innovation and long-term investments.

One critical element shaping our future outlook is the healthy appetite of Jordanians for new technologies, particularly those enhancing the way they experience the Internet. This is what led us to invest in technologies like 4G and fiber optics, both of which deliver faster, more reliable connectivity options that cater to every need. We will undoubtedly continue to leverage on this healthy demand for a more robust online experience in order to further grow our market share in the Kingdom. More importantly, Orange will continue to develop effective strategies to access new revenue streams, be it through the introduction of new offers and services or through sustainable tactical improvements to our operations implemented via our NAMBAU transformation program.

As we approach the commercial launch of our 4G network, we are confident that Orange Jordan will maintain its role as an industry trendsetter in this regard, especially that we will complement this launch by further investing in our fiber infrastructure. The overall objective of this approach is to leverage on the mobile and fixed services assets of the company to keep providing a balanced lineup of integrated and convergent communication solutions. This is crucial to maintaining our position as the operator of reference in the march toward a knowledge-based Jordanian economy.

Naturally, Orange Jordan will continue to work toward realizing the vision of His Majesty King Abdullah II, whose determination to transform Jordan into a leading regional ICT hub is a critical driver of many of our corporate objectives. One shining example of our commitment is the Orange Technocentre, which continues to spearhead innovation in the Middle East, Asia and North Africa region through its unparalleled research and development model. The Technocentre will continue its efforts in 2015 to produce solutions that not only address the various demands of both consumer and enterprise markets in the region but that also take international best practices as a gold standard.

While the challenges faced by the ICT sector in 2014 will undoubtedly continue to stifle its development, we still predict a year filled with numerous achievements that will further redefine the benchmarks of the industry. As in years previous, Orange Jordan will continue to leverage on every potential opportunity in order to maximize the value delivered to Jordanians everywhere and to remain the preferred partner of Jordanians' digital life.