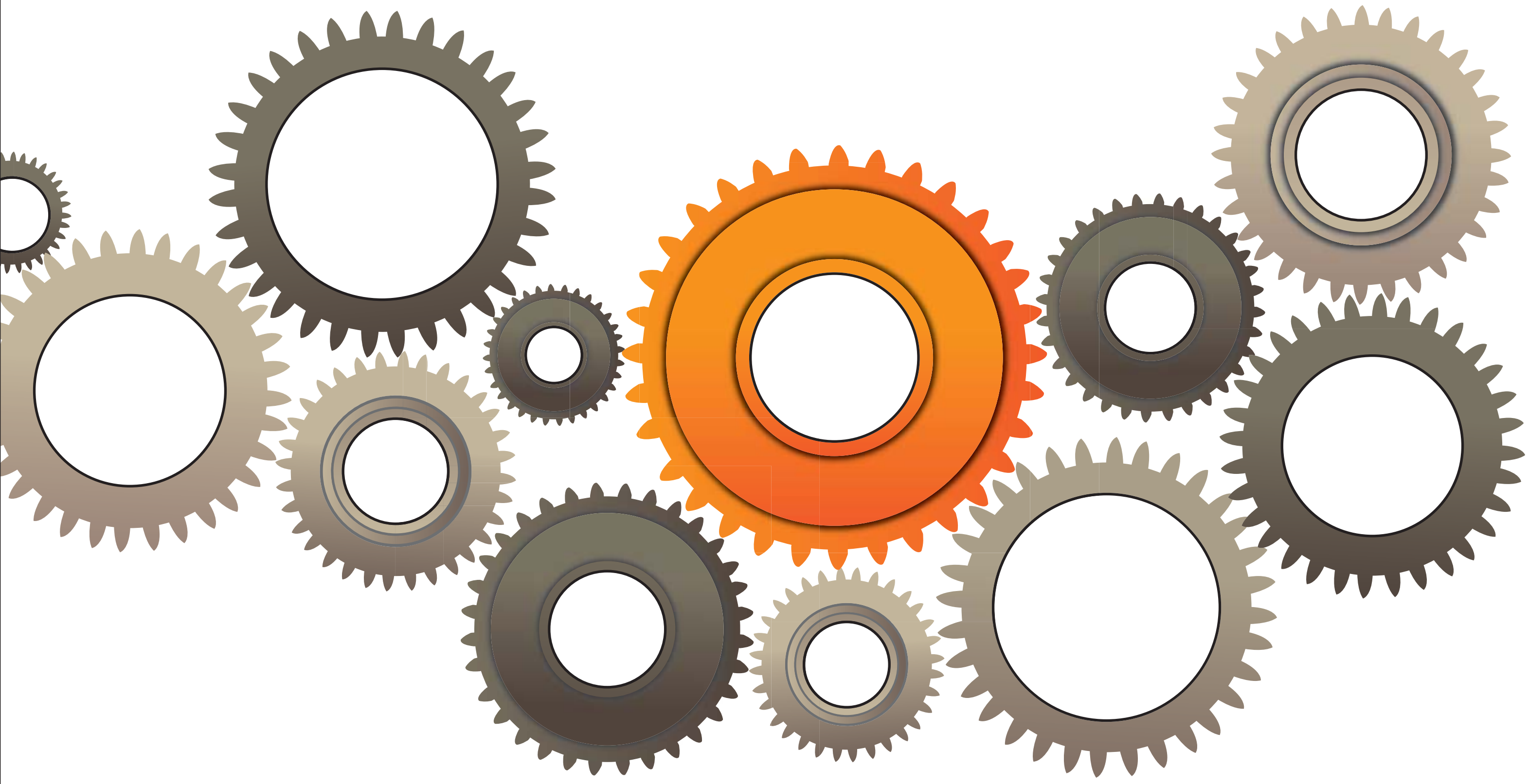
2009

annual report



orange™

content

His Majesty King Abdullah II

"…We are confident that through our collective abilities and efforts, we can meet any challenge, achieve our ambitions and secure the bright future…"

letter from the Chairman

Dear Shareholders,

Since the very beginning, Orange Jordan had taken a solemn oath to be a forerunner in the field of advanced telecom technologies. It is a commitment we continue to honor with each passing year. Since the year 2000, Jordan Telecom Group (Orange) has enjoyed continual progress and development on all levels – the technical, administrative and financial – reinforcing the company's position as a leader of Jordan's ICT revolution.

Orange Jordan has also played an instrumental part in spreading a culture of ICT awareness amongst Jordanians. Only a decade ago, internet penetration in Jordan was barely at 1 percent. Today, it has reached well over 28 percent, thanks to the highly effectual strategy we implemented towards developing our network and lowering the prices of internet services to make them more accessible to all segments of society.

On the technical level, the company continues to enjoy a steady progress due to our longstanding belief in the limitlessness of knowledge. Our close affiliation with France Telecom/ Orange Group has allowed us to fortify our network with a host of advanced technologies and to invest in those technologies on an annual basis so as to deliver top-notch services to the Jordanian public. The latest of these technologies was our recently-launched 3G+ network and, in that regard, I can proudly attest that many of our team members are well-versed in the technical aspects of 3G+ services. This reaffirms the culture of awareness we try to instill in the citizens of this nation; we aim to help them acquire both knowledge and experience to broaden their horizons and brace their creativity.

On the administrative level, we are witnessing – perhaps more clearly than any time before – the many benefits of having four companies working together under a unified management. The implementation of an integrated strategy has given birth to an integrated vision – one that falls in line with our original objective of delivering added value to our customers as the sole integrated telecom operator in the Kingdom. This strategy also entailed a large number of secondary strategies and objectives that culminated in both higher productivity and reduced costs. This has secured customer satisfaction and increased demand for our lineup of integrated services. Since last year, our productivity has increased by 11.8 percent – a clear indication of the effectiveness of our strategy, particularly in light of the continuous reductions in the prices of our services.

On the financial level, our subscriber base has maintained its steady growth to reach approximately 2.8 million subscribers. Net profits have increased by 3.7 percent, reaching JD104 million compared to JD100.3 million in 2008. Despite the global economic downturn, we take great pride in the fact that, once again, our net revenues have passed the JD400 million mark. Lastly, earnings before interest, tax, depreciation and amortization have reached JD180.7 million. As any organization seeking the welfare of its shareholders, we strive to bolster the value of our company. In that regard, I am pleased to announce that the dividends that will be recommended for distribution will be a record-breaking JD105 million – an achievement that gives us a sense of honor, knowing that we are performing our duty towards you, our dear shareholders. These statistics are a clear indication of Orange Jordan's excellent performance.

We have also led a thriving year in the arena of corporate social responsibility, which has allowed us to exceed the high expectations of the Jordanian public. Our support of Jordan's rich cultural heritage and the country's national identity, together with our longstanding contributions in the fields of education, sustainable development and poverty control, are always fueled with our incessant desire to improve the quality of life of the Jordanian citizen.

In closing, allow me to express my utmost gratitude to you, our dear shareholders, and to our customers, for the great trust you place in us. I would also like to thank our exceptional team, our experienced and sensible management and our Board of Directors for the outstanding achievements we have made together in 2009. Such achievements wouldn't have been made possible without the continuous support in the transfer of know how at all levels of France Telecom/ Orange Group. On behalf of the Board, I would also like to thank France Telecom/ Orange Group and the various official bodies of the Jordanian government, particularly the Ministry of Information and Communication Technology and the Jordanian Telecommunication Regulatory Commission for their unwavering efforts in helping the Kingdom's ICT sector reach its maximal potential. Of course, none of this would have been possible had we not had, at the forefront of our priorities, our King's vision of making Jordan a regional hub for advanced telecommunication technologies. Our achievements also come in large part due to our company's longstanding values of being friendly, refreshing, dynamic, straightforward and honest, in addition to our openness to change, our embracing of creativity and innovation and, most importantly, our absolute faith in the skills and abilities of the Jordanian individual.

We look forward to an even more successful and prosperous 2010. Together we can do more.

Dr. Shabib Ammari
Chairman of the Board of Directors
Orange Jordan

letter from the CEO

Dear Shareholders,

When the economic downturn hit on a global scale, we all witnessed the many challenges faced by the world's largest corporations in what could very well be deemed a struggle for survival. The downturn served as a good test to a company's level of transparency and whether its management possessed enough foresight to adapt. I am proud to say that Orange Jordan not only managed to weather the effects of this crisis but also enjoyed a year of many outstanding accomplishments.

Orange Jordan remains in the lead with 2.8 million subscribers. We have also garnered a total revenue of JD400.1 million, maintaining the stellar performance we have enjoyed over the last few years. Our net profits have increased by 3.7% to reach JD104 million, whereas capital expenses grew by 84.9% due to the investments we made to acquire the license to provide $3G^{+}$ services.

It would be hard to broach our accomplishments in 2009 without beginning with broadband internet, in which we still have the greatest market share despite the recent increase in the number of wireless broadband operators. This was a direct result of our strong investment and in improving the infrastructure of our network, allowing us to deliver faster connections to our subscribers and to bolster internet penetration which, as we write these lines, is exceeding 28%. This accomplishment would not have been possible without our deep understanding of the Jordanian market and the needs of the public. It is this understanding that drove us to reduce the prices of Internet Protocol connectivity by more than 70% since three years, in an effort to help realize the royal vision of spreading the internet culture and to follow the example of developed nations in what they offer their citizens. The customer satisfaction studies we conducted with other national and international operators are ample proof that our efforts in this regard have been fruitful, bolstered by the fact that the quality of our service remains steadfast despite our cost-reduction strategy. This has allowed us to continue enjoying the highest market share nationwide.

Our efforts were crowned in 2009 with the founding of the Orange Security Operations Center, the first of its kind in Jordan and the region, which will safeguard networks from the threat of cyber attacks. The center is equipped with the latest technologies that allow it to provide a comprehensive lineup of managed security services, in addition to being manned by a team of highly qualified experts.

Our achievements in the mobile arena have been no less impressive than those in internet. Our focus in 2009 was on market segmentation in an attempt to target more and more consumer segments with offers specifically tailored to meet the needs of our existing and potential customers. A sound implementation of this strategy was the offer we presented to university students, which was immensely popular amongst Jordanian youth. Our segmentation strategy also drove us to provide broadband internet bundles with reduced prices to the residents of the Northern and Southern governorates in Jordan in an effort to make internet more accessible to them. We have also signed a plethora of agreements to broaden the scope of our services. These agreements step far beyond the local scale to embrace entities throughout the region, such as the strategic alliance agreement we signed with the renowned operator Wataniya - Palestine, which allowed us to launch long-distance and roaming services towards Palestine.

Our success in 2009 was further accentuated when the company was awarded the license to provide $3G^{+}$ services. Since then, Orange Jordan has poured all its efforts toward preparing the infrastructure necessary to provide these services under the highest standards – a task that has proven particularly challenging. Over the last six months, our team has toiled day and night to acquire the technical expertise necessary to manage and operate a $3G^{+}$ network, which was made possible via the transfer-of-knowledge sessions we organized in cooperation with France Telecom/ Orange Group. The combined efforts of our management and team came into fruition with the timely launch of our $3G^{+}$ network in Q1 2010 – a milestone that is sure to reinforce our number one position in Jordan's telecom market.

All these accomplishments were driven by the new vision we have placed for Orange Jordan to be realized by the year 2012, and that is to become the "Operator of Reference" – the operator which redefines the standards of excellence against which other operators are measured in this highly competitive landscape. A number of objectives have been defined under this vision, which Orange Jordan will work to achieve over the next three years in order to target growth opportunities beyond our central market. Our prime objective through all of this is to provide the Jordanian public with innovative services and offers that cater to their changing needs.

2009 was an eventful year that brought us a host of positive transformations. This, however, did not diminish the high level of commitment we continue to demonstrate toward the Jordanian community. We have maintained our streak of sustainable development initiatives by supporting several programs geared toward improving the quality of life for the Jordanian citizen. We have renewed our partnership with the Hikmat Road Safety initiative, through which we have successfully managed to reduce the number of traffic accidents and their resultant fatalities. We have also continued our support of the Madrasati initiative, for which we were honored by Her Majesty Queen Rania Al Abdullah. Additionally, building on the rehabilitation program we had previously initiated in the Rasoun Village in Ajloun, our efforts continue to improve the health, education and social development fronts in the village to secure better living for its residents. These are but a few examples of Orange Jordan's longstanding track record in corporate social responsibility, which is a clear reflection of the strong relationship shared between the company and its surrounding community.

With you on our side, dear shareholders, I am more than confident that we will continue our march forward. I would like to extend my utmost gratitude and appreciation to you and to our esteemed Board. I would also like to thank our clients for their unwavering trust and loyalty, and to our management and team for proving the integrity and transparency of our vision. Together we can do more.

Mrs. Nayla Khawam
Chief Executive Officer
Orange Jordan

Board of Directors 2009

Dr. Shabib Ammari

Chairman of the Board of Directors
France Telecom Group

Miss Asema Doughan

Member of the Board of Directors
Jordanian Ministry of Finance

Mr. Marc Rennard

Vice Chairman of the Board of Directors
France Telecom Group

Eng. Abdel Rahman El Khatib

Member of the Board of Directors
Executive Privatization Commission

H.E "Mohammad Akel" Biltaji

Member of the Board of Directors
Social Security Corporation

Mrs. Nayla Khawam

Chief Executive Officer
Orange Jordan (Jordan Telecom Group)

Mr. Hugues de Verdalle

Member of the Board of Directors
France Telecom Group

Mr. Michel Monzani

Member of the Board of Directors
France Telecom Group

Management Committee (GroupCom) 2009

Mrs. Nayla Khawam

Chief Executive Officer
Orange Jordan/
Jordan Telecom Group

Mr. Ahmed Salah

Chief Sourcing, Logistics
and Quality Officer

Mr. Raslan Deiranieh

Chief Financial Officer

Mrs. Majd Shweikeh

Vice President Orange Jordan/
CEO Petra Jordanian Mobile
Telecommunication Company Ltd

Mr. Tamouh Khauli

Chief Information Security Officer

Mr. Sami Smeirat

Vice President Orange Jordan/
CEO Jordan Data Communication
Company Ltd

Mr. Didier Lelievre

Chief Information Technology
and Networks Officer

Mr. Philippe Vogeleer

Chief Strategy Officer
Secretary General

Mr. Laurent Marini

Vice President Orange Jordan/
Wholesale Business Unit

Mrs. Wassila Zitoune

Vice President Orange Jordan/
Fixed and Internet Business Unit

best of 2009

best of 2009

1. Despite the global economic downturn, Orange Jordan's foothold in the market remains as strong as ever, with total revenue of JD400.1 million. The company remains the leader in the market with 2.8 million subscribers.

2. Orange Jordan was awarded the license to provide 3G+ services to Jordanians with a one-year exclusivity deal. This achievement constitutes a major milestone not just for Orange Jordan but for the Kingdom's ICT sector as a whole, as the technology ushers in a host of innovative services.

3. Orange Jordan formed a strategic alliance with renowned operator Watanyia - Palestine, under which the subscribers of both operators will benefit from preferred tariffs when making or receiving roaming and long-distance calls between the two countries.

4. Orange Jordan began implementing its segmentation strategy, which aims to target more demographics amongst its mobile users around the Kingdom with special offers tailored to meet their individual needs. The strategy resulted in several offers that were well received by the Jordanian public.

5. In June 2009, Orange Jordan launched the Orange Security Operations Center in accordance with international standards and with the capacity to compete with global security centers. Boasting a state-of-the-art infrastructure and highest caliber staff, the center delivers a rich lineup of converged IT security services designed to safeguard networks against potential breaches.

6. Orange Jordan's social responsibility portfolio is more diverse than ever, as the company renewed its partnerships with a plethora of programs and initiatives geared toward improving the quality of life for all Jordanian citizens. This year, Orange Jordan focused on education, health, road safety and social development as main axes of sponsorship.

7. The 'Hayyakum' offer from Orange Jordan was the proud recipient of the 2nd place prize in the Agility 2009 Project, under France Telecom Group's Time to Market Challenge 2009 Program. Facing strong global competition, the innovative 'Hayyakum' offer successfully swept the coveted prize for its focus on increasing broadband penetration in the southern rural areas of the Kingdom.

8. Orange Jordan's mobile call center ranked highest amongst the company's competitors in the Kingdom, according to the results of a survey conducted by IPSOS-Stat in Q4 of 2009. The survey evaluated the ability of call center agents to provide insightful answers to customer queries.

9. Orange Jordan reduced the prices of broadband internet connectivity by more than 70% over 3 years which greatly bolstered demand and helped increase internet penetration in various governorates around the Kingdom. These governorates were also targeted with a variety of special offers and discounts.

10. The revenues of Jordan Telecom Group's Wholesale Unit reached JD117.6 million – an 11% increase over 2008. The increase was primarily driven by international outgoing voice traffic, the volume of which increased by 25%. International incoming voice traffic and transit via Jordan increased by 35% and 56% respectively.

11. As part of its long-term plan to refit its 50 shops around the Kingdom, Orange Jordan revamped six main shops in two sales regions during 2009, thus securing improved work conditions for employees and better service to customers. Two new Orange Franchisee shops were launched in City Mall and Food City to enhance the company's presence in the market.

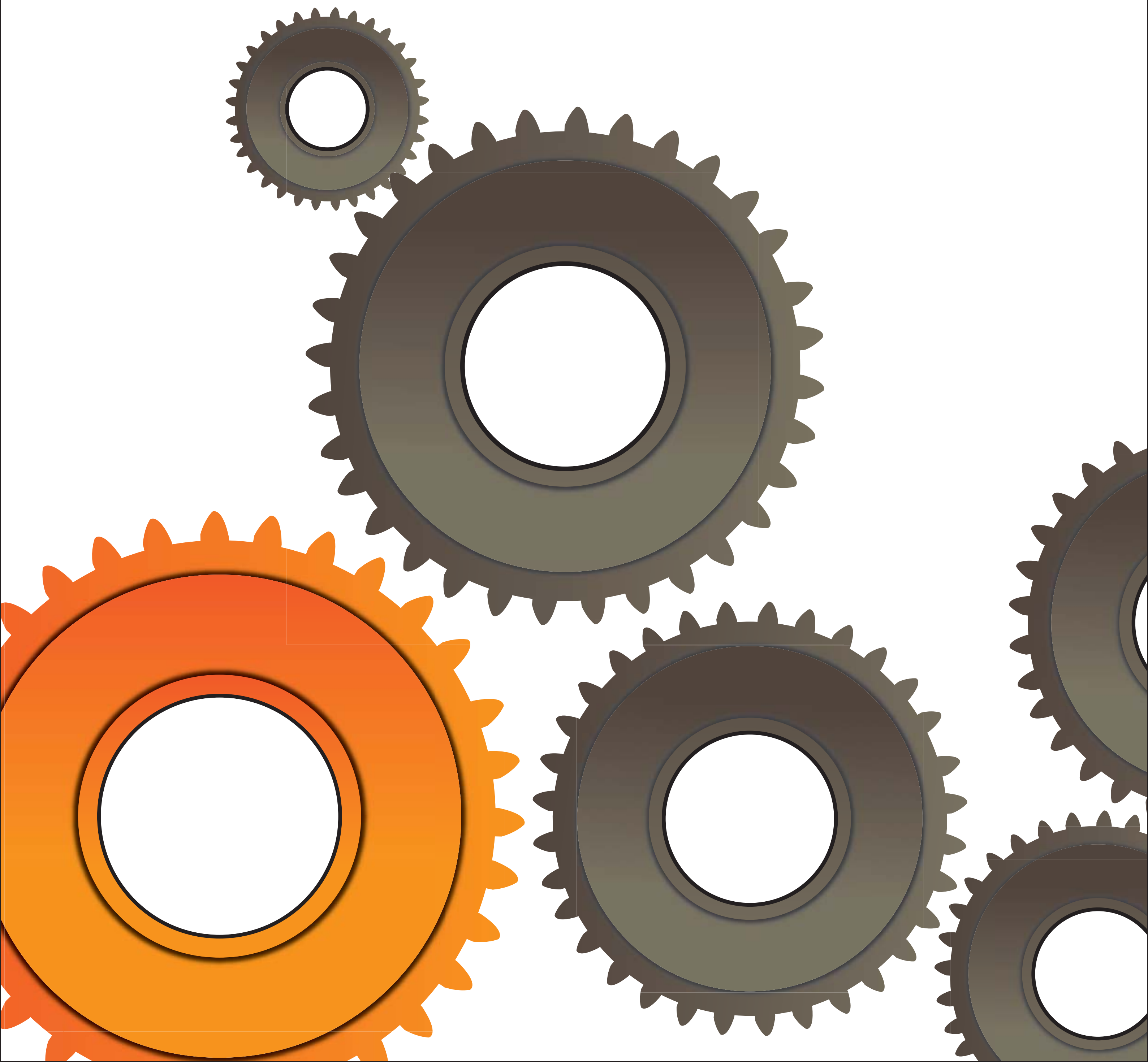
12. Orange Jordan's Quality Department maintained 8 separate ISO 9001:2000 certificates – more than any other organization in the Middle East. The department was also able to effectively manage various strategic and cross-functional projects for the whole Group.

13. Orange Jordan launched its second telemarketing center in Al Ahliya University in an endeavor to help students acquire valuable practical experience prior to embarking on their own career journeys. In addition to being operated by students, the center offers its staff flexible working hours so as to help them balance between their education and their work.

14. In 2009, Orange Jordan's Amman Technocentre – a key research and development hub for Orange's affiliates in Africa, the Middle East and Asia – supported emerging countries in achieving 17 launches for 8 products: Ring-back tone, Voice SMS, Yield/Bonus zone, Pay 4 Me, BlackBerry post and prepaid offer, Fleet management, Orange SIM and Mobile Advertising.

15. Orange Jordan received three prestigious awards during the 2nd "SAMENA" awards ceremony, including the enviable titles of Best Convergent Operator of the Year and Best Fixed Operator of the Year, as well as Best Architect of the Year.

16. Orange Jordan revamped its website at www.orange.jo. The new design boasts a more intuitive user experience as well as improved content management so as to better deliver the company's message to the website's visitors. Among the new features are content categorized by user segments, service and handset selection wizard, and exclusive MBC video content.



who we are and what we do

future vision

Jordan has witnessed robust economic growth in recent years, underpinned by its solid relationships with the region and the rest of the world. The global economic downturn had a significant impact on the domestic economy in 2009. The commercial landscape will remain difficult in 2010, with economic activities in Jordan highly influenced by the slow-rising growth in trading-partner countries, which will eventually and gradually have its positive desired outcome in 2010 and 2011.

The key question for telecom operators as the downturn hit in 2009 was how user spending would be affected. As the quarters went by it became apparent that user spending - particularly consumer spending - was fairly resilient to the economic downturn.

Orange Jordan has managed to maintain its stable position in 2009 despite all economic difficulties. Orange Jordan is looking to the future with ambition. We envision ourselves becoming the “Operator of Reference” by 2012.

The “Operator of Reference” is the one who achieves a standard of excellence and achievement at each customer touch point against which other operators are measured or judged.

The operator of reference is a leader in its market. One of the main aspects of being a leader is focusing on top-line and growth. Orange Jordan is not content with simply managing its current business; it desires to achieve revenue growth and therefore it will differentiate its service offerings through initiatives designed to increase service innovation and improve customer experience.

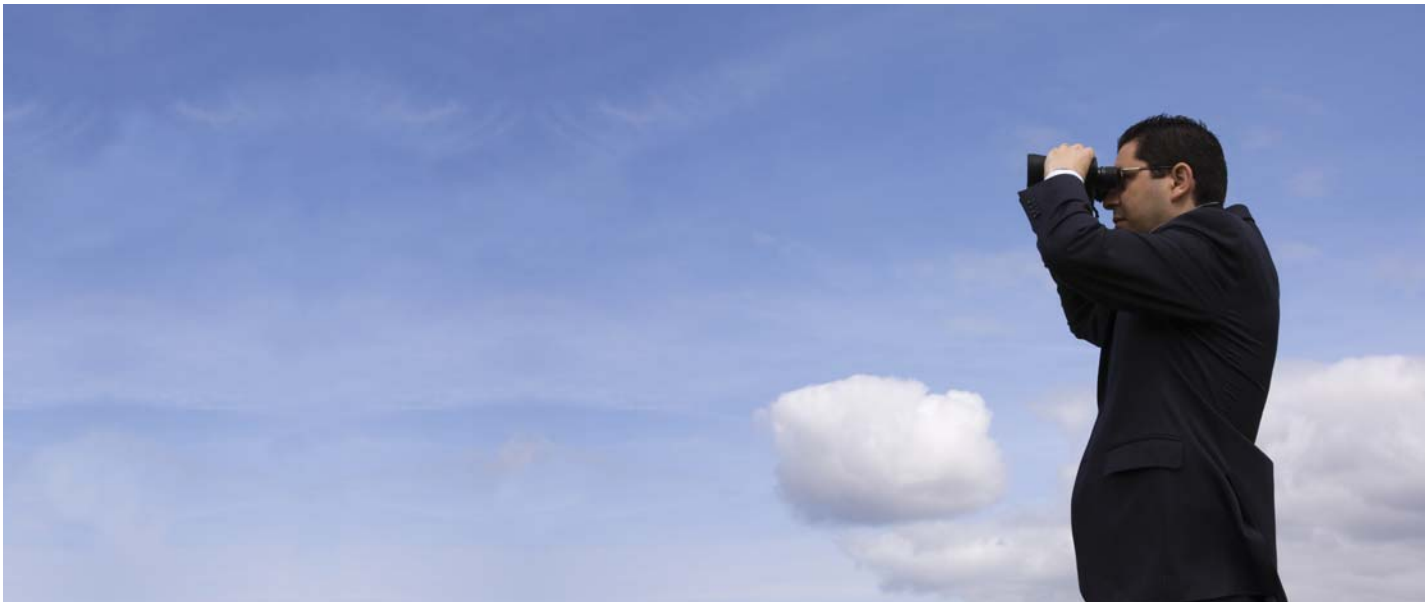
The operator of reference sets the standard for quality by providing high benchmarks to its competitors. Quality improves customer experience and, since our customers are our most important asset, we strive to fulfill their needs and meet their expectations. We exert our best efforts to offer them an excellent customer experience in each and every one of our services.

The operator of reference has a distinctive brand, clear communication messages and is an integral part of the society within which it operates. At Orange Jordan, we believe in corporate social responsibility. We are part of Jordan's society and we want to be more than a service provider. We want to serve society with the resources we have. This is part of our long-term vision.

The operator of reference will only be achievable through our people. At Orange Jordan, we aspire to create a culture that fosters creativity and encourages optimal performance. Our people are very important and we hold them accountable to very high standards. That’s why we hire the best. At Orange Jordan we don't offer a job – we offer a career, and we want our people to realize their potential.

In 2009 we started to roll-out our 3G+ network in preparation for the 3G+ launch which we accomplished in Q1 2010. 3G+ capabilities position Orange Jordan as the only comprehensive provider for all the broadband needs of customers in Jordan.

2010 is a year full of potential and excitement. We shall push ourselves to the limits and we look forward to another year of achievement.



delivering value in a competitive landscape

Orange Jordan always seeks to exceed customer expectations, which is why we consistently devise new and innovative products and services to cater to the changing needs of our customers. We are also constantly looking for more ways to understand market dynamics in order to fulfill the ever changing needs of our customers throughout the Kingdom. This is why, in 2009, our marketing strategy relied extensively on segmentation – targeting more and more customer groups with flexible, inventive and affordable offers that are tailored to meet the individual needs of each segment.

Market segmentation is a tool which garners the company a fresh perspective of the market, allowing it to adjust its strategy to accommodate changing patterns in demand and to navigate the market's competitive landscape. Segmentation can lead to significantly improved marketing effectiveness; it gives the company an edge that allows it to build its brand, communication strategies, advertizing campaigns and marketing programs, therefore addressing customers at the heart of the purchasing cycle.

Building on its previously outlined strategy to bolster internet penetration in the Kingdom, Orange Jordan continued to lower prices on all ADSL subscriptions, offering special rates to home subscribers and waiving ADSL installation fees. The year also enjoyed a substantial expansion in the coverage of high-speed broadband connections with bandwidths exceeding 2Mbit/s, which spread to include various areas in Amman, Irbid and Zarqa.

Internet penetration in governorates also enjoyed a steady increase following the launch of 'Hayyakum' and 'Hala' offers, geared toward southern and northern governorates respectively. The offers delivered record-breaking monthly fees of JD9.90, with high-speed connections of up to 2 Mbit/s. The company also erected demonstration tents in each of the governorates targeted by the offers, where qualified teams gave orientation sessions to residents on essential web browsing and internet uses. Both these offers carried with them a social significance as they heralded the impending realization of the national vision that calls for the development of the telecom infrastructure in the Kingdom's governorates.

Orange Jordan also launched a new communication campaign to further boost broadband internet usage. Under the heading of Internet=life, the campaign targeted several customer segments, including youth, families, students, children, as well as small and medium enterprises. The campaign entailed a variety of amendments made to existing offers in an attempt to better meet the needs of each customer group. These changes included double download offers, TV over DSL, bundled mobile offers and parental control. The campaign won several prizes and was strongly praised for its emotional proximity to the populations it targeted.

Customer experience was also an area of focus when it came to broadband connectivity. In addition to consistently devising solutions to bolster the quality of our broadband connections, Orange Jordan also updated the procedures associated with account access and service upgrades in an effort to improve their user-friendliness. As of December 2009, users are now able to upgrade their connection speeds by simply calling our customer care center, with changes being implemented within 24 hours of the request. We also presented our customers with a highly useful control panel accessible via our website, through which they can check the status of their fixed and ADSL subscriptions as well as upgrade their connection speeds and their daily usage.

In October, Orange Jordan collaborated with the Ministry of Information and Communication Technology to launch broadband internet offers geared toward university students under the heading of 'One Laptop for Every Student'. The offers delivered the same attractive prices as those offered to governorates but with the added benefit of higher download capacities and free wireless modems, in addition to laptops that were procured by the universities that took part in the initiative.

Mobile customers also enjoyed a fair share of attractive offers in 2009. In the months of May, July and September, Orange Jordan re-launched its usage bonus promotion, which aimed to stimulate usage by offering bonus minutes to customers who, after being notified by SMS, reached a certain usage threshold within the month of the promotion. This successfully bolstered overall usage without risking average revenue per user.

As Egyptians are quickly building a good percentage of the Jordanian ethnic population, Orange Jordan released the 'Um El Dunya' offer to present them with an easy, affordable way of communicating with each other and their loved ones at home. Featuring ultra competitive per-minute rates, the offer was well received by Egyptians residing in Jordan, allowing Orange Jordan to become the preferred operator for a fairly wide demographic.

In its efforts to target the youth segment, Orange Jordan also launched Unizone – a line specifically geared towards university students. Currently active in 19 universities across the Kingdom, Unizone is praised as the only offer for students that effectively caters to their needs. The line brings students unlimited voice calling on campus when making on-network calls and boasts an attractive subscription fee of only 50 piasters per week.

In the area of roaming, Orange Jordan offered a special rate of only 10 piasters per minute on all incoming calls received while roaming in 24 countries in the Middle East, Africa, Europe, USA and Canada. This offer applies to pay-monthly as well as pay-as-you-go subscribers, with the latter also benefitting from a 50% discount on all incoming call rates when roaming in the same destinations. The transparent cost mechanism of the offer, which contains no hidden or additional costs, allows outbound roamers to effectively monitor and manage their roaming expenses, securing an overall improved customer experience to a very important subscriber base.

Our lineup of enterprise products was also further enriched with a number of attractive new offerings. Business Internet Voice, for example, delivers high quality Voice-over-IP services to corporate customers, making business-related communications and conferences easier and more cost-efficient. Additionally, in response to customer demands, Orange Jordan revamped its BlackBerry Business solutions to include more GPRS capacities, in addition to introducing the latest BlackBerry handsets, such as the BlackBerry Bold and BlackBerry Curve 8900. Our long-distance call tariffs were also updated to allow corporate customers to make long-distance business calls with ease.

The year 2009 was further proof that Orange Jordan continues to exceed customer expectations, delivering highly adaptable offers that cater to the needs of different segments, all the while featuring unrivaled prices. Our products and services deliver true value to our customers and we are committed to retaining the streak of success we enjoyed in this regard.

building a better customer experience

Orange Jordan always seeks to build lasting relationships with its customers by delivering an unmatched customer service experience. We are consistently redefining the standards we implement in dealing with our customers by conducting regular surveys on customer satisfaction and implementing far-reaching training programs to improve the quality of our customer care.

In 2009, the company enjoyed essential improvements in this regard. Building on our strategy to devise new and improved means of communicating with our customers, we created the auto-dialing protocol, which complements the printed bills we deliver to customers' postal and street addresses. The auto dialer generates automated calls to customers informing them of the total values of their fixed-line and broadband internet bills, in addition to specifying the current status of their services. We also created new SMS and e-mail communication channels to deliver the information to customers' mobile phones and e-mail addresses, making it easier for them to manage their bill payments in a timely manner.

Additionally, in an effort to enhance the quality of the 1212 directory services provided to fixed line customers, Orange Jordan signed an agreement with Extensya, the first and largest Jordanian company specialized in business process outsourcing, to operate the company's directory services. This outsourcing project was the largest on a group scale in terms of volume and value and is expected to significantly improve the efficiency and accuracy of Orange Jordan's directory services.

Our mobile customer care indicators are also showing considerable improvement over previous years. Orange Jordan's mobile call center ranked highest amongst the company's competitors in the Kingdom, according to the results of a survey conducted by IPSOS-Stat in Q4 of 2009. The survey evaluated the ability of call center agents to provide insightful answers to customer queries.

Orange Jordan is committed to maintaining this impressive streak of improvements in an area that is crucial to the company's overall prosperity. Our customers are at the heart of everything we do and we will continue to devise more ways to improve their overall experience.

partnerships and agreements

Orange Jordan consistently works to expand its network of partnerships with various public and private parties. The sustainable relationships we foster with third party organizations have greatly bolstered the quality of our products and services and contributed to the evolution of our brand. The year 2009 saw the company sign a host of strategic and partnership agreements with different business sectors, all of which will help us furnish Jordan with a more extensive and adaptable lineup of telecom services.

A major highlight of 2009 was the licensing agreement signed with Jordan's Telecommunications Regulatory Commission (TRC) for Orange Jordan's 3G+ network, which was the culmination of a long and arduous process we initiated years ago. Following a long bidding and negotiation process, Orange Jordan was finally awarded the license to provide 3G+ services to subscribers, with a one-year exclusivity deal. The agreement constituted a significant milestone not just for Orange Jordan but for the Kingdom's ICT sector at large. The arrival of 3G+ services also lays down the groundwork for a variety of partnership agreements with local and regional 3rd party service providers as Orange Jordan's service line-up expands to deliver a plethora of new and exciting services.

Orange Jordan also signed a partnership agreement with Ericsson, the world's leading provider of technology and services to telecom operators, to assist the company in launching its 3G+ network in Q1 2010. Orange Jordan will draw on Ericsson's longstanding experience in the field to ensure that its 3G+ network implements international best practices in order to offer its subscribers an unmatched user experience.

Orange Jordan is always looking for more ways to bring connectivity to wider user bases. In 2009, the company signed several partnerships with a variety of international operators to provide enhanced roaming and long-distance services, both of which constitute major revenue sources. The company also formed a strategic alliance with renowned operator Wataniya - Palestine, under which the subscribers of both operators will benefit from preferred tariffs when making or receiving roaming and long-distance calls between the two countries. The agreement is an alliance that will bring lucrative economic return to both parties and is a good example of a sustainable collaboration between operators targeting closely related markets. Agreements were also signed with Dubai's WTXC and the U.S. - based Green Packet.

Orange Jordan also signed interconnectivity agreements with several national licensees and wireless broadband operators, including Bluezone, NEU and Zajel.

Leased line and IPVPN services constitute a major portion of Orange Jordan's revenue stream as they allow corporate customers to send and receive private data that is vital to their operation over an exceptionally high-speed network. In 2009, Orange Jordan maintained and expanded on the many leased line and IPVPN agreements it has with various public and private organizations in the Kingdom, such as Capital Bank, Amman Stock Exchange, the Jordan Customs Department, JUNET, the Ministry of Finance, Jordan Islamic Bank, the Greater Amman Municipality, Jordan Kuwait Bank and Ericsson.

Orange Jordan also achieved competitive advantage on converged BlackBerry services as well as prepaid and postpaid mobile offers, which brought the company several agreements with a variety of high profile public and private clients, including the Civil Defence Department, Al-Sayegh Group, and Al Isra'a University.

Expanding its streak of collaborations with the Jordanian Government, Orange Jordan signed a partnership agreement with the Ministry of Justice, under which the company delivered broadband internet services to the Ministry's offices. The company also submitted proposals to enhance the promotions offered on mobile lines registered to the Ministry's staff. Orange Jordan also renewed its longstanding partnership with the Jordanian Armed Forces, through which the company has served as their exclusive fixed line, mobile and internet services provider for over 9 years. The company also extended its partnership with Space Telecom, the leading telecommunications company specializing in security systems for commercial and governmental institutions, to allow Orange Business Service to operate, support and develop the telecom systems for the government-operated KABA area located in Zarqa.

Orange Jordan's Enterprise Business Unit signed an agreement with Movenpick Dead Sea Hotel, which entails corporate offers on mobile, internet and fixed lines. A similar offer was also signed with Aqaba Container Terminal, the Kingdom's primary connecting hub to the international shipping lanes of the Red Sea and beyond.

Orange Jordan also signed a content transfer agreement with renowned Arab satellite channel MBC in an endeavor to deliver more exclusive content to its subscribers during the Holy Month of Ramadan such as Bab El Hara, Tash ma Tash among others. The agreement allowed the company to deliver video snippets – called "mobi-sodes" – containing sneak previews of upcoming episodes of the channel's most popular series aired during the month. The mobi-sodes were accessible through Orange Jordan's mobile internet pages.

In an effort to gain international presence for its managed security services portfolio, Orange Jordan signed several partnership agreements with international key players in the Information Security field. Orange partnered with UK - based RandomStorm to provide our proactive security solutions and security management compliance to Europe. Orange Security Operations Center also partnered with international virtualization solutions provider, EMC, to provide secure archiving, storage, and disaster recovery solutions. Additionally, as part of its commitment to implementing the highest standards of security, Orange Security Operations Center is in the process of concluding partnerships with industry giants like HP, Symantec and VeriSign.

The year 2009 brought a wealth of sustainable and prolific agreements to Orange Jordan. The company's ever-evolving service lineup and growing subscriber base heralds even greater expansion in the scope of partnerships and agreements the company has on local, regional and global bases.

Orange Security Operations Center

safeguarding networks with cutting edge technology

Recent years have seen security become a pressing issue for business owners. It is evident that they cannot keep up with the continuously evolving nature of cyber crime targeting both Information Systems (IS) and their converged services. In today's enterprise computing environments, business operations are faced with overwhelming streams of security threats.

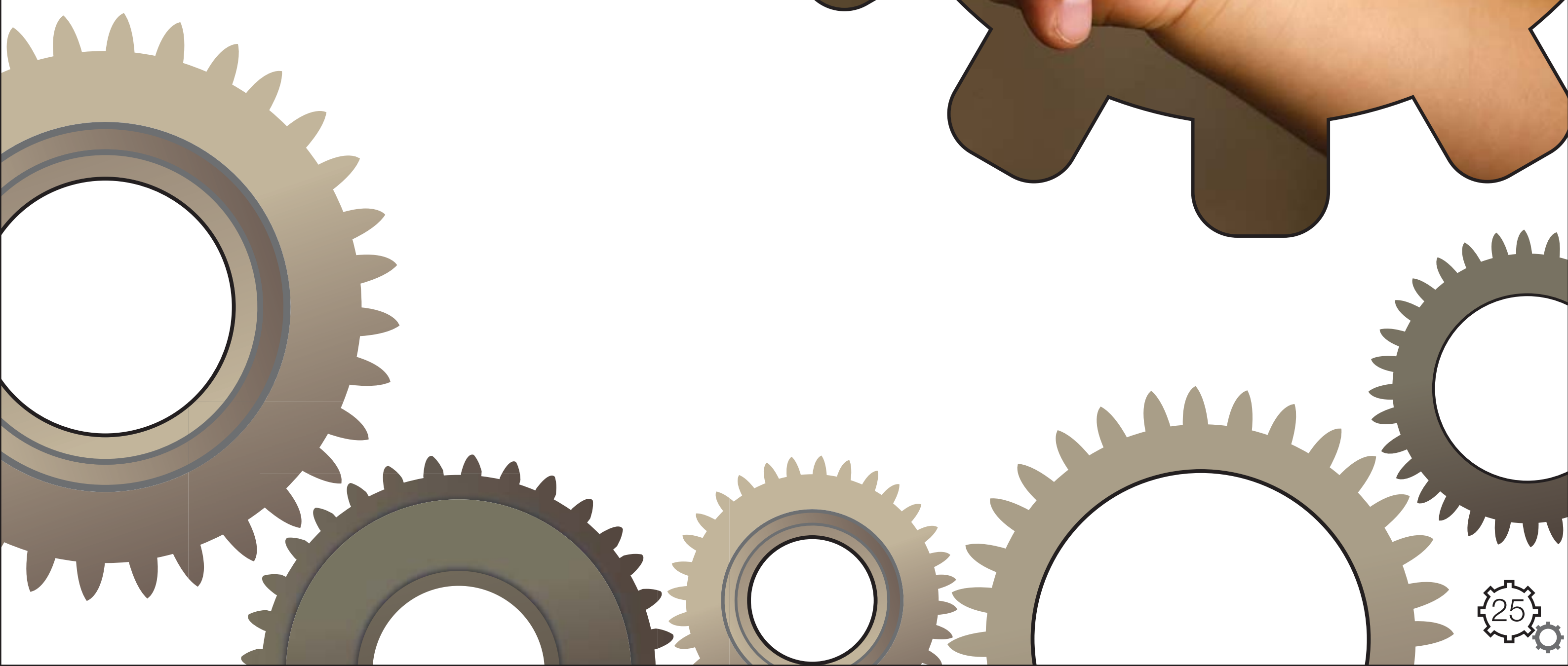
Being Jordan's prime provider of telecom and IP services, Orange Jordan considers itself at the pinnacle of the Kingdom's rapidly-growing ICT sector. We are consistently seeking development opportunities that would allow us to redefine market standards and take the sector to new heights. The growing demand for advanced security services presented us with one such opportunity. The proliferating rate of security threats leveled against organizations day in and out has created an urgent need for reliable, sustainable, and cost-effective means to safeguard networks.

In June 2009, Orange Jordan launched the Orange Security Operations Center in accordance with international standards and with the capacity to compete with global security centers. Earlier in the year, Orange Jordan had conducted a survey to evaluate the actual IS security needs for corporate and governmental entities. The findings showed that many companies had limited or completely non-existent in-house professional IS security skills. It became apparent that security is an area we must invest in and develop to offer our clients unmatched security measures to protect their networks against potential breaches.

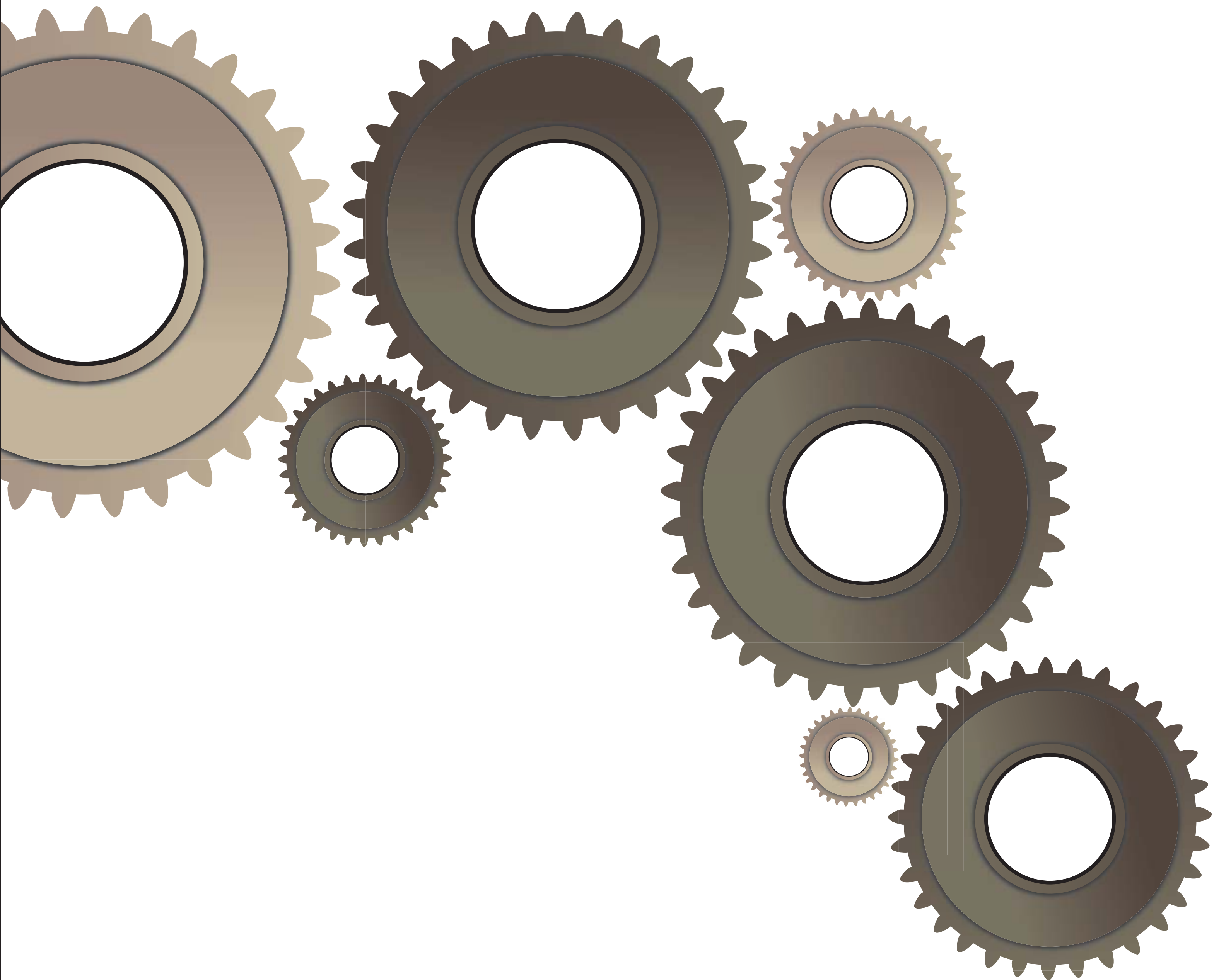
The Orange Security Operations Center was created with this very objective in mind. Boasting a state-of-the-art infrastructure and highest caliber staff, the center delivers a rich lineup of converged IT security catering to both public and private sectors, delivering services to government agencies, Orange Jordan's enterprise clientele and the Group's information technology networks. Services

provided by the Orange Security Operations Center include real-time network operations and host-level protection, such as electronic crime scene forensics, vulnerability assessment, penetration testing, advanced security solutions, PCI DSS compliance, architectural reviews, secure remediation, storage, disaster recovery, consultancy, virtual-private server solutions, hacking neutralization and prevention and more.

The launch of the Orange Security Operations Center was yet another substantial milestone for Orange Jordan, as it opened up a world of services that have become basic necessities in the world of digital communication. It has also showed us that the line between telecommunications and advanced IT services has become so thin that they are now, effectively, two sides of the same coin.



our responsibility and resources



unwavering dedication to sustainable development

Orange Jordan has always been driven by its commitment to the surrounding community. We have always placed corporate responsibility at the core of our strategy, guided by a firm conviction that information technologies and communication are cornerstones of sustainable development. We have always believed that being a responsible company means more than economic performance; it means finding innovative and effective methods to improve the quality of life for future generations. We regard ourselves as vanguards of Jordan's social progress and we fully intend to live up to that responsibility.

Over the past 10 years, Orange Jordan has enjoyed a longstanding streak of initiatives geared toward the sustainable development of the Jordanian community. The year 2009 was no exception; the company launched a substantial number of initiatives in collaboration with various social development programs, NGOs and charity institutions around the Kingdom and taking into account the Kingdom's needs and priorities.

The year saw Orange Jordan renew many of the partnerships it has forged with the Kingdom's key sustainable development programs. The company renewed its commitment to the Madrasati initiative, which was launched by Her Majesty Queen Rania in 2008 with the objective of refurbishing the learning environment of Jordan's public schools by renovating their basic facilities, such as classrooms, restrooms and essential learning equipment. The initiative largely depends on private sector support in achieving its objectives and, since its launch, Orange Jordan has played an active role in the program by adopting several schools that were targeted under its umbrella for a period of five years. The company donated an excess of JD500,000 to the initiative – a contribution for which it was honored by Her Majesty Queen Rania in February 2009.

This monetary donation was not the only contribution made by Orange Jordan to the initiative; Orange Jordan employees celebrated Ramadan with the students and teachers of these schools throughout the Holy Month, where both management and employees volunteered by decorating the classrooms with Ramadan ornaments, sharing an iftar meal and distributing school bags filled with stationery and other essential supplies. Later on in the year, Orange Jordan organized drawing competitions at the schools, which saw 14 winning students receive professional drawing sets to help them practice and nurture their artistic talents.

Orange Jordan also renewed its partnership with the INJAZ program, which aims to promote awareness to professional excellence amongst the Jordanian youth. The program's Business Leaders campaign organizes a series of knowledge transfer workshops through which students from various schools around the Kingdom can meet and interact with successful professionals from the Kingdom's private sector. Orange Jordan's long-term partnership with INJAZ saw the participation of members of its senior management in the campaign, many of whom conducted field visits to the schools targeted by the program to share the lessons they have learned throughout their professional journeys with students of both genders.

In an effort to help mitigate the growing number of pedestrian-related traffic accidents in the Kingdom, Orange Jordan renewed its partnership with the renowned Hikmat Road Safety Foundation, through which the company adopted several schools under the foundation's 'Safer Schools' initiative. The initiative aims to secure safer road conditions around the Kingdom's schools – an area where Orange Jordan has made major contributions throughout the year.

Under the patronage of HRH Princess Sana Asem, Orange Jordan inaugurated the children's play area at Al Nadeem Hospital in Madaba – an initiative organized as part of the Play Area project led by the Zaha Children Cultural Center. The project seeks to bring joy to the children recuperating in the pediatrics departments of hospitals around the Kingdom, which is a cause Orange Jordan is committed to supporting.

For the second year in a row, Orange Jordan honored the students who passed the General Secondary Certificate Exams (Tawjihi) during the Summer 2009 examination sessions in a ceremony held at the Sheraton Hotel. These ceremonies are organized with the intent of acknowledging the staunch dedication of Jordan's Tawjihi students and the arduous journeys they undertake in their pursuit of higher education. The students were each presented with a free iPhone and mobile line, in addition to a free one-year subscription to Orange's ADSL line.

Orange Jordan also continued its support of the renowned charity organization Tkiyet Um Ali by sponsoring the first series of "Takaya" charity markets the organization launched in Amman. The markets aim to secure better living for the Kingdom's poor by delivering charity packages to them. The markets have delivered packages to around 1,000 families in a well-planned approach built on extensive field studies to guarantee fairness and efficiency.

Building on the cooperation agreement it had previously signed with the Jordan River Foundation, Orange Jordan continued its support of the Rasoun village in Ajloun, helping develop its educational, health and youth sectors, in addition to empowering its women. One of the highlights of this collaboration was the bakery Orange Jordan had set up in the village to deliver fresh bread to its residents. Her Majesty Queen Rania conducted a field visit to the village, during which she visited the bakery and commended the company's contributions toward the betterment of the quality of life in Rasoun.

This year, Orange Jordan's annual carnivals, which have become shining examples of innovative corporate responsibility activities, were held in both Irbid and Aqaba. The carnivals have garnered immense popularity amongst Jordanians, collectively perceived as a tribute to Jordan's cultural heritage. This year, the carnivals featured live performances by Jordan's most prominent vocal talents, including Bashar Sarhan, Hussein Salman and Husam and Wisam Allouzi. Both events were comprised of a variety of activities geared toward families and children, such as face painting, balloon shaping and clowns.

Looking back, we find that 2009 was a year marked by both continuity and innovation. It was a year during which Orange Jordan maintained the streak of long-term partnerships it has made with the Kingdom's key sustainable development projects, and a year that saw the company organize a series of creative and effectual programs that are sure to deliver lasting benefits to the local community.

human resources in 2009: fostering a healthy work environment

human resources section

Orange Jordan is all about people. When it comes to human resources, we always seek to implement policies that foster a healthy work environment, instilling positive qualities in our team such as loyalty, harmony and enthusiasm. Our track record in this regard has been nothing short of exemplary, and 2009 was a shining example of the company's steadfast commitment to continually develop the management of its human resources.

the harmonization of internal bylaws

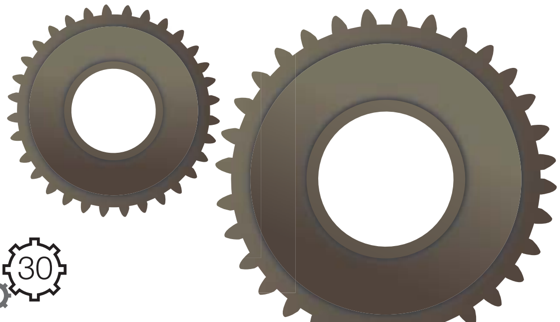
Under an endorsement by the Ministry of Labour, the Group's internal bylaws were collectively harmonised with the objective of enhancing internal equity, improving employee retention rates and bolstering our team's sense of loyalty. The harmonization tackled essential policies and bylaws, implementing international best practices in human resource management in order to further balance the long-term interests of Orange Jordan with the rights of the employees.

improved services

It's all about communication. Orange Jordan has always encouraged open communication between management and the employees, which is why the company set up its HR Intranet Portal — a centralized station where employees can brush up on the Group's news, manage their personal profiles and partake in a variety of team-related activities.

In 2009, the HR Portal was significantly revamped and improved. More HR procedures were automated and simplified by activating a new "self-service" mechanism, allowing employees to perform essential HR tasks with ease, such as updating their academic and professional qualifications, generating attendance reports, enrolling in in-house training programs, paying monthly bills through salary deductions as well as uploading personal photos to the network. The portal was further enriched by a newly-added "Manager's Corner," which is an automated service center through which the Group's managers can stay abreast of policy changes, employment cycles, management school and more.

Orange Jordan's HR Corporate Services conducted a survey to measure the team's level of satisfaction with shared services, including the HR Portal, the HR Call Center, the HR Expertise and the HR Business Partners. The survey showed a significant improvement in overall employee satisfaction with these services and further identified the necessary measures needed to enhance them.



improved operations

Orange Jordan is committed to continually developing the competencies of its staff in order to help them meet the ever-growing needs of the professional world. In 2009, the company organised training sessions for 4,147 employees, with total training days estimated at 13,985. Training days per employee averaged at 5.21, amply reflecting the company's unwavering dedication to empowering its team with both knowledge and experience.

Safety, security and health awareness were also areas of focus in 2009. Orange Jordan updated its safety and security guidelines in an effort to ensure optimum conditions for its staff. These guidelines were communicated to employees via the HR portal and were implemented with no complications. HR Corporate Service also coordinated with the Civil Defence Department to conduct first aid training for a number of employees as a safety measure in cases of emergency. In the throes of the H1N1 Flu crisis, prevention measures issued by the World Health Organization were posted to employees on the HR Portal in order to minimize the chances of outbreak and ensure their safety. Several healthcare campaigns were launched throughout 2009, such as a vaccination campaign against seasonal flu, an eye care awareness campaign, as well as a breast cancer awareness campaign educating female employees on the importance of early detection and diagnosis.

Additionally, in an endeavor to help our team form a better understanding of their individual career paths in Orange Jordan, the company unified and reduced the titles of its positions from 1,200 to 500 total titles. This reduction simplified the company's hierarchy and allowed the management to strengthen its promotion policy.

The year 2009 also saw the management modify several internal HR policies in an attempt to achieve greater clarity and efficiency in their implementation. The policies of recruitment were substantially modified, reducing total recruitment time from 124 days to 64 days. Our time attendance system was applied to 40 new locations, covering 95% of all group's premises. The policies governing sales commission schemes, as well as internal and external training were also updated to secure smoother implementation.

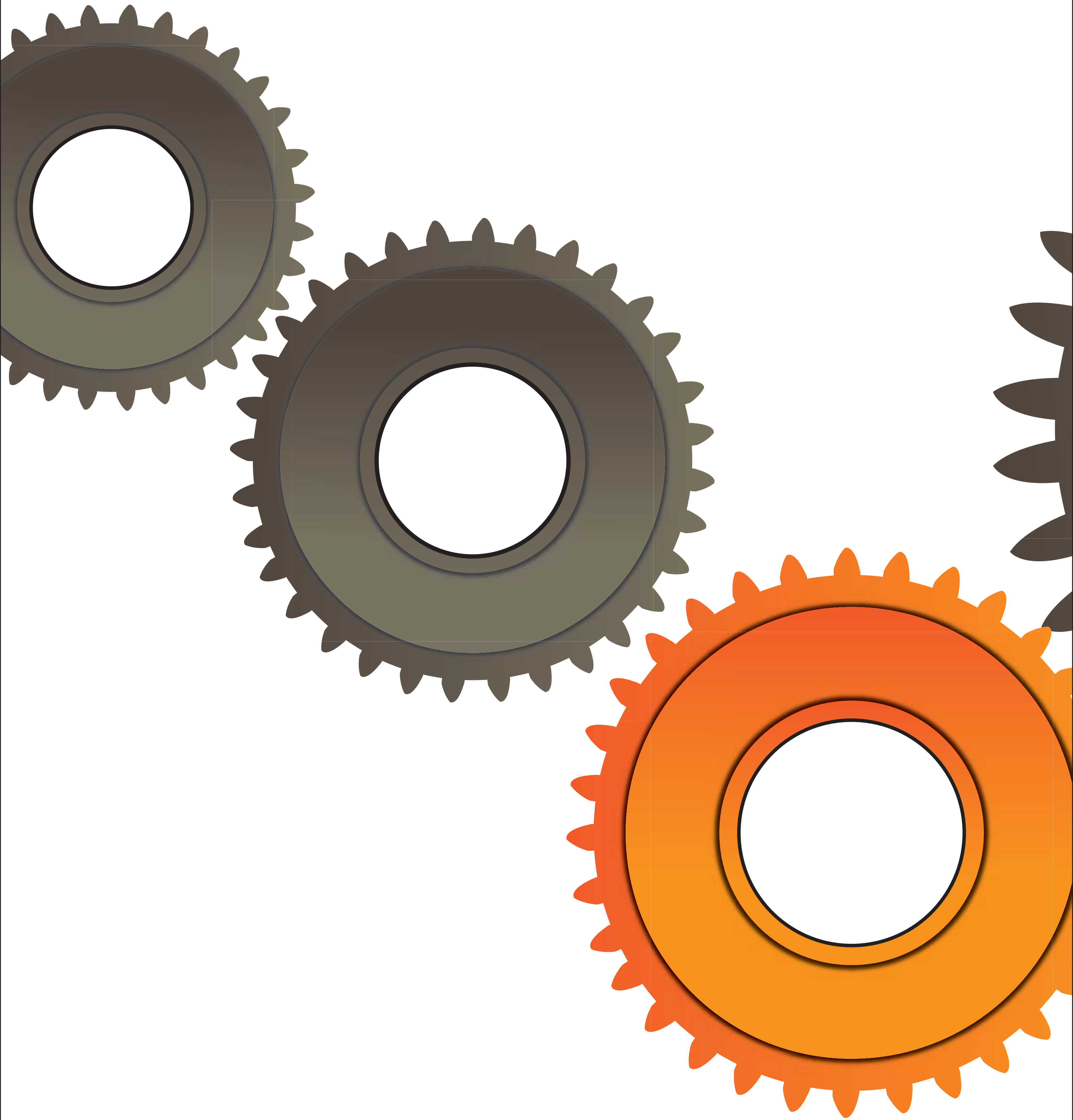
Building on its policy consolidation efforts, Orange Jordan introduced new HR policies, processes and forms to be implemented by Lightspeed Communications, its subsidiary in Bahrain. The new policies will significantly bolster the efficiency of the two companies' shared operations and were tailored to meet Lightspeed's internal needs, taking higher productivity and improved morale as key objectives.

improved compensation and benefits

Orange Jordan is fully aware of the rising costs of living and the financial strains of its employees. The company consistently strives to take sustainable and effective measures to help its employees reach financial comfort by devising flexible policies to govern compensation and benefits. In 2009, salaries were increased by an average of 4.6% and each and every employee received a bonus of EUR 200 irrespective of salary scales or grades. The company also introduced interest-free loans to employees to help them make urgent payments with ease.

improved social activity and team spirit

Bolstering team spirit is always amongst HR's top priorities, which is why the company kick-started the year by restructuring the Social Committee. The Social Committee was originally created to supervise activities that could affect office morale, such as organizing social gatherings, sports tournaments and other events that breed a familial atmosphere in the workplace. Restructuring the Social Committee guarantees the flow of fresh ideas in the HR Unit's entertainment pipeline and helps guarantee a more relaxed and friendly workplace.



the working numbers

2009 financial highlights

overview:

Another successful year for the Group despite the adverse global economic situation and renewed price wars within the telecom market in Jordan, the Group managed to stabilize revenue and increase profitability during year 2009. As we go forward, we will continue to maintain our strong financial results and improve our position in the market, as we are always keen to increase our shareholders value and provide our customers with the best services.

Jordan Telecom Group maintains a high level of transparency and disclosures in keeping its shareholders informed of all significant events and forming a trusting relationship with them. Moreover, we believe that it is our responsibility to provide our shareholders with honest and accurate information regarding our financial position.

As a result, we are pleased to set out here our financial and non-financial results for year 2009.

consolidated financial and statistical highlights

Presented below is a summary of the consolidated data for 2009, against 2008.

income statement data

(MJD)	2009	2008	Change %
Revenues	400.1	401.4	(0.3)%
Operating expenses			
Cost of services	(133.7)	(136.8)	(2.3)%
Selling and distribution expenses	(36.0)	(37.2)	(3.2)%
Administration expenses	(31.6)	(27.7)	14.3%
Government revenue share	(10.1)	(12.7)	(20.1)%
Brand fees	(5.5)	(5.3)	3.6%
Management fees	(3.3)	(3.2)	0.4%
Total Operating expenses	**(220.3)**	**(222.9)**	**(1.2)%**
Other Income	**0.9**	**0.6**	**48.4%**
Profit from operations (EBITDA)	**180.7**	**179.0**	**0.9%**
EBITDA margin	45.2%	44.6%	1.3%
Depreciation, amortization and impairment	(53.4)	(56.2)	(5.0)%
Net foreign exchange differences, finance costs, and finance revenues	12.2	17.2	(29.4)%
Other fees	(2.8)	(2.9)	(1.2)%
Profit before Income tax	**136.7**	**137.2**	**(0.4)%**
Income tax	(33.1)	(37.9)	(12.7)%
Profit for the year	**103.4**	**99.3**	**4.1%**
Attribute to:			
Equity holders of parent	104.0	100.3	3.7%
Minority interest	(0.6)	(1.0)	(37.1)%
Profit margin	26.0%	24.9%	4.4%
Earnings per share	0.416	0.401	3.7%
Weighted average number of shares (million shares)	250	250	0.0%

summary of balance sheet data

(MJD)	2009	2008	Change %
Assets			
Total Current assets	**391.7**	**423.2**	**(7.4)%**
Property, plant and equipment	228.6	236.2	(3.3)%
Other non-current assets	71.9	16.7	330.7%
Total non-current assets	300.5	253.0	18.8%
Total assets	**692.2**	**676.1**	**2.4%**
Liabilities and equity			
Total current liabilities	248.8	210.4	18.3%
Total non-current liabilities	24.2	49.9	(51.5)%
Total Equity	419.3	415.8	0.8%
Total liabilities and equity	**692.2**	**676.1**	**2.4%**

summary of cash flow statement

(MJD)	2009	2008	Change %
Net cash from operating activities	148.5	154.2	(3.7)%
Net cash (used in) investing activities	(87.5)	(37.6)	133.0%
Net cash (used in) financing activities	(101.4)	(98.1)	3.3%
Net increase in cash and cash equivalent	(40.4)	18.5	(317.8)%
Cash and cash equivalents	**301.5**	**341.9**	**(11.8)%**

financial ratio analysis

	2009	2008	Change %
Profitability ratios			
Return on Total Assets	15.2%	14.96%	1.6%
Return on Total Equity	24.9%	24.2%	2.8%
Liquidity ratios			
Current ratio	1.57	2.01	(21.7)%
Cash ratio	1.21	1.63	(25.4)%
Leverage ratios			
Total Liabilities to Equity ratio	65.1%	62.6%	4.0%
Interest – Bearing Debt ratio*	7.6%	7.5%	1.3%
Total Debt ratio**	39.4%	38.5%	2.4%
Assets Coverage ratio***	83.7%	90.8%	(7.7)%
Assets management ratio			
Total Assets Turnover ratio	58.5%	59.9%	(2.3)%
Fixed Assets Turnover ratio	172.7%	168.7%	2.4%
Total Capital Turnover ratio	88.2%	89.3%	(1.3)%
Growth ratios			
Dividends per share (JD)	0.416	0.401	3.7%
Dividends payout ratio	101.0%	99.7%	1.3%
Dividends yield ratio	8.1%	8.3%	(2.1)%
Valuation ratios			
Book value per share	1.68	1.66	0.8%
Market to Book Value ratio	3.08	2.90	6.4%
Price – Earning ratio	12.4	12.0	3.4%

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

revenues

The Group's revenues posted a slight decrease of (0.3)% to reach JD400.1 million in year 2009 compared with JD401.4 million in year 2008, the split of our revenues are as follows: Orange fixed, internet and Lightpseed external revenues decreased slightly by (1.0)% at end of year 2009 to reach JD219.1 million compared to JD221.4 million in year 2008. While Orange mobile external revenues grew marginally by 0.6% to reach JD181.0 million in year 2009 compared with JD180.0 million in year 2008.

operating expenses

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

The Group OPEX witnessed a decrease of (1.2)% to reach JD220.3 million in year 2009 against JD222.9 million in year 2008.

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

Cost of services registered a decrease by (2.3)% reaching JD133.7 million in year 2009 compared with JD136.8 million in year 2008. This decrease came as a result of lower interconnection costs.

Selling and distribution expenses decreased by (3.2)% to reach JD36.0 million in year 2009 compared to JD37.2 million in year 2008.

Administration expenses increased by 14.3% to reach JD31.6 million in year 2009 compared to JD27.7 million in year 2008.

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 JD10.1 million in year 2009 compared to JD12.7million in year 2008, showing a decrease of (20.1)%.

Brand fees correspond to 1.6% of operating revenues that Jordan Telecom Group is required to pay to Orange for using the Orange Brand in all Jordan Telecom Group subsidiaries. It was around JD5.5 million in year 2009 compared to JD5.3 million in 2008.

Management fees represent what the Group is required to pay to France Telecom pursuant to the Business Support Agreement. Management fees of the Group increased by 0.4% to reach JD3.3 million in the year 2009 compared to JD3.2 million in year 2008.

EBITDA

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

An increase by 0.9% in the Group EBITDA took place in year 2009 to reach JD180.7 million compared with JD179.0 million in year 2008.

The EBITDA margin for the Group increased to reach 45.2% at year end 2009, from 44.6% last year.

depreciation, amortization and impairment

Consolidated depreciation, amortization and impairment expense, decreased by (5.0)% from JD56.2 million in year 2008 to JD53.4 million in year 2009.

net foreign exchange differences

Consolidated net foreign exchange differences consist of changes in valuations of deposits and loans arising from changes in foreign exchange rates. For the year 2009, they recorded a (164.2)% decrease from JD0.7 million in year 2008 to JD(0.5) million in year 2009.

finance costs

Consolidated finance costs consist of the interest and other charges, which is paid on the Group's financial indebtedness. Finance costs increased by 3.4% to reach JD2.25 million in year 2009 from JD2.17 million in year 2008.

finance revenues

Consolidated finance revenues consists of revenues earned on cash deposits in various currencies. Finance revenues decreased by (20.4)% reaching JD14.9 million in year 2009 from JD18.7 million in year 2008.

other income

Other income consists of gains and losses on dispositions of fixed assets and other miscellaneous income. Other income was in 2009 around JD0.8 million gains opposed to JD0.6 million in year 2008, showing a 48.4% increase.

other fees

Jordan Telecom Group is subject to the Jordanian universities fees, scientific research and vocational training fees and vocational and technical training fund fees. The Jordanian universities fees are calculated as 1.0% of profit before income tax, while the other fees are equal to 1.0% of our net profit available for distribution. The Group's other fees for the year 2009 were JD2.8 million compared to JD2.9 million for the year 2008.

income tax

Jordan Telecom Group is subject to corporate income tax at a rate of 25% on a non consolidated basis; in year 2009 the Group reported JD33.1 million as income tax, with a decrease of (12.7)% from year 2008 in which it was JD37.9 million.

profit for the year

Jordan Telecom Group generated JD104.0 million as net profit after tax for the year 2009, with an increase of 3.7% compared to JD100.3 million in year 2008.

minority interest

Minority interest represents Lightspeed partners' share (49%) of the yearly loss or profit. It came at JD(0.6) million in year 2009 compared with JD(1.0) million in year 2008.

liquidity and capital resources

The primary source of liquidity is net cash from Operating Activities. For the year 2009, our net cash from operating activities decreased by (3.7)%, to JD148.5 million as compared to JD154.1 million for the year 2008.

Net cash used in Investing Activities witnessed an increase by 133.0%, where it reached JD87.5 million in year 2009 from JD37.6 million in year 2008, mainly due to the acquisition of the 3G+ license.

For the year 2009, our net cash used in Financing Activities reached JD101.4 million compared to JD98.1 million in year 2008.

free cash flow

Is the difference between net cash from operating activities and net cash used in investing activities. The free cash flow in year 2009 reached JD61.0 million compared to JD116.6 million in year 2008, with a decrease by (47.7)%.

cash and cash equivalent

Cash and cash equivalent also witnessed a decrease by (11.8)% from JD341.9 million in year 2008 to JD301.5 million in year 2009, mainly from our investment in the 3G+ license.

capital expenditures

CAPEX in infrastructure and the 3G+ license for Jordan Telecom Group reached JD103.2 million as end of year 2009 with an increase of 84.9% compared to JD55.8 million for the same period last year.

group subscribers

Despite the adverse economic situation and renewed price wars, Jordan Telecom Group total subscribers climbed by 9.2% to reach 2,753.7 (K lines) in year 2009 compared to 2,522.3 (K lines) in year 2008.

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

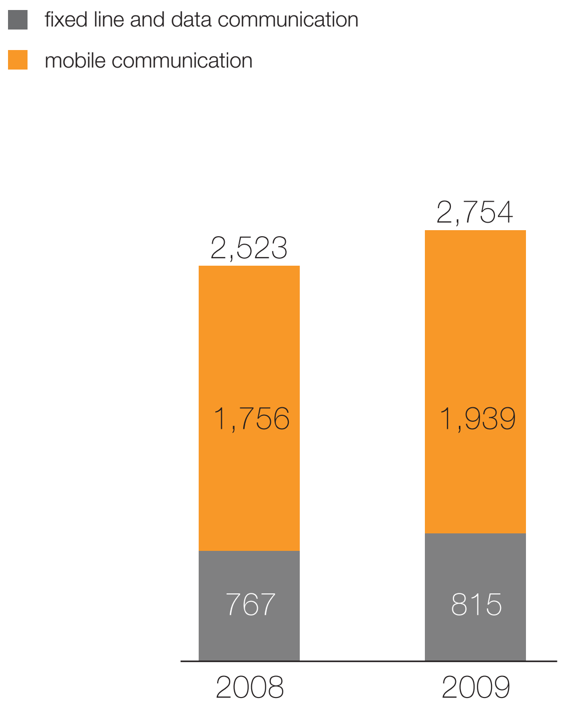
human resources

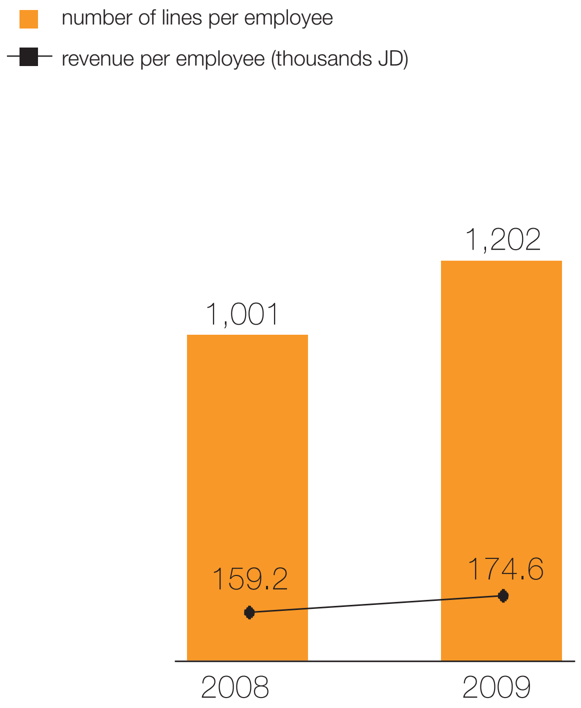
Jordan Telecom Group number of employees dropped by (9.1)% from 2,520 in year 2008 to 2,291 in year 2009. Total number of temporary employees reached 322 in year 2009 compared with 246 in year 2008.

staff efficiency

Consequently, the Group's efficiency indicators improved positively in year 2009, as revenue per employee increased by 9.7% posting JD174.6 thousand in year 2009 over JD159.2 thousand in year 2008. This growth was generated from the effect of stable revenues and reduced staffing levels.

Also, the number of lines per employee jumped to 1,202 lines in year 2009 showing an increase of 20.1% against year 2008, where it reached 1,001 lines at that time in year 2008. The boost was affected by the growth in number of lines that coincided with the drop in staff.





segment analysis:

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

- Orange fixed, Orange internet and Lightspeed.
- Orange mobile.

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

(MJD)	2009	2008	Change %
Revenues			
Orange fixed, Orange internet & Lightspeed	270.8	263.9	2.6%
Mobile Communication	188.6	187.0	0.9%
Intercompany	(59.3)	(49.5)	19.8%
Total revenues	**400.1**	**401.4**	(0.3)%
Operating expenses			
Orange fixed, Orange internet & Lightspeed	(156.6)	(152.5)	2.7%
Mobile Communication	(122.1)	(119.4)	2.2%
Intercompany	(59.3)	(49.5)	19.8%
Total operating expenses	**(219.4)**	**(222.4)**	(1.3)%
EBITDA			
Orange fixed, Orange internet & Lightspeed	114.1	111.4	2.7%
Mobile Communication	66.6	67.6	(1.5)%
Total EBITDA*	**180.7**	**179.0**	**0.9%**

Orange fixed, Orange internet and Lightspeed

Orange fixed service is the Group's largest business segment. Four years after the opening of the market to competition, Jordan Telecom Group still holds about 98% market share, with competition on international traffic to and out of Jordan.

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 prepaid and postpaid internet dial-up, the 090007000 internet dial-up service, whereby a customer connects to the internet without a subscription or a prepaid card. The charge will appear on the customers regular PSTN line invoice by Jordan Telecom Group. Corporate internet leased lines, ADSL service for residential and corporate, web-hosting and mail-hosting solutions, internet roaming through dial-up and wireless internet (WiFi) connectivity at airports and cafes/restaurants in Jordan. The WiFi service is based on the prepaid cards concept. At the end of 2008, Orange internet started providing the newly launched ADSL Bitstream services, by which its customers can now apply for a unified billing service for their ADSL product.

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

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

revenues

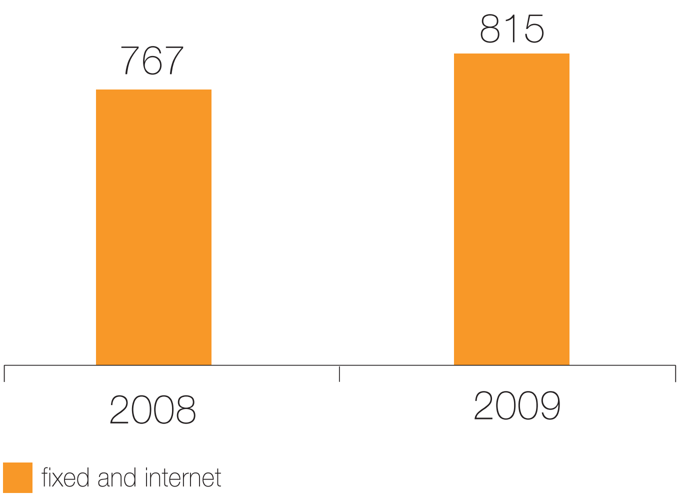
Increase in overall Orange fixed, internet and Lightspeed revenue by 2.6% was driven by the growth in Orange internet revenues and the wholesale activities.

ADSL service has witnessed 18% growth in revenue, thanks to all the initiatives that have been taken in the governorates, through ADSL one bill offer, trying to increase the ADSL penetration rate, remaining the leading service provider in Jordan.

When WIMAX competition started to be more significant than ever, ADSL subscriber's base increased by 25.7% and along that Orange internet witnessed an improved speed mix.

Despite of the fierce competition with the mobile operators that left the fixed line in a second position. The drop in fixed traffic revenue has improved from last year (from 9.2% to 3.7%). Also the fixed line drop in the subscriber's base, it has significantly been improved from (11)% in 2008 to (5)% in 2009 thanks to the continuous retention efforts taking place on that segment.

subscribers



Total fixed and internet lines increased by 6.3% from 767K lines to 815K lines. Subscriber growth came mainly from ADSL, closing the year at 169 thousand subscribers and driven by initiatives in the North and South Governorates.

operating expenses

Orange fixed, internet and Lightspeed operating expenses increased by 2.7% in year 2009 to reach JD156.6 million in year 2009 from JD152.5 million in year 2008.
Although the selling and administration expenses showed a decrease by (4.5)% in year 2009 over year 2008 and the brand and management fees declined by (7.9)% in year 2009 compared with year 2008, this decline did not compensate the increase in the cost of services that showed an increase in year 2009 by 6.3% from year 2008, weighting around 72.0% from total operation expenses.

EBITDA:

By the end of 2009, Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) showed an increase by 2.7%, reaching JD114.1 million in year 2009 over JD111.4 million in year 2008.

Although EBITDA witnessed an increase, EBITDA margin in 2009 decreased to reach 42.1% compared with 42.2% in year 2008.

mobile communication

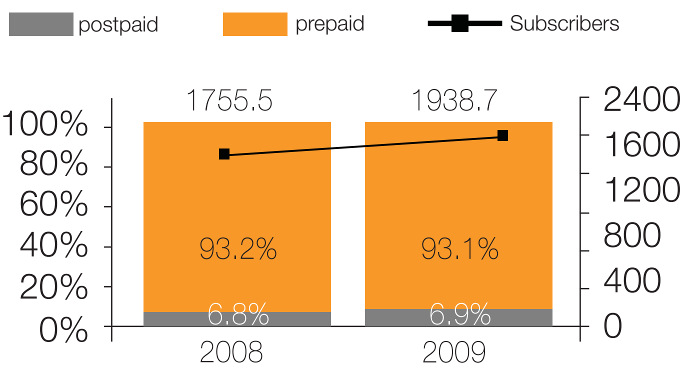
step ahead with 3G+

The Group's mobile communication segment consists of the mobile communication products and services offered by Orange mobile, which was registered first on September 1st, 1999. With an aim to build a new, highly advanced, mobile communication network to serve the Kingdom. Orange mobile began commercial operations in September 2000. It is ranked as the number two provider of mobile services in Jordan. The competition emerged with the entrance of other mobile operators resulting in renewed and intense price competition. In 2009 Orange mobile acquired the first 3G+ license in Jordan; this will allow the Group to launch new innovative services in the beginning of 2010 with an exclusivity of one year.

revenues

In view of the tough competitive environment in the mobile market, Orange mobile was able to increase its revenues slightly by 0.9%; this growth was led by the new marketing strategy, which is to launch offers that target different communities within our society such as (students, ethnicities, regional, army...etc). Such offers, positively pushed the traffic to grow by 7% in year 2009 compared to year 2008. This in fact proves that Orange mobile strategy is to concentrate on customer satisfaction and maintaining products value.

The following chart presents the number of mobile communication subscribers:



Orange mobile kept its position as a second player in the market, with a market share between 31% and 34%. Total Orange mobile base grew by 10% compared to year 2008, the main driver for such growth is the prepaid base adding up 168K extra net subs in year 2009. Total prepaid base grew by 10% and the postpaid base grew by 13% in year 2009 compared to year 2008.

operating expenses

Mobile segment recorded JD122.1 million as operating expenses in year 2009, compared to JD119.4 million in year 2008, showing a 2.2% increase.

Selling and administration expenses showed a significant increase by 18.9% in year 2009 from year 2008, mainly from the high advertising and marketing expenses that were spent for the new competitive offers that were launched.

Brand and management fees increased by 15.0% this year compared with year 2008 and the government fees showed a decrease by (20.1)% in year 2009 compared with year 2008.

EBITDA

Orange mobile's EBITDA decreased by (1.5)% in 2009 to JD66.6 million, implying an EBITDA margin of 35.3% in year 2009, compared to JD67.6 million in year 2008 and 36.1% as EBITDA margin.

disclosure schedule report pursuant to Jordan securities commission instructions for the year 2009

1. the services rendered by Jordan Telecom (Orange fixed)

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

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

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

Governorate	No. of locations	No. of employees
Headquarters	1	794
Amman	67	843
Ajloun	12	7
Irbid	59	154
Jerash	14	9
Al-Mafraq	36	21
Al-Balq'a	25	31
Madaba	10	16
Al-Zarqa	18	55
Al-Aqaba	15	29
Al-Karak	39	69
Ma'an	23	20
Al-Tafilah	18	12
Total	**337**	**2060**

- the amount of capital investment in 2009 for Jordan Telecom was (JD24,053,099) and for Jordan Telecom Group was (JD103,280,696)

2. subsidiaries

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

Name of the subsidiary	Nature of business	Capital JD	Equity %	No. of Emp.
Petra Jordanian Mobile Telecommunication Co. Ltd. (Orange mobile)	GSM operator	70,000,000	100%	477
Jordan Data Communication Co. Ltd. (Orange internet)	ISP	750,000	100%	37
Dimension Company for Digital Development of Data Ltd. (e-dimension)	Content	1,000,000	100%	-*
Lightspeed Communication W.L.L	Telecom and Internet	4,183,000	51%	39

* e-dimension employees became part of Jordan Communications company staff

3. a. members of the Board of Directors

Dr. Shabib Ammari (Chairman)

Dr. Shabib Ammari is the Chairman of the Board of Directors. He has held this position since January 2000, originally representing the Government of Jordan. Dr. Ammari was re-elected as the Chairman of the Board of Orange Jordan in June 2006, representing France Telecom Group.

Dr. Ammari is a Member of The Privatization Council, the Board of Trustees of King Hussein Bin Talal University, and the Advisory Board of the German – Jordanian University. He is a Board Member at Arab Jordanian Investment Bank and at Darat Holdings (PLC).

Dr. Ammari holds a PhD in Economics (1980) from the University of Southern California (USA), where he was a senior lecturer until 1985.

Mr. Marc Rennard (Vice Chairman)

Mr. Marc Rennard is the Vice Chairman of the Board of Directors, he is also the Executive Vice President International of France Telecom Orange in charge of Africa, Middle East and Asia, and in this capacity has been Chairman, and/or Member of the Board of several international fixed-line, mobile and internet subsidiaries (since 2006). He was previously Vice President of International Operations at the International Division of France Telecom (04/06). Prior to that, he was Chairman and Chief Executive Officer of UNI2, telecommunications operator, a France Telecom subsidiary in Spain (03/04). Before that, Mr. Rennard was Deputy Managing Director of TDF (96/02), Chairman of TDF VIDEO SERVICE (96/02), Chairman of TDF Câble (92/96 and 01/03), Commercial Director of TDF (92/96). He was also Managing Director of "Société des Montagnes de l'Arc", "Groupe Caisse des Dépôts" (89/92), Managing Director (86/89), Agency Director (84/85) and Consultant (82/83) of CEREP COMMUNICATION, surveys manager at ISEOR (79/81). Mr. Rennard graduated from EM Lyon, and holds a post graduate diploma in Management Science.

Mr. Hugues de Verdalle

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

Eng. Abdel Rahman El-Khatib

Engineer Abdel Rahman El-Khatib is a member of the Board of Directors, he has been representing the Government of Jordan as member of the Board since Jordan Telecom was privatized in 2000. Eng. El-Khatib is the Chairman of the Executive Privatization Commission since 2007. Prior to that, and since 1999, El-Khatib managed the overall restructuring and privatization of the Telecom and Air Transport Sectors in addition to chairing the Technical Teams of a number of important privatization transactions.

During the years 1994-1998, he occupied the position of Electronic Warfare Director in Royal Jordanian Air Force.

Engineer Abdel Rahman El-Khatib holds B.Sc in Electronic Engineering, M.Sc degree in Electronic Telecommunications Engineering, and M.Sc degree in Strategic Studies.

Miss Asema Doughan

Miss Asema Doughan is a Member of the Board of Directors. She has held this position since January 2008. She is currently the Director of Public Treasury Directorate at the Ministry of Finance. Previously, Miss Doughan was Chairman of many internal and external committees at the Ministry of Finance and has worked with donor commissions.

She has also participated in all Financial Management Reform Projects at the Government of Jordan. Miss Doughan held many positions in the Ministry of Finance.

Miss Asema Doughan obtained her BSc in Economics and Political Science from University of Jordan.

Mr. Michel Monzani

Mr. Michel Monzani is a Member of the Board of Directors at Orange Jordan, and the Senior Vice President within France Telecom in Africa, Middle East and Asia Division, leading the Development and Partnership Department and the Middle East and Asia geographic zone. Mr. Monzani was formerly Senior Vice-President in charge of Poland at Orange France Telecom. Prior to that, he was appointed Head of the Strategy Department within the International Division with a world-wide responsibility for the corporate development of Orange France Telecom. In 2002, Mr. Monzani was seconded to Poland to assist TP management in restructuring the domestic consumer sales network. Previously, he held the position of Senior Vice-President in charge of the Sales and Services Division for the French territory. Mr. Monzani was appointed Senior Vice-President in charge of the Consumer Division in 1996. Before that, he was the Regional Director of Orange France Telecom, covering the north of France in 1991. Earlier, he held various responsibilities in the fields of IT, consumer and business sales. He was also a Board Member of various telecommunications companies. Mr. Monzani graduated from HEC School of Management, Paris. He is a Chevalier de l'Ordre National du Merite.

H.E. Mr. "Mohammad Akel" Biltaji

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

3. b. top management (executives):

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

Mrs. Nayla Khawam (Chief Executive Officer)

Mrs. Nayla Khawam is the Chief Executive Officer of Jordan Telecom Group-Orange Jordan. She has held this position since July 2009. Before that, she was the Territorial Director for Ile de France (Paris region) in charge of commercial and technical departments for Mass Market and Business Clients. Before that, Mrs. Khawam was Head of Customer Services for landline, mobile and internet for the whole France Telecom Group in France. Earlier, Mrs. Khawam was a member of the Executive Board in Orange France and Head of Customer Services for mobile phones. Previously, she was the Senior Vice President in charge of the resellers Distribution Network for the French territory at France Telecom and prior to that held the positions of the Human Resources Director for the Paris Region and Regional Director in the North of France.

Mrs. Khawam also worked as a forecast manager in charge of building econometric models for the Telecom Industry, as a consultant in BIPE (Bureau d'Informations et de Prévisions Economiques) and as a product manager in the Peugeot marketing department.

She actively took part in negotiations which led to the signature of "the Contrat de Plan" with the French Government in 1994. Mrs. Khawam holds a degree in Statistics and Economics from ENSAE in Paris (National Institute of Statistics and Economic Administration), and in Mathematics from the Université de Paris VI. She is a Chevalier de l'Ordre National de Merite.

Mr. Raslan Deiranieh (Chief Financial Officer) (Acting Chief Human Resources Officer)

Mr. Deiranieh is the Chief Financial Officer of Orange Jordan. He has held this position since May 2001. He joined Orange Jordan in 1998 as a Manager of the Treasury Department. Before that, Mr. Deiranieh held the role of Foreign Investment Section Head at the Central Bank of Jordan. Mr. Deiranieh was a Board Member of Jordan Data Communication Company and e-dimension Company for Digital Development of Data Ltd. He previously represented the Social Security Corporation in Jordan Press Foundation (Al-Rai Newspaper). Currently, Mr. Deiranieh is on the Board of Jordan Steel Company and the Chairman of Lightspeed Communication W.L.L (based in Bahrain); and a Board Member in Jordan-Dubai Islamic Bank.

Mr. Deiranieh holds B.A in Accounting and Computer Science with honors from Al-Yarmouk University, plus the award of Scientific Excellence from the same university. Also, Mr. Deiranieh holds a Master in Accounting from the University of Jordan and holds a certificate from Orange Finance and Controlling and European school of management ESCP.

Mr. Tamouh Khauli (Chief Information Security Officer)

Mr.Khauli is the Chief Information Security Officer. He joined Orange Jordan in 2002 as Chief Executive Officer for e-Dimension.

Mr. Khauli was the 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 the Class 3 Public Key Infrastructure (PKI) military encryption. During his career, Mr. Khauli led several research teams from various foremost companies and universities in the US including MIT. His research included telecommunication network infrastructure, communication platform security, cryptography and encryption technologies, IMS (IP Multimedia Subsystems), hacking protection, forensics techniques, and other related topics.

Mr. Khauli represented Jordan at the CND (Computer Networks Defense Symposium II). He also represented Orange Jordan in several international conferences and technical workshops as Key Speaker and was awarded several medals of excellence.

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

Mr. Didier Lelievre (Chief Information Technology and Networks Officer)

Mr. Lelievre is the Chief Information Technology and Networks Officer. He has held this position since August 2009. From the beginning of the 80s, Mr. Lelievre has held various positions within Orange France Telecom Group, primarily in the domains of Networks and Quality and as Chief Technical Officer of Telecom Argentina the Argentine subsidiary of Orange France Telecom (1994-2000).

Before joining Orange Jordan, he worked as VP Customer Service for Orange France Telecom, first for France and then for rest of the European countries where Orange is present.

Mr. Lelievre also acted as a Senior Consultant for the International Quality Organization. Mr. Lelievre graduated from Sup Telecom Evry and holds a MSc in Network and IS, and has attended leadership and business programs at IMD (Lausanne).

Mr. Laurent Marini (VP Orange Jordan/ Wholesale Business Unit)

Mr. Laurent Marini is the VP Jordan Telecom Group Wholesale. He held this position from October 2008 till December 2009. Mr. Marini brings with him nine years of technical, marketing and sales expertise. He was formerly Sales Director at the International Carrier Sales and Services Division of France Telecom and prior to that, he held positions such as Purchasing Manager, Strategic Account Manager and UK Sales Manager based in London for six years. Earlier in Paris, he worked at Lucent Technologies (Alcatel) as Pre-Sales Engineer designing Carrier Class DLS solutions and at Equant (Orange business services) as Customer Project Manager.

Mr. Marini graduated from the Institute National des Telecommunications and holds a MSc in Telecommunication and IS engineering, a MBA in Business Management, and has attended leadership and entrepreneurship business programs at Cranfield and EM Lyon Business Schools.

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

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

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

Mrs. Majd Shweikeh (VP Orange Jordan/ CEO Petra Jordanian Mobile Telecommunications Co. Ltd (PJMTC))

Mrs. Shweikeh is the Vice President of Jordan Telecom Group and CEO PJMTC Ltd. She has held this position since January 2006. Mrs. Shweikeh is also a member of the Economic and Social Council, a Board Member at the Union Bank, a member in the International Women Forum and the Young President's Organization. Mrs. Shweikeh is also the Vice Chair of the Friends of Global Fund to fight A.I.D.S., Malaria and Tuberculosis, and a Board Member of the Swiss Jordanian Business Club. She is also at the Board of Trustees for Israa University.

Prior to assuming her position, she was the Chief Financial Officer and member of the Operating Committee since 2000 for PJMTC; Finance Manager at DHL, the international carrier service, since 1992; Project Accountant for budgeting and project planning at the American International Contractor Inc. (AICI) from 1988 to 1992; and an Auditor with Arthur Anderson. Mrs. Shweikeh served as a Board Member at the Social Security Investment unit from 2006 till 2009. Mrs. Majd Shweikeh holds a first class Honors BSc in Finance from Yarmouk University, and she received the Certified Management Accountant certification from the USA in 1999.

Mr. Sami Smeirat (VP Orange Jordan/ CEO Jordan Data Communication Company Ltd.)

Mr. Smeirat is the Vice President of Orange Jordan and CEO of Jordan Data Communication Company Ltd. (JDC). He has held this position since 2007. In 2003, he was the Chief Executive Officer of Wanadoo until it was re-branded to Orange internet. He also led the exclusive partnership with Equant as their distributor in Jordan, and the re-branding of Global One to Wanadoo.

Prior to that, he was the co-founder of Cyberia Jordan in 2001, in which he worked as the deputy CEO and Chief Commercial Officer; the Corporate Sales Manager at Global One since 1996, before moving to manage Consumer and Corporate Sales from 1999; and an Assistant of Teaching and Research at the University of Jordan for two years. Mr. Smeirat holds a BSc in Electrical Engineering from the University of Jordan, a MSc in Electrical Engineering and an MBA from NYIT (Jordan).

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

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

Mrs. Wassila Zitoune (VP Orange Jordan/ Fixed and Internet Business Unit)

Mrs. Wassila Zitoune is the Vice President of Orange Jordan (Fixed and Internet) She has held this position since July 2007. She was formally responsible for Marketing Strategic Segmentation in 1993, then moved to Senior Product Manager position in Mobile and Paging activities from 1995 to 1998, then as Sales Director in Paris.

She was appointed in 2001 as Web Director until 2004, responsible for www.francetelecom.com e-commerce and e-care, before implementing and leading the Operational Marketing activities from 2004 to 2006 for Orange France. She joined AMEA Division early 2006 as a Senior Project Manager for International Business Development.

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

4. the names of shareholders who own 5% or more of the capital as of 31/12/2008 - 31/12/2009:

Shareholders	No. of shares 31/12/2009	Shareholding% (2009)	No. of shares 31/12/2008	Shareholding% (2008)
Government of Jordan	7,500,000	3%	7,500,000	3%
Joint Investment Telecommunications Co.	127,499,999	51%	127,499,999	51%
Social Security Corporation	72,250,000	28.9%	72,687,281	29.07%
Noor Telecommunications Holding Company Limited	25,000,000	10%	25,000,000	10%
Total	**232,249,999**	**92.9%**	**232,687,280**	**93.07%**

5. the competitive situation of the company:

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

- The company's share of the total domestic market:

Orange fixed	98.5%
Orange mobile	Between (31%-34%)
Orange internet	More than 50%

6. the degree of dependence on specific resources:

Jordan Telecom purchased 19% of it's total purchases from Al catel.

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".

Orange mobile was granted the 3G+ license.

8. There are no decisions issued by the Government or international organizations or others, which have material effect on the group's business, products or competitive ability. Pursuant to the license issued to it, the group complies with international quality standards and applies the following quality standards:

- ISO 9001:2000 standards (8 certified Systems)
- COBIT (IT standard)

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

Board of Directors

Compensation Committee	Audit Committee	Chief Executive Officer	Legal Advisor

Chief Executive Officer - Mrs. Nayla Khawam

Chief Sourcing, Logistics and Quality Officer	Acting Chief Human Resources Officer	Chief Financial Officer	Chief Strategy Officer/ Secretary General	Chief Information Technology and Networks Officer	Chief Information Security Officer
Ahmed Salah	Raslan Deiranieh	Raslan Deiranieh	Philippe Vogeleer	Didier Lelievre	Tamouh Khauli

Vice President Orange Jordan/ Wholesale Businss Unit	Vice President Orange Jordan/ CEO Jordan Data Communication Company Ltd	Vice President Orange Jordan/ CEO Petra Jordanian Mobile Telecommunication Company Ltd	Vice President Orange Jordan/ Fixed and internet Business Unit
Laurent Marini	Sami Smeirat	Majd Shweikeh	Wassila Zitoune

9. b. number of employees and type of qualifications:

Qualification	Mother Company JT (Orange fixed)	Petra Jordanian Mobile Tel. Com. (Orange mobile)	Jordan Data Communication Co. (Orange internet)	Lightspeed
Doctorate (PHD)	4	-	-	-
Master's	68	18	4	4
High Diploma	9	1	-	-
BA	1026	384	26	17
Diploma	422	35	1	3
Tawjihi	241	22	3	9
Below Tawjihi	290	17	3	6
Total	**2060**	**477**	**37**	**39**

9. c. training programs during 2009:

No.	Description	Number of trainees
1.	Financial Courses	91
2.	Management Courses	1421
3.	Marketing Courses	187
4.	Quality Courses	33
5.	Sales Courses	579
6.	Technical Courses	592
7.	Computer Courses	643
8.	Language Courses	33

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

Jordan Telecom Group faces risks of competition from mobile telecommunications and other telecom companies who serve fixed line services. However, its performance in 2009 was impressive as mentioned in the consolidated financial statements.

11. the achievements realized by the company:

The achievements were mentioned in Jordan Telecom Group results.

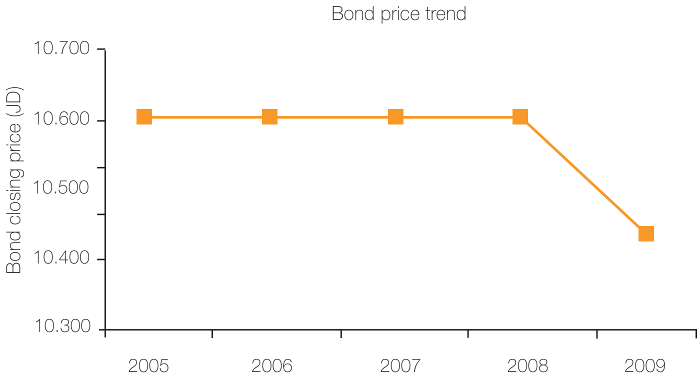
12. the operations of infrequent nature during 2009:

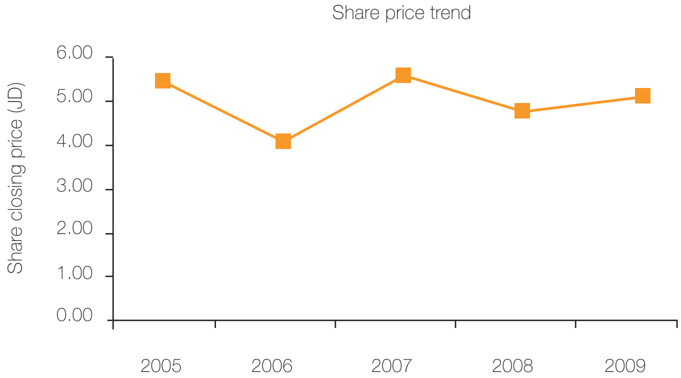
An amount of (JD50,350,000) was paid as a license for $3G^{+}$ services.

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

Description	2005	2006	2007	2008	2009
Profits in (JD)	86,361,691	86,986,351	94,500,428	100,298,024	104,029,766
Distributed dividends (JD)	85,000,000	85,000,000	95,000,000	100,000,000	105,000,000 *
Dividends %	34%	34%	38%	40%	42%
Shareholders equity in (JD)	399,709,253	401,703,981	411,204,409	416,502,433	420,532,199
Shares prices (JD)	5.50	4.12	5.62	4.82	5.17
Bond prices (JD)	10,600	10,600	10,600	10,600	10,300

* Proposed dividend in 2009. The difference between the Distributed Dividends and Profits totaling JD970,234 will be covered from the Retained Earnings.





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 "future vision" (page 16).

16. the remuneration of the external auditor of the company and its subsidiaries during 2009:

The company	Auditing remuneration (JD)	Other remunerations (JD)
Jordan Telecommunications Co. (Orange fixed)	48,000	17,000
Petra Jordanian Mobile Telecommunication Co. Ltd. (Orange mobile)	44,000	15,000
Jordan Data Communication Co. Ltd. (Orange internet)	7,000	4,500
Dimension Company for Digital Development of Data Ltd. (e-Dimension)	1000	-
Lightspeed Communication W.L.L	12,220	-

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

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

18. the remunerations and rewards in 2009 for the members of the Board of Directors were JD134,256 and for the top management members were JD1,531,509.

19. donations and grants:

No.	Donations to	Amount
1.	Donation to Gaza	99,037 *
2.	General Trade Union of Workers in Public Services & Free Occupations	31,000
3.	Rotary Clubs Amman	2,000
4.	National Institute of Music	1,500
5.	Public Security Academy	545
6.	Roman Catholic Society	500
7.	Al-Mansora Association for Development	500
8.	Al-Salt Charity Society	500
9.	Salt Sport Club	500
10.	Baccalaureate School - Amman	500

*** Orange sent JD99,037 as a donation to Gaza, JD45,552 from JTG and JD53,485 donated from JTG employees.**

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

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

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

Her Majesty Queen Rania's Madrasati initiative

Orange Jordan and Jordan Telecom Foundation – the company's corporate social responsibility arm – implemented the second phase of the agreement it had signed with the Jordan River Foundation to support the Madrasati initiative launched by Her Majesty Queen Rania, which aims to create a better educational atmosphere to school students. Orange Jordan supported schools in various municipalities and districts around the Kingdom.

Orange Jordan puts Rasoun village on the road to development

After finalizing the initial stages outlined in the agreement it had signed with the Jordan River Foundation, Orange Jordan provided monetary aid to the Rasoun village in Ajloun to contribute to the development of the educational, health and youth sectors of the village, in addition to empowering its women. The developmental efforts geared toward Rasoun have become a perfect example of successful collaboration between various sectors of the community.

Orange supports the charity markets set up by Tkiyet Um Ali

Orange Jordan supported the renowned charity organization Tkiyet Um Ali following the launch of the first series of charity markets in Amman, the star-up costs of which were entirely covered by the company. The markets deliver basic amenities to the Kingdom's poor under the heading of "Quality Living for the Poor" – an objective that is successfully achieved by allowing the market's beneficiaries the choice of receiving charities in a humane and civilized manner. The markets also organize programmes to help beneficiaries organize their daily requirements, creating a comprehensive nationwide database of families requiring aid to ensure that the process is both fair and effective. The markets have delivered services to 700 to 1,000 families under guidelines that emanate from comprehensive field studies.

Orange Jordan and Safer Schools with Hikmat Road Safety

In its longstanding commitment to the local community, Orange Jordan collaborated with the Hikmat Road Safety initiative by supporting the Safer Schools campaign, through which the company works to improve traffic conditions around a number of schools in Amman. These improvements include creating pedestrian crossing points, metal fences to guide students to these crossing points, in addition to creating road bumps to force drivers to slow down prior to entering school zones. The areas covered in this contribution include Marj El Hamam, Al Ashrafiah, Al Qweismeh, Hai Nazzal, in addition to Al Zarqa municipality. The objective of this initiative is to decrease the number of pedestrian-related traffic accidents in the Kingdom and to foster awareness to essential traffic guidelines.

Orange Jordan helps bring joy to the lives of children suffering from physical deformities

With the support of Orange Jordan, Operation Smile organized this year's local campaign in Karak, which lasted for four consecutive days targeting patients suffering from physical deformities, including harelips, glottal deformities, burns and birthmarks. Around 200 cases were diagnosed during the first day of the campaign, thirty of which – aged between 1 and 25 years – underwent surgery that day. Orange Jordan also sponsored the charity dinner organized by Operation Smile to raise funds for the organization's various activities.

Orange Jordan inaugurates a play area at Al Nadeem Hospital

Under the patronage of HRH Princess Sana Asem, Orange Jordan inaugurated the children's play area at Al Nadeem Hospital in Madaba – an initiative organized as part of the Play Area project led by the Zaha Children Cultural Center. The project seeks to bring joy to the children recuperating in the pediatrics departments of hospitals around the Kingdom, which is a cause Orange Jordan is committed to supporting.

Orange Jordan sponsors the 2009 Media and Telecommunications Convergence Conference

Under the patronage of HRH Princess Sumaya Bint Al Hassan, Orange Jordan sponsored the 2009 Media and Telecommunications Convergence Conference, which enjoyed the participation of more than 430 personalities representing the regional media and telecom landscapes. This year, the exhibition focused on broadband internet penetration amongst densely populated areas, increase in e-commerce and media convergence services. The conference also highlighted the various issues, opportunities and threats presented by the sudden growth in the number of satellite television channels in addition to the increasing competition between telecom companies.

During the exhibition that sidelined the conference, Orange Jordan displayed a number of services from its line-up, such as its WiFi broadband access which covered the entirety of the conference's premises and to which the participants had full access.

Orange Jordan supports the activities of the International Islamic Moderation Forum

Orange Jordan supported the activities of the Fifth International Conference organized by the International Islamic Moderation Forum, held in Amman under the heading Women's Issues in Islamic Societies and Current Challenges. Orange, through its social responsibility arm, was actively present by providing quality telecom services, such as WiFi which was accessible throughout the conference's premises, in addition to establishing a media and service centre.

Orange Jordan provides the 7th INJAZ Job Fair with wireless internet

Orange Jordan played an active role in the 7th Job Fair organized by INJAZ, providing the fair with a media and service centre in addition to securing WiFi coverage, computer stations, printers, faxes and other communication essentials to facilitate the fair's activities. Orange's Human Resources Department had a unique presence during the event, assisting the attendees in filling out job application forms and providing them with essential information on Orange's recruitment process.

Orange Jordan sponsors the Global Entrepreneurship Week

Organized by the Queen Rania Center for Entrepreneurship and the Young Entrepreneurs Association, Jordan hosted for the first time the Global Entrepreneurship Week, which was designed to spotlight Jordan's blooming culture of entrepreneurship, celebrate success stories, and develop an action plan on how to position Jordan as the entrepreneurial hub of the region through live voting on key questions developed by international experts. The event tackled issues ranging from poverty to climate change and aimed to underline the role played by entrepreneurs in promoting the socioeconomic prosperity of their societies.

In an effort to support the Society for the Care of Neurological Patients, Orange Jordan's employees participate in the Amman International Marathon and the Dead Sea Ultra Marathon

A group of Orange Jordan's employees participated in the Amman International Marathon and the Dead Sea Ultra Marathon, both of which enjoyed the participation of a large number of athletes from around the globe. The employees decided to participate in the marathons in celebration of the 10-year anniversary of the coronation of King Abdullah II as well as a gesture of support for the Society for the Care of Neurological Patients, to which the proceedings of both marathons will go.

Orange Jordan sponsors the Maktabati campaign to help bolster the cultural awareness of students in the Kingdom

Orange Jordan signed an agreement with the Global Family to create public libraries specializing in education and culture in a number of schools sponsored by the company under the Madrasati initiative. The first phase of the campaign took place at the Queen Alia School for the Deaf in Zarqa and the Wadi Al Hadada School in Jerash.

Orange Jordan sponsors Middle East Technology Show (METS 09)

Orange Jordan co-sponsored the Middle East Technology Show (METS 09), which was held under the patronage of HRH Princess Sumaya Bint Al Hassan. The event presents various technology providers and vendors in the region with the opportunity to showcase their products and services in an interactive environment. Orange Jordan made available a variety of advanced communication services at the show's Media Center, which was open to the show's visitors as well as the media representatives reporting from its premises.

Orange Jordan is the exclusive sponsor of Jordan's National Football Team

Orange Jordan renewed its support and sponsorship of Jordan's National Football Team for the fifth year in a row, building on the longstanding streak of success it has shared through its collaboration with the team. Orange Jordan's support of the team comes from its commitment to bolster athletic awareness in the Kingdom, particularly those focused on youths.

Orange Jordan collaborates with the Public Safety Department to sponsor the World Traffic Day and the Jordanian Traffic Week

Orange Jordan sponsored the World Traffic Day and the Jordanian Traffic Week in cooperation with the Public Safety Department. The company printed 50,000 flyers containing essential information to car drivers on common violations of traffic safety regulations, in an attempt to help reduce the number of fatalities caused by traffic accidents.

Orange Jordan collaborates with the Greater Amman Municipality to launch the Schoolbag Campaign

Orange Jordan participated in the launch of the Schoolbag Campaign organized by the Greater Amman Municipality in celebration of the new school year. Orange Jordan's participation came to reaffirm the company's commitment to supporting school students residing in various poverty pockets in the Kingdom by sparing them costs of schoolbags and basic school equipment, which experienced a noticeable increase in recent years.

In celebration of Eid Al Fitr, Orange Jordan supports the summer camp organized for the beneficiaries of Al-Aman Fund

Orange Jordan sponsored the summer camp organized for the beneficiaries of Al-Aman Fund – an initiative launched by Her Majesty Queen Rania with the objective of securing brighter futures for the Kingdom's orphans. The camp was held over a period of two days at the King of Bahrain Forest in celebration of Eid Al Fitr. The camp, which brought together orphans aged between 6 and 12 years from several orphanages around the Kingdom, comprised of a series of activities geared toward promoting physical fitness and self-esteem.

As part of the Madrasati initiative, Orange Jordan organizes a series of Iftar banquets in several schools

In celebration of the Holy Month of Ramadan, Orange Jordan organized a series of Iftar banquets for all of the schools sponsored by the company under the Madrasati initiative. The banquets were held throughout the month and delivered hearty meals to more than 2,000 students. The company's employees also distributed more than 2,200 schoolbags to the students, in addition to adorning the schools' premises with Ramadan-themed ornaments and decorations.
The company had adopted the Queen Alia School for the Deaf, to which Her Majesty Queen Rania conducted a field visit accompanied by Orange Jordan's CEO Nayla Khawam to observe firsthand the positive changes effected by the company's sponsorship activities.

Orange Jordan organizes a drawing competition for a number of schools in the Kingdom

Orange Jordan organized a drawing competition for a number of schools the company is sponsoring under the Madrasati initiative. The competition aimed to reveal and foster the creative talents of school students in the Kingdom, which is one of the prime objectives of the company's CSR strategy. Fourteen students were crowned winners at the conclusion of the competition, each of whom was awarded a professional drawing set that comes with a selection of advanced coloring tools, together with a drawing table for further comfort. The company also printed the winning drawings on its 2010 Annual Agenda as well as its unique corporate greeting cards – a gesture that aims to motivate the young artists to continue their journeys toward self-actualization.

Orange Jordan sponsors the Bedouin Festival organized by the Northern Bedouins Group for Traditional Arts

Orange Jordan collaborates with the Ministry of Public Sector Development to launch the Blog on Government Employee Behavior and Ethics

Orange Jordan organizes a charity dinner for the Jordanian Cancer Society

confirmation

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

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

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

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

Member of the Board
H.E. Akel Biltaji

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	Chief Financial Officer
Dr. Shabib Ammari	Mrs. Nayla Khawam	Mr. Raslan Deiranieh

4. The company confirms that it has applied most items of the Guidance Rules of the Corporate Governance Code for Shareholding Companies listed on the ASE.

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

We have audited the accompanying financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company and its subsidiaries ('the Group') which comprise the consolidated statement of financial position as at 31 December 2009 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Amman – Jordan
28 January 2010

Jordan Telecommunications Company (Jordan Telecom)
Public shareholding company
Consolidated statement of financial position
As at 31 December 2009

	Notes	2009 JD	2008 JD
ASSETS			
Non-current assets			
Property and equipment	4	228,570,712	236,252,302
Goodwill	5	-	1,421,157
Intangible assets	6	66,888,524	12,992,767
Deferred tax assets	7	5,053,849	2,289,869
		300,513,085	252,956,095
Current assets			
Inventories	8	5,812,377	8,485,065
Trade receivables and other current assets	9	66,080,691	54,759,291
Balances due from telecom operators	10	18,326,392	18,026,779
Cash and short-term deposits	11	301,511,243	341,918,405
		391,730,703	423,189,540
TOTAL ASSETS		**692,243,788**	**676,145,635**
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	108,032,199	104,002,433
Equity attributable to equity holders of the parent		420,532,199	416,502,433
Non-controlling interests		(1,234,206)	(629,865)
Total equity		**419,297,993**	**415,872,568**
Non-current liabilities			
Interest - bearing loans	15	8,586,196	8,227,946
Bonds	16	-	25,000,000
Employees' end of service benefits	17	15,589,217	16,669,035
		24,175,413	49,896,981
Current liabilities			
Bonds	16	25,000,000	-
Trade payables, accruals and other current liabilities	18	187,058,142	164,814,838
Balances due to telecom operators	10	35,772,542	45,029,501
Interest - bearing loans	15	939,698	531,747
		248,770,382	210,376,086
TOTAL EQUITY AND LIABILITIES		**692,243,788**	**676,145,635**

The attached notes 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 2009

	Notes	2009 JD	2008 JD
Net revenues		400,050,711	401,410,823
Cost of services		(133,720,990)	(136,820,777)
Gross margin		**266,329,721**	**264,590,046**
Administrative expenses		(31,637,435)	(27,673,922)
Selling and distribution expenses		(35,994,141)	(37,198,625)
Government revenue share	19	(10,140,451)	(12,696,002)
Management and branding fees	20	(8,758,186)	(8,551,515)
Depreciation, amortization and impairment		(51,975,229)	(54,032,657)
PROFIT FROM OPERATIONS		**127,824,279**	**124,437,325**
Goodwill impairment loss	5	(1,421,157)	(2,121,603)
Net foreign exchange differences		(461,404)	718,848
Finance costs		(2,250,737)	(2,177,720)
Finance income		14,868,785	18,690,007
Other income		854,142	575,528
Other fees	21	(2,842,963)	(2,876,487)
PROFIT BEFORE INCOME TAX		**136,570,945**	**137,245,898**
Income tax expense	7	(33,145,520)	(37,909,408)
PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR		**103,425,425**	**99,336,490**
Attributable to:			
Equity holders of parent		104,029,766	100,298,024
Non-controlling interests		(604,341)	(961,534)
		103,425,425	**99,336,490**
Earnings per share			
For profit for the year attributable to the equity holders of parent	22		
Basic and diluted		**0.416**	**0.401**

The attached notes 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 2009

	Attributable to equity holders of the parent.					
	Paid in capital	Statutory reserve	Retained earnings	Total	Minority interests	Total equity
	JD	JD	JD	JD	JD	JD
At 1 January 2009	250,000,000	62,500,000	104,002,433	416,502,433	(629,865)	415,872,568
Dividends paid (Note 14)	-	-	(100,000,000)	(100,000,000)	-	(100,000,000)
Profit and comprehensive income for the year	-	-	104,029,766	104,029,766	(604,341)	103,425,425
Balance at 31 December 2009	**250,000,000**	**62,500,000**	**108,032,199**	**420,532,199**	**(1,234,206)**	**419,297,993**
At 1 January 2008	250,000,000	62,500,000	98,704,409	411,204,409	331,669	411,536,078
Dividends paid (Note 14)	-	-	(95,000,000)	(95,000,000)	-	(95,000,000)
Profit and comprehensive income for the year	-	-	100,298,024	100,298,024	(961,534)	99,336,490
Balance at 31 December 2008	**250,000,000**	**62,500,000**	**104,002,433**	**416,502,433**	**(629,865)**	**415,872,568**

The attached notes 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 2009

	2009 JD	2008 JD
Cash flows from Operating activities		
Profit before income tax	136,570,945	137,245,898
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Non-cash:		
Finance costs	2,250,737	2,177,720
Finance income	(14,868,785)	(18,690,007)
Bad debts expense	1,451,266	3,710,961
Provision for slow moving inventory items	167,976	114,555
Depreciation and impairment of property and equipment	50,542,152	52,919,528
Amortization and impairment of intangible assets	1,433,077	1,113,129
Goodwill impairment loss	1,421,157	2,121,603
Employees' end of service benefits	(1,079,818)	3,623,100
Gain from sale of property and equipment	(854,142)	(575,528)
Foreign currency exchange differences	195,818	(205,212)
Working capital adjustments:		
Inventories	2,504,712	(4,024,833)
Trade receivables and other current assets	(7,571,516)	4,764,170
Balances due from telecom operators	(452,867)	(1,297,732)
Trade payables, accruals and other current liabilities	19,304,656	3,333,145
Balances due to telecom operators	(9,256,959)	5,485,403
Income tax paid	(33,300,000)	(37,625,000)
Net cash flows from operating activities	**148,458,409**	**154,190,900**
Cash flow from investing activities		
Purchase of property and equipment	(47,951,862)	(49,753,057)
Proceeds from disposal of property and equipment	1,509,971	824,426
Increase in intangible assets	(55,328,834)	(6,050,586)
Finance revenue received	14,256,360	17,411,916
Net cash flows used in investing activities	**(87,514,365)**	**(37,567,301)**
Cash flows from financing activities		
Loans received	1,105,456	-
Repayment of interest bearing loans	(535,073)	(566,752)
Dividends paid	(99,670,852)	(95,329,479)
Finance costs paid	**(2,250,737)**	**(2,177,720)**
Net cash flows used in financing activities	(101,351,206)	(98,073,951)
Net (decrease) increase in cash and cash equivalents	(40,407,162)	18,549,648
Cash and cash equivalents at 1 January	341,918,405	323,368,757
Cash and cash equivalents at 31 December	**301,511,243**	**341,918,405**

The attached notes 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.

The consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company ('the Group') for the year ended 31 December 2009 were authorized for issue in accordance with a resolution of the Board of Directors on 28 January 2010.

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

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Jordanian Dinars which represents the functional currency of the Group.

Statement of compliance

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of Jordan Telecom and its wholly owned subsidiaries, which are: Petra Jordanian Mobile Telecommunications Company, Jordan Data Communications Ltd. and Dimension Company for Digital Development of Data (e-dimension), and its partially owned subsidiary of 51%, Light Speed Communications W.L.L as at 31 December each year.

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

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

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

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

2.2 Changes in accounting policies

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

The Group has adopted the following new and amended IFRS during the year:
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 23 Borrowing Costs

IFRS 8 Operating Segments

IFRS 8 replaced IAS 14 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note 3, including the related revised comparative information.

IAS 1 Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

IAS 23 Borrowing Costs

The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The amendment did not have any impact on the financial position or performance of the Group.

2.3 Standards issued but not yet effective

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements

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

IFRS 9 Financial Instruments

Phase 1 of IFRS 9, the standard which will replace IAS 39 upon completion, was issued in November 2009. This phase includes guidance on classification and measurement of financial instruments, and is expected to result in changes in both classification and measurement of the Group's financial instruments when adopted. The standard is mandatory for periods beginning on or after 1 January 2013 but early adoption is permissible. Management have not yet concluded on when the Group will adopt the standard.

2.4 Use of estimates

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

2.5 Summary of significant accounting polices

Accounts receivable

Trade receivables are stated at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of 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 and bonds

All loans and bonds are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

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

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

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

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.
Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.
Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generated units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

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

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

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

Trade and other payables

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

Employees' end of service benefits

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

Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used are those that are enacted or substantially enacted by the statement of financial position date.

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

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

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

Sales tax

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

• where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case

the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

• receivables and payables that are stated with the amount of sales tax included.

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

Impairment and unrecoverability of financial assets

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

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

Revenue recognition
Revenues from Group activities are recognized as follows:

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

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

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

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

When the equipment is sold by a third-party retailer (indirect distribution channel) who purchases it from the Group and receives a commission for signing up the customer, the related revenue is recognized when the equipment is sold to the end-customer in an amount reflecting the Group's best estimate of the retail price.

Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated 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 statement of financial position date. All differences resulted from the retranslation are taken to the statement of comprehensive income.

3. Operating segments

The Group's operating segments 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.

3. Operating segments (continued)

The following tables present revenues and profit and certain assets and liabilities information regarding the Group's business segments for the years ended 31 December 2009 and 2008.

Year ended 31 December 2009	Fixed line voice JD	Mobile Communication JD	Data services JD	Total JD
Net Revenues				
Net revenues to external customers	186,073,452	180,889,134	33,088,125	400,050,711
Inter-segment revenues	51,350,517	7,727,080	237,843	59,315,440
	237,423,969	**188,616,214**	**33,325,968**	**459,366,151**
Segment results				
Operating profit before depreciation and amortization	60,866,253	95,288,338	23,644,917	179,799,508
Depreciation and amortization				(51,975,229)
Goodwill impairment loss				(1,421,157)
Net foreign exchange differences				(461,404)
Finance costs				(2,250,737)
Finance income				14,868,785
Other income				854,142
Income tax expense				(33,145,520)
Other fees				(2,842,963)
Profit for the year				**103,425,425**
Assets and liabilities				
Segment assets	**372,721,567**	**294,880,417**	**24,641,804**	**692,243,788**
Segment liabilities	**155,530,647**	**103,342,409**	**14,072,739**	**272,945,795**
Other segment information				
Property and equipment	114,577,226	110,363,816	3,629,670	228,570,712
Intangible assets	13,246,322	53,473,871	168,331	66,888,524

Year ended 31 December 2008	Fixed line voice JD	Mobile Communication JD	Data services JD	Total JD
Net Revenues				
Net revenues to external customers	201,637,722	179,104,569	20,668,532	401,410,823
Inter-segment revenues	41,156,789	7,861,291	512,078	49,530,158
	242,794,511	**186,965,860**	**21,180,610**	**450,940,981**
Segment results				
Operating profit before depreciation, amortization and impairment of assets	70,585,025	94,146,489	13,738,468	178,469,982
Depreciation, amortization and impairment				(54,032,657)
Goodwill impairment loss				(2,121,603)
Net foreign exchange differences				718,848
Finance costs				(2,177,720)
Finance income				18,690,007
Other income				575,528
Income tax expense				(37,909,408)
Other fees				(2,876,487)
Profit for the year				**99,336,490**
Assets and liabilities				
Segment assets	**412,368,612**	**250,935,848**	**12,841,175**	**676,145,635**
Segment liabilities	**162,030,264**	**87,542,832**	**10,699,971**	**260,273,067**
Other segment information				
Property and equipment	125,020,751	108,619,962	2,611,589	236,252,302
Intangible assets	9,028,457	3,794,372	169,938	12,992,767

4. Property and equipment

	Land and buildings JD	Telecommunications equipment JD	Other property and equipment JD	Projects-in-progress JD	Total JD
Cost:					
At 1 January 2009	81,010,269	608,793,397	66,770,702	5,328,340	761,902,708
Additions	573,176	45,069,619	2,096,917	212,150	47,951,862
Completed projects transferred to property and equipment	11,126	568,572	-	(579,698)	-
Disposals	(375,881)	(2,382,020)	(833,126)	(50,385)	(3,641,412)
Other reclassification *	(4,435,471)	-	-	-	(4,435,471)
At 31 December 2009	76,783,219	652,049,568	68,034,493	4,910,407	801,777,687
Depreciation:					
At 1 January 2009	31,474,018	438,849,461	55,326,927	-	525,650,406
Depreciation	2,411,186	46,933,878	1,197,088	-	50,542,152
Disposals	(11,560)	(2,161,511)	(812,512)	-	(2,985,583)
At 31 December 2009	33,873,644	483,621,828	55,711,503	-	573,206,975
Net book value:					
At 31 December 2009	**42,909,575**	**168,427,740**	**12,322,990**	**4,910,407**	**228,570,712**

Land and buildings include land amounting to JD481,138 (2008: JD481,138) owned by the Government of Jordan, which is used by the Group for the public benefit.

* During 2009, land with a cost and carrying value of JD4,435,471 was expropriated by the Greater Amman Municipality and was reclassified to other receivables as of 31 December 2009. The full carrying value is expected to be reimbursed.

4. Property and equipment (continued)

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

During 2008, an amount of JD131,259 was reported as impairment in property and equipment relating to the mobile segment. The impairment was recorded by writing down the value of the related property and equipment to its recoverable amount.

5. Impairment testing for goodwill

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

Carrying amount of goodwill allocated is as follows:

	2009 JD	2008 JD
Goodwill	1,421,157	3,542,760
Impairment loss	(1,421,157)	(2,121,603)
Carrying amount	-	**1,421,157**

The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.
The pre-tax discount rate applied to cash flow projections is 13.3% and cash flows beyond the 5-year period are extrapolated using a 10% growth rate that is the same as the long-term average growth rate for Light Speed Communications.

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

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

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

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

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

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

6. Intangible assets

	Flag access rights JD	Mobile operating license and frequency rights JD	Other intangibles JD	Total JD
Cost:				
At 1 January 2009	12,256,504	8,997,657	793,703	22,047,864
Additions	4,951,090	50,350,000	27,744	55,328,834
At 31 December 2009	17,207,594	59,347,657	821,447	77,376,698
Amortization:				
At 1 January 2009	3,228,047	5,266,093	560,957	9,055,097
Amortization	733,225	647,601	52,251	1,433,077
At 31 December 2009	3,961,272	5,913,694	613,208	10,488,174
Net book value -				
31 December 2009	**13,246,322**	**53,433,963**	**208,239**	**66,888,524**
31 December 2008	9,028,457	3,731,564	232,746	12,992,767

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

On 29 July 2009, Telecommunications Regulatory Commissions (TRC) had offered 3G frequencies to the four existing mobile operators, as a result, the Group has been granted the frequencies for a cost of JD 50,350,000 on 19 August 2009 for a period of 15 years. Based on this offer, the Group has been granted an exclusivity to provide 3G services for 12 months starting from the commercial launch date or 18 months starting from 13 August 2009 (the date of the Group's approval of the TRC offer), whichever is earlier.

7. Income tax

Major components of income tax expense for the years ended 31 December 2009 and 2008:

	2009 JD	2008 JD
Consolidated statement of comprehensive income		
Income tax charge – current year	35,909,500	33,451,225
Deferred income tax income expense (benefits)		
Allowance for doubtful accounts	(2,520,752)	4,197,195
Impairment of property and equipment	(56,640)	360,000
Interest capitalized	100,000	75,000
End of service benefits	(286,588)	(174,012)
Income tax expense reported in the consolidated statement of comprehensive income	**33,145,520**	**37,909,408**

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 31 December 2009 and 2008 is as follows:

	2009 JD	2008 JD
Accounting profit before income tax and non-controlling interests	137,175,286	138,207,432
At statutory income tax rate of 25%	34,293,822	34,551,858
Tax adjustments for:		
Subsidiaries losses	177,039	275,162
Debts written off	(1,119,591)	(4,573,450)
Allowance for doubtful accounts	443,875	900,269
Expenses and provisions not allowable for income tax purposes	2,114,355	2,732,386
Previous years' tax returns differences	-	(435,000)
Deferred tax assets	(2,763,980)	4,458,183
Income tax expense reported in the consolidated statement of comprehensive income at effective income tax rate of 24.2% (2008: 27.4%)	**33,145,520**	**37,909,408**

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

	2009 JD	2008 JD
Allowance for doubtful accounts	801,932	(1,718,820)
Impairment of property and equipment	-	(56,640)
Legal cases provision	418,142	418,142
Interest capitalized	-	100,000
End of service benefits	3,833,775	3,547,187
	5,053,849	**2,289,869**

Income tax assessments have been agreed with the Income Tax Department for all the years up to 31 December 2008 for Jordan Telecom and Petra Jordanian Mobile Telecommunications and up to 31 December 2007 for Jordan Data Communications.

8. Inventories

	2009 JD	2008 JD
Materials and supplies	4,649,055	5,361,602
Handsets and others	3,056,428	5,001,112
Provision for damaged and slow moving materials and supplies	(1,893,106)	(2,228,114)
	5,812,377	8,134,600
In transit materials and supplies	-	350,465
	5,812,377	**8,485,065**

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

8. Inventories (continued)

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

	2009 JD	2008 JD
Opening balance	2,228,114	2,129,147
Additions	167,976	114,555
Write off	(502,984)	(15,588)
	1,893,106	**2,228,114**

9. Trade receivables and other current assets

	2009 JD	2008 JD
Trade receivables	48,378,326	57,218,259
Unbilled revenue	17,786,353	17,944,675
	66,164,679	75,162,934
Allowance for doubtful accounts	(27,030,313)	(37,989,531)
	39,134,366	37,173,403
Amounts due from related parties	408,397	499,416
Other current assets *	26,537,928	17,086,472
	66,080,691	**54,759,291**

* Included in other current assets the cost of the land of JD4,435,471 that was classified to other receivables as of 31 December 2009 as disclosed in note 4 to these consolidated financial statements.

Trade receivables are non-interest bearing. The Group does not obtain collateral over trade receivables except for distributors trade receivable.

As at 31 December 2009, trade receivables at nominal value of JD27,030,313 (2008: JD37,989,531) were impaired and fully provided for.

Movements in the allowance for doubtful accounts were as follows:

	2009 JD	2008 JD
Opening balance	37,989,531	52,653,706
Charge for the year	1,298,012	3,629,626
Write offs	(12,257,230)	(18,293,801)
Ending balance	**27,030,313**	**37,989,531**

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 JD	Past due but not impaired				
		1-30 days JD	31-90 days JD	91-180 days JD	>180 days JD	Total JD
2009	17,786,353	9,215,856	6,728,267	2,091,238	3,312,652	39,134,366
2008	17,944,675	10,576,969	5,752,140	2,780,664	118,955	37,173,403

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

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

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 2009 and 2008 are as follows:

	2009 JD	2008 JD
Balances due from telecom operators	22,319,085	21,866,218
Allowance for doubtful accounts	(3,992,693)	(3,839,439)
Balances due from telecom operators	**18,326,392**	**18,026,779**
Balances due to telecom operators	**35,772,542**	**45,029,501**

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	180-270 days JD	>271 days JD	Total JD
2009	8,041,137	2,401,519	2,671,156	1,195,145	4,017,435	18,326,392
2008	2,067,560	6,218,673	4,025,012	4,532,787	1,182,747	18,026,779

Unimpaired receivables are expected to be fully recoverable.

11. Cash and short term deposits

Short term deposits represent deposits with commercial banks in Jordan for periods between one day and three months in Jordanian Dinars, Euro and US Dollars amounting to JD295,037,420 as of 31 December 2009 and JD347,891,375 as of 31 December 2008 with an effective interest rate of 4.21 %, 0.7% and 0.11% respectively (2008: JD6.03%, Euro 2.84% and US $1.11%).

12. Paid in capital

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

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 decided not to transfer any amount to the statutory reserve starting 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 2009 of JD 0.42 per share totalling JD 105,000,000 which is subject to the approval of the General Assembly.

During the year, dividends of JD 0.40 per share totalling JD 100,000,000 relating to 2008 were declared and paid.

15. Interest- bearing loans

	2009 JD	2008 JD
Current		
French Government Protocol/ Second Loan	404,209	379,823
French Government Protocol/ Third Loan	155,478	151,924
The Housing Bank for Trade and Finance loan	380,011	-
	939,698	**531,747**

	2009 JD	2008 JD
Non- current		
French Government Protocol/ Second Loan	6,382,282	6,631,350
French Government Protocol/ Third Loan	1,478,469	1,596,596
The Housing Bank for Trade and Finance loan	725,445	-
	8,586,196	**8,227,946**

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

The repayment of this loan started on 31 March 2005.

Housing Bank for Trade and Finance Loan

On 30 June 2009 Light Speed Company obtained a loan from the Housing Bank for Trade and Finance- Bahrain to finance Light Speed needs.
The loan of USD 1,750,000 is payable in 36 monthly installments starting 1 October 2009. The loan is subject to an interest rate equalling the LIBOR rate for 3 months plus a margin of 3% on the daily outstanding balance of the loan (with a minimum interest rate of 6 %) and the interest shall be paid at the end of each month.

16. Bonds

On 9 July 2002, the Group issued bonds for a total of JD25 million. The bonds were listed on Amman Stock Exchange and bear a fixed interest rate of 7.25% for the first five years and the average of Prime Lending Rates of reference banks minus 0.25% will apply for the remaining period. The interest is payable on 9 January and 9 July of each calendar year. The bonds are due on 9 July 2010.

17. Employees' end of service benefits

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

	2009 JD	2008 JD
Provision at 1 January	16,669,035	13,045,935
Expenses recognized in the statement of comprehensive income	2,116,450	4,276,564
End of service benefits paid	(3,196,268)	(653,464)
Provision at 31 December	**15,589,217**	**16,669,035**
The principal actuarial assumptions used:		
Discount rate at 31 December	6.5%	6.5%
Expected rate of increase of employee remuneration	5.5%	5.5%
Average length of employee service	16.5 years	16.5 years
Present value of end of service provision	**15,589,217**	**16,669,035**

There are no material actuarial gains or losses.

18. Trade payables, accruals and other current liabilities

	2009 JD	2008 JD
Accrued expenses	61,384,937	49,228,707
Subscribers' deposits	19,367,871	18,321,273
Deferred revenues	18,807,393	17,979,875
Amounts due to related parties	7,927,412	3,949,888
Government revenue sharing	10,140,451	12,696,002
Trade creditors	69,171,333	62,379,794
Contracts retentions	258,745	259,299
	187,058,142	**164,814,838**

19. 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.

20. Management and branding fees

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

During July 2007, the Group entered into a license agreement with Orange 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.

21. Other fees

	2009 JD	2008 JD
Jordanian universities fees	892,502	915,414
Scientific research and vocational training fees	892,502	915,414
Vocational and technical training fund fees	1,057,959	1,045,659
	2,842,963	**2,876,487**

22. Earnings per share

	2009	2008
Profit for the year attributable to the equity holders of parent (JD)	104,029,766	100,298,024
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share (JD)	**0.416**	**0.401**

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

23. Related party disclosures

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

	Country of incorporation	Percentage of equity interest		Description of Service
		2009	2008	
Petra Jordanian Mobile Telecommunications Company	Jordan	100 %	100 %	Mobile Communications
Jordan Data Communications Ltd.	Jordan	100 %	100 %	Data
Dimension Company for Digital Development of Data	Jordan	100 %	100 %	Content
Light Speed Communications Company W.L.L	Kingdom of Bahrain	51 %	51 %	Data

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

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

	2009 JD	2008 JD
France Telecom and its subsidiaries		
Management and branding fees	8,758,186	8,551,515
Operating expenses	6,846,781	6,536,407
Revenues	30,868,070	30,106,861
Government of Jordan		
Government revenue share	10,140,451	12,696,002
Key management personal		
Executives salaries and bonus	1,004,254	1,440,530
Board of directors bonus	134,255	136,630

Balances due from and to related parties are disclosed in notes 9 and 18 to these consolidated financial statements.

24. Commitments and contingencies

Operating lease commitments

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

	2009 JD	2008 JD
Within one year	5,750,328	5,354,640

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 JD17,806,597 as of December 31, 2009 (2008: JD5,133,167).

Legal claim

The Group is a defendant in a number of lawsuits with a value of JD31,426,607 (2008: JD31,426,607) representing legal actions and claims incident to its ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Accordingly, a provision of JD1,672,567 has been made (2008: JD1,672,567).

The Customs Department is claiming custom fees and sales tax amounting JD10,514,764 until the end of the year 2003 on imported machinery, equipment, operators and cables used in the Group's infrastructure. During 2009, The Group has received an adjusted claim from the Customs Department with an amount of JD693,942. The management and its legal advisors believe that there is no basis for this claim, since the Group was exempted from custom fees and sales tax on imported and local purchases in accordance with the Council of Ministers resolution. Accordingly, no provision has been booked.

Guarantees

The Group has given letters of guarantee limited to JD1,223,965 (2008: JD895,478) in respect of legal claims and performance bonds.

25. Risk management

Interest rate risk

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdraft and term loans).

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2009.

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. There is no impact on the Group's equity.

2009	Change in interest rate %	Effect on profit for the year JD
JD	1	2,853,373
USD	1	56,724
EUR	1	103,901

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

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

Credit risk

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

Liquidity risk

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

The table below summarises the maturities of the Group's financial liabilities at 31 December 2009 and 2008, based on contractual undiscounted payment.

Year ended 31 December 2009	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Bonds	-	25,000,000	-	-	25,000,000
Accounts payables	67,225,792	9,872,953	-	-	77,098,745
Balances due to telecom operators	28,616,653	6,415,526	740,363	-	35,772,542
Term loan	239,285	700,413	3,490,227	5,095,969	9,525,894
Total	**96,081,730**	**41,988,892**	**4,230,590**	**5,095,969**	**147,397,181**

Year ended 31 December 2008	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Bonds	-	-	27,159,000	-	27,159,000
Accounts payables	55,751,236	10,578,446	-	-	66,329,682
Balances due to telecom operators	22,514,750	22,514,751	-	-	45,029,501
Term loan	132,781	398,966	2,734,406	5,493,540	8,759,693
Total	**78,398,767**	**33,492,163**	**29,893,406**	**5,493,540**	**147,277,876**

Currency risk

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinars exchange rate is fixed against the U.S. Dollar (US $1.41 for JD1), accordingly the Group is not exposed to significant currency risk.

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

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

	Change in Euro rate to JD %	Effect on profit before tax JD
2009		
EUR	5	43,211
2008		
EUR	5	(55,763)

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

26. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

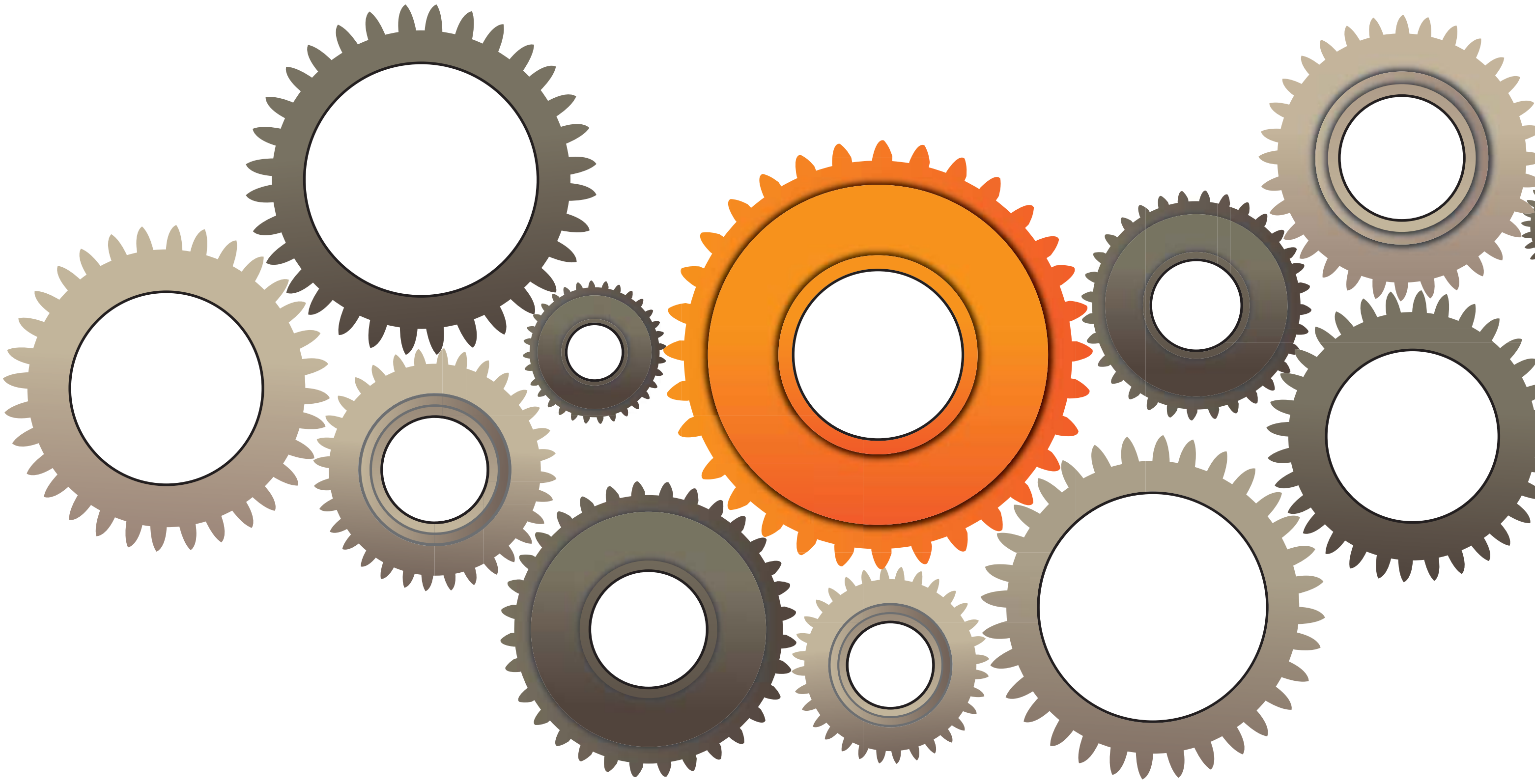
Financial assets consist of cash and bank balances, receivables and other current assets. Financial liabilities consist of term loans, payables and other current liabilities.

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

27. 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 2009 and 31 December 2008. Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD420,532,199 as at 31 December 2009 (2008: JD416,502,433).



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