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2015
Orange Jordan annual report

orange™

“It is equally important that we continue to build on what Jordan has achieved in ICT, and keep up with latest international advancements in this field to maintain Jordan’s competitiveness in this important industry, which has a major role in providing opportunities for Jordanian talents.”

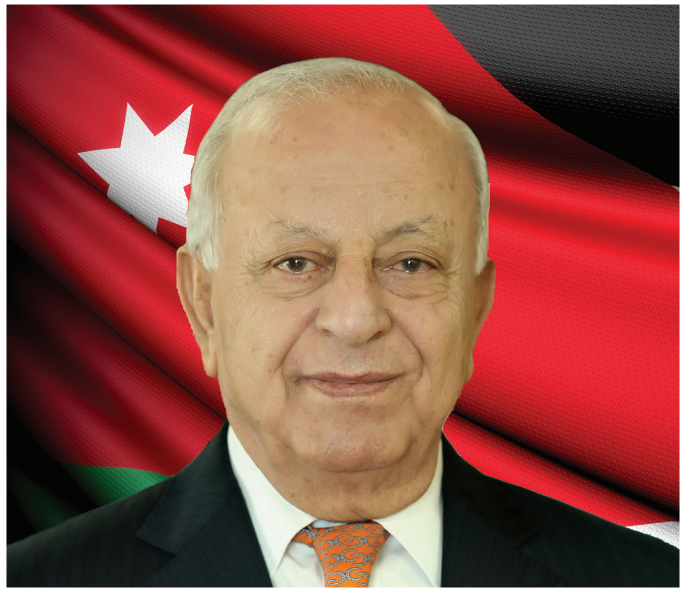
Speech from the Throne By His Majesty King Abdullah II

Opening the Third Ordinary Session of the 17th Parliament

Amman, Jordan

15 November 2015

a letter from the Chairman



From Reaction to Action

Dear Shareholders,

It is with the utmost gratitude and appreciation that I address you on behalf of the Board of Directors, including myself, through the pages of this annual report.

In this report, we place before you our consolidated financial results, together with the latest updates on our operations, our achievements over the past year, and our optimistic future vision which persists in spite of the various local and external pressures that continue to impact our growth.

In 2015, the local ICT sector witnessed a significant decline in its key performance indicators, which inevitably resulted in diminished revenues for the sector. This was due to a variety of factors, most notably the general economic situation, the high increase in the special tax rate and the intense competition.

We were able to manage these challenges in the short-term, and we have made significant investments aimed at increasing our revenues in the mid- and long-term. Moreover, we did not ignore the need to reduce our operational costs.

Our duty to serve the interests of the shareholders and our longstanding experience culminated in a new strategic vision, which, God willing and through the competent efforts of our employees, will guarantee the achievement of our long-term objectives. This new, five-year strategy, which we call Essentials2020, came to build on the achievements of our NAMBAU transformation program, which we concluded successfully, as numbers and figures prove.

The core focus of the strategy is on improving our customer experience and satisfaction, delivering an unmatched experience to all consumer segments in the Kingdom. This makes us optimistic about the future of Orange Jordan.

We had an eventful and transformative year, achieving many milestones and receiving several awards. Early in 2015, our CEO received the prestigious CEM Champion of the Year award during the CEM Telecoms Middle East Summit. Additionally, in December, Orange Jordan received the Customer Delight Award at the 2015 MENAA Awards, held in Dubai.

As an immediate translation of our strategy's key pillars, roughly JD 200 million has already been invested in providing the best network in the Kingdom, which has led to the full-scale launch of our 4G network, covering 82% of the local population. We also renewed our 2G and 3G networks, offering multiple connectivity options and innovative services for both individual and corporate clients, while providing exceptional speed and quality. Additionally, we inaugurated the first phase of the Regional Cable Network (RCN) project. This is one of the region's most vital telecommunications projects; we collaborated with a group of regional operators to successfully implement this massive undertaking.

Our commitments were not limited to our customers, but also targeted our internal work environment and our employees, to whom we owe our success. In 2015, we reaped the fruits of our continued efforts to cultivate a harmonious work environment, as we were ranked among the 20 best places to work in the Kingdom by Jordan Business Magazine.

As social responsibility has always been a core component of our strategic vision, the year 2015 witnessed our active contribution to sustainable development in the Kingdom, tackling critical areas such as economic growth, social solidarity and environmental preservation. We launched a series of programs and initiatives that responded to the various challenges impacting sustainable development on a national scale, focusing on entrepreneurship, health, education, sports and combating poverty.

Our strategy also continued to support the national efforts to transform Jordan into a leading regional telecoms hub, in line with the vision of His Majesty King Abdullah II — a vision that will continue to act as a key driver of our operations over the coming years.

I would like to convey my warmest gratitude to Her Excellency the Minister of Information and Communications Technology and His Excellency the Chairman of the Telecommunications Regulatory Commission. Their clear understanding of the sector's problems has allowed them to architect and implement a new vision with holistic strategies that will transform the ministry and the regulator into real partners for both citizens and operators, with the aim of supporting the sector and increasing its contributions to the national economy. This new approach further contributes to our optimism toward the future.

In closing, I would like to thank the members of the Board of Directors for their great expert input and continuous involvement. I would also like to thank our colleagues, including all of Orange's employees across the Kingdom as well as the executive team, headed by our CEO Jérôme Hénique, who joined the team in September 2015. Mr. Hénique possesses exceptional qualifications and an extensive track record of achievements, which allow him to build on the successes of our former CEO, Jean-François Thomas.

Thank you to our customers, whose satisfaction and loyalty to the Orange brand is our core target. Thank you also to Orange S.A. for their continued support for Orange Jordan. Thank you all for backing up our drive for a bright future.

I wish you all a successful and prosperous year.

Sincerely,
Dr. Shabib Ammari
Chairman of the Board of Directors

a letter from the CEO

Dear Shareholders,

I am delighted to be able to address you all through 2015 Orange Jordan's annual report, which serves to highlight our key achievements during what proved to be a truly transformative year.

Last year again, the entire telecom industry in Jordan faced several challenges, which resulted in a decrease in revenues. However, in our case, the rate of decrease in revenues has slowed down compared to previous years, and in 2015 our revenues were down 2.1%, compared to a 3.2% decrease in 2014, indicating better operational and financial performances and paving the way for future growth and momentum.

Despite this decrease in our revenues, Orange Jordan's positive commercial performance demonstrates the success of our efforts to attract and retain customers, with our mobile, fixed and internet customer bases reaching a total of 4.8 million subscribers by the end of 2015. This was largely due to the timely arrival of our new Essentials2020 strategy, which is centered on providing our customers with an unmatched experience.

With the inspiration of our Essential2020 strategy, we were driven to make significant improvements to our network's quality of service, implementing a completely new 4G mobile network and refurbished 2G and 3G existing networks via swapping over 1,700 sites across the Kingdom. We also worked diligently to increase the average speed of our fixed broadband network, in order to provide our customers with the best internet experience in Jordan, with more than two thirds of our customers enjoying speeds of 8 Mbps and above on their Fixed internet lines.

Elevating our connectivity options also means providing a richer portfolio of offerings through which customers can experience the strength and quality of our networks. Last year, we placed greater emphasis on simplifying and streamlining our content services. Through content agreements with major providers like ICFLIX, StarzPlay, Istikana and Anghami, our customers can enjoy an increasingly robust array of on-demand content, making their digital experience more personalized than ever. Our commitment to elevating our offerings will continue into the coming years.

To further enhance and reinvent our customers' experience, we began implementing the transformation of our customer touch points, which included the relaunch of our Elite Shop in Amman, providing a new, more personalized shop experience. Moreover, and in alignment with Orange Group support, we also refreshed and relaunched the Orange brand, focusing on our customers through commitments to availability, connectivity, adaptation and simplicity.

In the same way that we spent 2015 enriching the experience of our individual customers, we also continued to accompany the transformation and growth of our enterprise customers. By forging and maintaining long-term strategic partnerships with key organizations across the nation, becoming a trusted partner to additional valuable portfolios of public and private entities, such as Jordan's recent hotels: Rotana and Ramada Dead sea; the Qatar and United Arab Emirates' embassies and chemical industry leaders JAFCCO (Jordan Abyad Fertilizers & Chemical Co.). We look forward to providing these partners with the telecom solutions, tools, resources and security solutions they need for their digital operations.

At the same time, we worked diligently to control our costs throughout 2015, and managed to maintain an EBITDA ratio close to 30 percent. This allowed us to initiate our solar farm project across the Kingdom. Through this ambitious project, we are not only spearheading national efforts toward clean, sustainable energy solutions and reducing our carbon footprint, but these new solar farms will allow us to eventually source 80 to 100 percent of our energy needs from solar power at a reduced cost.

Our net income in 2015 was lower than in previous years, reaching JD 16.1 million. This was due primarily to the full amortization of the unreasonably high cost of our frequency renewals, as well as the accelerated amortization of the replacement of our old mobile network. As such, we maintain our confidence in the positive direction towards which Orange Jordan is headed.

With our deep appreciation for the efforts of the Orange Jordan team, our human resources strategy is to build a digitally innovative company that is caring and personable, recognizing that a positive employee experience correlates with a better customer experience.

In order to strike the right balance between financial results and human capital, we have incorporated many best practices and marketing tools into our HR approach, getting to the core of how our employees think, feel, and work. Our key human resources goals for 2015 revolved around fostering employee engagement, simplifying our internal policies and procedures, and building vital competencies that will ensure a sustainable future.

In closing, I would like to commend the staunch efforts of our Board of Directors, led by our esteemed Chairman, Dr. Shabib Ammari, whose continued support over the years has allowed Orange Jordan to remain the preferred telecommunications partner for Jordanians across the Kingdom. I would also like to extend my utmost gratitude to all of our shareholders, for their continued trust in Orange Jordan. In addition, I would like to thank my predecessor, Jean-Francois Thomas, all of our team members, affiliates and partners, all of whom have been crucial to the ongoing, sustainable success of Orange Jordan. Having navigated 2015 so astutely and strategically, we at Orange Jordan see 2016 as being filled with potential and possibilities.

May 2016 be filled with achievements, growth and innovation, for all of us.

Sincerely,
Jérôme Hénique
CEO

2015 board of directors of Jordan Telecom Group – Orange Jordan

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

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

Mr. Marc Rennard
Member of the Board of Directors

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

Brig. General Munther Abu Alfoul
Member of the Board of Directors since September, 2015, in replacement of Major General Eng. Omar Al-Khaldi (PhD)

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

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

Legal Advisor: Thaer Najdawi
Auditors: Ernst & Young

2015 executive committee of Jordan Telecom Group – Orange Jordan

Mr. Jérôme Hénique
Chief Executive Officer

Mr. Raslan Deiranieh
Deputy Chief Executive Officer
Chief Financial Officer

Mr. Patrice Lozé
Deputy Chief Executive Officer
Chief Consumer Officer

Mr. Sami Smeirat
Chief Enterprise Officer

Mr. Waleed Al Doulat
Chief Wholesale Officer

Dr. Ibrahim Harb
Chief Legal, Regulatory and Sourcing Officer

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

Mr. Olivier Wicquart
Chief Information Technology and Networks Officer

Mr. Tamouh Khauli
Chief Security Officer

Dr. Edward Zreik
Chief Human Resources Officer

2015 financial highlights

Jordan Telecom Group has faced many challenges represented by a heavy tax burden, mobile phone applications (OTTs), high competition in the telecom market, in addition to the impact of the "2G"/ 900 MHz spectrum license fees and the increase in electricity tariff for the telecom industry. The outcome of the above challenges has an estimated value of around 35 million (before tax) on the group's results for 2015, in addition to the cost of fully renewing the mobile network and acquisition cost of the 4G spectrum license (1800 MHz).

Despite these challenges, Jordan Telecom Group has affirmed and enhanced its presence in the Jordanian telecom markets during 2015 by following its new strategy under the heading "Essentials2020" which has a main objective of providing an unmatched customer experience.

To support this strategy, the group has invested heavily in improving and developing its infrastructure of fixed and mobile networks, this is to ensure to our customers that we provide them with the best services at lowest possible prices and best quality.

The group has managed to maintain a strong financial performance in 2015 alongside its position at the forefront of the Jordanian telecom market, as well as affirm its promise to provide customers with the best service which reflects positively on our shareholders' value.

It gives us a great pleasure to present the 2015 consolidated annual financial highlights of Jordan Telecom Group.

Presented below is a summary of the consolidated results for 2015 against 2014.

Consolidated Income Statement

(MJD)	2015	2014	Change %
Revenues	**337.8**	**345.0**	**(2.1)%**
Operating expenses			
Cost of services	(158.8)	(161.4)	(1.6)%
Administration expenses	(22.0)	(22.1)	(0.6)%
Selling and distribution expenses	(45.2)	(43.0)	5.1%
Government revenue share	(6.9)	(8.3)	(17.6)%
Business support fees	(3.3)	(3.3)	0.0%
Brand fees	(3.8)	(4.1)	(7.0)%
Total operating expenses	**(239.9)**	**(242.2)**	**(0.9)%**
Other income	2.0	1.8	8.9%
Profit from operations (EBITDA)	**100.0**	**104.7**	**(4.5)%**
EBITDA margin	**29.6%**	**30.3%**	**(0.7)%**
Depreciation, amortization and impairment	(77.4)	(54.1)	43.0%
Net foreign exchange differences, finance costs and finance income	2.7	7.7	(65.0)%
Profit before income tax	**25.3**	**58.2**	**(56.6)%**
Income tax expense	(9.2)	(16.6)	(44.6)%
Profit for the year from continuing operations	**16.1**	**41.7**	**(61.4)%**
Profit for the year from discontinued operations	**0.0**	**0.4**	**(100.0)%**
Total comprehensive income for the year	**16.1**	**42.1**	**(61.8)%**
Attribute to:			
Equity holders of parent	16.1	42.0	(61.7)%
Non-controlling interest	0.0	0.1	(100.0)%
Profit margin	4.8%	12.2%	(7.4)%
Earnings per share	0.064	0.168	(61.7)%
Weighted average number of shares (million shares)	250	250	0.0%

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

Consolidated Balance Sheet

(MJD)	2015	2014	Change%
Assets			
Total Current Assets	218.6	294.8	(25.8)%
Property, plant and equipment	197.5	189.6	4.2%
Other non-current assets	161.5	103.8	55.5%
Total non-current assets	358.9	293.4	22.3%
Total assets	**577.5**	**588.2**	**(1.8)%**
Liabilities and equity			
Total current liabilities	245.2	228.7	7.2%
Total non-current liabilities	3.7	5.0	(24.9)%
Total Equity	328.6	354.5	(7.3)%
Total liabilities and equity	**577.5**	**588.2**	**(1.8)%**

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

Cash Flow statement

(MJD)	2015	2014	Change%
Net cash from operating activities	99.6	89.2	11.7%
Net cash used in investing activities	(136.8)	(88.6)	54.4%
Net cash used in financing activities	(42.4)	(53.2)	(20.2)%
Net decrease in cash and cash equivalent	(79.6)	(52.6)	51.4%
Cash and cash equivalents as of 31 December	**110.7**	**190.3**	**(41.8)%**

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

Financial Ratio Analysis

	2015	2014	Change%
Profitability ratios			
Return on Total Assets	2.8%	7.0%	(60.4)%
Return on Total Equity	4.7%	11.7%	(59.8)%
Liquidity ratios			
Current ratio	0.89	1.29	(30.8)%
Cash ratio	0.45	0.83	(45.7)%
Leverage ratios			
Debt - Equity ratio	75.7%	65.9%	14.9%
Interest-bearing debt ratio*	1.2%	1.3%	(12.4)%
Debt ratio	43.1%	39.7%	8.5%
Assets Coverage ratio	0.70	1.10	(36.3)%
Assets management ratios			
Assets Turnover ratio	0.58	0.57	1.4%
Fixed Assets Turnover ratio	1.75	1.82	(4.3)%
Capital Turnover ratio	0.99	0.96	3.0%
Growth ratios			
Dividends per share (JD)	0.064	0.168	(61.9)%
Dividends payout ratio	99.3%	99.7%	(0.4)%
Dividends yield ratio	1.8%	4.8%	(61.9)%
Valuation ratios			
Book value per share	1.31	1.42	(7.3)%
Market to book value ratio	2.67	2.48	7.9%
Price – Earnings ratio	54.5	20.9	161.0%

* Total Debt/(Total Debt + Total Equity)

Revenues

The Group's consolidated revenues declined by 2.1%, achieving JD 337.8 million in 2015 compared with JD 345.0 million in 2014 mainly due to lower prepaid mobile revenue.

Operating expenses

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

The Group OPEX witnessed a decrease by 0.9% to reach JD 239.9 million in 2015 against JD 242.2 million in 2014. This decrease came as a result of the Group's continued efforts to optimize spending despite higher electricity cost.

Cost of services decreased by 1.6% reaching JD 158.8 million in 2015 compared with JD 161.4 million in 2014 as a result of a drop in revenues.

Administration expenses decreased by 0.6% to reach JD 22.0 million in 2015 compared to JD 22.1 million in 2014 as a result of the management's efforts to optimize expenses.

Selling and distribution expenses increased by 5.1% to reach JD 45.2 million in 2015 compared to JD 43.0 million in 2014, mainly due to the increase in selling commissions and the cost of the advertising campaign for the new brand that was launched by the Group in 2015.

Government revenue share equals 10% of net revenue that Orange Mobile is required to pay to the Telecommunications Regulatory Commission pursuant to the Mobile License Agreement. Government revenue share reached JD 6.9 million in 2015, decrease of 17.6% from 2014.

Business support fees represent what the Group is required to pay to Orange Group pursuant to the business support agreement. Business support fees of the Group reached JD 3.3 million in 2015, the same amount as in 2014.

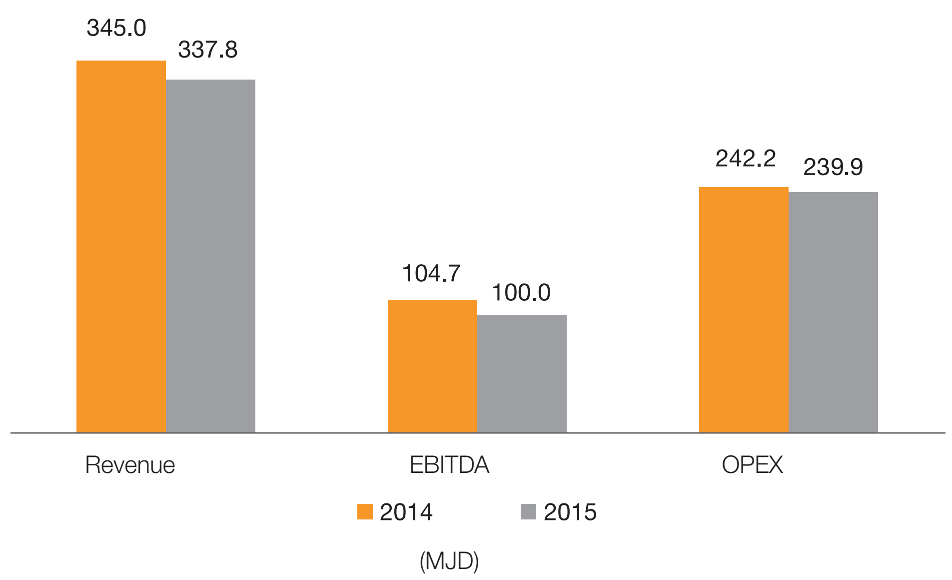
Brand fees represent 1.6% of operating revenues that Jordan Telecom Group is required to pay to Orange Group for using the "Orange" Brand in all Jordan Telecom Group subsidiaries. It was around JD 3.8 million in 2015 compared to JD 4.1 million in 2014.

EBITDA

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

Group EBITDA showed a decrease by 4.5% to reach JD 100.0 million in 2015 compared with JD 104.7 million in 2014. This drop is mainly linked to the decrease in our revenue and increase in electricity cost and selling commissions.

EBITDA margin for the Group decreased to reach 29.6% at year-end 2015, from 30.3% last year.



Depreciation, amortization and impairment

Depreciation, amortization & impairment expenses increased by 43.0% to reach JD 77.4 million in 2015 compared to JD 54.1 in 2014. This increase was in line with the Group's plan to replace the previous mobile network with an impairment cost of JD 16.6 million in 2015. In addition to the amortization impact of "2G"/ 900 MHz spectrum license & 4G spectrum license compared with last year.

Net foreign exchange differences

Net foreign exchange differences resulting from the Group's transactions in foreign currencies and translation of monetary assets and liabilities. For the year 2015, a gain of JD 0.4 million was reported in 2015 compared with JD 1.7 million in 2014.

Finance costs

Finance costs consist of the interests and other charges, paid on the Group's financial indebtedness. Finance costs decreased by 24.3% compared to 2014.

Finance revenues

Finance revenues consist of revenues earned on cash deposits in various currencies. Finance revenues decreased by 61.9% reaching JD 2.3 million in 2015 from JD 6.0 million in 2014.

Other income

Other income consists of gains and losses in dispositions of fixed assets and other miscellaneous income. Other income reached JD 2.0 million in 2015 opposed to JD 1.8 million in 2014.

Income tax

In 2015, the Group reported JD 9.2 million as income tax compared with JD 16.6 million in 2014.

Profit for the year

Jordan Telecom Group generated JD 16.1 million as net profit after tax for the year 2015, with a decrease of 61.8% compared to JD 42.1 million in 2014. This decrease was linked mainly to the amortization of the very high costs of frequencies in Jordan and the impairment losses related to the old mobile network that has been replaced by a brand new one.

Discontinued operations

In 2014, the Group disposed of 100% of its interest in Light Speed Communications W.L.L. resulting in a gain of JD 0.4 million.

Liquidity and capital resources

The primary source of liquidity is net cash from Operating Activities. For 2015, our net cash from operating activities increased by 11.7% to reach JD 99.6 million as compared to JD 89.2 million for 2014.

Net cash used in Investing Activities reached JD 136.8 million in 2015 from JD 88.6 million in 2014, due to investing in the replacement of the mobile network and the acquisition of the 4G spectrum license with a cost of JD 71 million.

Net cash used in Financing Activities reached JD 42.4 million in 2015 compared to JD 53.2 million in 2014.

Free cash flow in 2015 reached JD 30.0 million compared to JD 59.4 million in 2014, with a decrease of 49.5%.

Cash and cash equivalent

Cash and cash equivalent witnessed a decrease of 41.8% from JD 190.3 million in 2014 to JD 110.7 million in 2015, mainly due to the acquisition of the 4G spectrum license with a total cost of JD 71 million.

Capital expenditures

CAPEX (Excl. license) for Jordan Telecom Group reached JD 70.0 million at the end of 2015 compared with JD 45.2 million in 2014.

Group subscribers

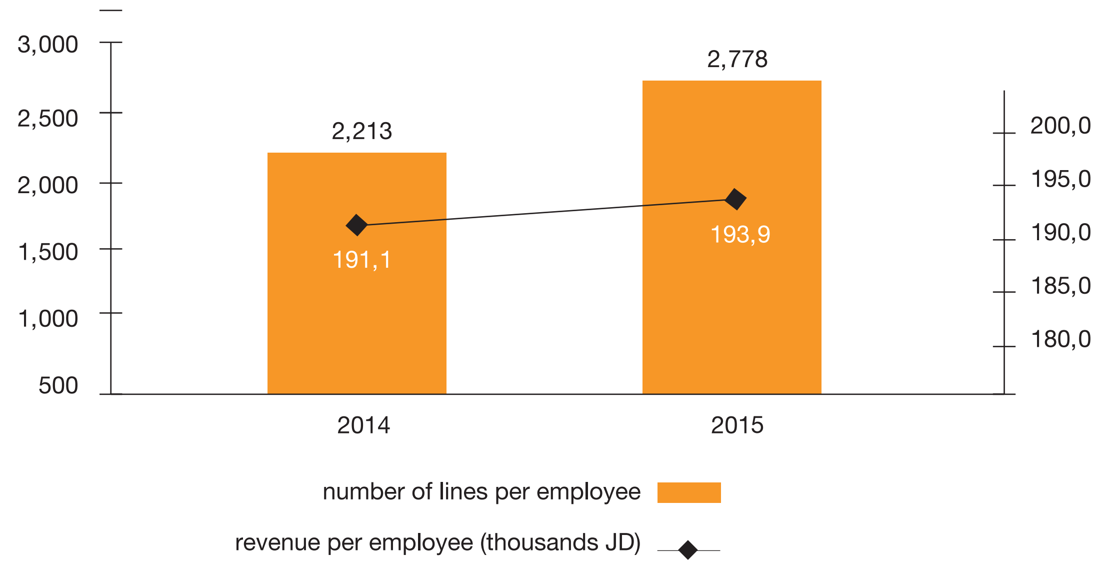
Jordan Telecom Group subscribers showed an increase of 21.1% to reach 4,840 (K lines) in 2015 compared to 3,997 (K lines) in 2014. This increase came as a result of the increase in the mobile subscriber base due to the new competitive 4G offers.

Human resources

Jordan Telecom Group's number of employees decreased slightly by 3.5% from 1,805 in 2014 to 1,742 in 2015. Total number of temporary employees reached 139 in 2015 compared with 177 in 2014.

Staff efficiency

The Group's efficiency indicators posted a JD 193.9 thousand revenue per employee in 2015 over JD 191.1 thousand in 2014. Also, the number of lines per employee jumped to 2,778 lines in 2015 showing an increase of 25.5% against 2014, where it reached 2,213 lines.



Segment analysis

Presented below are the revenues for each business segment of the Group:
- Orange Fixed and Orange Internet
- Orange Mobile

(MJD)	2015	2014	Change %
Revenues			
Orange Fixed & Orange Internet	246.7	254.3	(3.0)%
Mobile communication	147.8	156.4	(5.5)%
Intercompany	56.7	65.7	(13.8)%
Total Revenues	**337.8**	**345.0**	**(2.1)%**

Orange Fixed and Orange Internet

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

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

Revenues

Orange Fixed and Internet revenue decreased by 3.0% in 2015, driven by the decrease in the fixed line activities.

Mobile communication

The Group's mobile communication segment consists of the mobile communication products and services offered by Orange mobile, which was registered in September 1999 with an aim to build a new, highly advanced, mobile communication network to serve the Kingdom. Orange mobile began commercial operations in September 2000 as the second provider of mobile services in Jordan. The competition emerged with the entrance of other mobile operators resulting in renewed and intense price competition.

In 2010, Orange mobile was the first to get 3G spectrum license in Jordan Mobile market.

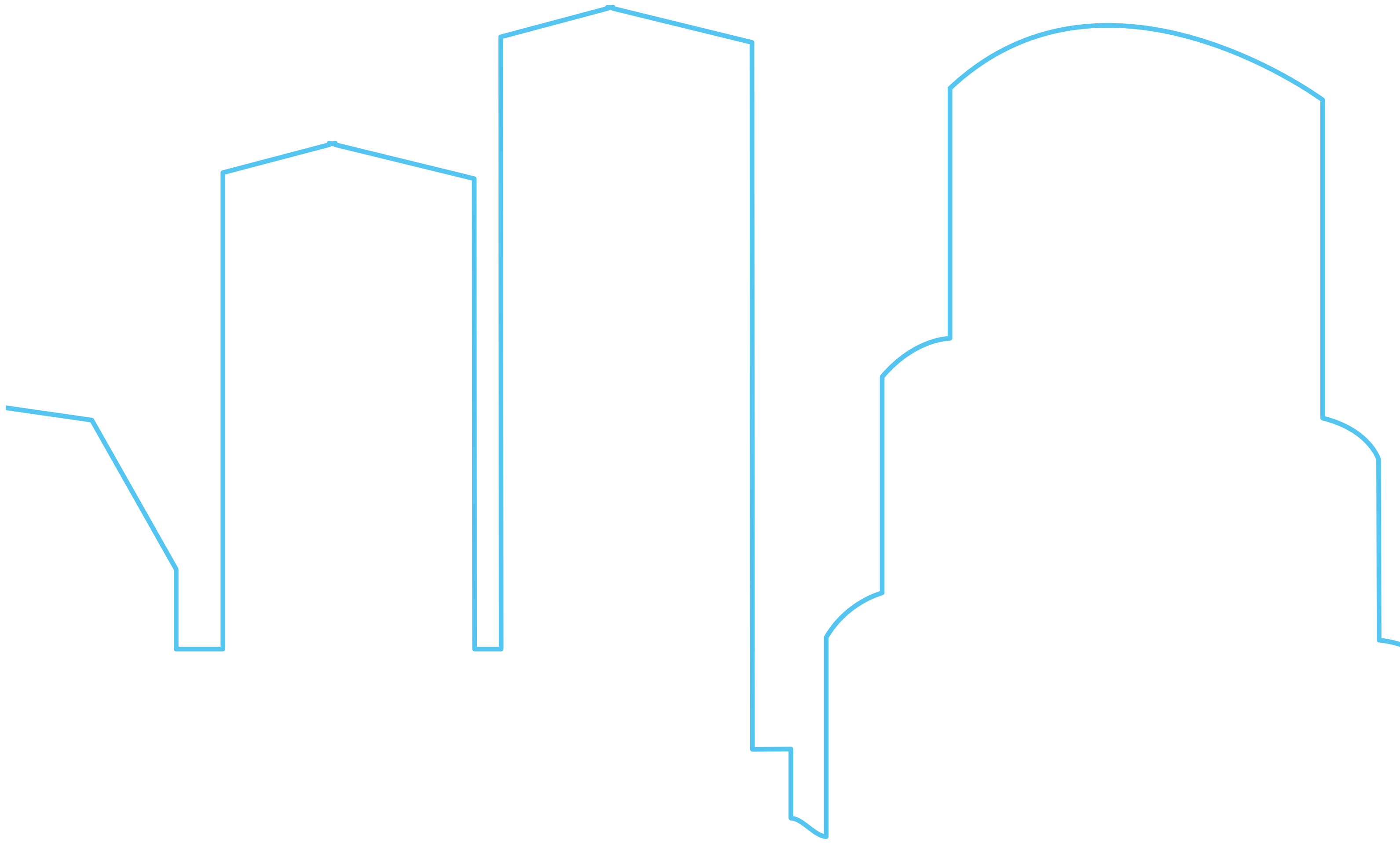
In 2014, Orange mobile renewed the "2G"/ 900 MHz spectrum license and was the first to launch 4G services in Jordan with 10 hot spots.

In 2015, Orange mobile acquired the 4G spectrum license and rolled-out 4G services kingdom wide with a wide variety of special offers.

Revenues

Orange mobile had a drop in its revenues by 5.5% compared to 2014. This drop was mainly due to high taxes, mobile phone applications (OTTs unfair competition), in addition to the high competition & lower prices in the telecom market.

disclosure schedule report pursuant to Jordan securities commission instructions for the year 2015



1. The services rendered by Jordan Telecom Group – Orange

- Fixed telephone service
- Mobile Services (voice + data)
- Internet services
- Wholesale services
- Services dedicated to enterprises (B2B) (managed network services and other advanced services such as Data Center, Cloud or Machine to Machine services).

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

Governorate	No. of locations	No. of employees
Headquarters	1	495
Amman	67	757
Ajloun	12	7
Irbid	59	106
Jerash	14	8
Al-Mafraq	39	16
Al-Balq'a	22	16
Madaba	10	11
Al-Zarqa	19	50
Al-Aqaba	14	25
Al-Karak	35	35
Ma'an	24	17
Al-Tafilah	12	9
Total	328	1552

The amount of capital investment in 2015 for Jordan Telecom was (JD 19,131,428) and for Jordan Telecom Group (JD 141,375,525)

2. Subsidiaries

All Subsidiaries Headquarter offices, Jabal Amman 1st Circle, City Center Building, P.O. Box 1689 Amman 11118 Jordan

Name of the subsidiary	Nature of business	Capital JD	Equity %	No. of emp.
Petra Jordanian Mobile Telecommunications Co. Ltd. (Orange Mobile)	GSM operator	70,000,000	100%	302
Jordan Data Communications Co. Ltd. (Orange Internet)	ISP	750,000	100%	27
Dimension Company for Digital Development of Data Ltd. (e-dimension)	Content	220,000	100%*	-**

*The percentage of ownership for Dimension Company for Digital Development of Data Ltd. (e-dimension) is 51% for Jordan Telecommunications Company and 49% for Petra Jordanian Mobile Telecommunications Co.
**e-dimensions' employees became a part of JordanTelecommunications company's staff.

3. a. Members of the Board of Directors

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

Dr. Shabib Ammari is the Chairman of the Board of Directors of Jordan Telecom Group - Orange Jordan since January 2000 till now, representing the Government of Jordan at the beginning. Dr. Ammari was repeatedly elected as the Chairman of the Board of Directors representing France Telecom Group (now Orange) in the year 2006 and until now.

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

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

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

Dr. Ammari holds a PhD in Economics (1980) from the University of Southern California (USA), where he worked as a Senior Lecturer along with Calif. State .Univ. – Long Beach until (1985) after which he returned to Jordan and worked in the private sector in the capacity of a General Manager.

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

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

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

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

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

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

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

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

Mr. Marc Rennard
Member of the Board of Directors

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

He has been, since 2006, the International Executive Vice President of the FT/Orange Group in charge of the Africa, Middle East and Asia region which is made up of 19 affiliates, 3 listed companies, 22,000 employees and more than 110 million customers.

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

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

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

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

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

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

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

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

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

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

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

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

Dr. Al-Mofleh worked as an Economic Expert at The Prime Ministry of Jordan / Prime Minister's Office (2010 - 2011) and an Economic Expert at The Jordan Investment Board (2008 - 2010), and worked as a part-time expert with the World Bank Group on some projects in the region, in addition to working as a lecturer at the School of Management and Logistics Sciences at the German Jordanian University.
Dr. Al-Mofleh holds a PhD Degree in Engineering from the University of Bristol (2008), in addition to a MSc Degree in Engineering Business Management from Coventry University (2004), and a BSc Degree in Computer Engineering from Applied Science University (2002). Dr. Al-Mofleh also holds some professional certifications and has a number of research publications related to e-government and e-services development in the Kingdom.

Brig. General Munther Abu Alfoul
Member of the Board of Directors
Brig General Munther Abualfoul is a member of the Board of Directors of Jordan Telecom Group-Orange Jordan. He has held this position since September 2015.
He joined the Jordanian Armed Forces in 1982, he held the following positions in his military career:
Director of Command Control & Communication (2013 – present), Director of Joint Logistics Supplies (2011-2013), Brig. General and Commander of Command Control & Communication School (2009 – 2011), Colonel and Commander of Command Control & Communication Main Workshops (2005 – 2009), Colonel and Commander of Signal Corps (GHQ) Workshops (2003 – 2005), Lt .Col. and Head Branch Of Frequency Management (2001 - 2003), Lt .Col. and Assistant Commander of Signal Corps (GHQ) Workshops (1997 – 2001), Maj. and Commander of Network Systems and PABX's Workshop (1992 – 1997) Served in various command posts in Signal Corps Command Control & Communication (1982 – 1992).
Brig General Munther Abualfoul holds a B.S in Electrical Engineering, Wichita State University, USA (1982). He was born in 1960 and he is married with four children.

Mrs. Maï de La Rochefordière
Member of the Board of Directors
Since 2012, Mrs. Maï de La Rochefordière has been the Head of Subsidiaries & Project Financing of the Orange Group. In this role, she manages a team of financing experts in charge of high stake files and is also Board Member of a number of subsidiaries and holdings in various geographies (including Europe and Middle East).
In 2010, she was named Finance Director of Orange Health Line of Business.
From 2007 to 2010, she managed relationships with investors and financial analysts at the Group Financial Communication.
Prior to that, Mrs. Maï de La Rochefordière was a Finance Manager and Senior VP Subsidiaries Financing and held different Board Member positions. She actively supported the growth of numerous telecom operators in Europe, the Middle East, Africa and Asia by assessing and implementing the most adequate financing structure, and negotiating complex financing debt and equity agreements.
Mrs. Maï de La Rochefordière began her career in 1996 as a Financial Controller at France Telecom Mobile Services. Afterwards, in 1998, she became a Business Plan Manager at France Telecom Mobile International where she designed the business plans of numerous mobile telecom operators and participated to the acquisition and development of green field licenses.
Mrs. Maï, is a graduate of Ecole Supérieure des Sciences Commerciales d'Angers.

3. b. Top management (executives):

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

Mr. Jérôme Hénique
Chief Executive Officer of Orange Jordan
Mr. Jérôme Hénique has over 20 years of experience in the ICT field, during which he worked in a diverse array of markets that span France, Spain, and Senegal, cultivating an extensive experience in the management of international teams, consumer behavior, strategic planning and corporate communications. Prior to joining Orange Jordan as CEO in September 2015, he worked as Deputy CEO of SONATEL Group — an Orange subsidiary based in Dakar covering four countries in West Africa — between 2010 and 2015, where he also served as Chairman and member of several of the Group's boards. His insightful leadership and solid marketing and customer centricity background contributed to SONATEL's booming sales record over the past four years and helped propel the operator's rapid growth.
Before joining SONATEL, Mr. Hénique served as Group Chief Marketing Officer at Orange between 2009 and 2010, leading the international marketing team in Paris, London and New York and becoming a member of Orange Executives Network. He also acted as Chief Marketing Officer of Consumer Market at Orange France between 2006 and 2009, where he led the operator's marketing operations. Key achievements: consolidation of broadband market share in France. Mr. Hénique also worked as Chief Marketing Officer of Wanadoo Spain from 2000 until 2003, managing the company's nationwide marketing operations, and as chief marketing officer of Wanadoo group between 2003 until 2006.
Mr. Hénique has an MBA in Management of Network Business from ENSPTT in Paris and a B.A. in Economics, Marketing and Finance from the Paris Institute of Political Studies.

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

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

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

Mr. Sami Smeirat
Chief Enterprise Officer
Mr. Smeirat has held the position of CEO of Jordan Data Communication Company Ltd. since 2007, in addition to his position as the Chief Enterprise Officer that provides services of telecommunications solutions (mobile, internet and fixed) for the public and private sectors in the Jordanian market. In 2003, he was the Chief Executive Officer of Wanadoo until it was re-branded to Orange Internet. He also led the exclusive partnership with Equant as their distributor in Jordan, and the re-branding of Global One to Wanadoo. Prior to that, he was the co-founder of Cyberia Jordan in 2001, in which he worked as the deputy CEO and Chief Commercial Officer; he also worked as the Corporate Sales Manager at Global One since 1996, before managing Consumer and Corporate Sales since 1999; and Teaching and Research Assistant at the University of Jordan for two years.
Mr. Smeirat holds a BSc in Electrical Engineering from the University of Jordan and a Master's Degree in Communications Engineering as well as a MBA in Business Administration from NYIT.

Mr. Waleed Al Doulat
Chief Wholesale Officer
Mr. Waleed Al Doulat has held the position of Chief Wholesale Officer of Jordan Telecom Group - Orange Jordan since 2010.
In 1992, he joined the Jordan Telecom Group as an Operation and Maintenance Transmission Engineer where he worked his way up to his current position.
Mr. Al Doulat received his BSc degree in Electrical Engineering / Telecommunications from the Jordan University of Science and Technology (JUST) in 1989. Following his graduation he worked at the same University as a Teaching Assistant until the end of 1991.

Dr. Ibrahim Harb
Chief Legal, Regulatory and Sourcing Officer
Dr. Ibrahim Harb has held the position of the Chief Legal, Regulatory and Sourcing Officer of Orange Jordan since September 2014.
Prior to that, Dr. Harb was the Chief Legal and Regulatory officer of Orange Jordan (2010 - 2014), and the Legal and Regulatory Director of Orange Jordan (2005 - 2010).
Before that, he had held in 2004 the position of Acting Human Resources Officer at Jordan Telecom, and was the Training Manager and the Training Center Manager (1999 - 2004) at Jordan Telecom.
Dr. Ibrahim holds a PhD in Communications Engineering.

Mr. Yvan Savinien
Chief Strategy & Customer Experience Officer
Secretary General of the Board of Directors
Mr. Yvan Savinien is the Chief Strategy & Customer Experience Officer and the Secretary General of the Board of Directors of Orange Jordan. He joined the Company in August, 2013. He has more than 16 years of experience in the telecom industry working for operators and consulting firms in different domains such as strategy, business development, business transformation, operations and IT management. He joined Orange Group in 2004 and held several managerial positions including Vice President of Strategy and Business Development at Orange Dominicana, and Vice President of Strategy and Business Performance at Orange Caraibe. Before joining Orange Group he had held different positions within the Consulting firms Accenture and Coteba Management.
Mr. Savinien holds a Master's Degree in Civil Engineering from ESTP, Paris, France, and has several Professional Trainings in management, strategy, finance, project management and different software.

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

Mr. Tamouh Khauli
Chief Security Officer
Mr. Tamouh Khauli is the Chief Security Officer of Jordan Telecom Group – Orange Jordan.
He joined Orange Jordan back in 2002 as Chief Executive Officer of e-dimension, the technical arm and technology incubator of Jordan Telecom at the time.
During his career, Mr. Khauli was Senior Vice President of Operations at Novell USA, and topped his career achievements

with several years working at the USDOD (United States Department of Defense) with concentration on the development of “Class 3 Public Key Infrastructure” Military Security Encryption. Mr. Khauli led several research teams from various leading companies and universities, including MIT (Massachusetts Institute of Technology). His research included telecommunication network infrastructure, communication platform security, cryptography and encryption technologies, IP Multimedia Subsystems, hacking protection, forensics techniques, and other related fields.
Mr. Khauli represented The Hashemite Kingdom of Jordan at the Computer Networks Defense Symposium II. He was awarded several medals of excellence in international conferences and technical workshops where he attended as Keynote Speaker. In addition to his BSc in Business Administration and Computer Science from Oxford University – UK, and Master’s Degree from New York University – USA, Mr. Khauli was certified by Novell as Certified Network Engineer in 1990, and in 1994 he received his Microsoft CNE certification, where he combined it with a third certification as a Technical Platforms Security Engineer from Lucent USA.

Dr. Edward Zreik
Chief Human Resources Officer
Dr. Edward Zreik was born in 1961. He holds a PhD in Human Resources Management, a certification in Research in Management Science and a Masters Degree in Organization Management.
In June 2014, Dr. Edward Zreik started with Orange Jordan as Chief Human Resources Officer. He was formerly the HR Director at KOREK Telecom under Orange Management where he designed and implemented the “Foundations” of the HR department.
During his 25+ years of experience, Dr. Edward Zreik occupied many HR managerial positions with Orange Group and with other international groups covering the telecom and the distribution businesses.

4. The names of shareholders who own 5% or more of the capital as of 31/12/2014, 31/12/2015:

Shareholders	No. of shares 31/12/2014	Shareholding % (2014)	No. of shares 31/12/2015	Shareholding % (2015)
Joint Investment Telecommunications Co.	127,499,999	51%	127,499,999	51%
Social Security Corporation	72,200,000	28.88%	72,200,000	28.88%
Noor Telecommunications Holding Company Limited	25,000,000	10%	25,000,000	10%
Total	224,699,999	89.88%	224,699,999	89.88%

5. The competitive situation of the company:
After the exclusive rights termination on the 1st of January 2005, the TRC issued individual and class licenses for fixed line services to several companies. Additionally, the mobile telecommunication service has affected the company’s market share in the local market.

The Company’s share of the total domestic market:
Orange Fixed services >90%
Orange Mobile services 30-35%
Orange Internet services >50%

6. The degree of dependence on specific resources:
The Jordan Telecom Group purchased more than 10% of the total purchases from:
Huawei International Pte. Ltd. (30%).
Huawei Technologies Cooperatief/Jordan (11%).

7. The privileges enjoyed by the company:
Jordan Telecom does not enjoy any privileges and does not hold any patent. On the other hand, Jordan Telecom has the right to use the brand name of “Orange”.

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

9.a the organizational structure of Jordan Telecom Group

Board of Directors

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

Chief Executive Officer – Mr. Jérôme Hénique

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

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

Qualification	Jordan Telecom (Orange Fixed)	Petra Jordanian Mobile Tel. Com. (Orange Mobile)	Jordan Data Communication Co. (Orange Internet)
Doctorate (PHD)	2	0	0
Master's	65	18	4
High Diploma	6	1	0
BA	861	252	19
Diploma	317	17	0
Tawjihi	93	10	1
Below Tawjihi	208	4	3
Total	1552	302	27

9. c. Training programs during 2015

No.	Description	Number of trainees
1	Financial Courses	8
2	Management Courses	1419
3	Marketing & Sales Courses	1454
4	Quality Courses	110
5	Technical Courses	1211
6	Computers Courses	835
7	Language Courses	97

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

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

11. The achievements realized by the company:

The achievements were mentioned in Jordan Telecom Group results.

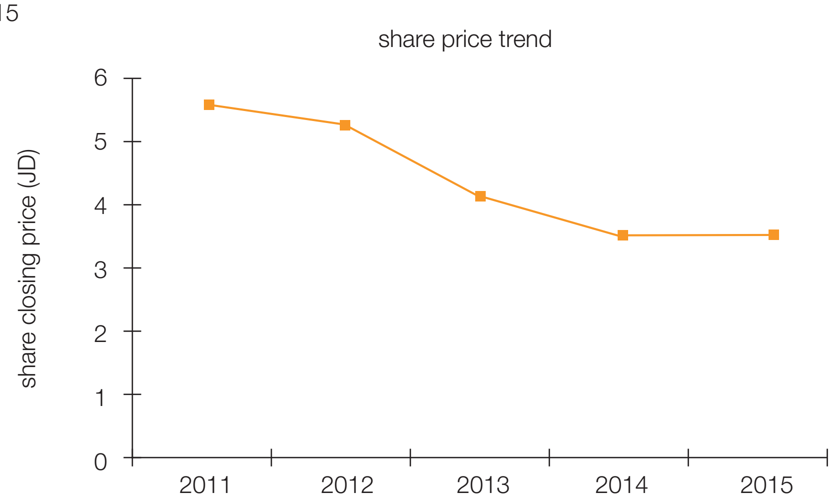
12. The operations of infrequent nature during 2015:

There is no financial impact for non recurring transactions that occurred during the fiscal year, which are unrelated to the core activities of the company.

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

,	2011	2012	2013	2014	2015
Profits in (JD)	89,799,214	83,096,208	51,490,517	42,033,069	16,105,838
Distributed dividends (JD)	90,000,000	82,500,000	52,500,000	42,000,000	*16,000,000
Dividends %	36%	33%	21%	16.8%	6.4%
Shareholders equity in (JD)	402,914,222	396,010,430	365,000,947	354,534,016	328,639,854
Shares prices (JD)	5.53	5.30	4,10	3.51	3.51

* Proposed dividend in 2015



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

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

15. Future outlook

This part is mentioned in "The future vision of the Group".

16. The remuneration of the external auditor of the company and its subsidiaries during 2015:

The Company	Auditing remuneration (JD)
Jordan Telecommunications Co. (Orange Fixed)	38,610
Petra Jordanian Mobile Telecommunication Co. Ltd. (Orange Mobile)	38,610
Jordan Data Communication Co. Ltd. (Orange Internet)	5,085
Dimension Company for Digital Development of Data Ltd. (e-dimension)	360

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 except for H.E. Dr. Shabib Ammari – Chairman who owned (1) share. No shares are owned by top management members and their relatives or by any company controlled by them.

18. The remunerations and rewards in 2015 for the members of the Board of Directors were JD 216,364 and for the top management members were JD 1,408,056

19. Donations and grants:

No.	Donations to	Amount (JD)
1	The General Trade Union of Workers in Public Services & Free Occupations	69,775
2	Furnishing of the houses of the needy with electrical appliances	30,900
3	Donations for several charities	27,000
4	Sports donations	7,500
5	Tkiyet Um Ali	4,200
6	Families in need	3,900
7	UN HABITAT	3,000
8	Arab Thought Forum	2,000
9	Jordanian National Forum for Women	1,000
10	Rawafed Cultural Gathering	500
11	Al-Menber Al-Naqabe	350
Total		150,125

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

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

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

Corporate Social Responsibility

In line with our Essentials2020 strategy, launched in 2015, we continued to develop our corporate social responsibility efforts, leveraging on our core business products to deliver measurable value to different segments of the community. As always, we worked to create products, services and programs that directly benefitted different community segments, while still addressing stakeholder concerns. We undertook a wide array of corporate social responsibility activities and initiatives, most notably:

Social Solidarity

- Renewing our longstanding partnership with Generations for Peace (GFP), which entailed providing various telecom services to GFP’s offices, and providing direct support to the organization’s key programs.
- Renewing our strategic partnership with Tkiyet Um Ali with the objective of supporting the charity organization’s various CSR projects targeting different segments of the Jordanian community.
- Renewing our longstanding partnership with The Jordanian Hashemite Fund for Human Development (JOHUD), with the objective of supporting the fund’s various social solidarity projects nationwide.
- Providing Iftar meals to the Kingdom’s orphans throughout the holy month of Ramadan in partnership with the IBDAA Charity Society.
- Supporting housing efforts organized as part of the “Low Income Housing” initiative.

Environment

- Initiating the Orange Jordan Solar Farms project as part of our efforts toward becoming a green operator, which, when completed, will allow us to source 80-100% of our energy needs from solar power.
- Signing a memorandum of understanding with the Ministry of Environment to launch the Orange Buyback Campaign which was designed to help in the gathering, recycling and proper elimination of electronic waste.

Education and Youth

- Collaborating with the Ministry of Education and eLEARMENT to launch the Zidni Elman (Enrich my Knowledge) initiative, which delivers interactive after-school curricula to students by utilizing tablets and desktop computers.
- Launching our Digital Schools Program in Jordan in partnership with UNICEF and eLEARMENT. The program delivers free-of-charge educational content in digital format to several UNICEF-operated education centers in the Kingdom, benefitting community segments that have no access to formal education.
- Partnering with UniApp, a smartphone application developed by Applikable Technologies that allows university students nationwide easier access to educational and personal content free of charge.
- Signing an agreement with the University of Jordan to provide a wide array of tailored telecom services to the University’s students, allowing them to better use the latest technologies.

- Partnering with Yarmouk University (YU) to create a one-of-a-kind innovation lab, OYIL, with the objective of developing mobile applications and games, in order to prepare students for careers in the ICT sector. One of the beneficiaries of this program was recently awarded second place in a nationwide Data for Development Challenge.
- Sponsoring the IEEE 4 Tech event organized by the Princess Sumaya Institute for Technology, which brought together a wide array of experts and academics in the ICT field to give lectures and share their expertise.
- Introducing the Orange Jordan Games Week — the largest gaming event on a regional scale and the first of its kind in the Kingdom, uniting gaming enthusiasts in Amman with renowned game studios and developers in an engaging, dynamic setup.
- Sponsoring the 31st Arab Camp, which brought together 750 scouts from 16 Arab countries. The camp offered participants a variety of educational tools that helped shape their characters by instilling positive values and broadening the scope of their experiences.
- Signing a partnership agreement with the Jordan Engineers Association (JEA) to support the training and development of fresh graduates from local engineering faculties.
- Sponsoring the 6th annual Akhtaboot Job Fair, which helps fresh graduates and other job seekers launch their careers by connecting them with representatives of various businesses and organizations nationwide.

Health

- Signing a strategic partnership with Hakeem, a project launched by Electronic Health Solutions (EHS) with the objective of automating the operations of the healthcare sector through the establishment of an integrated communications network and a unified patient database.
- Co-sponsoring the 4th International Medical Tourism Conference organized by the Private Hospitals Association in Jordan, which sought to reinforce Jordan's position as a distinguished medical tourism destination.
- Launching "A Good Number for a Good Cause," an online auction that was conceived to raise funds to support the operations of the King Hussein Cancer Center.

Sports

- Participating in the Dead to Red Marathon for the 5th year in a row, as part of our efforts to support national athletic events and encourage the pursuit of physical fitness on an internal level.
- Participating in the "Goal for Life" football tournament organized by the King Hussein Cancer Foundation and Iris International Academy, with the objective of raising cancer awareness and funds for the King Hussein Cancer Center.

Entrepreneurship and Knowledge-Sharing

- Sponsoring and participating in the 12th edition of the Convergence Summit organized by Arab Advisors Group, which serves as a unique platform for knowledge and experience sharing in the ICT field.
- Participating in the 2015 Telecom Leaders' Summit organized by the SAMENA Telecommunications Council, which provided an open platform for tackling the challenges impeding broadband communication in the SAMENA region.
- Launching "BIG" (Business Innovation Growth), a startup accelerator program designed to help Jordanian startups expand into new markets and reach more beneficiaries. With the support of Orange Group, the program offers long-term mentorship, a fully-equipped working space at the King Hussein Business Park, as well as access to Orange Jordan's international network of investors, partners and experts. This comes in addition to continuing our longstanding partnership with Oasis 500, which further builds on our support for local entrepreneurs.

New Offers and Services

In 2015, we continued to elevate our offers and services, in addition to improving the overall quality of our networks. Orange Jordan now proudly has the strongest 3G, 4G and fixed broadband networks in the Kingdom.

Core Services

- Launching our 4G network nationwide with a wide array of offers and bundles that delivered cutting-edge wireless broadband services to different segments of the community. Not only were we the first operator in the Kingdom to launch 4G services (in October 2014), but we also boast the best 4G network in the country.
- Launching our 4G roaming services – a first in Jordan – in order to provide customers traveling for business or pleasure with high-speed wireless broadband services through our ever-growing network of strategic partnerships with operators around the globe.

Value-added Services

- Launching our Handset Insurance service — the first service of its kind in the Kingdom — which offers our pay-monthly subscribers the ability to insure their mobile devices against accidental damage.
- Launching a series of content-on-demand services that gave our customers access to major content providers such as Anghami, ICFLIX, StarzPlay or Istikana.

Offers

- Launching our innovative "Bait Al Aileh" offer, which gives families the freedom to choose and combine any of our various fixed, mobile and internet offers, enjoying a unified subscription package for a fixed fee.
- Launching the "Ghair Shekl Plus" offer, was providing the best value for money over any other offer in Jordan, thanks to its mix of abundant data packages and generous cross-operator minutes.

Security

- Further elevating and reinforcing our security services, already the best in Jordan, in order to provide both individual and enterprise customers with exceptionally secure networks and services.

Customer Experience

Through our Essentials2020 strategy, Orange Jordan aims to provide its customers with all that is essential to them by listening and responding to their needs in order to deliver an unmatched experience. 2015 experienced several proofs of that commitment including:

- The roll-out of a brand new 4G network, completely revamping our nationwide 2G and 3G services, and an important improvement of the speed of our fixed broadband network.
- Launching our renewed brand and corporate identity with a series of new and clear commitments to availability, connectivity, adaptation and simplicity, which further reinvented our relationship with our customers.
- Completing all the prerequisites required to receive an ISO 9001:2008 certification, which entailed elevating the quality of services provided across our operations.
- Launching our revamped Parental Control service, which allows parents to protect their children from accessing websites and content services containing explicit or potentially harmful content.

Our efforts in improving the customer experience were rewarded in 2015 with two awards: our CEO received the Customer Experience Management Champion of the Year Award at the CEM Telecoms Middle East Summit in Dubai and Orange Jordan received the Customer Delight Award in the 2015 Middle-East, North Africa & Asia Award (MENAA) celebrations, which salutes remarkable business leaders and companies for their commitment to customer satisfaction.

Confirmation

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

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

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

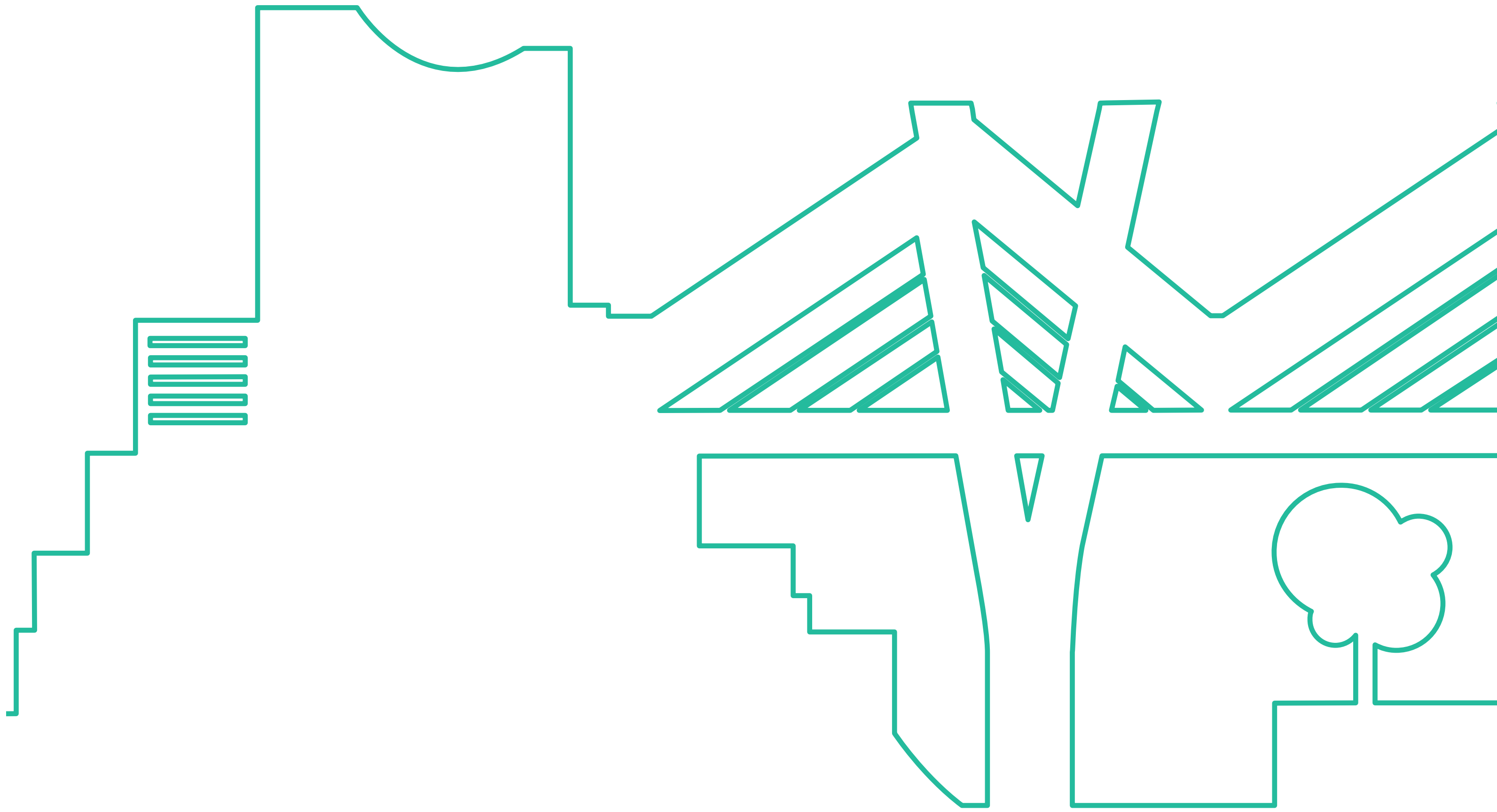
Member of the Board
Mr. Munther Abu Alfoul

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

Chairman of the Board	Chief Executive Officer	Deputy Chief Executive Officer Chief Financial Officer
H.E. Dr. Shabib Ammari	Mr. Jérôme Hénique	Mr. Raslan Deiranieh

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

consolidated financial statements



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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

15 March 2016
Amman – Jordan

Ernst & Young

Jordan Telecommunications Company (Jordan Telecom)
Public Shareholding Company
Consolidated Financial Statements
31 December 2015

	Notes	2015 JD	2014 JD
ASSETS			
Non-current assets			
Property and equipment	4	197,487,728	189,614,408
Intangible assets	5	157,839,589	102,076,326
Deferred tax assets	7	3,617,292	1,757,428
		358,944,609	**293,448,162**
Current assets			
Inventories	8	4,697,474	3,371,546
Trade receivables and other current assets	9	79,085,715	77,890,264
Balances due from telecom operators	10	24,149,776	23,248,681
Cash and short-term deposits	11	110,665,422	190,264,069
		218,598,387	**294,774,560**
TOTAL ASSETS		**577,542,996**	**588,222,722**
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	16,139,854	42,034,016
TOTAL EQUITY		**328,639,854**	**354,534,016**
Liabilities			
Non-current liabilities			
Interest bearing loans	15	3,434,712	4,289,253
Employees' end of service benefits	16	292,691	673,786
		3,727,403	**4,963,039**
Current liabilities			
Trade payables and other current liabilities	17	176,161,011	158,154,006
Balances due to telecom operators	10	68,587,806	69,972,397
Interest bearing loans	15	426,922	474,197
Employees' end of service benefits	16	-	125,067
		245,175,739	**228,725,667**
TOTAL LIABILITIES		**248,903,142**	**233,688,706**
TOTAL EQUITY AND LIABILITIES		**577,542,996**	**588,222,722**

The attached notes from 1 to 26 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 2015

	Notes	2015 JD	2014 JD
Continuing Operations			
Net revenues		337,849,034	344,980,180
Cost of services		(158,802,068)	(161,408,557)
Gross margin		**179,046,966**	**183,571,623**
Administrative expenses		(21,951,118)	(22,072,607)
Selling and distribution expenses		(45,185,213)	(42,986,814)
Government revenue share	18	(6,860,278)	(8,321,577)
Business support fees and brand fees	19	(7,075,391)	(7,363,957)
Impairment loss	4	(16,621,040)	-
Depreciation and amortization		(60,759,532)	(54,106,066)
Operating profit		**20,594,394**	**48,720,602**
Net foreign currency exchange difference		420,880	1,687,107
Finance costs		(41,851)	(55,287)
Finance income		2,301,385	6,034,712
Gain on sale of property and equipment		2,005,285	1,841,605
Profit before income tax		**25,280,093**	**58,228,739**
Income tax expense	7	(9,174,255)	(16,552,646)
Profit for the year from continuing operations		**16,105,838**	**41,676,093**
Discontinued Operation			
Profit for the year from discontinued operations	6	-	447,775
Profit for the year		**16,105,838**	**42,123,868**
Add: Other comprehensive income		-	-
Total comprehensive income for the year		**16,105,838**	**42,123,868**
Attributable to:			
Equity holders of the parent		16,105,838	42,033,069
Non-controlling interests		-	90,799
		16,105,838	**42,123,868**
Earnings per share for profit for the year attributable to equity holders of the parent basic and diluted earnings per share	20	**0.064**	**0.168**
For profit from continuing operations attributable to equity holders of the parent basic and diluted earnings per share	20	**0.064**	**0.167**

The attached notes from 1 to 26 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 2015

	Attributable to equity holders of the parent					
	Paid in capital JD	Statutory reserve JD	Retained Earnings JD	Total JD	Non-controlling interests JD	Total equity JD
Balance at 1 January 2015	250,000,000	62,500,000	42,034,016	354,534,016	-	354,534,016
Dividends paid (note 14)	-	-	(42,000,000)	(42,000,000)	-	(42,000,000)
Total comprehensive income from continuing operations for the year	-	-	16,105,838	16,105,838	-	16,105,838
At 31 December 2015	**250,000,000**	**62,500,000**	**16,139,854**	**328,639,854**	**-**	**328,639,854**
Balance at 1 January 2014	250,000,000	62,500,000	52,500,947	365,000,947	(853,415)	364,147,532
Dividends paid	-	-	(52,500,000)	(52,500,000)	-	(52,500,000)
Total comprehensive income from continuing operations for the year	-	-	41,676,093	41,676,093	-	41,676,093
Profit from discontinued operation (note 6)	-	-	356,976	356,976	90,799	447,775
Disposal of subsidiary (note 6)	-	-	-	-	762,616	762,616
At 31 December 2014	**250,000,000**	**62,500,000**	**42,034,016**	**354,534,016**	**-**	**354,534,016**

The attached notes from 1 to 26 form part of these consolidated financial statements.

	Notes	2015 JD	2014 JD
Operating activities			
Profit before income tax from continued operations		25,280,093	58,228,739
Profit before income tax from discontinued operations		-	447,775
Non-cash adjustments to reconcile profit before tax to net cash flows			
Finance costs		41,851	55,287
Finance income		(2,301,385)	(6,034,712)
Provision for doubtful accounts	9	1,392,088	1,388,144
Provision for slow moving inventories		250,000	-
Depreciation and impairment of property and equipment	4	58,488,631	41,929,375
Amortization of intangible assets		18,891,941	12,176,691
Employees' end of service benefits		228,022	318,695
Gain on sale of property and equipment		(2,005,285)	(1,841,605)
Gain from sale of subsidiary	6	-	(262,470)
Net foreign currency exchange difference		(470,972)	(510,365)
Working capital adjustments:			
Inventories		(1,575,928)	1,613,875
Trade receivables and other current assets		(2,495,194)	6,349,174
Balances due from telecom operators		(901,095)	(1,628,817)
Trade payables and other current liabilities		20,475,107	169,956
Balances due to telecom operators		(1,384,591)	(5,926,854)
Employees' end of service paid		(734,184)	(420,237)
Income tax paid		(13,546,275)	(16,856,393)
Net cash flows from operating activities		**99,632,824**	**89,196,258**
Investing activities			
Purchase of property and equipment	4	(66,720,321)	(38,570,391)
Increase in intangible assets		(74,655,204)	(59,300,142)
Proceeds from sale of property and equipment		2,363,655	2,142,510
Proceeds from sale of subsidiary		-	1,419,227
Finance income received		2,209,039	5,723,880
Net cash flows used in investing activities		**(136,802,831)**	**(88,584,916)**
Financing activities			
Repayment of term loan		(430,844)	(606,678)
Finance costs paid		(41,851)	(55,287)
Dividends paid		(41,955,945)	(52,534,992)
Net cash flows used in financing activities		**(42,428,640)**	**(53,196,957)**
Net decrease in cash and cash equivalents		(79,598,647)	(52,585,615)
Cash and cash equivalents at 1 January		190,264,069	242,849,684
Cash and cash equivalents at 31 December	**11**	**110,665,422**	**190,264,069**

The attached notes from 1 to 26 form part of these consolidated financial statements.

1. Corporate Information

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

The consolidated financial statements of Jordan Telecommunications Company (Jordan Telecom) - Public Shareholding Company ('The Group') for the year ended 31 December 2015, were authorized for issue in accordance with the Board of Directors' resolution on 28 January 2016.

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

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

2. 1 Basis of Preparation

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

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

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of Jordan Telecom and its wholly owned subsidiaries, which are: Petra Jordanian Mobile Telecommunications Company, Jordan Data Communications Ltd. and 51% from Dimension Company for Digital Development of Data (E-dimension), (the remaining 49% is owned by Petra Jordanian Mobile Telecommunications Company). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

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

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

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

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

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

2.2 Standards and amendments issued but not yet effective

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IFRS 9 Financial Instruments

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

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

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for and annual periods beginning on or after 1 January 2016, must be applied retrospectively. And earlier adoption is permitted.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

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

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of Other Comprehensive Income (OCI) arising from equity accounted investments

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

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

2.2 Standards and amendments issued but not yet effective (continued)

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

- A subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

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

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Bank's or Company's financial statements.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bank or the Company.

2.3 Use of Estimates

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

2.4 Summary of Significant Accounting Polices

Accounts receivable

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

Inventories

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

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

Interest bearing loans

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

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

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

Property and equipment

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

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

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

2.4 Summary of Significant Accounting Polices - continued

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

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

Finance costs

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

Business combinations

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

Intangible assets

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

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

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

2.4 Summary of Significant Accounting Polices - continued

Trade and other payables

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

Employees' end of service benefits

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

Taxation
Current income tax

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

Deferred income tax

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

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

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

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

2.4 Summary of Significant Accounting Polices - continued

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 and 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.
- Receivables and payables that are stated with the amount of sales tax included.

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

Impairment and unrecoverability of financial assets

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

Provisions

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

Revenue recognition

Revenues from Group activities are recognised as follows:

Service revenues

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

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

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

2.4 Summary of Significant Accounting Polices - continued

Equipment sales

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

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

Leases

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

Foreign currencies

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

3. Segment information

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

The fixed-line voice segment constructs, develops and maintains fixed telecommunication network services.

The Mobile communications segment installs, operates and manages a cellular network in Jordan.

The data services segment provides, furnishes, installs, maintains, engineers and operates communication facilities for the provision of data network and internet access services to its customers and helping companies to be more efficient in the way they do their business on internet.

The following tables represent revenues and profit and certain assets and liabilities of the Group's business segments for the years ended 31 December 2015 and 2014.

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

3. Segment information - continued

Year ended 31 December 2015	Fixed-line voice JD	Mobile communications JD	Data services JD	Total JD
Net Revenues				
External customers	144,133,351	140,694,511	53,021,172	337,849,034
Inter-segment revenues	49,518,516	7,155,397	546	56,674,459
	193,651,867	**147,849,908**	**53,021,718**	**394,523,493**
Segment results				
Operating profit before depreciation and amortization, interest and tax	117,105	52,239,346	47,623,800	99,980,251
Depreciation and amortization				(60,759,532)
Impairment loss				(16,621,040)
Net foreign currency exchange difference				420,880
Finance costs				(41,851)
Finance income				2,301,385
Profit before income tax				**25,280,093**
Income tax expense				(9,174,255)
Profit for the year from continuing operations				**16,105,838**
Discontinued operations				
Profit for the year from discontinued operations				-
Profit for the year				**16,105,838**
Add: Other comprehensive income				-
Total comprehensive income for the year				**16,105,838**
Assets and liabilities				
Segment assets	224,616,775	296,458,816	56,467,405	577,542,996
Segment liabilities	125,662,090	109,980,988	13,260,064	248,903,142
Other segment information				
Property and equipment	96,602,374	95,021,762	5,863,592	197,487,728
Intangible assets	16,239,645	135,902,459	5,697,485	157,839,589

3. Segment information – continued

Year ended 31 December 2014	Fixed-line voice JD	Mobile communications JD	Data services JD	Total JD
Net Revenues				
External customers	147,826,547	147,833,131	49,320,502	344,980,180
Inter-segment revenues	57,191,824	8,539,812	1,865	65,733,501
	205,018,371	**156,372,943**	**49,322,367**	**410,713,681**
Segment results				
Operating profit before depreciation and amortization, interest and tax	2,525,435	57,467,234	44,675,604	104,668,273
Depreciation and amortization				(54,106,066)
Net foreign currency exchange difference				1,687,107
Finance costs				(55,287)
Finance income				6,034,712
Profit before income tax				**58,228,739**
Income tax expense				(16,552,646)
Profit for the year from continuing operations				**41,676,093**
Discontinued Operations				
Profit for the year from discontinued operations				447,775
Profit for the year				**42,123,868**
Add: Other comprehensive income				-
Total comprehensive income for the year				**42,123,868**
Assets and liabilities				
Segment assets	243,481,465	304,985,014	39,756,243	588,222,722
Segment liabilities	132,697,537	90,635,306	10,355,863	233,688,706
Other segment information				
Property and equipment	97,120,215	87,734,401	4,759,792	189,614,408
Intangible assets	15,041,226	80,779,409	6,255,691	102,076,326

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. Property and Equipment

	Land and buildings JD	Telecommunications equipment JD	Other property and equipment JD	Projects in progress JD	Total JD
2015					
Cost:					
At 1 January 2015	83,978,353	824,583,073	63,856,628	2,358,994	974,777,048
Additions	479,938	64,681,576	629,988	928,819	66,720,321
Transferred from projects in progress	-	2,180,067	-	(2,180,067)	-
Impairment	-	(16,621,040)	-	-	(16,621,040)
Disposals	(314,468)	(41,368)	(487,373)	-	(843,209)
At 31 December 2015	**84,143,823**	**874,782,308**	**63,999,243**	**1,107,746**	**1,024,033,120**
Depreciation:					
At 1 January 2015	40,659,254	691,567,244	52,936,142	-	785,162,640
Depreciation for the year	1,543,061	39,435,608	888,922	-	41,867,591
Disposals	(6,301)	(36,966)	(441,572)	-	(484,839)
At 31 December 2015	**42,196,014**	**730,965,886**	**53,383,492**	**-**	**826,545,392**
Net book value:					
At 31 December 2015	**41,947,809**	**143,816,422**	**10,615,751**	**1,107,746**	**197,487,728**

4. Property and Equipment - continued

	Land and buildings JD	Telecommunications equipment JD	Other property and equipment JD	Projects in progress JD	Total JD
2014					
Cost:					
At 1 January 2014	79,880,312	787,737,964	63,515,377	3,622,168	934,755,821
Additions	826,520	34,111,506	1,095,183	2,537,182	38,570,391
Transferred from projects in progress	-	3,800,356	-	(3,800,356)	-
Disposals	(1,163,950)	(1,066,753)	(753,932)	-	(2,984,635)
Transferred from other current assets*	4,435,471	-	-	-	4,435,471
At 31 December 2014	**83,978,353**	**824,583,073**	**63,856,628**	**2,358,994**	**974,777,048**
Depreciation:					
At 1 January 2014	40,051,932	653,209,592	52,655,471	-	745,916,995
Depreciation for the year	1,500,425	39,411,620	1,017,330	-	41,929,375
Disposals	(893,103)	(1,053,968)	(736,659)	-	(2,683,730)
At 31 December 2014	**40,659,254**	**691,567,244**	**52,936,142**	**-**	**785,162,640**
Net book value:					
At 31 December 2014	**43,319,099**	**133,015,829**	**10,920,486**	**2,358,994**	**189,614,408**

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

During the year, a new vendor has been introduced by the Group, through a tendering process, for the mobile network expansion and 4G equipment. These equipments are expected to be received during 2015 and 2016.

The installation of the new assets has started during April 2015. The Group management has estimated the impairment of the replaced assets based on the best available information regarding the replaced assets as of the date of the financial statements. Management was not able to calculate the total impact of the impairment related to the replaced assets, since there is no reliable detailed data of the dismantled assets as of the date of the financial statements.
Therefore, management estimated JD 16.6 million as an impairment loss and included it in these financial statements.

5. Intangible Assets

	FLAG access rights JD	Mobile operating license and frequency rights JD	Other intangibles JD	Total JD
Cost:				
At 1 January 2015	23,968,273	112,853,776	7,253,053	144,075,102
Additions	2,569,758	71,631,172	454,274	74,655,204
At 31 December 2015	**26,538,031**	**184,484,948**	**7,707,327**	**218,730,306**
Amortization:				
At 1 January 2015	8,927,048	32,074,367	997,361	41,998,776
Amortization	1,371,338	16,958,122	562,481	18,891,941
At 31 December 2015	**10,298,386**	**49,032,489**	**1,559,842**	**60,890,717**
Net book value -				
At 31 December 2015	**16,239,645**	**135,452,459**	**6,147,485**	**157,839,589**
At 31 December 2014	**15,041,225**	**80,779,409**	**6,255,692**	**102,076,326**

FLAG access rights, mobile operating license and frequency rights and other intangibles are being amortized over their useful economic lives of 5 to 25 years.

During February 2015, Petra Jordanian Mobile Telecommunications Company (Orange Mobile) has been granted the frequencies license (10 + 10 MHz) in 1800 MHz band for 4G and beyond services to provide 4G services for a period of 15 years with a cost of JD 71,426,000. The service has been launched on 26 May 2015, and consequently, the amortization of the license value has started.

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

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

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

6. Discontinued operation

On 11 May 2014, the Group disposed of 100% of its interest in LightSpeed Communications W.L.L. for JD 1,419,227.

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

	2015 JD	2014* JD
Revenue	-	1,214,633
Cost of services	-	(545,189)
Gross profit	**-**	**669,444**
Less: Other expenses	-	(480,485)
Operating income	**-**	**188,959**
Less: Finance costs	-	(3,654)
Profit for the period	**-**	**185,305**
Total profit before tax		
Profit before tax from discontinued operations	-	185,305
Gain on disposal of the discontinued operations	-	262,470
Total	**-**	**447,775**
Cash inflow on sale:		
Consideration received	-	1,419,227
Net cash inflow	**-**	**1,419,227**

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

	2015 JD	2014* JD
Operating activities	-	173,137
Investing activities	-	(13,806)
Financing activities	-	(119,734)
Net cash inflow	**-**	**39,597**

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

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

7. Income Tax

Major components of income tax expense for the years ended 31 December 2015 and 2014:

	2015 JD	2014 JD
Consolidated statement of comprehensive income		
Income tax charge – current year	11,034,119	14,499,889
Deferred tax assets adjustments		
Carry forward losses	(3,000,000)	-
Employees' end of service benefits	1,140,136	1,160,454
Provision for doubtful accounts	-	892,303
Income tax expense reported in the consolidated statement of comprehensive income	**9,174,255**	**16,552,646**

The reconciliation between the income tax expense at the statutory income tax rate and the income tax expense at the Group's effective income tax rate for the years ended 31 December 2015 and 2014 is as follows:

	2015 JD	2014 JD
Accounting profit before income tax and non-controlling interests	**25,280,093**	**58,585,715**
At a statutory income tax rate of 24%	6,067,222	14,060,572
Tax adjustments for:		
Subsidiaries profit	-	(32,316)
Provision for doubtful accounts	334,101	333,155
Debts written off	(158,039)	(2,572,530)
Non-deductible expenses and provisions for income tax purposes	1,247,311	3,855,745
Previous years' tax returns differences	(176,204)	(1,144,737)
Deferred tax assets	1,859,864	2,052,757
Income tax expense reported in the consolidated statement of comprehensive income at effective income tax rate of 36% (2014: 28%)	**9,174,255**	**16,552,646**

7. Income Tax - continued

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

	2015 JD	2014 JD
At 1 January	17,267,049	19,925,105
Income tax expense for the year	11,034,119	14,499,889
	28,301,168	**34,424,994**
Less: Income tax paid	(13,546,275)	(16,856,393)
Less: Withholding tax on interest income	(126,522)	(301,552)
At 31 December	**14,628,371**	**17,267,049**

Deferred tax assets at 31 December relate to the following:

	2015 JD	2014 JD
Losses	3,000,000	-
Provision for doubtful accounts	192,000	192,000
Legal cases provision	401,416	401,416
Employees' end of service benefits	23,876	1,164,012
	3,617,292	**1,757,428**

Income tax assessments have been agreed with the Income Tax Department for all the years up to 31 December 2014, with exception for Jordan Telecom and Jordan Data Communications, no final tax clearance was issued for the year 2011.

8. Inventories

	2015 JD	2014 JD
Materials and supplies*	2,579,030	2,858,824
Handsets and others	3,733,257	2,095,507
Provision for damaged and slow moving inventories	(1,614,813)	(1,582,785)
	4,697,474	**3,371,546**

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

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

	2015 JD	2014 JD
Opening balance	1,582,785	1,672,785
Additions	250,000	-
Reversal	(217,972)	(90,000)
	1,614,813	**1,582,785**

9. Trade Receivables and Other Current Assets

	2015 JD	2014 JD
Trade receivables	60,663,562	57,295,817
Unbilled revenue	10,143,232	11,324,409
	70,806,794	**68,620,226**
Provision for doubtful accounts	(20,438,050)	(19,704,457)
	50,368,744	**48,915,769**
Amounts due from related parties	2,147,313	4,636,097
Other current assets	26,569,658	24,338,398
	79,085,715	**77,890,264**

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

As at 31 December 2015, trade receivables at a nominal value of JD 20,438,050 (2014: JD 19,704,457) were impaired and provided for.

Movements on the provision for doubtful accounts were as follows:

	2015 JD	2014 JD
Opening balance	19,704,457	29,035,186
Provision for the year	1,392,088	1,388,144
Write offs	(658,495)	(10,718,873)
Ending balance	**20,438,050**	**19,704,457**

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

	Neither past due nor impaired	Past due but not impaired				
		1-30 days	31-90 days	91-180 days	>180 days	Total
	JD	JD	JD	JD	JD	JD
2015	10,544,609	12,106,115	8,362,362	5,127,049	14,228,609	**50,368,744**
2014	14,814,460	10,746,195	11,722,375	1,509,565	10,123,174	**48,915,769**

Management determines the doubtful debts on customers' balances and builds up a provision based on this analysis.
Unimpaired receivables are expected to be fully recoverable. The Group has a credit department that continuously monitors the credit status of the Group's customers. Service will be disconnected for customers exceeding certain limits for certain periods 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 2015 and 2014 are as follows:

	2015 JD	2014 JD
Balances due from telecom operators	27,633,328	26,560,112
Amounts due from related parties	433,941	606,062
Provision for doubtful accounts	(3,917,493)	(3,917,493)
Balances due from telecom operators	**24,149,776**	**23,248,681**
Balances due to telecom operators	67,429,903	68,270,581
Amounts due to related parties	1,157,903	1,701,816
Balances due to telecom operators	**68,587,806**	**69,972,397**

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	Past due but not impaired				
		1-90 days	91-180 days	181-270 days	>271 days	Total
	JD	JD	JD	JD	JD	JD
2015	11,799,095	7,256,609	1,736,061	464,479	2,893,532	**24,149,776**
2014	12,698,623	4,648,853	2,582,352	902,755	2,416,098	**23,248,681**

Unimpaired receivables are expected to be fully recoverable.

11. Cash and Short-term Deposits

Cash and short-term deposits include deposits with commercial banks in Jordan for periods between one day and three months in Jordanian Dinars, Euros, and US Dollars amounting to JD 110,382,447 as of 31 December 2015 and JD 181,825,285 as of 31 December 2014 with an effective interest rate of 2.53%, 0.33% and 0.54%, respectively (2014: JD 3.9%, Euro 0.78% and USD 1.03%).

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

12. Paid in Capital

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

On 10 December 2015, the General Assembly, in its extra ordinary meeting, has approved the reduction of the authorized and paid in capital by 25%, to become 187,500,000 shares at a value of one Jordanian Dinar each. The capital reduction process with the Ministry of Industry and Trading is not finalized up to the date of the financial statements.

13. Statutory Reserve

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

14. Dividends Paid and Proposed

The Board of Directors will propose to the general assembly in its meeting that will be held during 2016 a cash dividend for 2015 of JD 0.064 per share totaling JD 16,000,000.

During the year, dividends of JD 0.168 per share totaling JD 42,000,000 relating to 2014 were declared and paid.

15. Interest-bearing Loans

	2015 JD	2014 JD
Current		
French Government Protocol/ Second Loan	308,322	342,464
French Government Protocol/ Third Loan	118,600	131,733
	426,922	**474,197**
Non-current		
French Government Protocol/ Second Loan	3,018,527	3,695,248
French Government Protocol/ Third Loan	416,185	594,005
	3,434,712	**4,289,253**

French Government Protocol/ Second Loan

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

The repayment of this loan started on 31 March 2006.

French Government Protocol/ Third Loan

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

The repayment of this loan started on 31 March 2005.

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

16. Employees' End of Service Benefits

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

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

	2015 JD	2014 JD
Provision at 1 January	798,853	900,395
Expenses recognised in the consolidated statement of comprehensive income	228,022	318,695
End of service benefits paid	(734,184)	(420,237)
Provision at 31 December	**292,691**	**798,853**
Employees' end of service benefits – current	**-**	**125,067**
Employees' end of service benefits – non-current	**292,691**	**673,786**

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

17. Trade Payables and Other Current Liabilities

	2015 JD	2014 JD
Trade creditors	108,734,368	81,478,267
Subscribers' deposits	18,418,355	20,358,950
Income tax payable	14,628,371	17,267,049
Deferred revenues	10,040,401	14,031,935
Accrued expenses	14,556,489	12,798,215
Government revenue share	6,860,278	8,321,577
Amounts due to related parties	1,491,008	2,510,327
Dividends payable	1,431,741	1,387,686
	176,161,011	**158,154,006**

18. Government Revenue Share

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

19. Business Support Fees and Brand Fees

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

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

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

20. Earnings Per Share

	2015	2014
Profit for the year attributable to the equity holders of parent (JD)	16,105,838	42,033,069
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share	**0.064**	**0.168**

	2015	2014
Profit for the year from continuing operations attributable to the equity holders of parent (JD)	16,105,838	41,676,093
Weighted average number of shares during the year	250,000,000	250,000,000
Basic earnings per share	**0.064**	**0.167**

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

21. Related Party Disclosures

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

Name	Country of incorporation	Percentage of equity interest		Description of service
		2015	2014	
Petra Jordanian Mobile Telecommunications Company	Jordan	100%	100%	Mobile Communications
Jordan Data Communications Ltd.	Jordan	100%	100%	Data
Dimension Company for Digital Development of Data	Jordan	100%	100%	Content
Light Speed Communications Company W.L.L (Note 6)	Bahrain	0%	0%	Data

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

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

21. Related Party Disclosures - continued

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

	2015 JD	2014 JD
Consolidated statement of financial position items:		
Orange Group and its subsidiaries (shareholder)		
Short term deposit	-	7,160,900
Amounts due from related parties	2,581,254	5,242,159
Amounts due to related parties	2,648,911	4,212,143
Consolidated statement of comprehensive income items:		
Orange Group and its subsidiaries (shareholder)		
Business support fees and brand fees	7,075,391	7,363,957
Operating expenses	6,009,829	4,557,469
Revenues	14,668,493	16,052,166
Government of Jordan (shareholder)		
Government revenue share	6,860,278	8,321,577
Key management personnel		
Executives' salaries and bonus	1,377,537	1,375,114
Board of directors remuneration	216,364	210,210

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

22. Commitments and Contingencies

Operating lease commitments

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

	2015 JD	2014 JD
Within one year	7,485,830	6,799,132

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

22. Commitments and Contingencies - continued

Capital commitments

The Group enters into commitments during the ordinary course of business for major capital expenditures, primarily in connection with network expansion projects. Outstanding capital expenditure amounted to JD 23,639,512 as of 31 December 2015 (2014: JD 16,339,631).

Legal claims

The Group is a defendant in a number of lawsuits with a value of JD 19,984,717 as of 31 December 2015 (2014: JD 19,844,717) representing legal actions and claims incident to its ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Accordingly, a provision of JD 1,684,232 has been made.

The Group is a beneficiary of a court ruling amounting to JD 4,847,410 which represents the consideration for land expropriated by Greater Amman Municipality (GAM) in 2009. An amount of JD 1,878,910 has been considered a contingent asset and will be recognised as revenue upon collection as it is uncertain, at the date of the financial statement, the amount, method and timing of payment.

Guarantees

The Group has issued letters of guarantee amounting to JD 16,034,619 as of 31 December 2015 (2014: JD 15,844,554) in respect of legal claims and performance bonds.

23. Risk Management

Interest rate risk

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

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2015.

23. Risk Management - continued

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

	Changes in interest rate %	Effect on profit for the year JD
2015		
JD	1	848,636
USD	1	17,666
EUR	1	140,652

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

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

Credit risk

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

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

JORDAN TELECOMMUNICATIONS COMPANY (JORDAN TELECOM)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

23. Risk Management - continued

Liquidity risk

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

The table below summarises the maturities of the Group's financial liabilities at 31 December 2015 and 2014, based on contractual undiscounted payment.

31 December 2015	Less than 3 months JD	3 to 12 months JD	1 to 5 Years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	49,146,948	32,138,488	26,617,440	2,322,500	110,225,376
Balances due to telecom operators	10,631,835	38,665,691	19,093,316	196,964	68,587,806
Loans	103,656	323,266	1,947,846	1,486,866	3,861,634
Total	**59,882,439**	**71,127,445**	**47,658,602**	**4,006,330**	**182,674,816**

31 December 2014	Less than 3 months JD	3 to 12 months JD	1 to 5 Years JD	> 5 years JD	Total JD
Trade creditors and amounts due to related parties	43,195,918	19,746,542	19,859,921	1,186,213	83,988,594
Balances due to telecom operators	11,942,770	25,321,652	32,575,359	132,616	69,972,397
Loans	115,134	359,063	2,273,168	2,016,085	4,763,450
Total	**55,253,822**	**45,427,257**	**54,708,448**	**3,334,914**	**158,724,441**

23. Risk Management - continued

Currency risk

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

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

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

	Changes in Euro rate to JD %	Effect on profit before tax JD %
2015		
EUR	5	510,179
2014		
EUR	5	444,303

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

24. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

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

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

25. Capital Management

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014. Capital comprises share capital, statutory reserve and retained earnings, and is measured at JD 328,639,854 as 31 December 2015 (2014: JD 354,534,016).

On 10 Dec 2015, the General Assembly, in its extraordinary meeting, has approved the reduction of the authorized and paid in capital by 25%, to become 187,500,000 shares with a par value of one Jordanian Dinar each. The capital reduction process with the Ministry of Industry and Trade was not finalized up to the date of the financial statements.

26. Comparative figures

The 2014 figures have been reclassified in order to conform to the presentations in 2015. Such reclassification does not affect previously reported profit or equity.

Future Vision (2016)

In 2015, Orange Jordan launched its Essentials2020 strategy, inaugurating a new chapter in its history, one in which we return to the core objective that gave birth to our brand: providing our customers with an unmatched and incomparable experience. Essentials2020 is all about listening and responding to the needs of our customers, so that we can provide them with all that is essential to them. With this new customer-focused strategy driving us into the future, our operations over the coming years will revolve wholeheartedly around elevating the customer experience and achieving sustainable growth.

With the launch of Essential2020 strategy last year, we at Orange Jordan began delivering on our commitments to provide unmatched services and experiences. Guided by our strategy's five key drivers – offering richer connectivity options, reinventing the customer relationship, building a people-oriented and digital employer model, accompanying the transformation of enterprise customers, and diversifying by capitalizing on its assets – Orange Jordan is optimistic about its ambitions for the year ahead.
With the nationwide launch of our 4G network last year and the major investment we will be making from now until 2020 toward refurbishing the infrastructure of our existing network, we will remain the Kingdom's number one network provider. With more enhanced and reliable networks now available to our customers, in the coming year, our focus will shift to the delivery of content services that leverage on the sheer power of these new networks.

In line with our concerted efforts to better listen and respond to our customers' feedback, Orange will also continue to introduce more customer-centric products and solutions to the market, providing tailored services and solutions that meet the demands of different consumer segments. Combined with our emphasis on improving service across all of our touch points, we at Orange Jordan are working toward providing the number one customer experience in the country.

Our people-oriented focus also extends to our employees, and by providing unique opportunities for digital training and personal development, we would like to see 9 out of 10 of Orange employees recommend us as a preferred employer.
We will also continue to enrich and expand upon our relationships with our enterprise customers. In addition to accompanying the transformation of our existing enterprise customers, by enriching their connectivity services, supporting their new business processes and developing cloud services, security solutions and managed services.

Last but not least, Orange will continue to cultivate a business model that is efficient, responsible and digitally proficient. We will continue to spearhead the evolution of Jordan's ICT sector, investing in new technologies and solutions that tap into the limitless potential of the modern digital age. We will also continue to play an active role in the empowerment of young innovators and entrepreneurs, be it through our own accelerator programs or through our longstanding partnerships with other organizations.

Moreover, we will continue to invest in promoting green practices, be it by cutting down our own carbon footprint or creating solutions that help others do the same. With the completion of our solar farms expected to take place in 2017, we aim to increase our energy savings. We will also continue to support various important segments of the community through our far-reaching CSR programs, utilizing our core business products and solutions to drive sustainable development and make a measurable difference in the lives of our target demographics. After all, our new, guiding Essentials2020 strategy is all about people, from our customers to our employees and shareholders, to the greater community.