

fixed
mobile
internet
content
wholesale

His Majesty King Abdullah II

“In a dynamic, diverse world,
success requires more.

To thrive throughout your life, you must
be prepared to think your way through
change and growth and challenge.”

May 28th, 2006





Contents:

- 5 Letter from the Chairman
- 6 Letter from the CEO
- 7 Board of directors
- 9 GroupCom
- 13 A glance at 2006
- 15 Best of 2006
- 19 In sync
- 21 Tomorrow's vision
- 25 Innovative offerings
- 31 One with society
- 35 Our family
- 39 Financial report



Letter from the Chairman



The year 2006 has been a dynamic year for Jordan Telecom Group. In June, after seven years of working closely with the Government of Jordan on the privatization of the Jordan Telecommunication Corporation, we became almost fully privatized following a secondary offering and private placement of the majority of the government's ownership in the Group. We are now a model for successful privatization, which we are proud to carry.

Today, France Telecom Group is the majority shareholder with 51% ownership, Jordan's Social Security Corporation now owns 17.6% and Al Noor Investment Company of Kuwait owns 10%. The government also offered shares to Jordanians. Today, the government owns 14.6% of which 3% is allocated to various military retirement funds.

I welcome this further investment as it highlights the achievements and the belief in the mission and vision we have for Jordan Telecom Group. I also welcome the very many individual investors who took up the secondary offering and assure all shareholders that we will work hard to uphold their belief in their Group and that Jordan Telecom Group will always remain the reliable leading provider of fixed, mobile, internet, content and wholesale communication services in Jordan.

Profits in 2006 were solid despite effective competition entering the marketplace in 2005. We offer full comprehensive offers in fixed, mobile, internet and data services. In posting revenues of JD 362.9 million, Jordan Telecom Group exceeded its 2005 revenues by 3%, with resulting profits for the year hitting a healthy JD 87 million. Whilst profits were maintained, the board of directors approved further investment in the network, aimed at maintaining high levels of customer satisfaction, with the Group's capital expenditure reaching JD 47.1 million in 2006.

With France Telecom Group's increased investment in Jordan Telecom Group, our long and fruitful relationship with them as one

of the world's leading telecommunication carriers, has now come into its own. The real benefit to our customers will shine even brighter during 2007 and onwards.

As one of the world's leading telecommunications and IT operators, France Telecom Group's revenues in 2005 exceeded Euro 51 billion; of which 2% was invested back into research and development in 2006. France Telecom Group's high-level strategic plan, in meeting the demands of its customers, will continue to drive efficiencies through their business. France Telecom Group owns Orange worldwide and is introducing the Orange brand as its overall commercial brand bringing together fixed, mobile, internet and data services -operating as one- with over 153 million customers, across five continents, serving 220 countries and territories. During 2007, Jordan Telecom Group will re-brand all products and services as Orange. Needless to say that the value added to the Group, and indeed to the sector, will be tremendous. We will always be proud to carry our Jordanian name, Jordan Telecom Group, whilst labeling all our products and services Orange.

I would like to annotate our excitement and energy in driving 2007 to be one of our best years in terms of providing quality and innovative services. There is a lot to do in taking that final leap into living as a fully privatized business, and as a fully integrated operator; the first in the region. I encourage my Franco-Jordanian colleagues to remain committed to bridging any remaining knowledge gaps, embracing the know-how of France Telecom Group and pushing up the standards across the business.

With the transparency, confidence, credibility and dedication that are shared across and between the French and Jordanian teams, it is clear that we are Jordanian with international standards. Our management teams are working closely with shareholders, employees, the media and government officials to ensure that what we do is clear and understandable and also always related back to our vision and strategies.

Apart from heavy investment of some JD 300 million in telecommunications and IT over the past six years, we have heavily invested in Jordan through a wide range of social activities; in total we have invested over JD 11 million. Jordan Telecom Group has led and will continue to lead Jordanian companies in the commitment to social responsibility, a commitment that we will always honor and fulfill.

On behalf of the board of directors and the management, I hereby extend gratitude to all our shareholders, new and old, especially France Telecom Group and the Government of Jordan, whose vision and support continue to drive us forward. Bringing His Majesty King Abdullah II's vision for a fully communicating and IT driven Jordanian population and economy to life remains at the top of our agenda, as we believe Jordanians deserve the best in all that we have to offer.

In conclusion, I would like to reiterate and summarize much of what I have said already: Jordan Telecom Group, in being proud to represent France Telecom Group in the Middle East, will remain Jordanian in every way; always caring for Jordan; investing in Jordan and its people; contributing heavily to the economy through transfer of know-how and through services and of course providing quality training and employment. Customers will be centric to everything we do and therefore will be at the top of our every consideration.

Dr. Shabib Farah Ammari (PhD Econ)

Chairman of the board of directors

Letter from the CEO

The year 2006 was a very important year for the Group in terms of reorganization and the bedding in of the transformation process, with the creation of individual business units (fixed, mobile, internet, content and wholesale) and in the streamlining of our core service support functions. All the essential legal necessities were put in place to bring together the Group's operating units under one mandate, thus placing the Group companies on a new strategic edge.

The initial stages of our transformation were very evident in our new branding for Jordan Telecom Group and the introduction of the ampersand (&), signifying our move into the extended France Telecom Group family. Very early in 2006 we also adopted France Telecom Group's international change program, entitled NEXT, which is bringing forward a vital framework that the Group will operate, enabling the many ambitious steps we wish to take in driving our business forward. The vision of NEXT is to offer customers a New Experience in Telecommunications (NEXT), giving them access to a new generation of telecommunication services that will change their everyday life.

With our new management structure in place, and reflecting our integrated process, we have brought in significant operational benefits such as greater cost control and reduced expenditures, all aimed at increasing our customer-centric approach to offers and services to fulfill our customers' communication needs, any time and any place.

Despite increased competition in 2006 in our marketplace, the Group increased its revenues by JD 11 million. The mobile business unit put in a quality performance by leveraging emerging sectors and effectively managing its costs and doubling both its revenue and customer base. The internet and data business unit witnessed 134% growth in the ADSL segment, while the fixed business unit managed to exceed its 50,000 target of ADSL lines to reach 56,503 lines; meanwhile its revenues witnessed an anticipated decline. As a Group, we are now providing services to over 2 million customers and signing a new customer every 30 seconds; all indicating our growing flexibility and agility in forecasting the needs and demands of the marketplace in what is widely recognized as the most competitive market for telecommunications and IT in the entire region.

As with the now global trend across many sectors including telecommunications, we are extending our customer-centric platform to enable further growth across all business units. This was kick-started in mid 2006 with the first ever bundled services for the Kingdom: Surf and Talk bringing together fixed and internet for both business and residential customers, and Family Talk: A smart service combination consisting of fixed plus pre-recognized one mobile number -to a maximum of four mobile numbers- resulting in unlimited talk mileage day and night over these lines, while paying one fixed subscription fee.

In working with our corporate customers to establish their future communication needs, we have extended our full-integrated services to numerous major corporations, banks, ministries and organizations such as the Nuclear Energy Commission, the Ministry of Foreign Affairs and ASEZA.

During the year, with integration clearly coming into place at the head office, transformation was increasingly evident in our commercial operations: A one-stop shop and one customer contact. Midyear saw the official opening of our first Jordan Telecom Group sales shop in Mecca Mall, offering the total scope of our services from fixed, mobile and internet subscriptions, handset purchases and recharging, with more locations in the pipeline.

Whilst we have been implementing a lot of change within our business, we have sustained our long history of working within our community. Jordan Telecom Group is widely admired for its corporate social responsibility and recognized as being committed to the people of Jordan. During 2006, we were heavily involved in the community on various projects that amounted to around JD 2 million primarily through our continued support of His Majesty King Abdullah II's vision with regards to e-Learning. Our internet bus, which has been operating for several years bringing awareness and adoption of the full range of communication tools available today, has visited some 44 cities, towns and villages across the Kingdom giving some 20,554 citizens exposure to the range of communication tools available in today's market.

Jordan Telecom Group remains committed to supporting and sponsoring projects that are a true reflection of the real partnership

between the private sector and civil society institutions, paying special attention to the continuity and sustainability of the projects that are selected. A fine example of this is the fruition this year of an e-Learning initiative that started in 2004 between France Telecom and the Ministry of Education. In reinforcing the initiative, the company both managed and financed the computerization of the Arabic language curricula for schools in the Kingdom.

A further cooperation agreement saw the Group setting up a Telemarketing Center on the University of Jordan campus with the intention of supporting the Jordanian youth, eliminating unemployment by providing them with work opportunities - a translation of His Majesty the King's

long-term vision of economic, social and technological development of the Jordanian population. Overall, the Group's community activities focused on youth, sports, music and humanitarian aid.

In looking ahead at 2007, whilst the Jordanian marketplace is acknowledged as the most aggressively competitive in the region, the telecommunications industry will only get more competitive; recognizing this, however, we have risen to the challenge by differentiating ourselves through our integration, transformation, investments and relationships. In leveraging our membership of the France Telecom Group family, it is our intention to remain the leader and telecommunications provider of choice in the Jordanian marketplace and in turn provide France Telecom Group with a springboard entry into the region, by creating a hub in Jordan that focuses on new markets.

In conclusion, Jordan Telecom Group joins a worldwide family that brings an international dimension to the Group; a dimension that enables us to reap the benefits of being a member of France Telecom Group, to leverage its know-how and expertise, and to bring additional value to our Jordanian customers. We look forward to embracing France Telecom Group's global brand – Orange.



Mickael Ghossein
Chief Executive Officer

Board of directors

H.E. Faris Abdul Hameed Sharaf
Social Security Corporation

Mr. Hugues de Verdalle
France Telecom Group

Mr. Marc Rennard
Vice Chairman
France Telecom Group

Dr. Hamzeh Jaradat
Jordanian Ministry of Finance



Dr. Shabib Farah Ammari
Chairman of the board of directors
France Telecom Group

Eng. Abdel Rahman Al-Khatib
Jordanian Government
Executive Privatization Commission

Mr. Gilles Vaillant
France Telecom Group

Mr. Mickael Ghossein
Jordan Telecom Group





In order from top, left to right:

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Tamouh Khauli
Philippe Voageleer, Jacques Ambrosia, Ahmed Salah

Clement Charron, Sami Smeirat, Amer Sunna,
Francois de Loynes
Wassilla Zitoune, Mickael Ghossein, Majd Shweikeh,
Ramzi Abu Ghazaleh

Group Chief Executive Officer

Mr. Mickael Ghossein

Executive Vice President

Mr. Francois de Loynes

Business units

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**Vice President Jordan Telecom Group
General Manager Fixed Business Unit (Jordan Telecom)**

Mr. Clement Charron

**Vice President Jordan Telecom Group
General Manager Wholesale Business Unit**

Mr. Tamouh Khauli

**Vice President Jordan Telecom Group
Chief Executive Officer Content Business Unit (e-Dimension)**

Mrs. Majd Shweikeh

**Vice President Jordan Telecom Group
Chief Executive Officer Mobile Business Unit (MobileCom)**

Mr. Sami Smeirat

**Vice President Jordan Telecom Group
Chief Executive Officer Internet and Data Business Unit (Wanadoo)**

Mrs. Wassilla Zitoune

**Vice President Jordan Telecom Group
Vice President Transversal Projects**

Corporate services

Mr. Ramzi Abu Ghazaleh

Chief Human Resources Officer

Mr. Jacques Ambrosia

Chief Sourcing and Logistics Officer

Mr. Alain Bridard

Chief Technical Officer

Mr. Raslan Deiranieh

Chief Finance Officer

Mr. Ahmed Salah

Chief Quality Assurance and Processes Officer

Mr. Amer Sunna

Chief Information Officer

Mr. Philippe Vogeeler

**Chief Strategy Officer
Secretary General**