ARAB ADVISORS GROUP

A member of the Arab Jordan Investment Bank Group

Arab Advisors Group provides reliable research, analysis and forecasts of Arab communications, media and technology markets.

Global Expertise - Regional Focus.

An overview of Jordan’s mobile market:

Current status, opportunities and challenges

Prepared for:

Realizing Jordan’s Mobile Future, GSMA event

April 28, 2014

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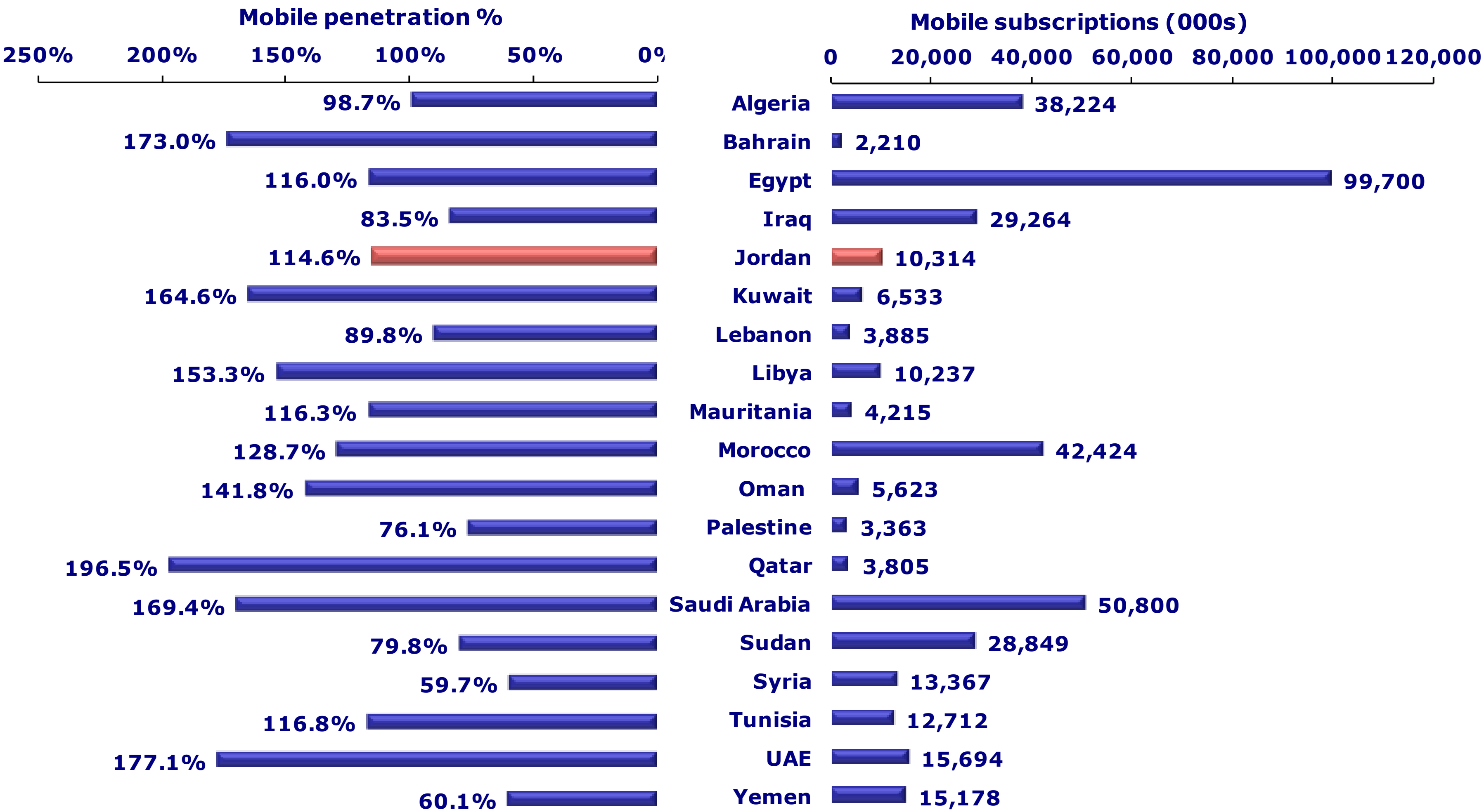
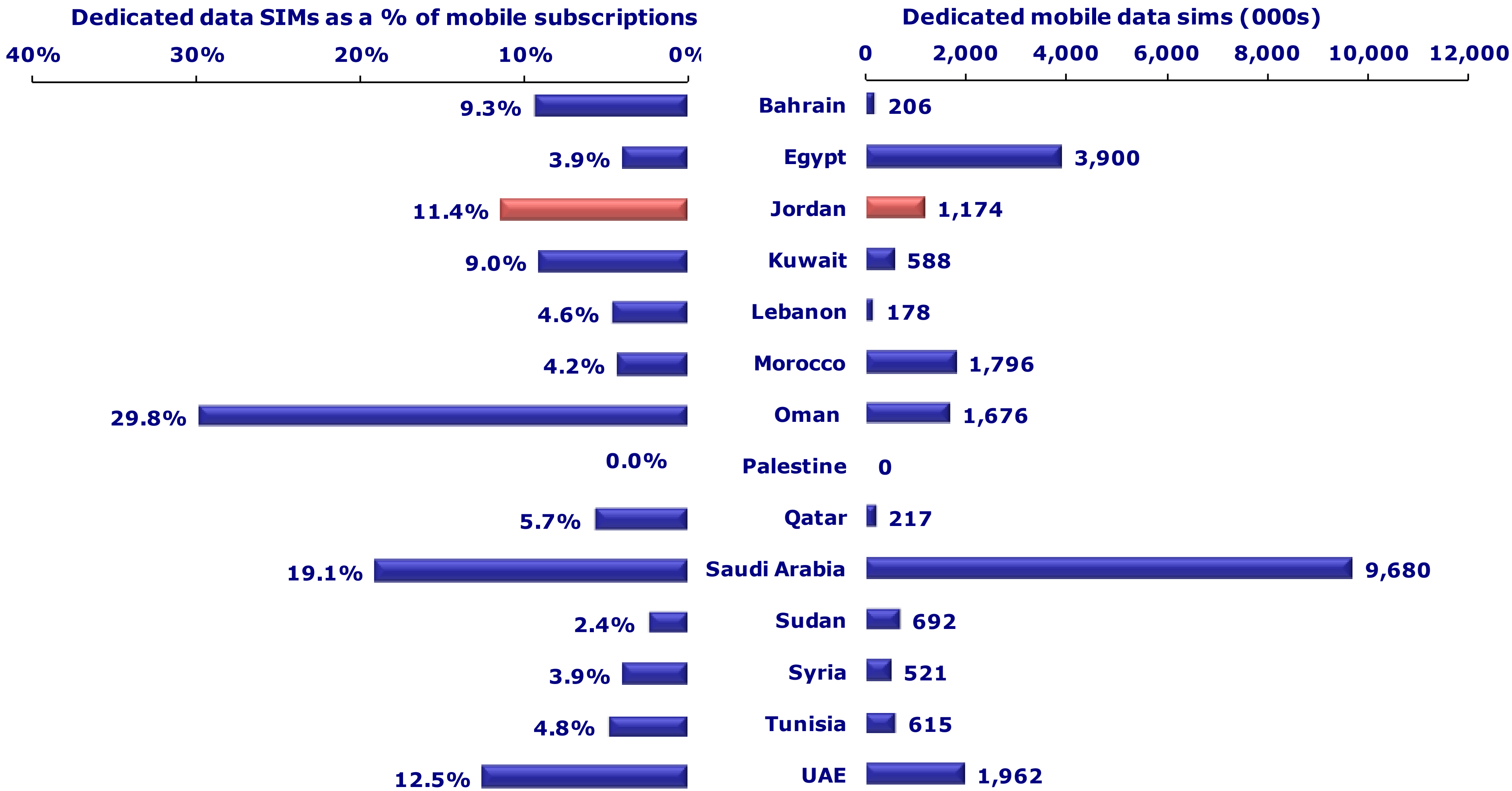
Mobile adoption in the Arab region (2013)



Note: Cellular subscriptions in Iraq, Syrian, Libya and Mauritania are estimated by the Arab Advisors Group. Our estimates are mainly based on reported data by market constituents, in addition to Historical trends.

Source: Operators, regulators , Arab Advisors Group

Mobile broadband - Dedicated Data SIMs - in the Arab world (2013)



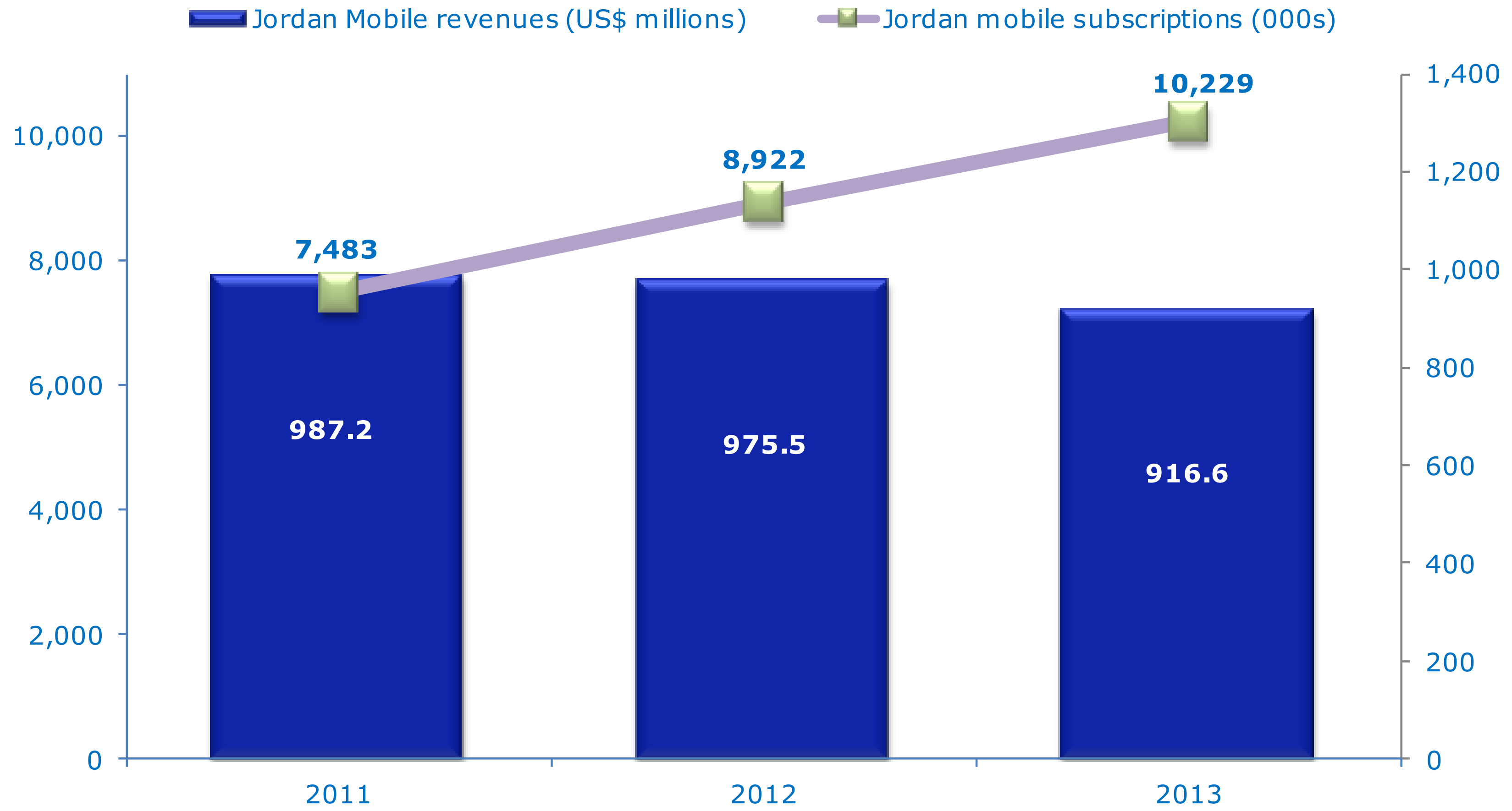
Note: Dedicated Data SIMs in Lebanon, Morocco, Sudan, Syrian and Tunisia are estimated by the Arab Advisors Group.
Source: Operators, regulators , Arab Advisors Group

Jordan's mobile market players

Zain	Orange	Umniah	Friendi
Incumbent operator that is Managing 2G and 3G networks. Zain plans to launch LTE by end of 2014	Second market entrant, and first operator to launched 3G in the kingdom during March 2010	Latest market entrant that intensified competition through offering lower rates. Umniah launched 3G in 2012	An MVNO, hosted by Zain. Friendi Focuses on non-Jordanian nationalities residing in Jordan

Despite the growth in the Jordanian's mobile market subscriptions, revenues have declined during 2012 and 2013

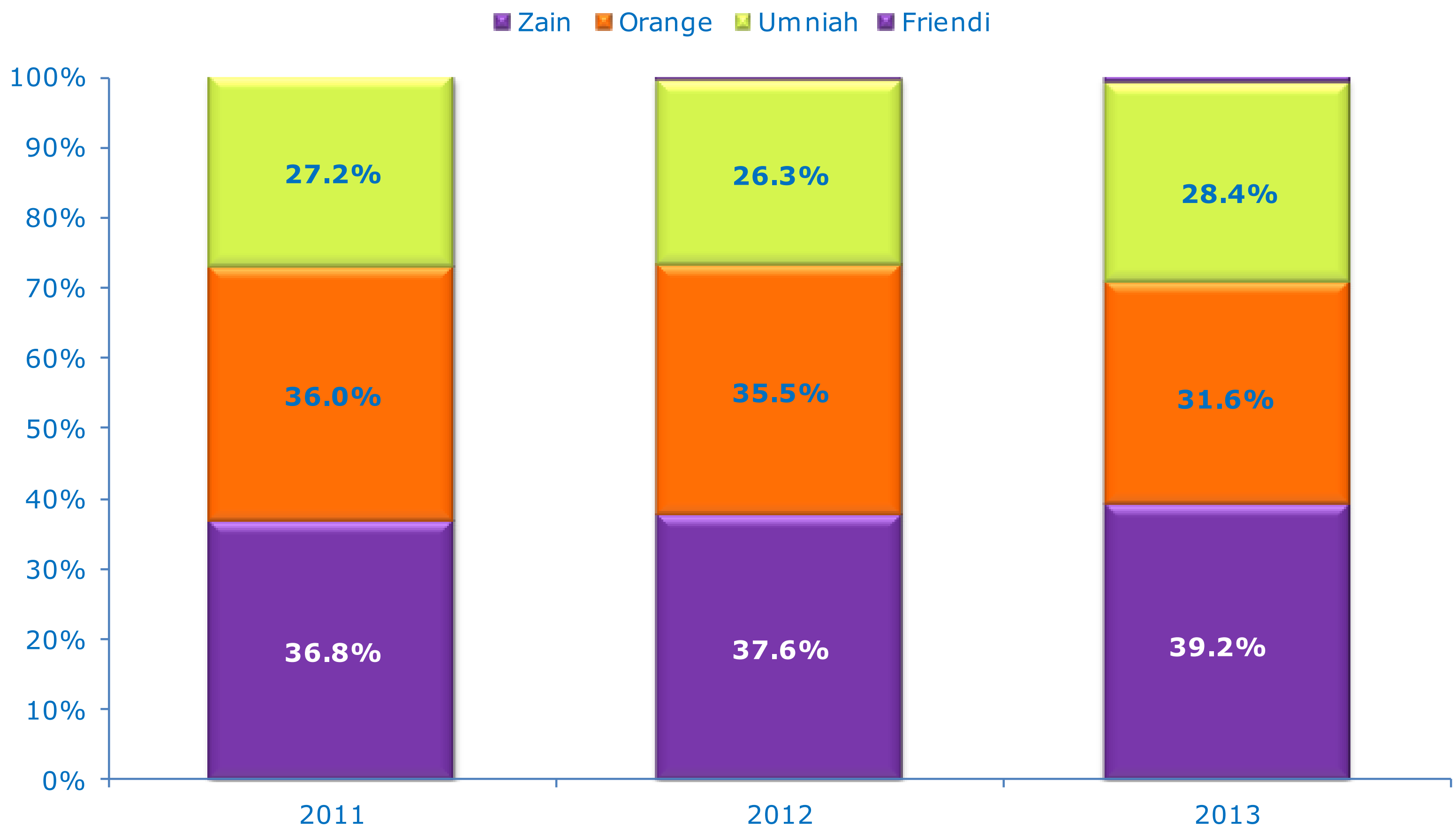
Jordan's mobile market subscriptions and revenues



Source: Arab Advisors Group, TRC, Operators

The incumbent operator, Zain, is the cellular market leader with more than 4 million subscriptions

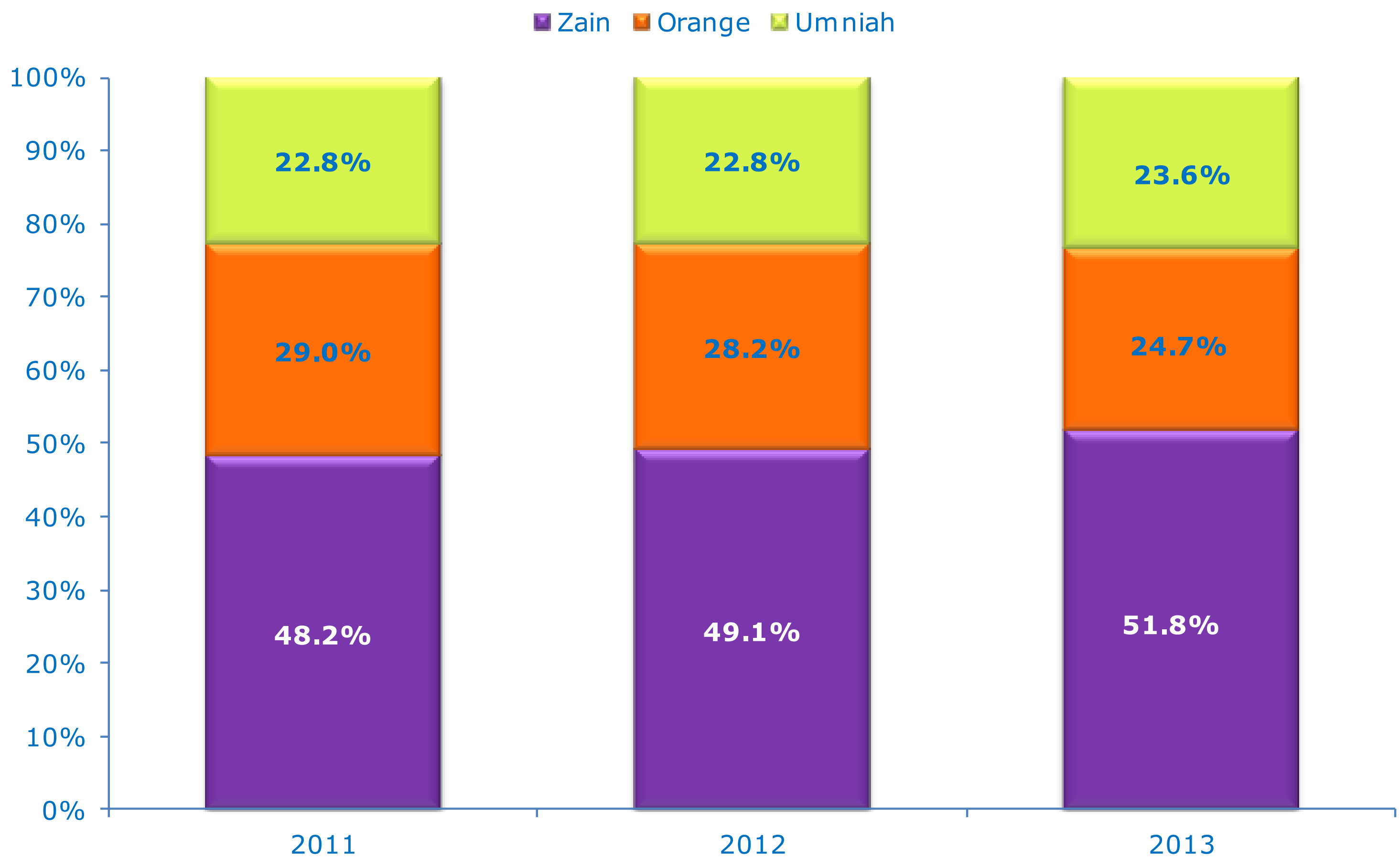
Mobile subscription market share



Source: TRC, Operators, Arab Advisors Group

Zain's mobile revenue share is larger than its subscription market share, due to having the highest ARPU among market players

Mobile revenue share



Source: TRC, Operators, Arab Advisors Group

Opportunities and Challenges for the mobile industry

Opportunities and Challenges

Opportunities

- High population growth, which is key, given the current mobile penetration rate.
- High percentage of youth among the population, who are early adopters of emerging technologies and services.
- Emerging networks, namely LTE, amidst the ongoing adoption of bandwidth demanding services.
- Emerging services with promising growth, such as M2M, NFC, IPTV and Cloud based services, among others.

Challenges

- Highest tax rate on mobile users in the Arab region (43.8%).
- Intense competition and price wars drove voice rates to low levels.
- Intense competition between mobile broadband and fixed Wifi networks hinders mobile broadband growth. This is especially true in the context where mobile broadband is offered at higher rates, as operators have invested in 3G licenses and networks.

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