التقرير السنوي ٢٠١٣
Annual Report 2013

شركة البوتاس العربية المساهمة العامة

Arab Potash Company PLC

His Majesty
King Abdullah II Ibn Al-Hussein

His Royal Highness Crown
Prince Al-Hussein Bin Abdullah II

Arab Potash Company PLC

Fifty Seventh Annual Report

Of the Board of Directors and the consolidated financial statements of the Company for the year ended 31 December 2013, presented at the Ordinary General Assembly Meeting in Amman at 12:00 noon on Tuesday 29th Jumada Al Akhira 1435H, 29th April 2014 AD.

2013
Annual Report

Message from the Chairman

Message from the Chairman

In the name of God the Compassionate, the Merciful

The Members of the Board of Directors and the Executive Management of the Arab Potash Company (APC) and I are delighted and honored to submit to you the 57th annual report for the year 2013 on the company's operations, including its consolidated financial statements for the year ended 2013. The report also contains a review of the past year's achievements and an outlook for the New Year.

Although growth in global demand for potash was less robust than expected in recent years, the company's performance in 2013 began strong and promising thanks to dynamic marketing campaigns launched at the end of the previous year (2012) in India and other East Asian markets. APC succeeded in increasing sales volumes in the first half of 2013 to about 1.1 million tons (MT) compared with 931,000 MTs during the same period of 2012. The increase in exports was mainly to the markets of India, Indonesia and Malaysia.

But at the end of July 2013, the global potash market was faced with an unexpected development. The joint marketing company between Uralkali (Russia) and Belaruskali (Belarus), which was responsible for approximately one third of global sales, suddenly broke down. More significantly, Uralkali announced a change in marketing strategy. Both producers began separate marketing efforts and customers were faced with near term uncertainty. This led to a decline in potash demand and a decrease in the global sale price of potash of about 30%. This low demand environment pushed some producers to reduce their staff levels by up to 20% in order to maintain their competitive position. APC was particularly affected because our key Asian markets paused in reaction to these unusual events and spot prices fell. Fortunately our loyal workforce was not impacted.

These events coincided with a major increase in APC's production costs over the past several years: The cost of energy and electricity rose by about 30% in the first half of 2013 compared with the same period of 2012, and the cost of water increased by 9 % in the same period. In addition, the cost of labor increased by 9% after the conclusion of a new labor agreement. This large rise in production costs put the company among the world's highest cost producers, after it had been one of the lowest production cost producers until 2008. This situation posed a threat to the company's ability to compete in the global market, hence its profitability and its contribution to the national economy. It also threatened the long-term job security of our employees.

The Arab Potash Company is not able to control prices and markets its product in accordance with market prices. Therefore, in order to maintain its competitiveness in the global market, the search for solutions to reduce the cost of production became a matter of survival for the company, especially since the rise in energy costs in the past years forced the company to close two plants that produced salt and magnesia and left hundreds of workers jobless.

The Arab Potash Company conducted extensive studies in 2013 to find ways to reduce energy and water costs. Replacing our high cost heavy fuel oil with cleaner burning and lower cost natural gas was found to be a major step in the right direction. Many alternative supplies were studied but the lowest and quickest available source was from Noble Energy. Negotiations between Arab Potash Company and Noble Energy continued into 2014 and a 15 year supply agreement was signed on February 19, 2014. Arab Potash Company expects to receive gas from Noble Energy starting in 2016, a move which will reduce our production costs by over JD 11 per ton of potash produced.

Availability of fresh water continues to be a challenge for Arab Potash Company and Jordan as a whole. To this end Arab Potash Company worked with the Ministry of Water and Irrigation and Jordan Valley Authority to find a solution that would help both the Company and the community. Arab Potash Company will fund the construction of the new Wadi Ibn Hammad Dam for a total value of JD 26 million, and the dam will be completed in 2017. Once completed, water costs will drop by JD 4 million annually and the local community will benefit from an additional 1.5 million cubic meters per year.

Arab Potash Company continues to study means to further reduce costs especially regarding our high priced electricity. On-going studies include use of solar power and/or additional natural gas supplies for power generation. We understand the importance of reducing our costs and continuing to provide benefits to our numerous stakeholders including our employees, local communities and the national economy. Arab Potash Company is one of the top earners of hard currency and a top contributor to the National Treasury.
Despite these significant challenges, APC's production in 2013 reached 1.74 million tons of potash, equivalent to 100% of the annual production plan, compared with 1.8 million tons in 2012.

APC's first priority continues to be the safety of its more than 2,000 employees, most of who come from local communities. APC is proud to have completed three million man-hours without a lost time injury, which is defined as a work-related injury that results in the injured person to be absent from work for treatment. This achievement places APC among the top companies in the region in the area of safety. It is also worth mentioning that the Arab Potash Company is one of the first companies in the Kingdom in terms of employee compensation and benefits.

In the area of social responsibility, investment in the development of local communities and protecting the environment, APC donated more than 10 million Dinars, which were spent according to priorities defined in consultation with the local authorities and civil society organizations. Sectors that received support included water and sanitation, protection of the environment, building public facilities, health services, labor and professional associations, welfare organizations, welfare package campaigns, sports clubs and federations, municipalities, houses of worship, press and media organizations, writers, pockets of poverty campaigns, grants to students, and schools and universities. The number of beneficiaries from these grants exceeded 2,000 organizations and more than 100,000 citizens.

In conclusion, I would like to extend, in my own name and on behalf of Members of the Board of Directors and Executive Management, as well as all members of the Arab Potash family my sincere thanks to the Company's shareholders and our valued customers for their continued trust in the Company and its products, and to express my sincere appreciation and pride in the staff of the Company for their outstanding achievements. I pray to God Almighty to bless us and grant us success in the coming years so we may continue to realize our objectives and make greater contributions in the service of our cherished Jordan, in keeping with the vision of His Majesty King Abdullah II Ibn Al Hussein, may God protect him.

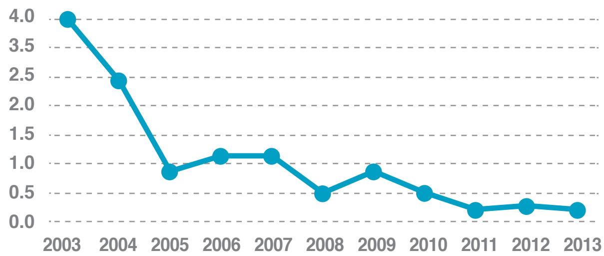
May God's peace and blessings be with you

Chairman
Jamal Ahmad Mofleh Al-Sarayrah

2013 in numbers

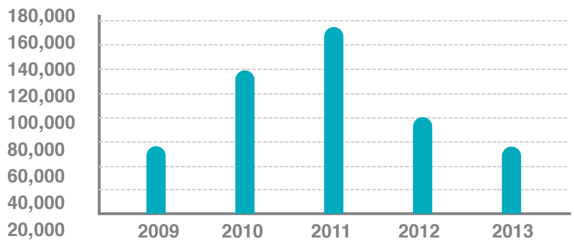
Safety

Safety - The number of lost time of work injuries per 200,000 hours of work



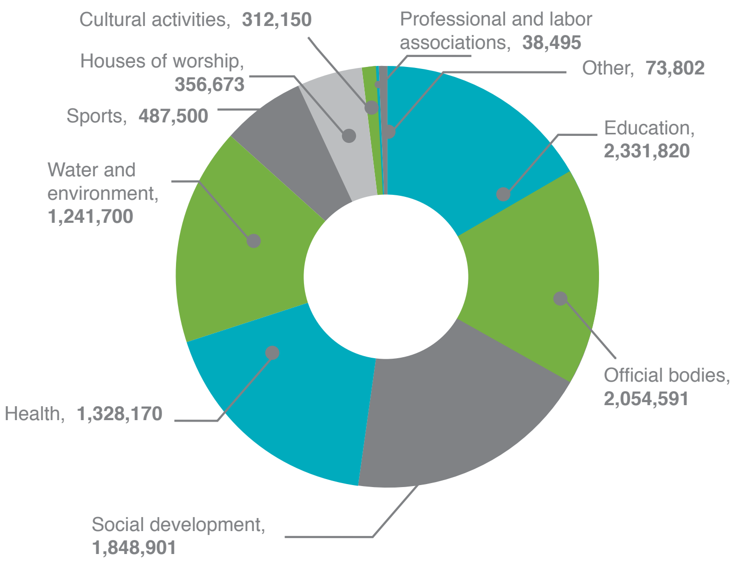
Contributions to the Treasury

Contributions to the Treasury 2009-2013 (1,000JD)



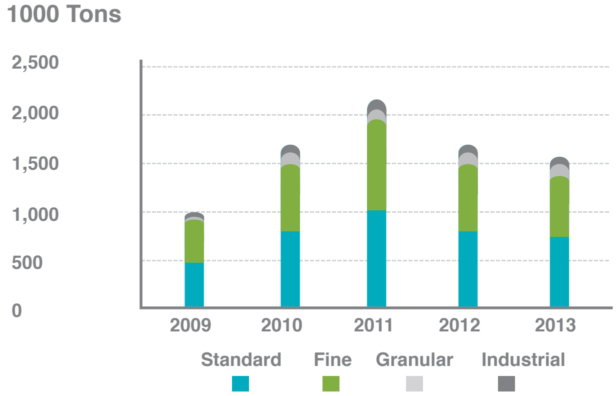
Contributions to local society development

APC CSR Contributions 2013 (JD)



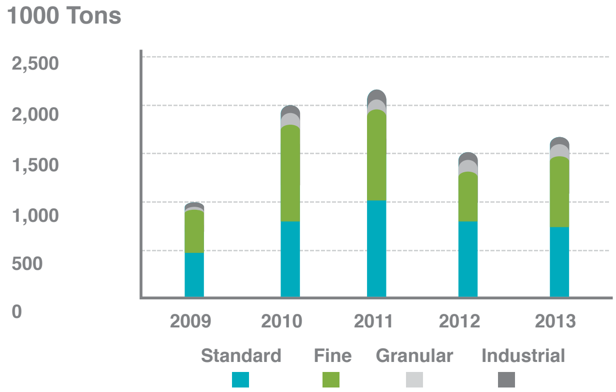
Production

APC Production by Type 2009-2013



Sales

APC Sales by Type 2009-2013



Revenues from sales (All figures, except financial ratios are in thousands of Jordan Dinars.)

Major Financial Indicators for the period (1,000 Dinars) 2009-2013

Narrative	2013	2012	2011	2010	2009
Potash Production - million tons	1.7	1.8	2.3	1.9	1.1
Potash Sales - million tons	1.8	1.6	2.2	2.1	0.9
Consolidated Sales Revenue	521,209	586,268	720,200	559,000	373,700
Gross Profit	183,296	300,700	402,000	262,100	214,200
Profit from Operations	125,192	212,400	304,000	185,800	150,200
Net Profit after Tax	130,661	198,822	299,700	162,700	131,800
Net Fixed Assets	333,947	379,001	426,600	409,700	193,200
Deb to Equity Ratio	0.1%	0.7%	2.0%	3.9%	6.10%
Return on Assets	12.9%	18.4%	24.5%	16.1%	15.00%
Return on Shareholders' Equity	14.1%	20.1%	32.7%	19.8%	19.40%
Debt Service Ratio	8.9	13.6	21.2	12.6	3.7
Current Ratio	5.0	5.7	3.8	2.9	2.7
Closing Share Price JD	28.05	46.51	44.10	43.50	36.21
Dividends Amount	-*	208,293	249,953	104,146	58,322
Dividends Percentage	-*	250%	300%	125%	70%
Earnings per Share	1.6	2.4	3.6	2.0	1.6
Market Price/ Earnings Ratio	17.9	19.5	12.3	22.3	22.9
Royalty Fees JD per ton Produced	14.9	27.7	26.9	19.1	35

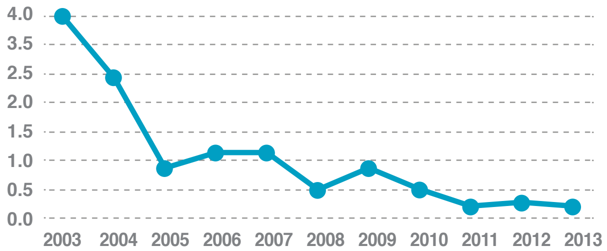
* Dividends will be determined in the general assembly meeting on April 29th 2014.

Safety

APC's first priority is to provide a safe working environment.

In 2013, APC exceeded three million hours without lost time injury, and won the 2012 Award for Excellence in Occupational Safety and Health granted by the General Social Security Corporation in recognition of its efforts to provide a safe working environment that helped preserve of the safety of workers in the workplace.

APC Lost Time Accidents per 200,000 Man-Hours Worked 2003 - 2013

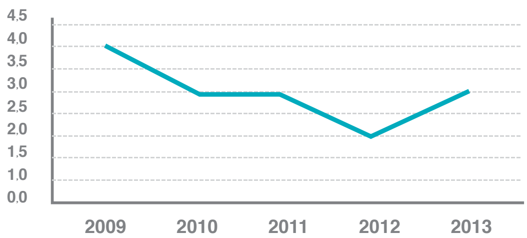


* The Lost Time Injury Rate is equal to the number of incidents per 200,000 hours worked.

APC is keen to maintain its leading position in worker safety in Jordan, and on the regional and international levels. As shown in the figure above, the rate of recurring lost time injuries in 2013 was 0.18 accidents per 200,000 working hours.

The figure below shows that only three trucking accidents occurred during 2013, which proves the effectiveness of the proactive safety measures that were implemented such as the trucking safety forums dedicated to truck drivers.

Truck Accidents 2009-2013



Initiatives related to workplace safety in 2013 included:

1. Issuing new safety procedures such as "hand tools, extension cords and RCDs check lists usage safety procedures".
2. Reviewing and updating key safety procedures such as "APC Service Providers Safety Procedure".
3. Forming the Electrical Safety Committee to identify electrical hazards at APC and the control measures needed to eliminate or mitigate them.
4. Developing and implementing the audit program on the Key Safety Procedures at APC workplaces.
5. Updating the Emergency Safety Plan for all APC sites and implementing all scheduled emergency drills in cooperation with the Civil Defense.
6. Effective participation in addressing emergency situations during the severe winter conditions at Karak, Safi and the Aqaba Highway.
7. Developing and distributing the 2014 Office Safety Calendar" in Arabic and English to enhance safety awareness among all APC employees.
8. Preparing a new Safety Awareness Handbook that includes a set of core topics for identifying hazards in the workplace, and the preventive measures to eliminate or mitigate them.
9. Organizing regular safety forums for truck drivers and superintendents. These forums proved to be a very effective way to elevate the safety performance and significantly reducing accidents.
10. Organizing safety celebrations on the occasions of achieving one million or more person hours worked free of lost time injuries.

Production

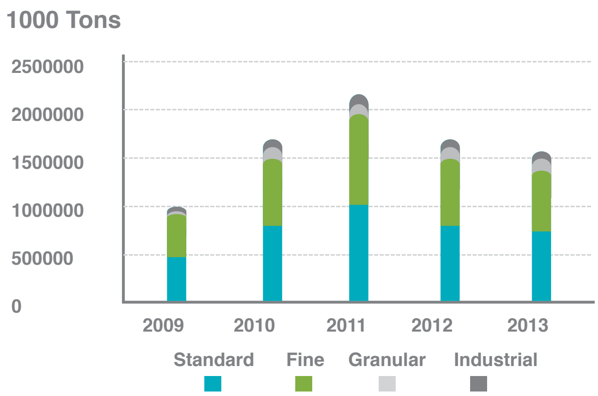
Total production in 2013 was 1.7 million tons which is equal to 100% of the annual production plan.

Table 2 shows quantities produced by type of potash and their percentage of the total production in 2013.

Production quantities and percentages by type 2013

Type	Quantity (1,000 tons)	(%)
Standard	945	54
Fine	641	37
Granular	119	7
Industrial	39	2
Total	**1,744**	**100**

APC production 2009-2013 (1,000 tons) by type



Potash is transported to Aqaba warehouse, Arab Fertilizers and Chemicals Industries (KEMAPCO), Nippon-Jordan Fertilizers Company and JBC by Jordan Bromine Company trucks. Supplies to the local market are loaded at Safi site, as shown in table below.

Quantities transported by destination

Destination	Quantity (1,000 tons)	(%)
Aqaba warehouse	1,210	70
Local markets	372	21
KEMAPCO	94	5
JBC	50	3
NJFC	10	1
Total	**1,736**	**100**

Sales

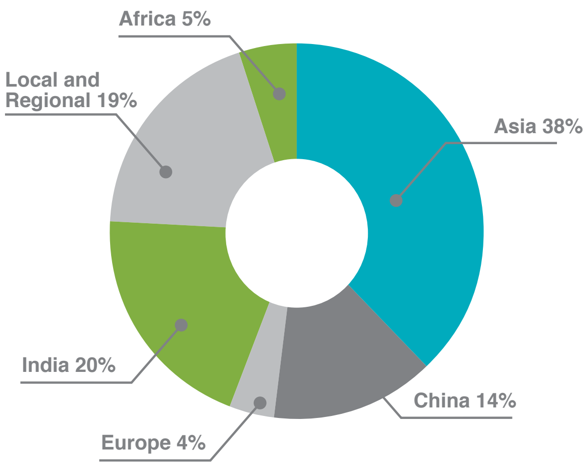
In the Potash markets, the first half of the year was a stable and relatively strong period. Consumption and production were heading for record year and prices were stable and on a firming trend.

The marketing alliance between the Belarus and Russian Potash producers which had operated for the past five years was suddenly dissolved at the end of July. More significantly, Uralkali announced a change in marketing strategy. This caused a significant loss of direction and uncertainty in the markets. There was stagnation in deliveries and new orders for a period and potash prices on spot markets dropped by 30%.

These developments affected the market but did not change the fundamentals of supply and demand. The long term view is that potash is a necessary ingredient for providing balanced fertilization for soils and that long term growth prospects were positive.

The markets began to recover at the end of the year as the Russian industry underwent a major ownership change and discussions for the year of 2014 started. The impact on APC was marked as Indian buyers decided to freeze shipments on existing contracts and as contracts were revised to reflect the new realities. The reluctance of buyers to commit also had noticeable effect on APC volumes in the second half of the year.

2013 APC Sales Distribution in MT



International Quality Standards

Recognizing the importance of customer satisfaction as the basis for enhancing productivity and profitability, and realizing that quality control is pivotal to achieving customer satisfaction, APC implements a quality management system to maximize the performance of the company's product-related processes and ensure optimal utilization of resources and high quality of outputs according to the required specifications at all stages of production.

ISO 9001 DNV REGISTERED

In 1998, APC received the international standard (ISO-9001) certificate for establishing a documented quality management system for all processes that affect product quality. The system emphasizes total quality principles as leadership tools to lead company by focusing on customer satisfaction as a priority, and enhancing processes through effective decision-making and dependence on quality objectives for continual improvement. The certificate of compliance is renewed every three years and audited every six months to ensure that APC complies with (ISO-9001:2008) requirements. The last renewal of the certificate was in September 2012.

APC received the Jordan Institution for Standards and Metrology (JISM) certificate of compliance with the requirements of Jordan's Quality standards for potash fertilizers and other industrial products through auditing the processes that directly affect potash products. In compliance with this certificate, a team from the APC quality control and laboratories shall participate in the JISM Technical Committee responsible for establishing and reviewing Jordan potash product specifications. Updates are carried out according to APC management directions and in the light of customers' needs and changes in the market.

JAS Jordanian Accreditation System نظام الاعتماد الأردني Test-036

Maintain the accreditation certificate of APC Technical Laboratories for monitoring and measuring of product quality at all stages of production to ensure high quality of products and to enhance APC customers trust in final certificates through compliance of sampling and testing with the requirements of international standard ISO17025: 2005 by the Accreditation Unit in Jordan Institution for Standards and Metrology as a national accreditation body and associate member in the International Laboratory Accreditation Cooperation ILAC.

Maintain the certificate of quality management system for medical Services provided by APC to ensure patients' satisfaction according to international standard (IS9001:2008). An external audit was conducted on September 2012. Also work was closely completed on establishing a safety and quality management system of food provided in the APC restaurant according to international standard ISO-22000: 2005; pending the completion of infrastructure improvement of the restaurant to start implementation and proceed to request a certificate of compliance by the certification body

Governance

The governance guide was prepared in view of the development of the national economy at all levels, and in line with the Jordan Securities Commission (JSC)'s efforts to develop the national capital market and its regulatory and organizational framework. It contains rules of corporate governance for shareholding companies listed on Amman Stock Exchange (ASE) for the purpose of establishing a clear framework that regulates their relations and management and defines their rights, duties and responsibilities in order to realize their objectives and safeguard the rights of all stakeholders. These rules are based principally on a number of legislations, mainly the Securities Law and related regulations, the Companies Law, and the international principles established by the Organization of Economic Cooperation and Development (OECD).

The Company adheres and complies with the guidelines as set forth in the governance manual

As part of Arab Potash Company's vision is to enhance its performance and compliance with corporate governance, APC signed an agreement with the International Finance Cooperation (IFC), as part of a cooperation program with the Companies Control Department, to review and assess APC's corporate governance framework.

Board of Directors:

a. Duties and Responsibilities of the Board of Directors

The Company is in compliance with all items in the governance guidelines related to the Board of Directors.

b. The Board of Directors Committees

The Board of Directors established several Committees according to its needs and as required by the rules and regulations, including:

- Audit Committee
- Financial , Administrative and incentives Committee
- Tenderes Committee
- Dikes Committee
- Investment Committee
- Corporate Social Responsibility and Donations Committee

c. Board of Directors Meeting

The company is in full compliance regarding board of directors meetings. During 2013 it convened seven times.

General Assembly Meetings

The Company is in full compliance with the guidelines related to General assembly meeting.

a. General Rights

The Company is in compliance with all items in the governance guidelines related to Shareholders' rights.

b. Rights within the jurisdictions of the General Assembly

The Company is in compliance with all these guidelines.

Disclosures and Transparency

a. Audit Committee

The company is in compliance with all of guidelines related to the audit committee.

b. Audit Committee Responsibilities

The company is in compliance with all of guidelines related to the audit committee.

- The primary responsibility of the Audit Committee is to oversee Arab Potash financial controls (including appropriate disclosure and internal controls), external and internal audit activities, and reporting processes. It reports the results of its activities to the Board of Directors
- The responsibility of the Audit Committee does not waive the ultimate responsibility of the Board of Directors and Executive Management over the Company's internal controls, compliance with rules and regulation and soundness of financial information.
- The audit committee consists of a minimum of three and a maximum of five non-executive members of the Board of Directors. The majority of committee members should be independent and one of them should be nominated to the Chair of the Audit Committee. The Board of Directors selects members of the Committee and appoints its Chairman. All committee members should be financially literate with financial, managerial experience, and at least one member shall be designated as the Financial Expert. The Financial Expert should had worked previously in accounting and auditing or have a related degrees and professional certification.
- The committee meets periodically and at least four times a year. Minutes of the meetings should be properly administered. During 2013 the committee held nine meetings.

c. Powers of the Audit Committee

- The company is in compliance with all of guidelines related to the powers and authorities of the audit committee

d. External Auditor

- The Company is in compliance with all guidelines related to the external auditor.
- The Audit Committee during 2013 met with the company's external auditor without the presence of Executive Management or any person representing it.

Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions

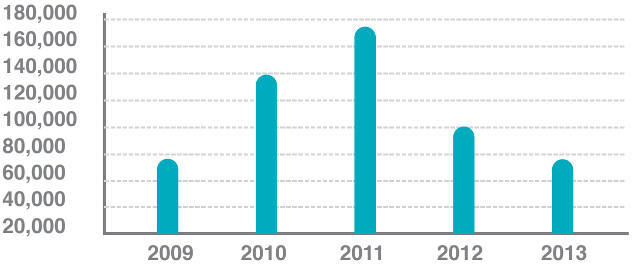
Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions (1,000 Dinars)

Year	Road Tax	Scientific Research Fees	Rent of Land	Port Fees	Royalties	Income Tax	Profit Dividends	Total	Percentage
2013	1,240	-	2,016	3,101	25,949	17,168	*28,500	77,974	56
2012	1,440	-	1,641	3,009	49,883	30,015	59,798	145,786	74
2011	1,859	-	1,566	4,309	60,220	39,745	69,984	177,683	64
2010	1,711	-	1,500	4,299	39,774	30,112	27,997	105,393	63
2009	948	1,677	1,500	3,461	34,087	24,515	15,678	81,866	59
Total	7,198	1,677	8,223	18,179	209,913	141,555	201,957	588,702	68

*Estimated

Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions as a percentage of Net Profits

Contributions to the Treasury 2009-2013 (1,000JD)



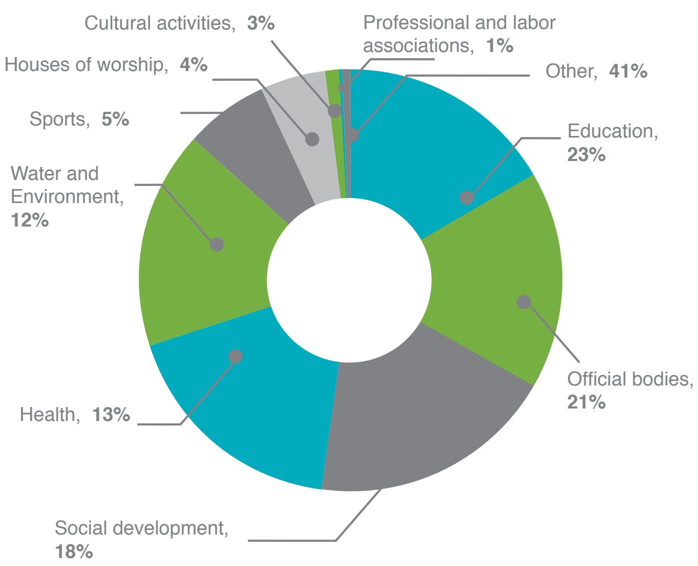
APC Corporate Social Responsibility (CSR)

The Arab Potash Company (APC) was founded in the middle of the last century as a joint Arab development project. It was one of the first Arab efforts at joint economic action, and the first project that attracted Arab investments to contribute to Jordan's development. Accordingly, APC bears a message to be a model for the best employment of investment, and making a positive and effective contribution to all stakeholders, particularly Jordanian society in all parts of this good country. APC focuses in this endeavor on translating the vision of His Majesty King Abdullah II Ibn Al Hussein, may God protect him, that "the priority is a better life for all Jordanians. We accomplish this by supporting of local communities and working to address their needs in ways that improve living standards and providing services, to achieve the desired goals of social balance and sustainable development.

Pursuant to this outlook, APC provided more than JD 10 million to support development projects with a focus on vital sectors that include water, education, health and infrastructure. Projects supported by the Company are selected and implemented on the basis of specific criteria, in cooperation with local communities, government organizations, and NGOs. In 2013, APC supported developments projects in all parts of the Kingdom in water and sanitation, health services, education, building public facilities, labor and professional association activities, welfare organizations, welfare package campaigns, sports federations and clubs, municipal services, restoration of mosques and churches, and fighting poverty .

Donations made by Arab Potash Company 2013 in Jordan Dinars

Sectors	Beneficiry	Sub	Total
	Universities	1,422,883	
	Schools	848,937	
	Jordan children Musiem	60,000	
Education			2,331,820
	Municipalities	748,711	
	Official bodies	1,019,880	
	Social Halls	286,000	
Official bodies			2,054,591
	Chrity Socities	24,000	
	Social Associations	1,108,705	
	Orphanages	159,300	
	Food Packges	536,450	
	Poverty Pockets	20,446	
Social development			1,848,901
	Health Care	828,085	
	Special Needs People	500,085	
Health			1,328,170
Water and Environment			1,241,700
Sports			487,500
	Churches	71,834	
	Mosques	284,839	
Houses of worship			356,673
Cultural activities			312,150
Professional and labor associations			38,495
Others			73,802
Total			**10,073,802**



APC Donations

Board of Directors Report According to the Requirements of the Jordan Securities Commission

Honorable shareholders,

The Board of Directors welcomes you to this Ordinary Annual General Meeting and presents to you the Fifty-Seventh Annual Report and the Consolidated Financial Statements for the year ended December 31, 2013 in accordance with the Companies Law, Jordan Securities Commission Law and APC by-laws.

Arab Potash Company Addresses

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1. Company Activities

A. Company Activities

The Arab Potash Company (APC) was established on July 7th 1956 and in 1958 the Government of the Hashemite Kingdom of Jordan granted APC an exclusive concession for the exploitation of Dead Sea salts and minerals. Upon termination of the concession after 100 years from the date it was granted, ownership of all plants and installations would be transferred to the government of the Hashemite Kingdom of Jordan at no cost to the latter.

The objectives of the Company include the extraction of salts and minerals from the Dead Sea and establishing industries that use these salts and minerals. The activities of APC and its subsidiaries concentrate on the production of potash, potassium nitrate and other derivatives and marketing them internationally.

B. Number of employees by geographic location

Distribution of employees by geographic location 2013

Company	Ghor Al Safi	Aqaba	Amman	Total
APC	1,955	78	143	2,176
Jormag	5	-	3	8
Kemapco	-	220	8	228
Numeira	44	-	11	55
JODICO	-	-	-	-
Total	**2,004**	**298**	**165**	**2,467**
Percenatge	81	12	7	100

C. Capital Investment

The value of property, plant and equipment amounted to JD 970 million in 2013, compared with JD 953 million at end of 2012, an increase of 2% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 334 million compared with JD 379 million at the end of 2012, a decrease of 12% from the previous year due to annual depreciation.

2. Subsidiary and Affiliate Companies

A. Subsidiaries

i. Arab Fertilizers and Chemicals Industries (KEMAPCO)

Limited Liability Company
P.O. Box 2564, Aqaba 77110
The Company was established in 1998 with a share capital of JD 29 million for the purpose of producing NOP and DCP. APC owns 100 percent of the share capital of the Company. KEMAPCO's employees number 228. In 2013, the Company's sales amounted to JD 62.8 million, principally from the sale of NOP 101 tons and DCP 1,300 tons. Production in 2013 amounted to 106,600 tons NOP, and zero tons of DCP. KEMAPCO's main markets are in Europe, Asia.

ii. Jordan Magnesia Company (JORMAG)

Public Shareholding Company
P.O. Box 941701, Amman 11194
The Company was established in 1997 with a share capital of JD 30 million for the purpose of producing Magnesium Oxide (DBM) used in the fire bricks industry, Magnesium Hydroxide and Magnesium Oxide (CCM). APC owns 55% of the Company's share capital. The Company's provision for losses as at 31 December 2013 was JD 62.4 million. Number of employees 8. The company has not been in operation since 2005.
The Group expects to increase its percentage of ownership in JORMAG's capital to 93% during 2014 by increasing JORMAG's paid in capital to JD 60 million, increase represents capitalization of the balances due to APC.

iii. Numeira Mixed Salts and Mud Company

Limited Liability Company
P.O. Box 941681, Amman 11118
The Company was established in 1997 for the purpose of extracting, buying, and packaging mud from the Dead Sea for the cosmetic industry. APC owns 100% of the share capital which amounts to JD 800,000. The number of Numeira's employees is 55.

iv. Jordan Dead Sea Industries Company (JODICO)
Limited Liability Company

P.O. Box 1470, Amman 11118

The Company was established in 1994 as a private limited liability company with a share capital of JD 100,000, owned in total by APC. There is no organizational structure and no employees except a general manager position held by APC's General Manager. The Company's main purpose is to be a vehicle for potential investments.

B. Affiliates

i. Jordan Bromine Company

The Company was established in 1999 for the purpose of producing bromine and associated derivatives, which are marketed through Albemarle Corporation, USA, based on a marketing agreement with the latter. Its capital amounts to JD 30 million and a JD 24.7 million premium issue distributed equally between the two shareholders.

The company completed extensive expansion of its plant in the second quarter of 2013 at an investment of JD 120 million. Work was completed on the first phase in the second quarter of 2013, which raised the production capacity to more than 200,000 tons annually, raising annual exports to more than US $ 200 million.

The Company produces bromine and its derivatives such as tetra brome, sodium bromide, calcium bromide, hydrogen bromide, and potassium hydroxide.

ii. Nippon-Jordan Fertilizers Company

The Company was established in 1999 to produce NPK and phosphate ammonium fertilizer and to market the products in Japan. The Company's capital of JD 16.7 million is held by APC (20%), Jordan Phosphate Mines Company (70%), and Mitsubishi Corporation (10%).

iii. Jordan Industrial Ports Company (JIPC)

With the aim of ensuring continuity of potash exports, and in light of the Government's intention to upgrade the operations of Aqaba ports, particularly in the Aqaba Industrial Terminal on the southern beach, APC and the Jordan Phosphate Mines Company signed a memorandum of understanding with the Aqaba Development Corporation (ADC) and the Aqaba Special Economic Zone Authority (ASEZA) on 31 August 2008 to refurbish, develop, upgrade, and expand the existing jetty under the umbrella of JIPC, which was established on May 17th, 2009 with an authorized and paid in capital of JD 1 million, shared equally between APC and the Jordan Phosphate Mines Company. Implementation work started immediately after signing the operating and management agreement with ADC on 8 July 2013, and it is scheduled to be completed in June 2016.

iv. Jordan Safi Salt Company (under liquidation)

The Liquidation Committee appointed by the Company's General Assembly has not finalized liquidation procedures as at December 31, 2013.

3. Board of Directors and Executive Management

A. Board of Directors

Name	Title	Committees
Government of the Hashemite Kingdom of Jordan, Ministry of Finance		
HE. Jamal Ahmad Mofleh Al-Sarayrah	Chairman of the Board	1,2,3,4,6
"Ahmad Jamal" Nawwaf Al Bataineh	Member	4,5,6
Rami Saleh Abdulkareem Wraikat	Member	1,2,6
PCS Jordan LLC		
George David Delaney	Member	2
Michael Terence Hogan	Member	1,3
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	Member	1,2,3,4,6
Arab Mining Company		
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Vice Chairman	
Adnan Ahmed Rashed Al-Rashdan	Member from 20/10/2007 until 23/6/2013	
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Member as of 23/6/2013	
Jordan Social Security Corporation		
Imad Jamal Ahmed Al-Qudah	Member until 18/4/2013	2,5
Nidal Fa'eq Mohammad Al Qubbaj	Member as of 18/4/2013 until 15/8/2013	5
Dr. Maen Fahad Abdul-Karim Nsour	Member as of 15/8/2013	2,5
Islamic Development Bank,Jeddah		
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah	Member	5
Government of Iraq		
Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi	Member	
Libyan Arab Foreign Investment Company		
Adbul Al-Hakeem Ali Al-Ajnaff	Member	3
Kuwait Investment Authority- Kuwait		
Fahid Majid Al Sultan Al Salim	Member	1

Board Committees

1. Investment Committee
2. Finance, Administrative and Incentives Committee
3. Tenders Committee
4. Dikes Committee
5. Audit Committee
6. Corporate Social Responsibility & Donations Committee

Curriculum Vitae of Board Members

Representatives of the Government of the Hashemite Kingdom of Jordan (Ministry of Finance)

H.E. Jamal Ahmad Al-Sarayrah

Chirman of the Board since 13/6/2012 and Chirman of Arab Fertilizers Association AFA since 31/10/2013. Holds a Post-Graduate Diploma in international law and relations from the University College of Wales, UK and a BA in English literature from the University of Kuwait, Kuwait. Mr. Al Sarayrah has 30 years of experience in strategic and business development, having served as chairman and manager of many companies in the public and private sectors including Telecommunication, Post, Transport, Regulation, Oil and Gas. Mr. Al Sarayrah held several leading positions including: Senior Advisor in Strategic and Business Development for Telecom, Oil and Gas at Reliance Globalcom, Dubai, UAE; Minister of Post and Telecommunications and Transport; Chairman of Telecommunications Corporation; Member of Parliament (elected) and Manager of Aramco (Jordan, Lebanon, Syria and Turkey).
Date of birth: 10/8/1954.

"Ahmad Jamal" Nawwaf Al Bataineh

APC board member since 12/08/2012. He occupied the position of Director of Military Intelligence at the Jordanian Armed Forces with the military ranking of Major General until the year 2000, Military Attaché of Jordan to the United Kingdom until the year 1999, General Manager of the National Resources Development Company until the year 2007. He also occupied the position of the Basket-ball Union President during the period from 2000 till 2003. He received the esteemed Jordanian medal of (Al Istiqlal and Al Nahdah) in addition to medals of leadership and managerial efficiency and other medals.
Date of birth 05/11/1948.

Rami Saleh Abdulkareem Wraikat

Served as APC board member since 26/01/2012. He holds a Bachelor degree in Business Administration, received Higher Diploma in 1999 and he enrolled in a Master program in private law at the Middle East University. Currently he is General Secretary of the Ministry of Parliamentary Affairs and a member of a number of youth organizations.
Date of birth 01/01/1969.

Representatives of PCS Jordan LLC

George David Delaney

APC Board Member since 29/6/2010. A graduate of Southern Illinois University, Mr. Delaney completed the Executive Management Program at the University of Pittsburgh. He became Executive Vice President and Chief Operating Officer of PCS in June 2010 after 10 years as President of PCS Sales. He has overall responsibility for all PotashCorp operations, with special emphasis on continuing the company's efforts to improve safety performance. Mr. Delaney joined PCS as Vice President, Industrial Sales in 1997, following its acquisition of Arcadian Corporation, where he had been Vice President, Agricultural Sales for its eastern territory. He began his career in Allied Chemicals fertilizer division, which later became Arcadian, where he worked in various supervisory roles.
Date of birth 10/1/1961

Michael Terence Hogan,

APC Board Member since 8/8/2012, Mr. Hogan graduated in Mining Engineering from Queen's University, Kingston, Ontario in 1982,holds the position of President, PCS Potash a division of Potash Corporation of Saskatchewan Inc. He joined PCS Potash in 1989 and has held senior operating positions including Vice President, Potash Operations, General Manager at the Lanigan and New Brunswick Divisions. He also served as APC General Manager from 2007 to 2010. Prior to his appointment as President, PCS Potash in 2013, Mr. Hogan was Senior Vice President, PCS Potash. and he is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan, Director of Saskatchewan Mining Association , Director of Saskatchewan Potash Producers Association and Director of International Minerals Innovation Institute
Date of birth 8/8/1958

Dr. Duried Mohammad Abd Al Hameed Al Mahasneh

APC Board Member since 1/2/2012, occupies the position of CEO of Tawfiq Ghargour and Fils Co. Before that, Dr. Mahasneh worked as a Project Manager at IAG Mercedes Iraq, Project Advisor and part time consultant at Ch2M Hill and MWH, Consultant at Forward USAID Funded Project, Secretary General at Jordan Valley Authority, Director General at Aqaba Ports Corporation, Secretary General and Assistant President at Aqaba Region Authority, Director of Aqaba Marine Science Station, Assistant Professor at Aqaba Marine Science Station and University of Yarmouk. Dr. Mahasneh holds a PhD in marine science from the University of Babes- Cluj (1980) and a Post Doctorate from Duke University's Duke Marine Laboratory (1983). He also has several publications and prints on marine ecology environment and coastal zone management. Dr. Mahasneh received a number of Jordanian and international awards.
Date of birth: 10/3/1952

Representatives of the Arab Mining Company

Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek

is APC board member and Vice Chairman of the Board since 1/11/2007. He holds a Bachelor degree in accounting from King Sa'oud University and a diploma in management and finance from the Institute of Economy in Colorado, USA. He is currently Chairman of the Arab Company for Agricultural Production and Industry.

Date of birth 23/02/1955.

Adnan Ahmed Rashed Al-Rashdan

was a board member from 21/10/2007 until 23/6/2013. He received a Bachelor degree in industrial engineering and computer science from Miami University, USA in 1986. He is Manager of Information Infrastructure of the Public Investment Commission of Kuwait.

Date of birth 15/10/1963.

Abdul Ghani Fakri Abdul Wahhab Al-Jaafar

member of the Board as of 23/6/2013, received a degree in mechanical engineering from the University of Technology, Baghdad on 1/1/1979. He held a number of important and sensitive positions that included Director of the Engineering Bureau at the Ministry of Military Industries, Expert at the Ministry of Industry and Minerals, and Director-General of the Textile Industries Sector at the Ministry of Industry and Minerals. He was also member of a number of important boards of directors, including those of Textile Companies, the Arab Textile Industries Forum, the Iraqi-Syrian Relations Committee, and the Iraqi-Egyptian Relations Committee as a representative of the Ministry of Industry and Minerals. Mr. Al Jaafar took part in a number of specialized scientific workshops that gave him extensive experience in various specialized technical fields as well as comprehensive strategic planning. He participated in many scientific studies, research projects, and international conferences, and acquainted himself with work in numerous large plants in major industrial countries. He is currently Director-General of the Investment Department.

Date of Birth 1/7/1954

Representatives of Jordan Social Security Corporation

Imad Jamal Ahmad Al-Qudah

was APC board member from 1/8/2012 until 18/4/2013. He works as Manager of the Equities Investment Department of the Social Securities Investment Fund. He holds an M.Sc in Business Administration from Texas University, USA. He is also a board member of the Jordan Kuwait Bank and Saraya Aqaba.

Date of Birth 3/5/1961

Nidal Fa'eq Mohammad Al Qubbaj

member of the Board from 18/4/2013 until 15/8/2013, has an MBA and a BA in accounting from the University of Jordan. He also holds many certificates in investment and consulting, Certified Financial Controller (CFC), Critical Path Method (CPM). Since June 2004, he has worked for the Social Security Investment Fund, and since November 2012 he has been Acting Manager of the Risk Management and Strategic Planning Department.

Date of birth 2/7/1980

Dr. Maen Fahad Abdul-Karim Nsour

member of the Board of Directors as of 15/8/2013. he received a Ph.D. in political economy from George Mason University in Virginia, USA in 1998, and currently works as President for Global Academy for Training and Consultancy, Chairman of the Executive Board of Sweimeh Development for Investment Company, and member of the Board of the Kingdom Investment Group. He worked previously as Director-General of the Social Security Corporation, Acting Director of the Social Security Investment Fund, member of the Ministerial Economic Development Committee, member of the Economic Social Council, Special Advisor and Chief-of-Staff to the Prime Minister, Chief Executive Officer of the Jordan Investment Board, and Senior Advisor of Programming at the UNDP in New York. Before joining UNDP, he was Director of Studies and Policies and Director of the Aid Coordinating Unit at the Jordan Ministry of Planning. He also taught political economy, international trade, and investment, and public policy at George Mason University and international economics at the University of Jordan. He now teaches international business and globalization for the MBA Program in business administration at the German Jordanian University, and public policy at the University of Jordan.

Date of birth 1/11/1961

Representative of the Islamic Development Bank, Jeddah

Dr. Jamal (Mohammad Hijazi) Sa'ed Salah

is APC board member since 12/04/2012, representing the Islamic Bank for Development, Jeddah. He holds a PHD in economics, monetary policy and banks from the UK. He was Manager of the Jordanian Company for Loans Guarantees until 2011, Executive Director of the Research Department at the Central Bank of Jordan, General Secretary of the Ministry of Planning and Consultant for the Islamic Bank for Development, Jeddah. Currently he is a board member of the Jordanian Petroleum Refinery Company representing the Islamic Bank for Development, Jeddah.

Date of birth 26/07/1947.

Representative of The Government of Iraq

Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi

is Board Member since 25/12/ 2003. He holds a BSc degree in electrical engineering from the University of Baghdad 1977. He is Director General for the Iraqi Phosphate Public Company and Chairman of the Board of Directors and General Manager of Diala Company for Electrical Industries.

Date of Birth 15/11/1954

Representative of Libyan Arab Foreign Investment Company

Eng. Adbul Al-Hakeem Ali Al-Ajnaff

is a Board Member since 9/10/2011. He holds a Bachelor degree in mechanical engineering 1993 and currently works in the management of the Libyan Company for Investments.

Date of birth 18/12/1971

Representatives of the Kuwait Investment Authority – Kuwait.

Mr. Fahid Majid Al Sultan Al Salim

is a Board Member since 12/04/2012. He holds a Bachelor degree in business administration from Ohio University, USA and currently works as Director of Strategy and Planning at the Public Investment Commission of Kuwait.

Date of birth 05/11/1955.

B. Members of the Executive Management

Name	Title	Committees
William Keith Thornton	General Manager until 15/2/2013	1,3,4,6
William Lawrence Flahr	Deputy General Manager - Finance until 1/11/2013 Acting General Manager from 15/2/2013 until 1/11/2013	1,3,4,6
Brent Edward Heimann	General Manager as of 1/11/2013	1,3,4,6
Dr. Roderick Joseph McEachern	Deputy General Manager - Technical Affairs	3,4
Julie Ann Fortunato	Deputy General Manager - Finance as of 1/11/2013	
Jafar Mohammad Hafez Salem	Deputy General Manager, Marketing	
Adnan Sulaiman Faris Al Ma'aitah	Deputy General Manager, Human Recourses	
Ernst & Young	Auditors	

Curriculum Vitae of the Executive Management

William Keith Thornton

was APC General Manager from 14/1/2010 and until 15/2/2013. He holds a B.Sc. degree in Mechanical Engineering from West Virginia University, USA, and has more than 36 years of experience that included work as General Manager for White Springs Phosphate Plant.

Date of Birth 20/1/1953

William Lawrence Flahr

was Deputy General Manager for Finance from 15/2/2012 and Acting General Manager since 15/2/2013 till 1/11/2013 when he left both positions. A Chartered Accountant and Certified Public Accountant (Illinois), he worked for an international public accounting firm for sixteen years, then Potash Corp for seventeen years. His worked as PCS Senior Director, Finance Projects before becoming APC Deputy General Manager for Finance from July 2006 until June 2009.

Date of birth 9/11/1956

Brent Edward Heimann

was appointed General Manager of APC on 1/11/2013, seconded from PotashCorp where he serves as President of PCS Phosphate and PCS Nitrogen. Mr. Heimann previously held the post of APC General Manager from October 2003 through February 2007. He has a B.SC. degree in Chemical Engineering from the University of Cincinnati and has over 23 years of experience in the fertilizer industry.

Date of birth 4/12/1960

Dr. Roderick Joseph McEachern

has worked as Deputy General Manager for Technical Affairs since 1/7/2011. He received a PhD in 1993 in chemistry and his career has mostly been in the mining industry. He has twenty years of experience in PCS.

Date of Birth 9/11/1950

Julie Ann Fortunato

Is Deputy General Manager for Finance since 1/11/2013 and holds the Certified Public Accountant (Maryland) and Certified Management Accountant designations. Ms. Fortunato has worked for PotashCorp since 2004 in both the Nitrogen and Phosphate divisions and served as APC Deputy General Manager from August 2009 until January 2012. She has over 32 years of experience in accounting, procurement and warehouse operations.

Date of Birth 16/4/1959.

Jafar Mohammad Hafez Salem

has worked as Deputy General Manager for Marketing since 1/10/2003. He holds a BSc in Chemical Engineering from Aston University in Birmingham, UK (1981), and has worked for APC since 1984 in the Marketing Department. He represents the Company in several organizations including the International Fertilizers Association and he chairs the Potash Committee at the International Fertilizers Association and Board. He is also a member of the International Plant Nutrition Institute.

Date of Birth 4/5/1958

Adnan Sulaiman Faris Al Ma'aitah

was appointed Deputy General Manager for Human Resources in 1/11/2012. He holds an MBA in human resources management from New York Institute of Technology, and a BSc. in industrial engineering (engineering management) from the University of Jordan. He has more than 17 years of experience in human resources management in a wide range of business environments and multinational organizations, and has held worked HR Manager in several international Companies in Jordan and Saudi Arabia.

Date of Birth 16/12/1971

4. Names of Major Shareholders

	As at 31 December 2013		As at 31 December 2012	
Shareholder's Name	No. of Shares	Percentage	No. of Shares	Percentage
PCS Jordan LLC	23,294,614	28	23,294,614	28
Jordan Ministry of Finance	22,400,559	27	22,398,101	27
Arab Mining Co.	16,655,481	20	16,601,699	20
Social Security Corporation	4,342,968	5	4,342,968	5
Islamic Development Bank - Jeddah	4,300,000	5	4,300,000	5
Iraqi Government	3,920,707	5	3,920,707	5
Libyan Company for Foreign Investment	3,386,250	4	3,386,250	4
Kuwait Investment Authority	3,286,095	4	3,286,095	4
Other	1,730,826	2	1,787,066	2
Total	**83,317,500**	**100**	**83,317,500**	**100**

5. Competitive Position within the Sector of Activities

A. International Outlook

The expected economic recovery in 2013 turned out to be a mixture of contrasting outcomes and performances. North America saw some stability, job creation and a return to reasonable growth rates while Europe suffered from one crisis after another.

Economic growth in the new economies (BRICS) slowed down considerably. However the prospects for world growth in 2014 are better and there some optimism going into the New Year.

The relatively weaker economies worldwide resulted in stable and lower commodity prices. The agriculture situation was favorable during 2013 with no major weather impediments and the result was record production of grains worldwide with the total surpassing 2.5 billion tons. This kept food prices in check and in turn encouraged a growth in consumption to about 2.4 billion tons.

Fertilizer consumption during the year is expected to have grown only marginally by 0.5% according to the International Fertilizer Industry Association (IFA).

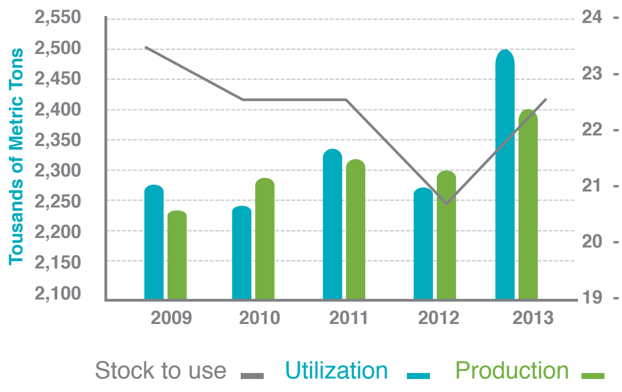
B. Significant Developments

In the Potash markets, the first half of the year was a stable and relatively strong period. Consumption and production were heading for record year and prices were stable and on a firming trend.
The marketing alliance between the Belarus and Russian Potash producers which had operated for the past five years was suddenly dissolved at the end of July. More significantly, Uralkali announced a change in marketing strategy. This caused a significant loss of direction and uncertainty in the markets. There was stagnation in deliveries and new orders for a period and potash prices on spot markets dropped by 30%.

These developments affected the market but did not change the fundamentals of supply and demand. The long term view is that potash is a necessary ingredient for providing balanced fertilization for soils and that long term growth prospects were positive. The markets began to recover at the end of the year as the Russian Potash Products underwent a major ownership change and discussions for the year of 2014 started.

The impact on APC was marked as Indian buyers decided to freeze shipments on existing contracts and as contracts were revised to reflect the new realities. The reluctance of buyers to commit also had noticeable effect on APC volumes in the second half of the year.

Cereal Production, Utilization and Stock Ratios

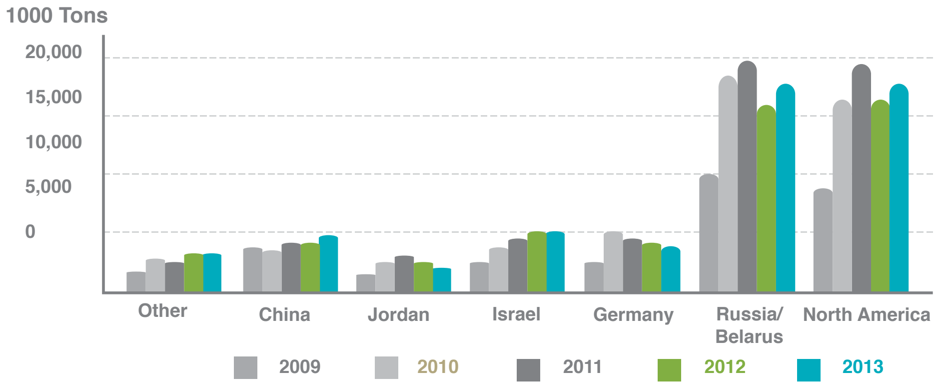


C. Potash Production
World Potash Capacity and Production product by producing group and country 2009-2013

Region	(1000 Tons)	Capacity	2013	2012	2011	2010	2009
North America	PotashCorp	16,000	7,700	7,700	9,300	8,000	3,400
	Mosaic	10,000	7,400	6,700	7,200	6,500	3,300
	Agrium	2,000	1,500	1,200	1,500	1,400	900
	Intrepid	1,000	900	900	1,100	1,000	1,600
Sub Total		**29,000**	**17,500**	**16,500**	**19,100**	**16,900**	**9,200**
Russia	Uralkali	12,000	10,000	9,000	10,800	10,000	2,600
Belarus	Belaruskali	9,000	7,200	8,000	8,800	8,600	4,200
Sub Total		**21,000**	**17,200**	**17,000**	**19,600**	**18,600**	**6,800**
Israel/Europe	ICL Group	5,500	5,000	5,000	4,200	4,200	4,200
Germany	K+S	5,000	4,400	4,500	4,600	4,500	2,500
Jordan	APC	2,500	1,700	1,800	2,300	1,900	1,100
China	Qinghai Salt Lake Potash Company Limited	4,500	4,700	4,300	4,300	3,800	3,500
Chile	SQM	2,200	2,000	2,000	1,500	1,400	3,600
Others		1,000	600	600	500	500	700
Grand Total		**70,700**	**53,100**	**51,700**	**56,100**	**51,800**	**31,600**

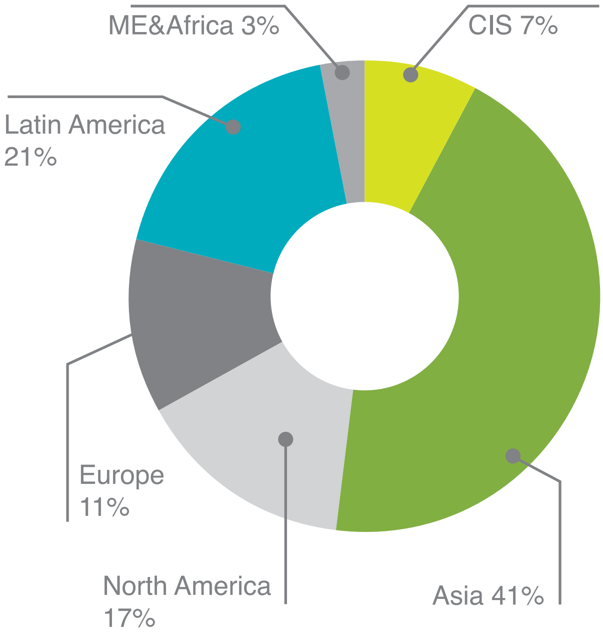
Global production is estimated to have increased by more than 2.5% during 2013. The increase came from a general optimism at the beginning of the year and was across the board. In the second half of the year, only Uralkali ramped up production after the breakup of marketing arrangements with Belaruskali.
There were also big increases in available capacity during 2013 as Potash Corp brought additional expansions into a state of readiness although most of these remained idle. Uralkali also announced an increase in its available capacity.

Potash Production



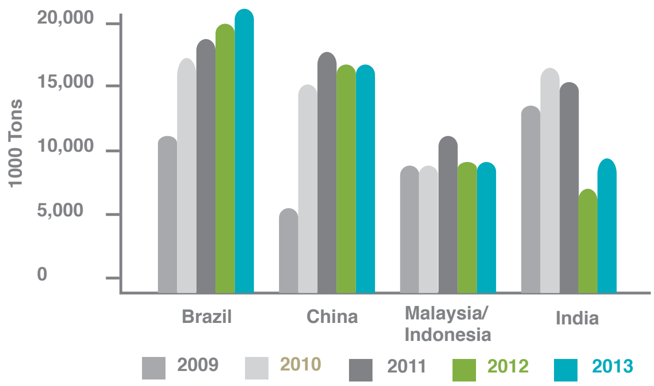
D. Potash deliveries and demand
The first half of the year witnessed strong deliveries which were close to the 30 million tons mark and almost equal to the record of 2011. The second half of the year witnessed a slowdown due to the Russian/ Belarus dispute and total deliveries are estimated to have reached over 54 million tons which is significantly lower than forecasts made the end of last year.
Deliveries to Brazil reached a record during the year signaling a strong growth in demand and positive factors grouping together to stimulate demand. These include favorable crop prices which remain profitable for farmers despite a fall from the highs of 2009.
The distribution patterns of consumption did not change much during the year; however the participation of Latin America in the global picture has grown as it became the second largest user of Potash after Asia.

Potash Deliveries 2013

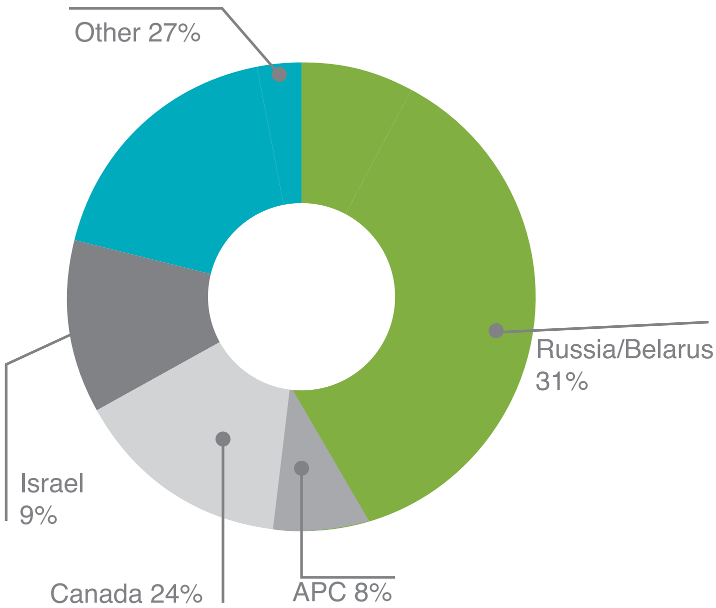


The increase in Asian deliveries and consumption is thought to have stemmed from better Indian intake as well as China local deliveries going up in line with an increase in Chinese production. There were also higher levels of imports into Thailand and Bangladesh during the year. North American intake was also slightly higher in 2013, but Europe and Russia/Belarus intake was stable.

Major Importers of Potash



Major Importers of Potash



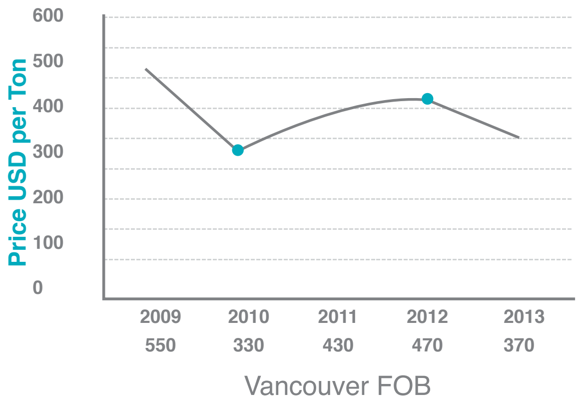
E. Prices

The Indian contracts were agreed at the beginning of the year at a level of USD 427 CFR as sentiment became more positive following the China contracts at the very last days of 2012. Spot prices remained in the USD 450 level in most markets until July.

As a result of the new policies adopted by the Russian producer, spot prices reacted and fluctuated all through the summer and fall. The contract price in India was consequently revised downwards by about 14% and no new contracts were agreed until the Japanese agreed to a first half 2014 contract price at USD 380 CFR equivalent or a drop of about 90 dollars.

The market began to stabilize towards the end of 2013 as Brazil demand continued to show strength and as a new ownership in Uralkali started to review its policies. Brazil prices began to trend back up and reached about USD 340 CFR by the end of the year with the China negotiations expected to yield a new contract price underpinning prices for 2014.

Potash Price Development (FOB Vancouver Spot)



F. Developments in APC's main markets

India

Despite complications stemming from availability of subsidy funds and exchange rate fluctuations, the Indian market performed well and demand improved towards the end of the year as the monsoon was favorable. Complex fertilizer production continued at reasonable levels. There is optimism that 2014 will witness growth in Indian Potash consumption as prices are realigned and the value of Potash application becomes more pronounced.

China

There was no major change in consumption patterns in China in 2013. Local production of potash increased and rail deliveries from Russia continued throughout the year. The seaborne contract in the beginning of the year was the only contract in 2013 and imports by sea tapered off towards the end of July only to pick up again in November and December as Russian and other suppliers resumed shipments with unclear conditions. It is estimated that consumption overall grew during the year despite the stagnation of import growth.

Malaysia and Indonesia

The prices of Palm Oil which are the main driver of Potash consumption remained within a narrow band during the year. Imports in the first half were very strong, but like other markets, the second half witnessed a slowdown. Complex fertilizer capacities increased in both countries and the Government controlled sector saw some growth. APC expanded its market share significantly in the first half but events after July caused some reversal.

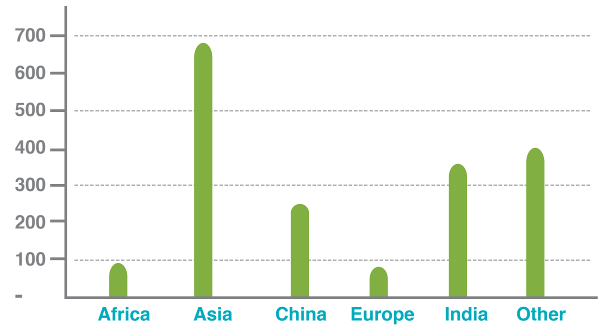
The Local and Regional Market

The Local and regional markets performed well during the year. There was growth across the board. Jordanian Potassium Nitrate and Sulfate production grew markedly, as well as Potassium Hydroxide production by the Jordan Bromine Company.
As for regional markets; APC maintained and grew sales into Egypt and the Oil drilling sector.
The growth was pronounced as Iraq boosted drilling operations. New SOP production facilities and expansions in Egypt promise further growth going forward.
Growth in the sales in this region including Jordan was 61% during the year. This portion of sales currently represents about 18.3% of total sales and would fall in second place on the volume table after India during 2013.

APC Sales and Marketing

Sales in 2013 grew by 8.2% over the year before. Local and Regional sales grew significantly as well as shipments to India and Malaysia. APC focused on Africa during the year and was able to grow its position by almost 24%. Sales volumes to China were perhaps the biggest disappointment as second half contracts did not materialize coupled with unrelenting rail shipments into China from Russia.
The concentration of the 10 largest markets for APC increased further during the year as these markets cover 95.5% of all sales.

2013 APC Sales Distribution in tons



India regained its place as the largest market for APC with Indonesia in second place, as APC developed a new channel into the market. APC and Sinochem of China signed a new Memorandum of Understanding (MOU) covering the supply of Potash into China until 2016 reaffirming the long term commitment of both parties. The MOU refers to shipments of 600,000MT annually.
APC also strengthened its presence in India by opening and operating a representative office in New Delhi to facilitate and enhance its presence and long held ties to this market. This adds to its Kula Lumpur office serving its customers in Indonesia and Malaysia.

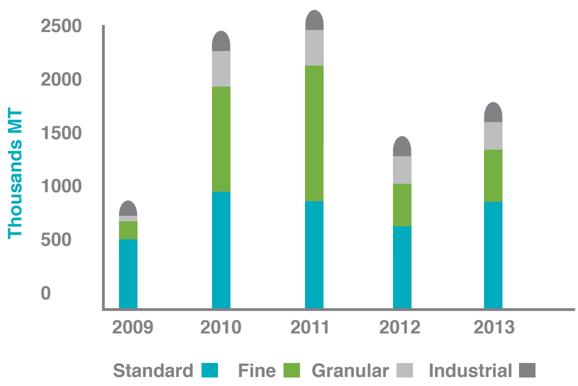
APC Sales Distribution in the top ten Markets 2009 - 2013 1000 Tons

Country	2013	2012	2011	2010	2009
India	352	249	557	842	637
Indonesia	312	298	214	141	62
Malaysia	253	140	269	203	51
China	249	405	462	304	43
Jordan	192	157	206	167	69
Africa	85	70	54	50	-
Egypt	78	54	47	56	28
Europe	77	78	92	74	5
Gulf	60	36	49	34	18
Japan	42	29	48	43	-
Top Ten Total	**1,697**	**1,516**	1,998	1,924	913
Year Sales Total	1,772	1,636	2,233	2,082	975
Top Ten Countries Percentages of sales	96	93	89	92	94

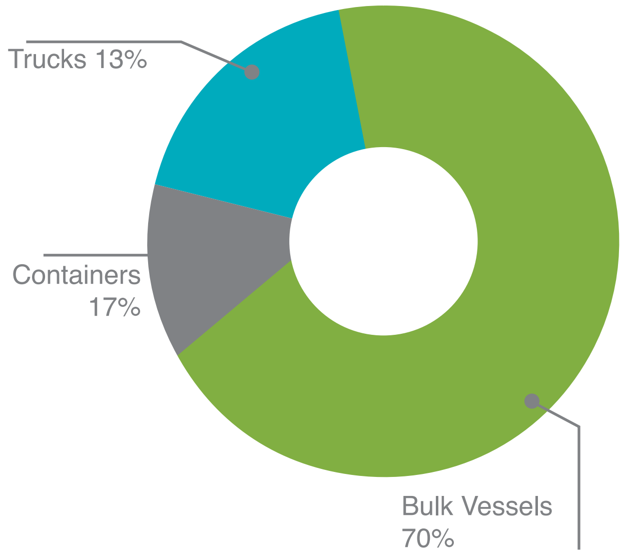
APC sales by the top ten customers 2012-2013 1000 Tons

Customer Name	Country Name	2013	2012	2011	2010	2009
Sinochem	China	248	405	462	314	43
Indian Potash Limited	India	197	145	352	519	345
CCM	Indonesia, Malaysia	119	77	101	50	16
Zuari	India	117	68	156	291	280
Hap Seng	Indonesia	103	-	-	-	-
KEMAPCO	Jordan	94	91	108	90	19
Petrokimia Gresik, PT	Indonesia	88	116	89	78	60
Behn Meyer	Malaysia	72	16	79	63	22
Union Harvest	Malaysia	58	32	45	37	-
Jordan Bromine	Jordan	50	39	49	45	27
Total		**1,146**	**989**	**1,441**	**1,487**	**812**

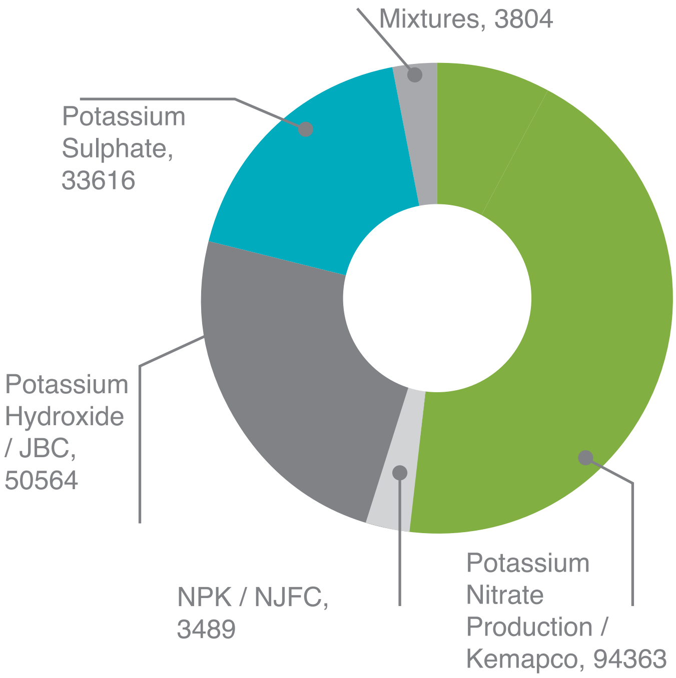
2009-2013 APC Sales by Grade



2013 Shipmets by Type



2013 Local Sales Distribution



G. Shipping and Logistics

Freight rates per ton paid by APC during 2013 dropped by about 10% from 2012. This was achieved despite the Baltic Dry index sharp increase during the year. The average freight paid per ton for CFR shipments including containerized cargoes was slightly less than 30 dollars.
APC shipped its bulk volumes on 88 vessels of which 49 were chartered by APC; this is an increase by 13% over 2012.
The bulk container operations featured prominently as the volume grew by 23 % to reach 245 000 MT. There were also about 55000 MT bagged product shipped in containers bringing the total containerized shipments to around 13000 containers. Freight rates for container cargoes remained competitive with Bulk vessels and the rates remained steady in 2013.

H. Customer Feedback

APC conducted its annual survey of all customers. The survey was a detailed and extensive effort involving feedback regarding 12 criteria including Quality, communications, service, technical advice, delivery, and availability of product. The overall result showed zero poor ratings and a 92% rating of "very good" or better.

I. International Activities and Promotion

APC continued to play an active role within the International Fertilizer Association (IFA), The Arab Fertilizer Association and its committees as well as the International Plant Nutrition Institute. APC supported and monitored several promotional activities to balance the use of fertilizer in the region. The APC Chairman was also elected as The Chairman of the AFA during the year.

6. Company's Dependence on a Local or Foreign Supplier or Customer by more than 10%.

The table suppliers of 10% or more of APC's total purchases:

#	Supplier	%
1	National Electric Power Company	21%
2	Jordan Petroleum Refinery	21%

The table below lists customers who constitute 10% or more of APC's total sales

#	Customer	%
1	Sinochem Fertilizer Limited	14%
2	Indian Potash Limited	11%

7. Government Protection or Concessions to the Company or its Products:

The Arab Potash Company was established on July 7th, 1956 and in 1958 it received an exclusive concession for one hundred years from the Government of the Hashemite Kingdom of Jordan, after which ownership of all plants and installations shall be transferred to the Government of the Hashemite Kingdom of Jordan at no cost to the latter.

The objectives of the Company include the extraction of salts and minerals from the Dead Sea and establishing industries that use these salts and minerals. The activities of APC and its subsidiaries concentrate on the production of potash, potassium nitrate and other derivatives and marketing them internationally.

8. Decisions by the Government or International Organizations that Had a Material Effect on the Operations of the Company or Its Competitiveness

A. Electricity tariffs were raised in July 2013 by 7.5%, which cost the Company JD 2.9 million in the cost of electricity and energy in 2013.

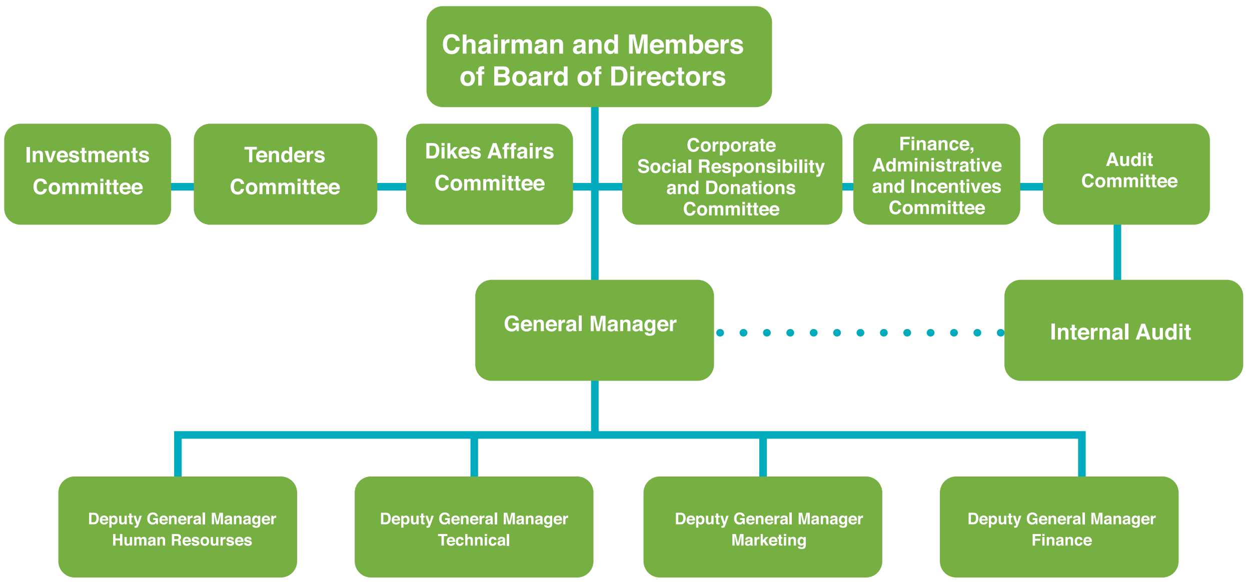
B. In July 2013 the cost per cubic meter of surface water supplied to the company was raised to JD 0.50 per cubic meter from JD 0.25 per cubic meter, which cost the Company JD 0.7 million in the cost of water in 2013.

C. Among other debit balances in the financial statements is the amount of JD 53 million, which represents sales tax receivables which were paid by the Company during the previous years, mostly on the expansion project which was completed in 2010. These amounts are recoverable according to the Sales Tax Law. The Company filed three refund applications to recover the amounts of JD 17 million, 17.3 million and 22.3 million within to the recovery periods stipulated in the Sales Tax Law. The Income and Sales Tax Department audited the first application only and an amount of JD 10.9 million was refunded. The remaining amount of JD 6.2 million is still under audit and the Company is working to recover it. The second and third applications are still waiting to be audited by the Income and Sales Tax Department as at the date of the consolidated financial statements.

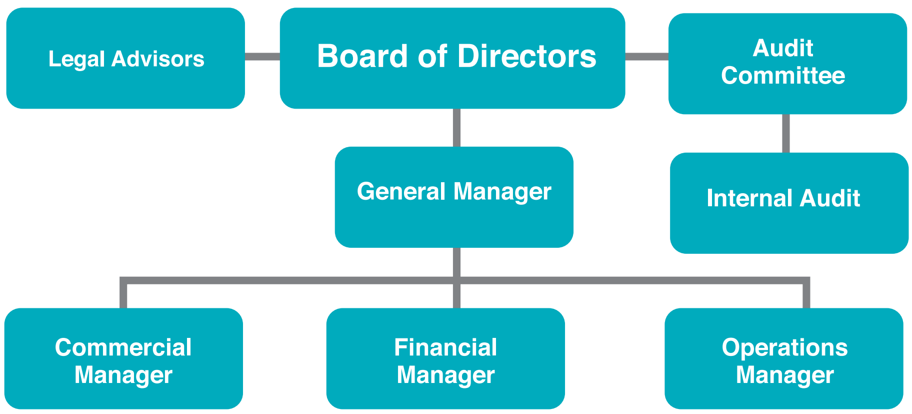
D. At the end of July 2013, the marketing alliance between the Belarus and Russian Potash producers which had operated for the past five years was suddenly dissolved at the end of July. More significantly, Uralkali announced a change in marketing strategy. This caused a significant loss of direction and uncertainty in the markets. There was stagnation in deliveries and new orders for a period and potash prices on spot markets dropped by 30%. These developments affected the market but did not change the fundamentals of supply and demand. In September 2013, due to instability in the world potash markets and its consequences on global demand for potash, APC operated its plants at reduced productivity (about 20% of capacity), and resumed production at 80% of operational capacity in October 2013

9. Organizational Structure

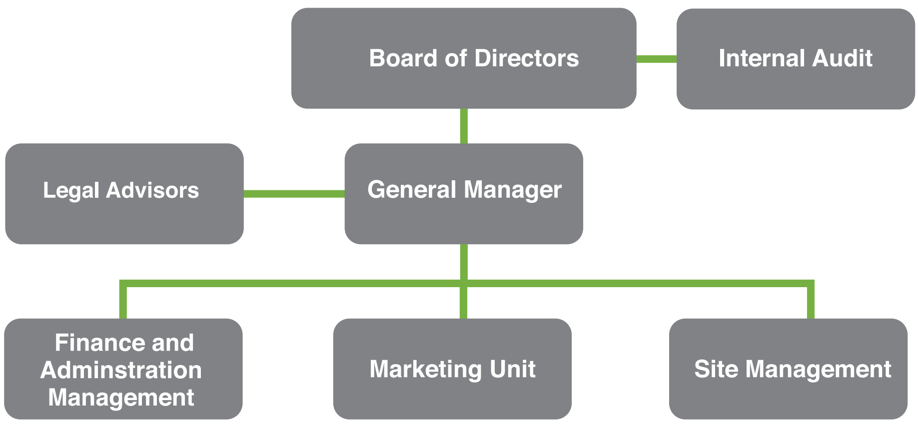
- Organizational Chart for Arab Potash Company



- Organizational Chart for Arab Fertilizers and Chemicals Industries (KEMAPCO).



- Organizational Chart for Numeira Mixed Salts and Mud Company.



B. Number and Qualifications of Company Employees

The Total Number of Employees at the end of 2013 was 2,467.

Distribution of Employees by Academic Qualification 2013

Company Name	PhD	MA/MS	High Diploma	Bachelor	Diploma	High School	Total
Arab Potash Company PLC (APC)	8	40	6	343	374	1,405	2,167
Jordan Magnesia Company (JORMAG)	-	-	-	5	3	-	8
Arab Fertilizers and Chemicals Industries (KEMAPCO)	-	5	1	67	48	107	228
Jordan Dead Sea Industries Company (JODICO)	-	-	-	-	-	-	-
Numeira Mixed Salts and Mud Company	-	-	-	10	3	42	55
Total	8	45	7	425	428	1,554	2,467
Percentage	0.3	1.8	0.3	17.2	17.3	63	100

Turnover Rate for Year 2013 (5.4%)

C. Training Courses for APC Employees 2013

Activity	No. of Activities	Participants	Subjects
Internal Training	53	802	12
Training in Jordan	36	54	16
Training outside Jordan	9	11	5
Local Community Training	-	937	73
Other activities	374	412	-
Total	572	2,216	106

D. Other Benefits and Housing

The company continues to provide housing loans to its employees. The number of the recepient from this benefit was 1,704 employees. Total housing loans granted in 2013 increased by JD 4.5 million in 2013 to a total of JD 51.5 million.

The Company also provides occupational housing to about 1,910 employees and their families.

10. Risk Management

The nature of Arab Potash Company activities exposes the Company to the influence of many factors beyond its control. Accordingly, the Executive Management and the Audit Committee of the Board study and assess these risks on a regular basis. The following are the main risk areas.

A. Factors affecting Potash sales

This includes price volatility in global markets and a slowing of the global economy, resulting in decreased demand for potash and cut in prices. Since potash is mainly used as a fertilizer any changes that may impact this sector, such as a decline in agriculture produce prices or other events, may lead farmers to plant less and consequently reduce their use of fertilizers.

APC mitigates such risks by looking at new markets and adapting to market changes and customer demand.

B. Changes and amendments to the laws and governmental regulations

This includes two parts:

1. Concessions and permits provided by the government for the company to conduct its work, including the mining royalty fees, in addition to changes in corporate tax structure and rates.
2. Importing countries' government policies and specifically subsidy levels for the agricultural sector and farmers, may affect the amount of agricultural crops and as a result, sales of fertilizer products.

C. Rising energy cost and the scarcity of water

The process of extraction and production of potash consumes large quantities of water and energy. Accordingly significant shortages or a price increase of water and energy will impact production cost and/or quantities.

APC continues to explore alternative and cheaper sources of energy including the utilization of renewable energy resources APC has signed a contract with Noble Energy to provide the plants with natural gas,which is cheaper than fuel and enviroment friendly. In addition APC is planning to build Wadi ibn Hammad Dam which will help to satisfy the water needs of the local communities as well as APC.

D. Dependence on seaport for loading and transporting

The Company depends entirely on the Aqaba seaport for loading and transportation of most of it potash production.

Currently APC is working with Jordan Phosphate Mining Company on the expansion with Aqaba Industrial port building a new jetty to ease and improve the shipping process. Also APC's container shipping business is growing, in addition to bulk, which increases distribution flexibility.

E. Labor disputes and the political situation

The region in general is experiencing unrest due to economic, political, and social conditions which may impact commercial and investment activities in the region. This includes potential labor strikes and disputes at the Company's facilities and the public service sector. APC cares about its employee's wellness. Currently APC employee benefit packages are among the highest in the region. In addition, management keeps open channels of communication with labor unions and worker representatives. Every two years APC and the union sign a labor agreement that covers all needs and concerns of the workers and the union to ensure smooth and uninterrupted operations.

F. Vulnerability to environment and natural disasters.

In the area of Ghor Safi where the plants are located, there are occasional flash floods and the area is susceptible to earthquakes. All buildings at the site were built in accordance to the required safety building codes at the time of construction. Also APC has insurance covering this hazard. In recent years and due to the decrease in the water level at the Dead Sea, sinkholes were discovered in the site area which may cause harm to the dykes. The sinkholes are most active around the perimeter dykes no.1 and no.18 and this factor, along with subsidence, place our dykes at risk. APC conducts a visual inspection of these dykes daily, and employs state of the art technology to monitor dyke conditions twice per year.

11. APC's Main Achievements During the Financial Year

Safety

APC considers that safety is a vitally important element in all activities. It is therefore at the forefront of corporations in its commitment to provide a safe working environment. In 2013, APC exceeded 3 million man hours without a lost time injury. In addition, the Company reduced the frequency of repeated accidents to 0.03, which is a record compared with previous years.

12. Financial Impact of Non-Recurring Activities that Occurred during the Financial Year and are Not Part of the Company's Core Activity.

There were no operations of a non-recurring nature during the financial year that do not fall within the Company's core activity

13. Trend of Major Financial Indicators for the period 2009 - 2013

The following table summarizes the major indicators for the past five years. All figures (except for the financial ratios, per share data, production and sales volumes) are in Thousands of Jordan Dinars.

Details	2013	2012	2011	2010	2009
Potash Production (Million tons)	1.7	1.8	2.3	1.9	1.1
Potash Sales (Million tons)	1.8	1.6	2.2	2.1	0.9
Consolidated Sales Revenue	521,209	586,268	720,200	559,000	373,700
Potash Sales Revenue	482,591	541,300	678,800	529,000	352,500
Gross Profit	183,296	300,700	402,000	262,100	214,200
Profit from Operations	125,192	212,400	304,000	185,800	150,200
Financing Charges	1,253	1,783	4,900	3,800	3,100
Other Revenues	17,556	17,722	44,800	15,600	19,000
Net Profit After Tax	130,661	198,822	299,700	162,700	131,800
Net Fixed Assets	333,947	379,001	426,600	409,700	193,200
Long Term Loans & Other Long Term Obligations	21,473	21,230	41,800	44,400	55,600
Shareholders' Equity	886,488	963,915	1,015,200	819,900	715,500
Debt to Equity Ratio	0.1%	0.7%	2.0%	3.9%	6.1%
Return On Assets	12.9%	18.4%	24.5%	16.1%	15.0%
Return On Shareholders' Equity	14.1%	20.1%	32.7%	19.8%	19.4%
Times Interest Earned	8.9	13.6	21.2	12.6	3.7
Current Ratio	5.0	5.7	3.8	2.9	2.7
Closing Share Price/JD	28.05	46.51	44.10	43.50	36.21
Dividends Amount	-*	208,293	249,953	104,146	58,322
Dividends Percentage	-*	250%	300%	125%	70%
Earnings Per Share / JD	1.6	2.4	3.6	2.0	1.6
Market Price / Earnings Ratio	17.9	19.5	12.3	22.3	22.9
Royalty Fees JD per ton Produced	14.9	27.7	26.9	19.1	35.0

* Dividends will be determined in the general assembly meeting on April 29th 2014.

14. Financial Performance Analysis

A. Property, Plant and Equipment

The value of property, plant and equipment amounted to JD 970 million in 2013, compared with JD 953 million at end of 2012, an increase of 2% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 334 million compared with JD 379 million at the end of 2012, a decrease of 12% from the previous year due to annual depreciation.

B. Inventory

Potash Inventory in 2013 amounted to JD 51 million, or 260,800 tons, compared with JD 60 million, and 298,200 tons at the end of 2012. Spare parts and supplies inventory amounted to JD 56 million at the end of 2013, compared to JD 48 million at the end of 2012. This inventory is closely monitored for the purpose of maintaining optimal stock levels.

C. Investments

The Company's investments in affiliates and other companies increased from JD 79 million 2012 to JD 87 million in 2013, an increase of 10% due to accounting of Company's share of income from affiliated companies (equity accounting) as per International Financial Reporting Standards (IFRS).

D. Loans

The balance of consolidated long term loans decreased in 2013 to JD zero from JD 1 million as at the end of 2012.

E. Revenues from Sales

Total consolidated sales revenue for 2013 amounted to about JD 521 million compared to JD 586 million in 2012, a decrease of 11%. Sales revenues of Potash and carnalite in 2013 amounted to JD 458 million, which accounts for 93% of total sales revenues. The remaining JD 63 million is primarily attributed to Kemapco.

F. Gross Cost

Gross cost (JD million)						
Details	2013	2012	2011	2010	2009	Percentage increase (decrease)
Consolidated Gross Cost	416.5	417.7	465.2	413.1	381.2	(30)
Consolidated Cost of Goods Sold	338.9	285.5	318.3	298.8	217.8	(16)
Selling and Distribution Expenses	17.0	16.3	21.5	15.5	12.4	(4)
Royalty Fees	25.9	49.9	60.2	39.8	67.8	(93)
General and Administrative Expenses	16.0	22.1	16.6	21.0	10.3	38

G. Profits

The Company realized a consolidated net income of JD 147.9 million before income tax. After deduction of income tax the Net Income amounted to JD 130.7 million, compared with JD 198.8 million for the year 2012.

Details	JD Million
Board of Directors' Remunerations	0.1
Provision for Income Tax	17.2
Retained Earnings	130.7
Total	148.0

H. Shareholders' Equity

Shareholders' Equity at the end of 2013 amounted JD 886.5 million, a decrease of 8% from 2012. The book value of the Company's shares amounted to JD 14.7 as at the end of 2013.

15. Future Plans

The future plan of APC is to reach an optimal level of potash production that achieves a balance with global demand. We at APC believe that the Company is guided by firm principles and that APC is well prepared to meet the continuously rising demand for potash. The Company is working on several initiatives to enhance production and improve performance, which would serve the interests of the Company and the national economy of Jordan.

A. Human Recourses and Safety: The Company continues to consider the safety of its employees as is its top priority and implements the necessary procedures to maintain a safe working environment for employees.

B. Production: The Company studies options for increasing production, efficiency and evaporation areas.

C. Energy: The Company studies all options for energy saving. On February 19, 2014, the Company signed a 15-year agreement with Noble Energy, an American company that is a world leader in exploration and production of oil and natural gas, to import natural gas. It is expected that the shift from heavy fuel, currently used to the less expensive and more environmentally friendly natural gas, will reduce the production cost of Arab Potash Company by a total value of JD 235 million, or a rate of JD 11 per ton of potash

D. Water resources: On 30 January 2014, APC signed an agreement with the Ministry of Water and Irrigation whereby the Company provides JD 26 million to finance in full the construction of Wadi ibn Hammad Dam. The dam will be built in cooperation with the Ministry of Water and Irrigation, over the coming three to four years, after which rain water will be collected and stored at a capacity of about four million cubic meters.

E. Aqaba Port: The Company continues to work on implementing the Aqaba industrial port expansion project through its participation in the Jordan industrial Ports Company, which is entrusted with the project

F. Marketing: The Company studies plans to diversify its markets, improve its client relations, and establish representative offices in its main markets. In this context, a representation office was opened in Delhi, India.

16. Auditors' , Legal and Consultants' Fees for the Company and Subsidiaries

A. External Auditor's Fees

The external auditor's fees for 2013 including sales tax in thousands of Jordanian Dinars were as follows :

APC	KEMAPCO	Numeira	Total
81.2	20.0	3.0	104.2

The external auditor also provides consultancy services to the Company to the value of JD 117,000.

B. Internal Auditor's Fees

The internal Auditor's Fees for 2013, in thousands of Dinars were as follows

APC	KEMAPCO	Numeira	Total
71.9	3.0	-	74.9

C. Legal Fees

Legal Fees for 2013, in thousands of Dinars were as follows

APC	KEMAPCO	Numeira	Total
1,198	13.9	8.7	1,220.6

17. Number of Shares Held by Members of the Board of Directors and Executive Management and Their Relatives

The Company complies fully with these guidelines and below are the required disclosures:

A. Shares owned by Members of the Board of Directors

No	Name	Title	Nationality	Number of Shares as at 31/12/2013	Number of Shares as at 31/12/2012	Companies they control
1	Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	Member	Jordanian	500	500	N/A
	Total			**500**	**500**	

B. Shares Owned by Members of the Executive Management.

No member of the Executive Management own shares in the Company or its affiliates.

C. Shares Owned by Relatives of Members of the Board of Directors and Executive Management

No	Name	Relative of	Nationality	Number of Shares as at 31/12/2013	Number of Shares as at 31/12/2012
1	Hind Mohammad Muflieh Alsaad	Wife of Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	Jordanian	347	347
2	Lubna Marawan Abedlaulfatah Abu Zahra	wife of Jafar Mohammad Hafez Salem	Jordanian	800	800
	Total			**1,147**	**1,147**

18. Compensations and Benefits

A. Compensations and Benefits to Members of the Board of Directors

Compensations and Benefits to Members of the Board of Directors

Name	Title	Nationality	Total Annual salaries	Annual Transportation and Committees allowance	Representation Fees	Annual Bonus	Per diem	Total Annual Remuneration
Government of the Hashemite Kingdom of Jordan (Ministry of Finance)			**-**	**-**	**-**	**15,000**	**-**	**15,000**
HE. Jamal Ahmad Mofleh Al-Sarayrah*	Chairman	Jordanian	166,950	18,000	36,012	-	29,750	250,712
Ahmad Jamal Nawwaf Al Bataineh	Board Member	Jordanian	-	18,000	18,000	-	3,750	39,750
Rami Saleh Abdulkareem Wraikat	Board Member	Jordanian	-	18,000	18,000	-	-	36,000
POTASH CORPORATION OF SASKATCHEWAN (PCS JORDAN LLC)			**-**	**-**	**-**	**15,000**	**-**	**15,000**
Mr. George David Delaney **	Board Member	American	-	18,000	-	-	12,500	30,500
Eng. Michael Terence Hogan **	Board Member	Canadian	-	18,000	-	-	12,500	30,500
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh**	Board Member	Jordanian	-	18,000	27,000	-	6,500	51,500
Arab Mining Company Representatives			**-**	**-**	**-**	**10,000**	**-**	**10,000**
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Vice Chairman	Saudi	-	18,000	-	-	12,500	30,500
Adnan Ahmed Rashed Al-Rashdan	Member from 20/10/2007 until 23/6/2013	Kuwaiti	-	8,400	-	-	5,000	13,400
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Member as of 23/6/2013	Iraqi	-	9,600	-	-	7,500	17,100
Jordan Social Security Corporation Representative			**-**	**-**	**-**	**5,000**	**-**	**5,000**
Eyad Jamal Ahmed Al-Qudah***	Member until 18/4/2013	Jordanian	-	6,000	5,830	-	-	11,830
Nidal Fa'eq Mohammad Al Qubbaj***	Member as of 18/4/2013 until 15/8/2013	Jordanian	-	4,500	350	-	-	4,850
Dr. Maen Fahad Abdul-Karim Nsour***	Member as of 15/8/2013	Jordanian	-	7,500	6,900	-	1,000	15,400
Islamic Development Bank/Jeddah Representative			**-**	**-**	**-**	**5,000**	**-**	**5,000**
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah****	Board Member	Jordanian	-	18,000	-	-	5,750	23,750
Representative of The Government of Iraq			**-**	**-**	**-**	**5,000**	**-**	**5,000**
Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi	Board Member	Iraqi	-	18,000	-	-	12,500	30,500
Libyan Arab Foreign Investment Company Representative			**-**	**-**	**-**	**5,000**	**-**	**5,000**
Adbul Al-Hakeem Ali Al-Ajnaff	Board Member	Libyan	-	18,000	-	-	12,500	30,500
Kuwait Investment Authority – Kuwait Representatives			**-**	**-**	**-**	**5,000**	**-**	**5,000**
Fahid Majid Al Sultan Al Salim	Board Member	Kuwaiti	-	18,000	-	-	10,000	28,000
Subtotal			**166,950**	**234,000**	**112,092**	**65,000**	**131,750**	**709,792**

* Other Benefits: the Chairman has two chauffeur-driven cars

** Transportation, committee allowance, and representation allowance are paid directly to PCS Jordan LLC

*** Transportation, committee allowance, and representation allowance are paid directly to Jordan Social Security Corporation

**** Transportation, committee allowance, and representation allowance are paid directly to Islamic Development Bank, Jeddah

B. Compensations and Benefits to the Chairman of the Board of Directors and Members of the Executive Management

Name	Title	Nationality	Total Annual salaries	Representation Fees	Per diem	Housing and Utilities	Total
William Keith Thornton*	General Manager until 15/2/2013	American	5,022	-	-	220	5,242
Brent Edward Heimann*	General Manager as of 1/11/2013	American	28,936	-	5,200	8,800	42,936
William Lawrence Flahr **	Deputy General Manager - Finance until 1/11/2013 Acting General Manager from 15/2/2013 until 1/11/2013	Canadian	91,525	-	6,600	31,960	130,085
Dr. Roderick Joseph McEachern*	Deputy General Manager / Technical	Canadian	101,419	-	9,600	36,865	147,884
Julie Ann Fortunato**	Deputy General Manager - Finance as of 1/11/2013	American	24,407	-	-	3,940	28,347
Jafar Mohammad Hafez Salem**	Deputy General Manager/ Marketing	Jordanian	122,861	3,600	17,400	-	143,861
Adnan Sulaiman Faris Al Ma'aitah**	Deputy General Manager/ Human Resources	Jordanian	93,028	2,100	2,200	-	97,328
Sub Total			**467,198**	**5,700**	**41,000**	**81,785**	**595,683**
Grand Total							**1,305,475**

* Other Benefits: the General Manager, and Deputy General Manager/ Technical have two chauffeur-driven cars
** Other Benefits: Other Executive Management members have one chauffeur-driven car

19. Donations and Grants given by APC in 2013

Sectors	Beneficiry	Sub	Total
	Universities	1,422,883	
	Schools	848,937	
	Jordan children Musiem	60,000	
Education			2,331,820
	Municipalities	748,711	
	Official bodies	1,019,880	
	Social Halls	286,000	
Official bodies			2,054,591
	Chrity Socities	24,000	
	Social Associations	1,108,705	
	Orphanages	159,300	
	Food Packges	536,450	
	Poverty Pockets	20,446	
Social development			1,848,901
	Health Care	828,085	
	Special Needs People	500,085	
Health			1,328,170
Water and Environment			1,241,700
Sports			487,500
	Churches	71,834	
	Mosques	284,839	
Houses of worship			356,673
Cultural activities			312,150
Professional and labor associations			38,495
Others			73,802
Total			**10,073,802**

20. Related Party Transactions

There are no contracts or projects or engagements concluded by the Company with its subsidiaries, sister companies, affiliates or with the Chairman of the Board of Directors, members of the Board of Directors, the General Manager, any employee of the Company or relatives thereof except as disclosed in the Consolidated Financial Statements.

21. APC Contributions to the Protection of the Environment and Local Communities

A. APC contributions to Protecting the Environment

The Arab Potash Company at all levels holds commitment to environment as one of the Company's top priorities, which is part of APC's commitment to sustainable development.

The Company's activities in the area of the Dead Sea and Aqaba focus on minimizing damage to the environment. Accordingly The Company is proud that it complies with international environmental standards and that it received the international certificate of compliance ISO 14001 in this area.

At the local level, APC works to prevent pollution of the air, water and soil in its environment through keeping abreast with all solutions and strategies for this purpose. It has taken the initiative to engage in projects to monitor emissions of dust and gases from its factories, and addressing any problems to keep such emissions within environmentally acceptable levels.

The Company's fulfillment of its responsibility to the environment is not limited to its activities; it also includes reaching out to schools and local communities to provide leadership and incentives to sustainable initiatives. This focuses on establishing environmental solutions on the ground that serve local communities. APC also reaches out to all environmentally active parties to engage with them in projects that benefit the environment.

B. APC contributions to the service of local communities

The Arab Potash Company was founded in the middle of the 20th century as a joint Arab development project. It was one of the first efforts at joint Arab economic action, and the first project that attracted Arab investments to contribute to the development of Jordan. Accordingly, APC has a mission to be a role model in the optimal employment of investment, and in making positive and effective contributions to all stakeholders, especially Jordanian society in all parts of this good country.

In this endeavor, APC focuses on translating the vision of His Majesty King Abdullah II Ibn Al Hussein, that the first "priority is a better life for all Jordanians" into reality by supporting local communities and working to address their needs in ways that raise local living standards and contribute to improving services provided in different sectors, in the aim of achieving social balance and sustainable development.

In fulfillment of this outlook, APC provided more than JD 10 million to support development activities with a focus on vital sectors, namely water, education, health and infrastructure. APC adopts projects for support and implements them on the basis of specific criteria and in cooperation with local communities, the government, and NGOs. APC supported projects in all parts of the Kingdom in 2013 in the areas of water and sanitation, health services, education, building public facilities, professional and labor association activities, social welfare, welfare package campaigns, sports federations and clubs, municipal services, restoration of mosques and churches, and fighting poverty.

Declarations and Recommendations

Declarations and Recommendations

Declarations of the Board of Directors

The Board of Directors of the Arab Potash Company hereby declares that, according to the best of its information and in its opinion, there are no substantial matters that may affect the Company as a going concern during 2014.

The Company's Board of Directors hereby declares its responsibility for the preparation of the financial statements and an effective control system in the Company.

Chairman of the Board
HE. Jamal Ahmad Mofleh Al-Sarayrah

Deputy Chairman
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek

Board Member
Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi

Board Member
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar

Board Member
George David Delaney

Board Member
Adbul Al-Hakeem Ali Al-Ajnaff

Board Member
Rami Saleh Abdulkareem Wraikat

Board Member
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh

Board Member
Fahid Majid Al Sultan Al Salim

Board Member
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah

Board Member
Dr. Maen Fahad Abdul-Karim Nsour

Board Member
Michael Terence Hogan

Board Member
"Ahmad Jamal" Nawwaf Al Bataineh

The Chairman of the Board, the General Manager and the Deputy General Manager – Finance declare that all the data and statements in the Annual Report 2013 are correct, accurate and complete.

Chairman of the Board
HE. Jamal Ahmad Mofleh Al-Sarayrah

General Manager
Brent Edward Heimann

Deputy General Manager
Julie Ann Fortunato

Recommendations

The Board would appreciate the General Assembly's ratification of the following:

1. Minutes of the previous General Assembly Meeting,
2. The Board of Directors Report on the Company's activities for 2013 and its future plan,
3. The independent auditor's report, on the Consolidated Statement of Financial Position, Other Consolidated Financial Statements, and its financial situation,
4. The Consolidated Statement of Financial Position and the Consolidated Income Statement,
5. The rate of distribution of dividends,
6. Election of the independent Auditors for the fiscal year ending December 31, 2014 and determining their fees
7. Approving the Joint and severel status of the Obiligations of Arab Potash Company and Jordan Bromine Company under the Gas Sale Purchase Agreement.
8. Any other matters.

In conclusion, the Board of Directors extends thanks to the Government of the Hashemite Kingdom of Jordan, shareholding Arab Governments, the Islamic Development Bank of Jeddah and Potash Corporation of Saskatchewan Inc.,and all share holders for their support and assistance.
The Board also extends thanks to all Arab and international organizations which contributed in supporting the Company.
We especially thank the Company's clients for their trust in our product and services and we commend the efforts exerted by Company employees at their different locations.

Consolidated Financial Statements
31 December 2013

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAB POTASH COMPANY PUBLIC SHAREHOLDING COMPANY AMMAN – JORDAN

We have audited the accompanying consolidated financial statements of ARAB POTASH COMPANY (a public shareholding company) "the Company" and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated income statement, 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

Management 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' judgement, 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 financial position of the Group as of 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Legal 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.

Ernst & Young
Amman – Jordan
18 March 2014

ARAB POTASH COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes	2013 JD"000"	2012 JD"000"
ASSETS			
Non-current assets			
Property, plant and equipment	3	333,947	379,001
Projects in progress	4	26,928	17,957
Investment in associates and joint ventures	5, 6	87,023	78,876
Financial assets at fair value through other comprehensive income	7	920	714
Deferred tax assets	20	3, 748	3,846
Employees' housing loans	8	26,109	23,341
		478,675	503,735
Current assets			
Employees' housing loans	8	2,299	2,276
Accounts receivable	9	52,480	78,958
Inventories	10	53,126	60,332
Spare parts and supplies	11	54,040	48,327
Other current assets	12	67,565	60,289
Cash on hand and bank balances	13	304,437	329,536
		533,947	579,718
TOTAL ASSETS		**1,012,622**	1,083,453
EQUITY AND LIABILITIES			
Equity			
Paid in capital	1	83,318	83,318
Statutory reserve	14	50,464	50,464
Voluntary reserve	14	80,699	80,699
Fair value reserve	7	263	57
Retained earnings		671,744	749,377
Total Equity		**886,488**	963,915
Non-current liabilities			
Long-term loans	15	119	1,198
Miscellaneous provisions	18	7,354	7,159
Other non-current liabilities	19	14,000	12,873
		21,473	21,230
Current liabilities			
Current portion of long term loans	15	1,228	6,529
Potash mining fees due to the government of the Hashemite Kingdom of Jordan	1,24	5,949	6,578
Trade payables and other accruals		36,324	26,835
Income tax provision	20	10,187	20,050
Other current liabilities	16	50,973	38,316
		104,661	98,308
Total Liabilities		**126,134**	119,538
TOTAL EQUITY AND LIABILITIES		**1,012,622**	1,083,453

The attached notes 1 to 34 form part of these consolidated financial statements

ARAB POTASH COMPANY
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 JD"000"	2012 JD"000"
Sales	17	521,209	586,268
Cost of sales	21	(337,913)	(285,557)
Gross profit	17	**183,296**	**300,711**
Administrative expenses	22	(15,061)	(22,106)
Selling and distribution expenses	25	(17,094)	(16,338)
Royalty to the Government of Jordan	1, 24	(25,949)	(49,883)
Operating profit		**125,192**	**212,384**
Finance revenue		15,822	15,724
Donations expenses		(10,074)	(9,838)
Finance costs and bank charges	26	(3,233)	(3,344)
Other income	23	883	1,856
Other expenses		(796)	(336)
Net foreign currency exchange differences		851	142
Profit before tax and gain from associates and joint ventures		**128,645**	**216,588**
Company's share of profit of associates and joint ventures	5,6	19,511	12,548
Revaluation of Islamic Development Bank loan for Jordan Magnesia Company and reversed provisions	18	(283)	(109)
Loss for Jordan Magnesia Company		-	(489)
Profit before tax		**147,873**	228,538
Income tax expense	20	**(17,212)**	**(29,716)**
Profit for the year		130,661	198,822
		JD / Fills	JD / Fills
Earnings per share			
Basic and diluted earnings per share	27	1 / 568	2 / 386

ARAB POTASH COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 JD"000"	2012 JD"000"
Profit for the year		130,661	198,822
Other Comprehensive income			
Net change in fair value for financial assets at fair value through other comprehensive income	7	206	(132)
Total comprehensive income for the year		**130,867**	**198,690**

The attached notes 1 to 34 form part of these consolidated financial statements

ARAB POTASH COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings*	Total
	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"
2013						
Balance at 1 January 2013	83,318	50,464	80,699	57	749,377	963,915
Profit for the year	-	-	-	-	130,661	130,661
Other comprehensive income	-	-	-	206	-	206
Total comprehensive income for the year	-	-	-	206	130,661	130,867
Dividends (Note 14)	-	-	-	-	(208,294)	(208,294)
Balance at 31 December 2013	83,318	50,464	80,699	263	671,744	886,488
2012						
Balance at 1 January 2012	83,318	50,464	80,699	189	800,501	1,015,171
Profit for the year	-	-	-	-	198,822	198,822
Other comprehensive income	-	-	-	(132)	-	(132)
Total comprehensive income for the year	-	-	-	(132)	198,822	198,690
Dividends (Note 14)	-	-	-	-	(249,946)	(249,946)
Balance at 31 December 2012	83,318	50,464	80,699	57	749,377	963,915

* Retained earnings include an amount of JD 3,748 thousand which represents deferred tax assets.

The attached notes 1 to 34 form part of these consolidated financial statements

ARAB POTASH COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 JD"000"	2012 JD"000"
OPERATING ACTIVITIES			
Profit for the year before tax		147,873	228,538
Adjustments:			
Depreciation	3	63,836	64,212
Gain from sale of property, plant and equipment		(71)	-
Finance revenue		(15,822)	(15,724)
Finance costs	26	1,253	1,783
Share of profit of associates and joint ventures	5,6	(19,511)	(12,548)
Revaluation of Islamic Development Loan from Jordan Magnesia Company and reversed provisions		283	109
Losses of Jordan Magnesia Company		-	489
Employee's legal cases compensation provision		589	3,725
Compensation and death provision		2,402	1,071
End of service indemnity provision		2,109	842
Reverse of provision for doubtful debts	9	(25)	-
Unpaid leaves provision		100	188
Employees' post-employment benefits provision		483	(797)
Provision for slow moving inventory	10	(9)	137
		183,490	272,025
Working capital changes:			
Accounts receivable		28,239	56,822
Inventories		7,215	(31,773)
Spare parts		(5,713)	(3,914)
Other current assets		(9,521)	843
Trade payables and accruals		9,489	(3,335)
Other current liabilities		(490)	(73,221)
Income tax paid	20	(26,977)	(44,590)
Net cash flows from operating activities		185,732	172,857
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3, 4	(10,156)	(2,489)
Proceeds from sale of property, plant and equipment		339	-
Projects in progress	4	(17,865)	(17,532)
Dividends received from associates and joint ventures		11,364	4,985
Investment in associates and joint ventures		-	(250)
Interest received		16,331	15,724
Employees' housing loans, net		(2,791)	(2,602)
Short term deposits		8,857	81,535
Net cash flows from investing activities		6,079	79,371
FINANCING ACTIVITIES			
Loans		170	-
Repayment of loans		(6,833)	(12,414)
Interest paid		(1,253)	(1,783)
Dividends paid to shareholders	14	(200,137)	(238,946)
Net cash flows used in financing activities		(208,053)	(253,143)
Net decrease in cash and cash equivalents		(16,242)	(915)
Cash and cash equivalents at 1 January		258,283	259,198
Cash and cash equivalents at 31 December	13	242,041	258,283

The attached notes 1 to 34 form part of these consolidated financial statements

ARAB POTASH COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. GENERAL

The Arab Potash Company "APC", "the Company", a public shareholding company, was founded and registered on 7 July 1956 in Amman - Jordan. During 1958, the Company was granted a concession from the Government of Jordan to exploit the minerals and salts of the Dead Sea brine. The concession expires after 100 years from the grant date, after which, the Company's factories and installations become the property of the Government of Jordan. The concession agreement was amended during 2003 in accordance with the Temporary Law No. (55) of 2003, whereby amendments included the annual rent fees for lands within the concession area, the concession area borders and the exclusive rights given to the Company. On 11 May 2010 the Government of Jordan and APC agreed to amend the lease fee of the concession land in Ghour Al Safi site to JD 1,500,000 million per annum; and the lease fee shall be increased annually in accordance with the Consumer Price Index. Under the terms of the concession, the Government of Jordan is entitled to a royalty of JD 8 for each ton of potassium chloride, ("Potash") exported by the Company. On 12 February 2008 the Council of Ministers resolved to increase the royalty fees to JD 15 for each ton produced, effective 17 March 2008. On 5 August 2008, the Council of Ministers resolved to increase the royalty fees to JD 125 for each ton produced, effective 16 September 2008 with maximum royalty payable limited to 25% of the Company's net profit after tax for the year.

The Company's authorized and paid in capital is 83,317,500 shares with a nominal value of JD 1 per share. The Company issued Global Depository Receipts (GDRs) which are listed on London Stock Exchange. Each GDR represents one ordinary share with a nominal value of JD 1 per share.

Currently, the Company and its subsidiaries (the Group) produce and market Potash, Salt, Potassium Nitrates, Di-Calcium Phosphate and mixed salts and mud in the international market.

The consolidated financial statements were authorized for issue by the board of directors on 18 March 2014; these consolidated financial statements require the approval of the shareholders of the Company.

2.1 BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income that have been measured at fair value.

The consolidated financial statements have been presented in Jordanian Dinar, which is the functional currency of the Group. Values are rounded to the nearest thousand (JD "000"), except otherwise indicated.

The consolidated financial statements of the Company and its subsidiaries ("the Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2.2 BASIS OF CONSOLIDATION

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements comprise the financial statements of Arab Potash Company (the Company) and its subsidiaries (the "Group") as at 31 December 2013:

	Paid in capital (Thousands of shares)	Percentage of Ownership %
Jordan Magnesia Company*	30,000	55.3
Arab Fertilizers and Chemicals Industries (KEMAPCO)	29,000	100
Numeira Mixed Salts and Mud Company	800	100
Jordan Dead Sea Industries (JODICO)	100	100

* The Group will increase its investment in the paid in capital of Jordan Magnesia Co. to 92.549% during 2014 by increasing the paid in capital of the Company to become JD 60 million, by capitalizing the accrued liabilities of Jordan Magnesia to Arab Potash Company. The increase in the investment is pending approval from the concerned governmental authorities.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

Entity with significant influence over the Group
PCS Jordan LLC and The Jordanian Ministry Of Finance own 28% and 27%, respectively of the shares in the Group as at 31 December 2013.

2.3 Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2013 are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2013:

Implementation of new and amended standards

New standards effective on 1 January 2013 :

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.The adoption of this standard had no material impact on the consolidated financial statements.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Ventures. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. As a result of implementing this standard, the investment in Jordan Bromine Company was reclassified from investment in associate to investment in joint venture (note 6).

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements,associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. IFRS 12 disclosures are provided in Notes 5 and 6.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard became effective for annual periods starting from 1 January 2013.

The application of the new standards did not have a significant impact on the financial position or performance of the Group.

Amended Standards

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment became effective starting from 1 January 2013.
IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments had no impact on the Group's financial position or performance and became effective starting from 1 January 2013.

IAS 19 Employee Benefits (Revised)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment has no material effect on the Group's financial position or performance. The amendment became effective starting from 1 January 2013.

IAS 16 Property Plant and Equipment (Revised)
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

As a result of implementing the improvement, spare parts and servicing equipment which meet the definition of property, plant and equipment under IAS 16 and the Group's policies were reclassified to property, plant and equipment. The remaining strategic spare parts were reclassified to current assets as stated in Note (3).

IAS 27 Separate Financial Statements
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment became effective starting from 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment became effective for annual periods starting from 1 January 2013. The application of this amendment did not have impact on the financial position or presentation of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

USE OF ESTIMATES

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

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the useful lives annually and future depreciation charges would be adjusted where management believes the useful lives differ from previous estimates.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. 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 income statement.
Depreciation is calculated on the straight-line basis at the following rates:

Buildings	2%-10%
Dikes	6%-10%
Machinery and equipment	10%-12%
Vehicles	20%
Furniture and fixtures	10%
Computers	20%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts. Impairment losses are recognised in the consolidated statement of income.

Useful lives and depreciation method are reviewed on regular basis to ensure that the depreciation method and the period of depreciation method and the period of depreciation are selected based on the economic benefits expected form assets.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and ready to be put into operational use

Inventories and Spare Parts

Finished goods are valued at the lower of weighted average cost and net realisable value. Cost includes all direct production costs plus a share of indirect overheads.

Spare parts and materials are valued at the lower of the moving average cost or market value.

Investments in Associates and Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its joint venture and associate are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income (OCI). In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated income statement within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit (loss) of joint ventures and an associate in the consolidated income statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement.

Financial assets at fair value through other comprehensive income

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets – or part of them – were sold, the resultant gain or loss is recorded in the statement of comprehensive income within equity and the fair value reserve for the sold assets is directly transferred to the retained earnings and not through the consolidated income statement.

These are financial assets limited to equity instruments and are no longer subject to impairment testing.

Impairment of financial assets

The Group assesses at each consolidated statement of financial position date whether a financial asset or group of financial assets is impaired.

- In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of the allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

No impairment was identified by the Group's management during 2013 and 2012.

Accounts Receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full or part of the amount is no longer probable.

Cash and Bank Balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Provisions

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

Employees benefits

The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

The Group records the accrued benefits which mature during the year after the date of the consolidated financial statements within current liabilities and records the accrued benefits which mature after one year of the date of the consolidated financial statements within non-current liabilities.

Accounts Payable and Accruals

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

Long Term Loans

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

After initial recognition, interest bearing loans and bonds are subsequently measured at amortized cost using the effective interest method.

Finance Costs

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing cost consists of interest and other cost that an entity incurs in connection with the borrowing.

Revenue Recognition

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.

Revenue from interest is recognised as interest accrues, using the effective interest method.

Other revenues are recognized on an accrual basis.

Revenue from dividends is recognised in the consolidated income statement when the right to receive the dividends is established.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated income statement.

Income tax

Income tax expense represents current year income tax and deferred income tax.

- Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date.

- Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, nondeductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

- Deferred income taxation is provided using the liability method on all temporary differences at the statement of financial position date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the statement of financial position date.

- The carrying values of deferred income tax assets are reviewed at each consolidated 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.

Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 31.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available for sales financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Segment reporting

For the purpose of reporting to management and the decision makers in the Group, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

3. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Dikes	Machinery and Equipment	Vehicles	Furniture and Fixture	Computers	Total
2013 -	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000'	JD"000"	JD"000"
Cost:								
Balance at 1 January 2013	3,011	102,586	175,290	616,541	39,230	6,481	9,530	952,669
Additions	-	351	-	15,073	2,894	443	289	19,050
Disposals	-	(274)	-	(601)	(531)	-	-	(1,406)
Balance at 31 December 2013	3,011	102,663	175,290	631,013	41,593	6,924	9,819	970,313
Accumulated Depreciation								
Balance at 1 January 2013	-	54,773	142,873	333,264	29,436	5,454	7,868	573,668
Depreciation for the year	-	4,270	5,571	49,779	3,239	391	586	63,836
Disposals	-	(21)	-	(601)	(516)	-	-	(1,138)
Balance at 31 December 2013	-	59,022	148,444	382,442	32,159	5,845	8,454	636,366
Net Book Value At 31 December 2013	**3,011**	**43,641**	**26,846**	**248,571**	**9,434**	**1,079**	**1,365**	**333,947**
2012 -	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000'	JD"000"	JD"000"
Cost:								
Balance at 1 January 2012	3,008	96,123	175,290	609,302	37,880	6,598	9,145	937,346
Additions	3	6,463	-	3,950	1,979	106	464	12,965
Disposals	-	-	-	(388)	(629)	(223)	(79)	(1,319)
Transfers*	-	-	-	3,677	-	-	-	3,677
Balance at 31 December 2012	3,011	102,586	175,290	616,541	39,230	6,481	9,530	952,669
Accumulated Depreciation								
Balance at 1 January 2012	-	49,848	135,888	286,069	26,370	5,281	7,319	510,775
Depreciation for the year	-	4,925	6,985	47,583	3,695	396	628	64,212
Disposals	-	-	-	(388)	(629)	(223)	(79)	(1,319)
Balance at 31 December 2012	-	54,773	142,873	333,264	29,436	5,454	7,868	573,668
Net Book Value At 31 December 2012	**3,011**	**47,813**	**32,417**	**283,277**	**9,794**	**1,027**	**1,662**	**379,001**

* Effective 1 January 2013, the Group implemented the improvement to IAS 16, property, plant and equipment. As a result, strategic spare parts that met the definition of property, plant and equipment amounted to JD 3,677 thousands were reclassified to property, plant and equipment. The remaining spare parts, which do not meet the definition of property, plant and equipment amounted to JD 22,263 thousands were reclassified to current spare parts and supplies. 2012 figures were reclassified to correspond with 2013 figures.

The reclassification through the consolidated statement of financial position is as follows:

	31 December 2012 before reclassification	Reclassification	31 December 2012 after reclassification
	JD"000"	JD"000"	JD"000"
Consolidated statement of financial position			
Strategic spare parts and supplies	25,940	(25,940)	-

	31 December 2012 before reclassification	Reclassification to other current assets	31 December 2012 after reclassification
	JD"000"	JD"000"	JD"000"
Spare parts and supplies - current	26,064	22,263	48,327

	31 December 2012 before reclassification	Reclassification from spare parts and supplies	31 December 2012 after reclassification
	JD"000"	JD"000"	JD"000"
Property, plant and equipment	375,324	3,677	379,001

4. PROJECTS IN PROGRESS

	Balance as at 1 January 2013	Additions	Transfers	Balance as at 31 December 2013
	JD "000"	JD "000"	JD "000"	JD "000"
Various projects*	17,957	17,865	(8,894)	26,928

	Balance as at 1 January 2012	Additions	Transfers	Balance as at 31 December 2012
	JD "000"	JD "000"	JD "000"	JD "000"
Various projects**	10,902	17,532	(10,477)	17,957

* The additions represent a new harvester project (harvester number 12) for the purpose of developing production in Arab Potash Company. This project started during 2012 and is expected to be completed during 2014.

Most of the transfers represents the completion of the maintenance of the fourth harvester project related to Arab Potash Company which was started during 2011 for an amount of JD 4,062 thousands in addition to completion of other projects amounted to JD 4,832 thousands.

The expected cost of completing the projects is JD 21,295 thousands as at 31 December 2013.

** The additions represent the motor control centre which is to be installed in Arab Potash Company's plant as well as the maintenance of the fourth harvester for the purpose of developing the production capacity in the Company's plant. These projects were started in 2011 and completed during 2013.

Transfers represent the completion of the motor control centre project in Arab Potash Company which has commenced during 2011 at a total amount of JD 5,163 thousand, in addition to the completion of evaporation reservoirs expansionary project for the Arab Fertilizers and Chemicals Industries at a total cost of JD 5,314 thousand.

5. INVESTMENT IN ASSOCIATES

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Number of shares	Percentage of ownership	Investment in associates Balance 2013	2012
		%	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	3,345,600	20	5,918	5,484
Jordan Investment and South Development Company (JISDC)	833,000	45.45	199	210
Jordan International Chartering Company (JICC)*	12,000	20	36	58
			6,153	5,752

* The Group 's portion of Jordan International Chartering Company's dividends amounted to JD 20 thousands during 2013 (2012: JD 28 thousands).

The share of profit (loss) from investments in associates is as follows:

	2013	2012
	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	559	(164)
Jordan Investment and South Development Company (JISDC)	16	(20)
Jordan International Chartering Company (JICC)	1	12
	576	(172)

The following table illustrates the summarised financial information of the Group's associates:

	NJFC		JISDC		JICC	
	2013	2012	2013	2012	2013	2012
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Current assets	24,765	29,589	222	187	261	371
Non-current assets	8,774	9,024	429	418	5	6
Current liabilities	(2,228)	(11,213)	(247)	(260)	(73)	(91)
Non-current liabilities	(3,561)	(801)	(9)	-	-	-
Net assets	27,750	26,599	395	345	193	286
Percentage of ownership	20%	20%	45.45%	45.45%	20%	20%
Carrying amount of investment in associates	5,918	5,484	199	210	36	58

	NJFC		JISDC		JICC	
	2013	2012	2013	2012	2013	2012
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Revenue	60,572	19,158	315	313	303	372
Cost of sales	(54,842)	(19,240)	(229)	(272)	(300)	(309)
Other revenues and expenses	(3,044)	(1,555)	(51)	(56)	5	-
Profit (loss) before tax	2,686	(1,637)	35	(15)	8	63
Income tax expense	-	-	-	-	(1)	(4)
Profit (loss) for the year	2,686	(1,637)	35	(15)	7	59
Group's share of profit (loss) for the year	559	(164)	16	(20)	1	12

6. INVESTMENT IN JOINT VENTURES

This item represents the Group's investments in the share capital of the following companies, using the equity method of accounting:

	Number of shares	Percentage of ownership	Investment in Joint Venture Balance 2013	2012
		%	JD "000"	JD "000"
Jordan Bromine Company (JBC)*	15,000,000	50	80,573	72,758
Jordan Industrial Port (JIB)	500,000	50	297	366
			80,870	73,124

* The Group's share in Jordan Bromine profit is 30% in 2012 and 40% starting from 2013 and 50% in losses and liabilities and interest expense as stated in the share agreement signed with Albemarle Holding Company.

During 2011, Jordan Bromine Company commenced an expansion project of a total expected cost of JD 150 million. The Group's share of the capital cost is JD 75 million. Jordan Bromine Company aims to finance this expansion from its retained earnings.

The Group 's portion of Jordan Bromine Company's dividends amounted to JD 11,344 thousands during 2013 (2012: JD 4,957 thousands).

The share of profit (loss) from investments in joint ventures is as follows:

	2013	2012
	JD "000"	JD "000"
Jordan Bromine Company (JBC)*	19,004	12,782
Jordan Industrial Port (JIB)	(69)	(62)
	18,935	12,720

* Effective 1 January 2013, the Group implemented IFRS 11, Joint Arrangements. As a result, the investment in Jordan Bromine Company was reclassified to Investment in Joint ventures with no effect on the financial position or performance.

The following table illustrates the summarised financial information of the Group's investment in joint ventures:

	Jordan Bromine Company		Jordanian Industrial Port Company	
	2013	2012	2013	2012
	JD "000"	JD "000"	JD "000"	JD "000"
Statement of financial position				
Current assets	77,324	83,379	253	474
Non-current assets	162,491	149,571	749	665
Current liabilities	(26,202)	(29,233)	(397)	(397)
Non-current liabilities	(3,503)	(7,107)	-	-
Net assets	210,110	196,610	605	742
Group's percentage of ownership	50%	50%	50%	50%
Carrying amounts of investment in joint ventures	80,573	72,758	297	366

	Jordan Bromine Company		Jordanian Industrial Port Company	
	2013	2012	2013	2012
	JD "000"	JD "000"	JD "000"	JD "000"
Statement of comprehensive income				
Revenue	146,864	118,275	-	-
Cost of sales	(90,077)	(69,159)	-	-
Other revenues and expenses	(7,697)	(5,906)	(138)	(110)
Profit before tax	49,090	43,210	(138)	(110)
Income tax expense	-	-	-	-
Profit (loss) for the year	49,090	43,210	(138)	(110)
The Groups share of profit (loss) for the year	19,004	12,782	(69)	(62)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2013	2012
	JD "000"	JD "000"
Quoted shares	844	638
Unquoted shares*	76	76
	920	714

The movement on the fair value reserve is as follows:

	2013	2012
	JD "000"	JD "000"
At 1 January	57	189
Net unrealized gains (losses)	206	(132)
At 31 December	263	57

*Unquoted financial assets are recorded at cost due to the fact that market values of these financial assets are not obtainable and there is no other way for valuating these assets.
The Group's management is not aware of any indications of impairment on these assets.

8. EMPLOYEES' HOUSING LOANS

During 1992, the Company established the employees' housing loans' fund, the fund's objectives to grant the employees loans with a maximum limit of JD 40,000 for each employee.

The movement on the employees' housing loans is as follows:

	2013	2012
	JD "000"	JD "000"
Balance as at 1 January	25,617	23,015
Loans granted during the year	5,880	4,877
Collections during the year	(3,089)	(2,275)
Balance as at 31 December	28,408	25,617

The employees' housing loans classification in the consolidated statement of financial position is as follows:

	2013	2012
	JD "000"	JD "000"
Non-current	26,109	23,341
Current	2,299	2,276

9. ACCOUNTS RECEIVABLE

	2013	2012
	JD "000"	JD "000"
Trade receivables	51,674	75,926
Due from associates	1,464	3,585
Others	82	212
	53,220	79,723
Less: Allowance for doubtful debts*	(740)	(765)
	52,480	78,958

* The movement on the allowance for doubtful debts during the year is as follows:

	2013	2012
	JD "000"	JD "000"
At 1 January	765	765
Provision reversed during the year	(25)	-
At 31 December	740	765

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

	Past due but not impaired			
	1- 30 days	30 – 90 days	91 – 120 day	Total
	JD "000"	JD "000"	JD "000"	JD "000"
2013	34,225	10,108	6,601	50,934
2012	57,399	12,123	7,375	76,897

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. The majority of Group's sales are made through letters of credit or through insurance policies on credit sales.

10. INVENTORIES

	2013	2012
	JD "000"	JD "000"
Finished goods	50,458	58,851
Raw materials	2,092	1,508
Others	709	115
	53,259	60,474
Allowance for decreasing in inventory value*	(23)	(25)
Provision for slow moving inventory**	(110)	(117)
	53,126	60,332

* The movement of the allowance is as follows:

	2013	2012
	JD "000"	JD "000"
At 1 January	25	5
Charge for the year	-	20
Reversed provision	(2)	-
At 31 December	23	25

**The movement of the allowance for slow moving inventory during the year is as follows:

	2013	2012
	JD "000"	JD "000"
At 1 January	117	-
Charge for the year	-	117
Reversed provision	(7)	-
At 31 December	110	117

11. SPARE PARTS AND SUPPLIES

	2013	2012
	JD "000"	JD "000"
Spare parts	50,588	44,316
Fuel store	5,165	2,461
Others	1,500	4,898
	57,253	51,675
Provision for slow-moving spare parts*	(3,213)	(3,348)
	54,040	48,327

* The movement on the provision for slow-moving spare parts was as follows:

	2013	2012
	JD "000"	JD "000"
At 1 January	3,348	3,519
Write – off during the year	(135)	(171)
At 31 December	3,213	3,348

Effective 1 January 2013, the Group implemented the improvement to IAS 16, property, plant and equipment. As a result, strategic spare parts that met the definition of property, plant and equipment were reclassified to property, plant and equipment. The remaining spare parts, which do not meet the definition of property, plant and equipment amounted to JD 22,263 thousands were reclassified to current spare parts and supplies. 2012 figures were reclassified to correspond with 2013 figures (note 3).

12. OTHER CURRENT ASSETS

	2013	2012
	JD "000"	JD "000"
Prepaid expenses	2,772	4,221
Advance payments to contractors	7,351	8,813
Due from Sales Tax Department *	53,384	44,155
Others	4,058	3,100
	67,565	60,289

* This item represents sales tax receivable which were paid by the Company during the previous years mostly on the expansion project which was completed during 2010. These amounts are recoverable according to the sales tax law. The Company filed three refund applications to recover an amount of JD 17 million, 17.3 million and 22.3 million according to the recovery periods in the sales tax law. The income and sales tax department audited the first application only and an amount of JD 10.9 million was refunded. The remaining amount of JD 6.2 million still under dispute with the audit bureau. The second and third applications are still subject to the review of the Income and Sales Tax Department until the date of the consolidated financial statements.

13. CASH ON HAND AND BANK BALANCES

	2013	2012
	JD "000"	JD "000"
Cash on hand	109	73
Cash at banks*	64,199	27,651
Short term deposits**	177,733	230,559
Cash and cash equivalents	242,041	258,283
Short term deposits mature after more than 3 months***	62,396	71,253
	304,437	329,536

* This item includes checks under collection with maturities within 3 months from the statement of financial position date in the amount of JD 2,110 thousand (2012: JD 3,274 thousand).

** This item represents deposits in Jordanian Dinar at local banks with an interest rate of 5.8% (2012: 4.5%) and are due within one to three months from the date of the consolidated financial statements.

*** This items represents deposits in Jordanian Dinar at local banks with an annual interest rate of 5.8% (2012: 4.5%) and are due within three to six months from the date of the consolidated financial statements.

14. RESERVES

Statutory reserve

The accumulated amounts in this account of JD 50,464,000 represent 10% of the Group's net income before tax according to the Companies Law. The Group has the option to cease such appropriations when the balance of this reserve reaches 25% of the Company's authorised capital. The Group's management resolved in 2005 to cease appropriations to the statutory reserve. The statutory reserve is not available for distribution to equity holders.

Voluntary reserve

The accumulated amounts in this account of JD 80,699,000 represent cumulative appropriations not exceeding 20% of net income before income tax. This reserve is available for distribution to equity holders.

Dividends

The Group's general assembly approved in its ordinary meeting held during 2013 to distribute JD 208,293,750 as dividends which represent 250% of Company's capital. A total amount of JD 200,137,000 has been distributed during the period, and the remaining amount was recorded in other liabilities (2012: JD 249,946,050 as dividends which represents 300% of Company's capital).

15. LOANS

	2013		2012	
	Short term	Long term	Short term	Long term
	JD "000"	JD "000"	JD "000"	JD "000"
Islamic Development Bank - Jeddah	-	-	3,336	-
European Investment Bank	1,194	-	3,193	1,198
Societe Generale	34	119	-	-
	1,228	**119**	**6,529**	**1,198**

The details of these loans are as follows:

• Islamic Development Bank - Jeddah

Jordan Dead Sea Industries Company (JODICO) has signed an agreement on 28 September 1997 with Islamic Bank for Development - Jeddah, by which the bank has assigned JODICO to buy machinery and equipment on behalf of Jordan Magnesia Company for a maximum amount of USD 28,035,000 and to lease it to JODICO for 9 years after a preparation period of 3 years for an annual fee of 7.5%. The ownership of the machinery will be transferred to JODICO at the end of the agreement period. This agreement is guaranteed by Arab Potash Company. The loan agreement was modified on 29 August 2002 for Jordan Magnesia Company to become the borrower instead of JODICO. The loan is repayable over 18 equal semi annual installments amounting SDR 2,046,000 each, the first of which was due on 1 July 2004 and the last installment was settled on 31 December 2012.

Arab Fertilizers and Chemicals Industries (KEMAPCO) signed an agreement on 11 March 2001 with Islamic Development Bank - Jeddah, in which the bank assigned the Company the right to buy the components of the Nitric Acid Plant for an amount not exceeding USD 27,000,000 and to lease it to the Company for a period of 10 years, after a preparation period of 2 years for an annual fee of 5.4%. The ownership of the machinery will be transferred to the Company at the end of the lease period. During 2009, Kemira GrowHow guarantee was cancelled and replaced by Arab Potash Company guarantee for the whole loan amount. The last installment of the loan fell due on 1 December 2013.

European Investment Bank

On 28 April 1998, the Company signed a loan agreement amounting to USD 47,485,000 to finance its operations. The loan is repayable over 22 semi-annual installments, the first of which was due on 10 October 2002 and the last installment fell due on 10 April 2013. The loan is guaranteed by the Government of Jordan and bears an interest rate of 6.18% per annum and a guarantee fee at 1% per annum.

On 22 September 1999, Arab Fertilizers and Chemicals Industries (KEMAPCO) signed a loan amounting to Euro 30,000,000 to be used in financing the Company's project. The loan is repayable over 22 semi annual installments, the first instalment was due on 20 March 2004 and the last installment will fall due on 20 September 2014. The loan bears an interest rate between 5.02% to 5.99% and is guaranteed by Arab Potash Company.

*** Societe Generale Bank - Jordan**

On 24 June 2013, Numeira Company signed as loan agreement amounting to JD 170 thousands to finance the purchase of offices for the Company, the annual interest on the loan is 8.75%. The loan will be paid though 60 monthly payments, the first payment fell due on 31 July 2013 and the last payment will fall due on 30 June 2018.

Principle installments payable during 2014 and after are as follows:

	JD "000"
2014	1,228
2015	34
2016	34
2017	34
2018	17
	1,347

16. OTHER CURRENT LIABILITIES

	2013	2012
	JD "000"	JD "000"
Employees' legal cases compensation provisions	10,634	10,414
Employees' post-employment benefits provision (Note 19)	188	117
Dividends payable (Note 14)	23,832	15,675
Contractors retentions	2,278	1,253
Accrued interest and expenses	7,552	5,816
Others	6,489	5,041
	50,973	38,316

17. SEGMENT INFORMATION

The Group is comprised of the following operating segments:

• Producing potash and salt through Arab Potash Company.
• Producing potassium nitrate and di calcium phosphate through Arab Fertilizers and Chemical Industries (KEMAPCO)
• Producing mixed salts and mud through Numeira Company.

Following is a breakdown of the segment information for the above operating segments:

2013						
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Elimination & Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	457,836	62,785	588	521,209	-	521,209
Inter-company Sales	24,755	-	2,093	26,848	(26,848)	-
Total Sales	482,591	62,785	2,681	548,057	(26,848)	521,209
Segment profit	168,857	14,216	223	183,296	-	183,296
Results						
Share of profit of associates and joint ventures	19,511	-	-	19,511	-	19,511
Depreciation	63,443	5,629	72	69,144	(5,308)	63,836
Capital Expenditure						
PP&E and projects in progress	**26,895**	**761**	**365**	**28,021**	**-**	**28,021**
Total Assets	**1,026,469**	**80,579**	**2,051**	**1,109,099**	**(93,350)**	**1,015,749**
Total Liabilities	**174,749**	**11,202**	**412**	**186,363**	**(57,167)**	**129,196**
Investments in associates and joint ventures	**87,023**	**-**	**-**	**87,023**	**-**	**87,023**

2012						
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Elimination & Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	512,828	72,942	498	586,268	-	586,268
Inter-company Sales	28,457	-	1,756	30,213	(30,213)	-
Total Sales	541,285	72,942	2,254	616,481	(30,213)	586,268
Segment profit	283,133	17,427	151	300,711	-	300,711
Results						
Share of profit of associates and joint ventures	12,548	-	-	12,548	-	12,548
Depreciation	63,880	5,592	60	69,532	(5,320)	64,212
Capital Expenditure						
PP&E and projects in progress	**19,046**	**946**	**29**	**20,021**	**-**	**20,021**
Total Assets	**1,086,936**	**94,116**	**1,738**	**1,182,790**	**(99,337)**	**1,083,453**
Total Liabilities	**164,731**	**15,271**	**569**	**180,571**	**(61,033)**	**119,538**
Investments in associates and joint ventures	**78,876**	**-**	**-**	**78,876**	**-**	**78,876**

Following is a summary of sales by geographical location for the year ended 31 December 2013 and 2012:

	31 December 2013				31 December 2012			
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Arab Potash Co.	KEMAPCO	Numeira Co.	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
China & India	161,832	4,244	28	166,104	212,327	3,995	12	216,334
Far East	178,910	4,709	-	183,619	195,123	5,201	-	200,324
Middle East	47,559	7,334	515	55,408	32,411	9,463	448	42,322
Africa	48,868	7,680	2	56,550	47,836	8,979	-	56,815
Europe	20,547	29,112	33	49,692	24,873	32,377	38	57,288
America & Australia	120	9,349	10	9,479	258	12,927	-	13,185
Canada	-	357	-	357	-	-	-	-
	457,836	**62,785**	**588**	**521,209**	**512,828**	**72,942**	**498**	**586,268**

18. MISCELLANEOUS PROVISIONS

The amount of JD 7,354 thousands (2012: JD 7,159 thousands) in the consolidated statement of financial position represents the extra contingent amount that might be payable by Arab Potash Company and not included in the liabilities of JORMAG.

19. OTHER NON-CURRENT LIABILITIES

	2013	2012
	JD "000"	JD "000"
Company and employees share in	384	557
compensation and death fund *	7,690	6,008
End of service indemnity provision	5,770	6,168
Employees' post-employment benefits provision **	156	140
Unpaid leaves provision	14,000	12,873

*The Arab Potash Company reached a final agreement with the General Jordanian Trade Union of Workers in Mining and Metals Association (the "Union") on 26 July 2012 to amend the company's contribution to the Compensation and Death Fund to become 2% of the company's non-consolidated net profit with a maximum amount of six million Jordanian Dinars starting from 2013. This agreement includes all of the employees whose services ended before 1 May 2012.

** Employee post-employment benefit provision is classified according to maturity as follows:

	2013	2012
	JD "000"	JD "000"
Employee' post-employment benefits provision	5,770	6,168
Provision payable within one year (Note 16)	188	117
	5,958	6,285

The Company estimates the amount of these benefits to be JD 5,958 thousands (2012:JD 6,285 thousands) as of the date of these consolidated financial statement which represents the present value of the total benefits amounting to JD 14,446 thousands as of 31 December 2013
(2012: JD 14,972 thousands).

20. INCOME TAX

The movement on the provision for income tax during the year was as follows:

	2013	2012
	JD "000"	JD "000"
Balance at 1 January	20,050	35,809
Income tax expense for the year	17,114	28,831
Income tax paid	(26,977)	(44,590)
Balance at 31 December	10,187	20,050

Income tax expense in the consolidated income statement represents the following:

	2013	2012
	JD "000"	JD "000"
Current year income tax	17,114	28,831
Deferred tax asset	98	885
	17,212	29,716

Income tax expense

	2013	2012
	JD "000"	JD "000"
Computed tax at statutory rates	22,609	31,820
Subsidiaries' profits not subject to income tax	(2,964)	(1,308)
Gain on investments in associates not subject to income tax	(2,732)	(1,757)
Tax effect of expenses not acceptable for tax purposes	299	2,659
Tax effect of prior years' expenses accepted during the year	-	(1,698)
	17,212	29,716
Effective income tax rate	11.6%	13%
Statutory income tax rate	14%	14%

Deferred tax assets

	2013	2012
	JD "000"	JD "000"
Movement is as follows:		
At 1 January	3,846	4,731
Additions during the year	1,332	705
Retirements during the year	(1,430)	(1,590)
At 31 December	3,748	3,846

The provision for income tax for the years ended 31 December 2013 and 2012 has been calculated in accordance with the Income Tax Law No. (28) of 2009.

The Income and Sales Tax Department re-opened the Arab Potash Company's records for 2007 regarding the acquisition of Arab Fertilizers and Chemicals Industries (KEMAPCO) and issued a claim against the Company by JD 2,215 thousands. Arab Potash Company has filed a lawsuit with the court of First Instance to prevent the claim issued by the Income and Sales Tax Department for the aforementioned amount. The issue has not been resolved up to the date of the consolidated financial statements.

The Income and Sales Tax Department rejected the Company's right for the tax discount which relates to 2008 income tax by an amount of JD 146,000. During 2012, the Cessation Court decision was in favour of the Income and Sales Tax Department and the Arab Potash Company has paid the aforementioned amount as a final settlement for this issue.

The Income and Sales Tax Department has reviewed the Company's records for the year 2011 and has issued the final tax clearance for 2011.

The Income and Sales Tax Department has reviewed the Company's records for Numeira Mixed Salts and Mud Company (subsidiary) for 2010 and 2011 and no final settlement was reached until the date of the consolidated financial statements. The Company has reached a final settlement with the Income Tax Department up to the year 2009.

Arab Fertilizers and Chemicals Industries Company (KEMAPCO), (subsidiary) is an exempted company from the Income and Social Services Taxes for 12 years commencing from the year that follow the first production for the company (April 2003) and it is excluded from this exemption the profits from trade warehousing projects for goods that are ready to be sold for local consumption.

As at 31 December 2013, an amount of JD 53 Million is included in other current assets represents sales tax receivable which were paid by the Company during the previous years mostly on the expansion project which was completed during 2010. These amounts are recoverable according to the sales tax law. The Company filed three refund applications to recover an amount of JD 17 million, 17.3 million and 22.3 million according to the recovery periods in the sales tax law. The income and sales tax department audited the first application only and an amount of JD 10.9 million was refunded. The remaining amount of JD 6.2 million is still under dispute with the audit bureau. The second and third applications were not audited up to the date of the consolidated financial statements.

21. COST OF SALES

	2013	2012
	JD “000”	JD “000”
Raw materials used in production	16,897	19,468
Salaries and wages	56,119	45,457
Freight costs	30,107	29,995
Depreciation	60,495	60,717
Fuel and electricity	105,926	101,145
Maintenance	34,121	34,769
Water	7,569	7,674
Insurance	7,716	7,681
Others	10,570	11,256
	329,520	318,162
Add: beginning inventory	58,851	26,246
Less: ending inventory	(50,458)	(58,851)
	337,913	285,557

22. ADMINISTRATIVE EXPENSES

	2013	2012
	JD “000”	JD “000”
Salaries and other benefits	6,497	4,795
Professional and consulting fees	3,387	2,523
Litigation compensations	589	2,458
Extraordinary grant for the company’s retired employees*	-	6,895
Travel	821	914
Depreciation	1,092	911
Maintenance and repairs	319	553
Electricity	156	162
Fuel	105	118
Post and telephone	216	331
Dike 19 expenses	-	377
Board of Directors’ remuneration	65	65
Others	1,814	2,004
	15,061	22,106

*The Company’s General Assembly has resolved in its extraordinary meeting which was held during September 2012 to pay a grant in amount of JD 5,000 for each retired employee from the company before 30 April 2012 based on the social security records. The total cost for this grant was JD 6,895 thousand.

23. OTHER INCOME

	2013	2012
	JD “000”	JD “000”
Scrap sales	432	1,188
Others, net	451	668
	883	1,856

24. ROYALTY TO THE GOVERNMENT OF JORDAN

During 2013, royalty due to the Government of Jordan was JD 25,949 thousand (2012: JD 49,883 thousand).

During 2013, the Company paid an amount of JD 20 million as an advance payment (2012: 40 million) due to the government in March of each year based on the Ministry of Finance request. Accordingly, the balance due from the accrued mining fees as at 31 December 2013 is JD 5.9 million (2012: 6.5 million).

25. SELLING AND DISTRIBUTION EXPENSES

	2013	2012
	JD "000"	JD "000"
Marketing		
Salaries and other benefits	790	890
Sales commission	4,609	4,537
Travel	429	432
Membership dues	322	433
Depreciation	40	58
Sample testing	204	172
Advertising	74	89
Post and telephone	31	35
Others	743	989
	7,242	7,635
Aqaba		
Handling fees	3,101	3,009
Salaries, wages and other benefits	2,215	2,187
Depreciation	2,186	2,240
Electricity	410	414
Maintenance	365	336
Fuel	71	49
Insurance	167	159
Rent	723	101
Others	614	208
	9,852	8,703
	17,094	16,338

26. FINANCE COSTS AND BANK CHARGES

	2013	2012
	JD "000"	JD "000"
Interest expense	1,253	1,783
Bank commissions	1,980	1,561
	3,233	3,344

27. EARNINGS PER SHARE

	2013	2012
	JD "000"	JD "000"
Profit for the year	130,661	198,822
Weighted average number of shares ("000")	83,318	83,318
Basic and diluted, earnings per share (JD / Fils)	1.568	2.386

28. RELATED PARTY TRANSACTIONS

Related party transactions include transactions with associated companies and the Government of the Hashemite Kingdom of Jordan. The following are the major transactions:

The concession to exploit the Dead Sea brine was granted by the Government of Jordan. In return, the Company pays to the government an annual royalty, which is computed as explained in Note 1. The concession agreement was amended during 2010 in accordance with the Temporary Law No. (55) of 2003 whereby, amendments include the annual rent fees for lands within the concession area to become JD 1,500,000 annually, retrospectively effective June 2008.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2013	2012
	JD "000"	JD "000"
Amounts due from related parties		
Accounts receivable – Jordan Bromine Company	1,390	3,585

Following is a summary for the transactions with related parties which are included in the consolidated income statement:

	2013	2012
	JD "000"	JD "000"
Sales – Nippon Jordan Fertilizer Company (Associate)	2,264	1,088
Sales – Jordan Bromine Company (Joint venture)	15,767	11,175

Compensation of the key management personnel was as follows:

	2013	2012
	JD "000"	JD "000"
Benefits (Salaries, wages, and bonus)	1,826	1,867

29. CONTINGENCIES AND COMMITMENTS

As of 31 December 2013, the Group had the following contingencies and commitments:

Letters of credit, letters of guarantee and bills of collection amounting to JD 5,806 thousands (2012: JD 8,771 thousands).

The Group has committed and contracted for capital expenditure amounting to JD 36,688 thousands (2012: JD 29,260 thousands).

The Group has committed but not contracted for capital expenditure amounting to JD 24,078 thousands (2012: JD 36,322 thousands).

Legal claims

The Group is a defendant as at 31 December 2013 in the following lawsuits:

1-a Dike No. 19 cases:

APC raised an arbitration case against ATA, the contractor of Dike19 claiming JD 37,477,000. An arbitration agreement was signed between the parties on 10 April 2001. The Arbitration Committee issued a majority ruling on 30 September 2003 where it has rejected APC's claim and awarded ATA Company a sum of JD 5,907,000 for the counter claim it had filed against APC before the same arbitration panel. APC appealed the Arbitration Committee ruling on 29 October 2003. The Court of Appeal accepted APC's appeal whereby the Arbitration decision and the Arbitration Clause in the Contract was cancelled. ATA took the case to the Cassation Court, and the Cassation Court issued its decision upholding the Court of Appeal decision. APC has filed a lawsuit accordingly. During 2008 APC filed a lawsuit against ATA Company in the Jordanian courts claiming ATA Company for the damages sustained from Dike 19 collapse. The lawsuit is under process as of the date of the consolidated financial statements.

1-b ICSID case submitted by ATA against the Jordan Government:

ATA registered an arbitration case in the International Center for the Settlement of Investment Disputes (ICSID) in Washington DC against the Jordan Government claiming that the Jordan courts (Appeal and Cassation) were biased against ATA after they annulled the majority arbitration decision and extinguished the arbitration clause in the contract. By doing so ATA claims that the Jordan Government violated the Turkey – Jordan Bilateral Treaty by failing to protect ATA investment.

The final award was rendered on 18 May 2010 dismissing all of ATA claims except restoring its right to go to arbitration in accordance with the agreement signed between APC and ATA on 2 May 1998.

On 8 March 2011, the ICSID Tribunal released its decision that allowed APC's interpretation of order no. (5) and confirmed APC right to arbitration in accordance with the Agreement signed between the parties on 2 May 1998. Furthermore, the tribunal ordered both parties to comply with order no. (4) of the original award to drop the court case “immediately and unconditionally”. After this decision, the case is considered closed.

1-c Lawsuit raised against Middle East Insurance Company

Lawsuit raised against Middle East Insurance Company, the insurer of Dikes 19 and 20 during construction (issuance of CAR insurance Policy), whereby APC is claiming JD 27,518,000. On 31 May 2009, the Court of First Instance rejected MEIC request to invite Gibb as a joint respondent in this case and decided to proceed with the original case. However, on 15 September 2009 the MEIC appealed the case. On 1 November 2009, the Court of Appeal rejected the Court of First Instance decision and accepted the MEIC appeal to invite Gibb as a joint respondent in this case. On 22 December 2009, APC sent the case to the Court of Cassation.

The Court of Cassation on 3 March 2011, agreed with the Middle East Insurance request to invite Gibb as a second Respondent in this case.

On 27 April 2011, APC submitted a request to the Court of Cassation asking it to reconsider its decision. No reply of the Court of Cassation has been received as of the date of the consolidated financial statements.

On 17 February 2013, the Court of Appeal confirms the Court of First Instance decision to reject ATA's request to invite Gibb to the Case as a second respondent. ATA took the case to the Court of Cassation. The case is under process as of the date of the consolidated financial statements.

2- Dike No.18 case

Lawsuit against ATA Company, the contractor of Dike 18. ATA filed for the dismissal of the case on the grounds that there is an arbitration clause in the Construction Contract. The First Instance Court accepted ATA's request. APC appealed the ruling for which a refusal decision was issued on 14 July 2004. APC took the case to the Cassation Court and the said court upheld the Court of Appeal decision. It was agreed between the parties to form arbitration panel in which each of the parties has nominated an arbitrator and agreed on a third arbitrator who has accepted the appointment. On 30 September 2009, the Company presented its initial claim. The Respondent (ATA) submitted their Statement of Defence and Motion to Dismiss on 2 January 2010 as scheduled. The Company prepared their reply on both and submitted to the Tribunal as scheduled on 15 February 2010.

The tribunal reached on 10 September 2011 a unanimous decision rejecting ATA's motion to dismiss APC's case on the ground of time bar. The parties will now move on to arbitrate the merits of the case. The first hearing session on the merits was postponed because ATA refused to pay its share of the Tribunal fees and the fees of the Tribunal appointed experts. After the said fees were paid by APC, the tribunal issued an interim award ordering ATA to reimburse APC with fees. The final hearing on this case was held in Amman between 19 and 25 October 2012. The final brief by APC was submitted on 3 January 2013 and ATA on 4 February 2013. During the first week of June 2013, the Tribunal decided to extend the time to render the final decision by three months. Consequently, the Final Decision on this case is expected during the second part of September 2013. The Tribunal on 27 September 2013 decided to postpone the final decision until the end of November 2013.

3-There are a number of individual claims filed against APC by a number of employees relating to medical insurance claims. The outcome of these claims is estimated to reach JD 10,362,000 as at the date of the consolidated financial statements.

30. RISK MANAGEMENT

Interest rate risk

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

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

The sensitivity of the consolidated income statement 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.

2013 -				
Currency	Increase in basis points	Effect on profit for the year JD "000"	Decrease in basis points	Effect on profit for the year JD "000"
JD	50	1,268	(50)	(1,268)

2012 -				
Currency	Increase in basis points	Effect on profit for the year JD "000"	Decrease in basis points	Effect on profit for the year JD "000"
JD	50	1,383	(50)	(1,383)

Credit risk

The Group uses letters of credit and credit insurance to ensure that sales are made to customers with appropriate credit history and do not exceed acceptable credit exposure limits.

The Group sells its products to limited numbers of customers and fertilizing companies. Its 5 largest customers account for 83% of outstanding accounts receivable at 31 December 2013 (2012: 68%).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2013, based on contractual payment dates and current market interest rates.

Year ended 31 December 2013	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD "000"	JD "000"	JD "000"	JD "000"
Trade payables and accruals	36,324	-	-	36,324
Potash mining fees due to the government of the Hashemite Kingdom of Jordan	-	5,949	-	5,949
Income tax provision	10,187	-	-	10,187
Loans	600	641	138	1,379
Total	**47,111**	**6,590**	**138**	**53,839**

Year ended 31 December 2012	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD "000"	JD "000"	JD "000"	JD "000"
Trade payables and accruals	26,695	140	-	26,835
Potash mining fees due to the government of the Hashemite Kingdom of Jordan	-	6,578	-	6,578
Income tax provision	20,050	-	-	20,050
Loans	2,352	4,829	1,317	8,498
Total	**49,097**	**11,547**	**1,317**	**61,961**

Currency risk

The Group's transactions in U.S. Dollar do not give rise to foreign currency risk since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each one JD).

The table below indicates the Group’s foreign currency exposure at 31 December, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible changes of the JD currency rate against the foreign currencies on the consolidated income statement, with all other variables held constant.

2013 -				
Currency	Increase in Exchange Rate	Effect on Profit	Decrease in Exchange Rate	Effect on profit
	points	JD "000"	points	JD "000"
EURO	10	27	(10)	(27)

2012 -				
Currency	Increase in Exchange Rate	Effect on Profit	Decrease in Exchange Rate	Effect on profit
	points	JD "000"	points	JD "000"
EURO	10	44	(10)	(44)
Special Drawing Right (SDR)	5	(17)	(5)	17

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, financial assets at fair value through other comprehensive income, employees housing loans and some other current assets. Financial liabilities consist of accounts payable, loans, accrued mining fees and some other current liabilities.

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

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains 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 2013 and 2012. Capital comprises share capital, reserves and retained earnings, and is measured at JD 886,225 thousand as at 31 December 2013 (2012: JD 963,858 thousand).

33. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company's, since none of the entities in the Company's would qualify to be an investment entity under IFRS 10.

34. COMPARATIVE FIGURES

Some of 2012 balances were reclassified to correspond with 2013 presentation (note 3).

The reclassification has no effect on the profit for the year.

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