ARAB POTASH COMPANY PLC

Annual Report 2014

His Majesty
King Abdullah II Ibn Al Hussein

His Royal Highness Crown
Prince Al Hussein Bin Abdullah II

Arab Potash Company PLC

Fifty Eighth Annual Report

Of the Board of Directors and the consolidated financial statements of the Company for the year ended 31 December 2014, presented at the Ordinary General Assembly Meeting at 12:00 noon on Thursday 23rd April 2015 AD, 29th Jamadi Al Akher 1436H,

Contents

Message from the Chairman

In the name of God the Compassionate, the Merciful

The Members of the Board of Directors, the Executive Management of the Arab Potash Company (APC) and I are delighted and honored to submit to you the 58th annual report for the year 2014 on the Company's operations, including its consolidated financial statements for the year ended 31/12/2014. The report also contains a review of the past year's achievements and an outlook for the new year.

APC, continued to focus on the safety of its employees as the first priority, given that the Company employs more than 2,100 people, mostly from the local communities. I am delighted at the start of this report to bring you the news that we have completed five million working hours without lost-time injury, which is defined as work-related injuries that require the injured person to take leave of absence for treatment. This first-time achievement places the company at the forefront of enterprises in the region in terms of workplace safety.

The global potash market in 2014 continued to suffer from the repercussions of the dissolution of the joint marketing venture between Russia and Belarus, which happened in mid 2013. This had a significant impact on global supply patterns during the year. In addition, macroeconomic factors namely lower oil prices and a strengthening dollar caused imbalances in local potash prices, which impacted short term demand.

These developments resulted in a decrease of the average selling price from $ 380 to $ 300 during 2014. The price-drop coincided with the increase in APC's production costs over the past years, mainly the cost of energy and electricity which increased by about 15% in 2014 compared with 2013, and the cost of water which increased by 24%. It should be noted that part of the rise in production costs was linked to the increase in production volumes. Labor costs also rose by 4%. This significant rise in production costs placed APC among the highest cost producers in the world, after it was one of the lowest in this area until 2008.

APC continues to study ways to reduce costs, especially the high cost of electricity. The Company engaged an international consultant to study the possibility of using renewable energy, and concluded that the optimal choice was to proceed with the project to generate electricity using solar cells, at a capacity of 33 MW. The project will be completed in two years. In addition, APC continues to study the option of building a plant to generate electricity and steam using natural gas.

APC production in 2014 reached 2.1 million tons, which is equivalent to 105% of the annual production plan of two million tons, compared with 1.7 million tons in 2013.

Based on long-term market projections, which indicate an increase in long-term demand for potash, the Board of Directors approved the project for phased expansion in production. The first phase will raise production capacity by 65,000 tons per year and it will be completed in 30 months. This will be in addition to the project to increase the production capacity of granular potash by 250,000 tons per year at a cost of JD 9 million, which is expected to be completed in 2016. The Company is also studying other expansion options.

APC focused in 2014 on maintaining and developing its market share. Local and regional sales increased considerably, and shipments to China and India also increased at a healthy pace during the year. The Arab Potash Company also continued to focus on Africa, where its sales increased by 32,000 tons, or 37% after the growth achieved in the previous year, which amounted to 24%.

Among APC's main achievements in this area was that sales to China more than doubled to reach 642,000 tons, in accordance with the MoU signed in Beijing in 2013, which covers potash sales until 2016. Sales to India also increased beyond the 500,000 ton level. It should also be noted that there has been a marked improvement in the quality and purity of APC's product which is of 3% higher purity than the specifications guaranteed.

In the area of social responsibility and investment in local community development and environmental protection, APC's budget in 2014 amounted to JD 7.5 million, which was allocated according to priorities set in consultation with public and private institutions and local communities. 29% was allocated to education and higher education, 21% for social development and the care of orphans, 21% for municipalities and supporting official institutions, 11% for health and care for people with special needs, 8% for sports and youth, 3% for water and the environment, 3% to support cultural activities, 3% for the maintenance and repair of houses of worship, and 1% to support professional and trade union activities. These programs benefitted more than 2,000 associations and 100,000 citizens.

One of the most important achievements in this area was the opening of Tawahin Al Sukkar Mixed Secondary School located in Ghor Al Mazra'ah, which APC financed fully to the value of JD 1.06 million, in response to an initiative by His Majesty King Abdullah II Ibn Al Hussein. The school provides a model learning environment for about 1,000 students from the Southern Valley Area, from kindergarten to the tawjihi (school leaving exam). This will empower them to greater educational attainment and expand the opportunities available to them to build a better future. The highest international standards were observed in designing and building the school in terms of the space available to students in the classroom, and the presence of all necessary facilities. The school includes 24 classrooms, computer, science and biology labs, special halls for kindergarten, sports and art, a prayer enclosure, and external playgrounds in addition to five dunums (1 dunum = 1,000 sq. m) of greenhouses for extracurricular activities. The school replaces three schools that were located in rented buildings.

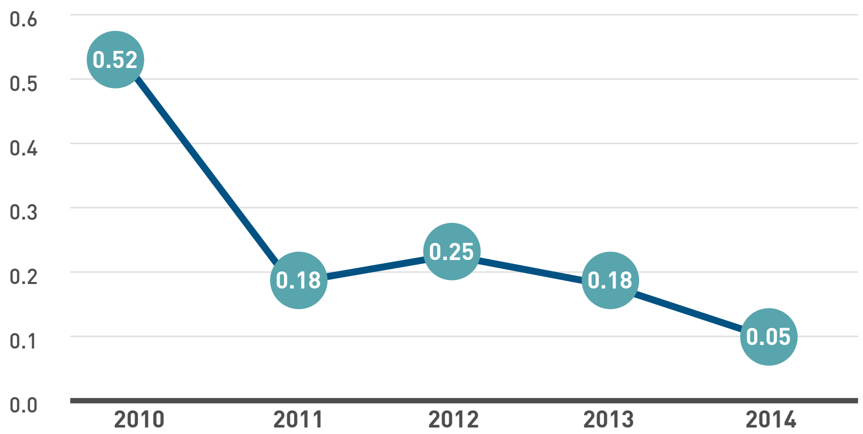
In conclusion, I would like to extend, in my own name and on behalf of Members of the Board of Directors and Executive Management, as well as all members of the Arab Potash family my sincere thanks to the Company's shareholders and our valued customers for their continued trust in the Company and its products; I also thank our strategic partner PotashCorp for providing us with valuable advice and expertise that empower us to make constant improvement and progress, and I 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 of the Board
Jamal Ahmad Al Sarayrah

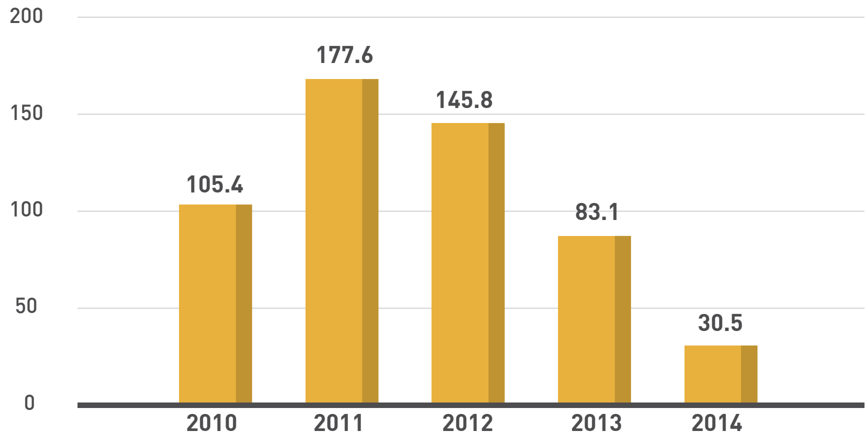
2014 in Numbers

Arab Potash Company in numbers 2010-2014:



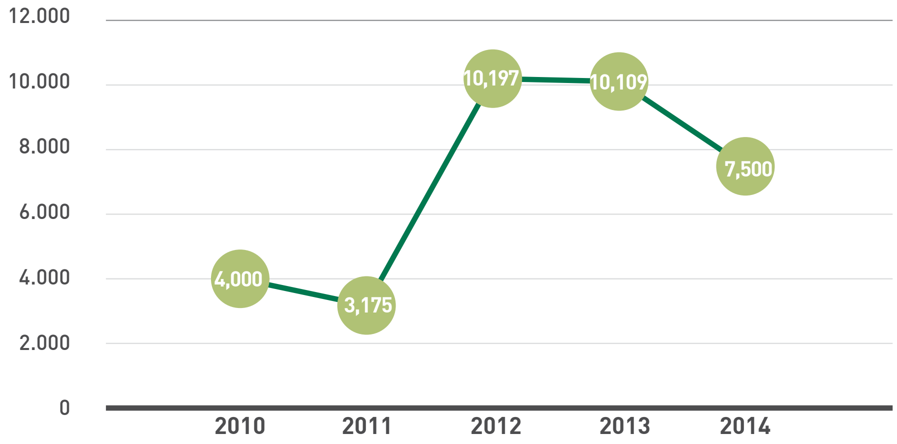
Safety - The number of lost time work injuries per 200,000 hours of work

1. Contributions to the Treasury



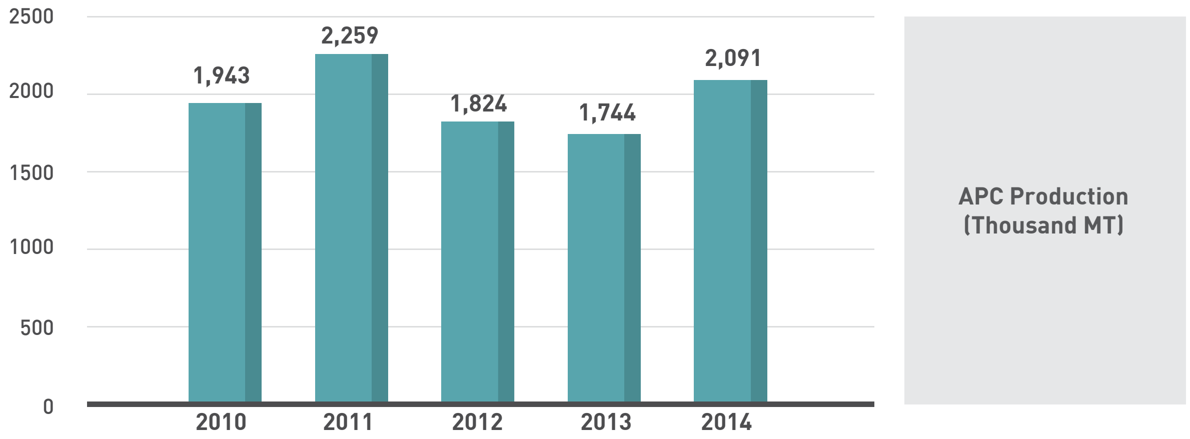
Contributions to the Treasury (Million JD)

2. Community Social Responsibility Contributions

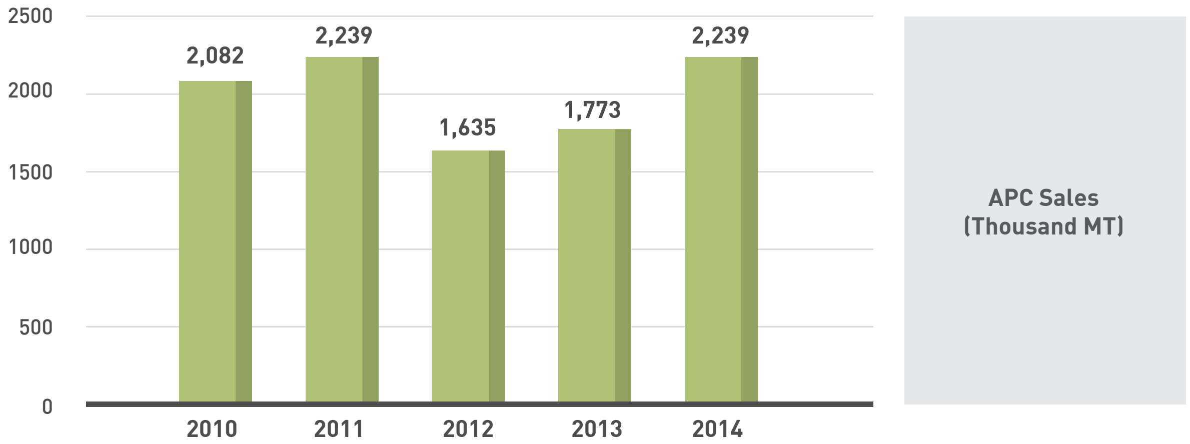


APC CSR Contributions (Million JD)

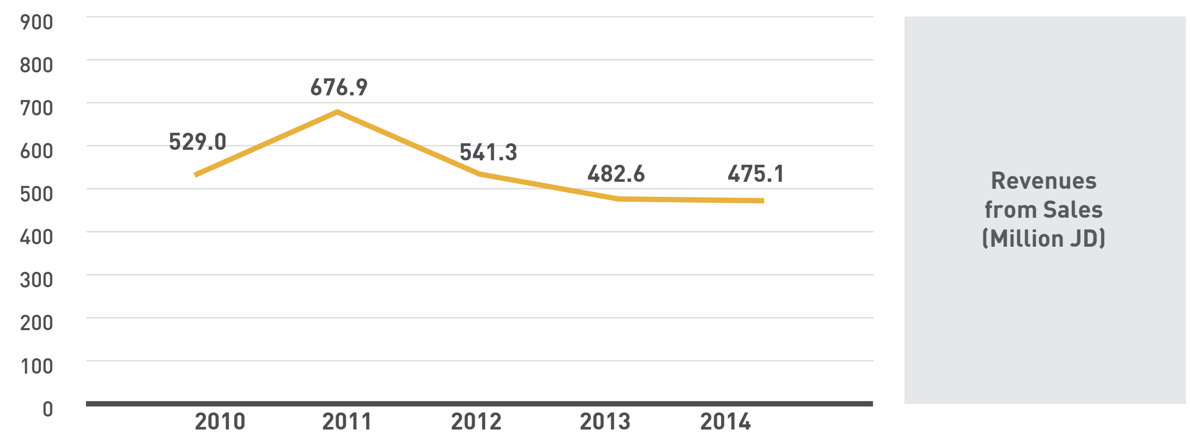
3. Production



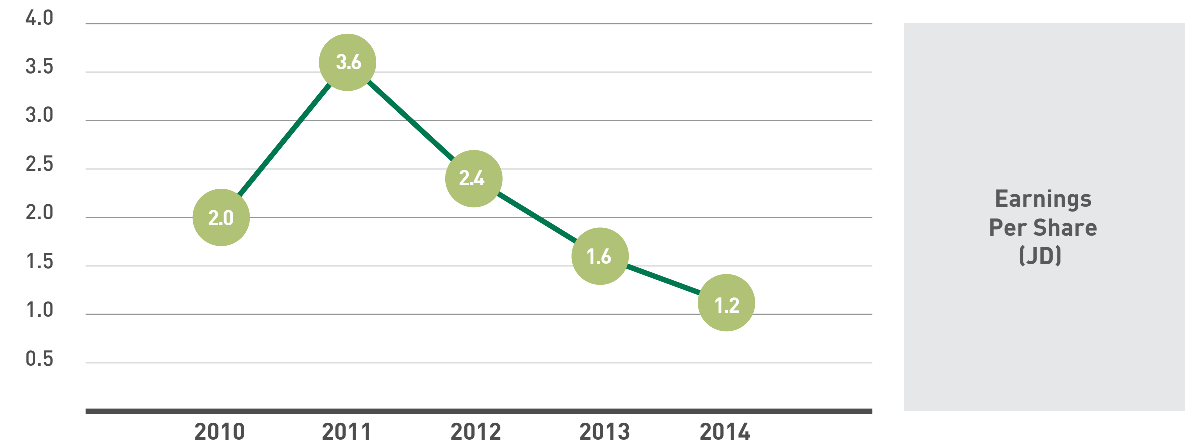
4. Sales



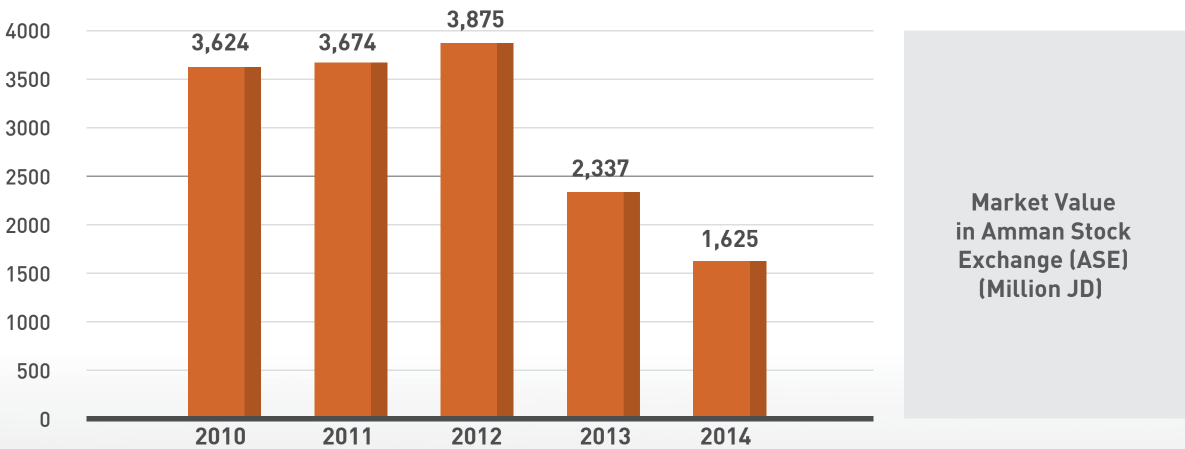
5. Revenues from Sales



6. Earning Per Share



7. Market Value in Amman Stock Exchange (ASE)



Major Financial Indicators for the period 2010-2014 in Thousand JD Except Financial Ratios, Share Data, Production and Sales Number

Details	2014	2013	2012	2011	2010
Potash Production (Million Tons)	2.09	1.74	1.82	2.26	1.94
Potash Sales (Million Tons)	2.24	1.77	1.63	2.24	2.08
Consolidated Sales Revenue	535,465	521,209	586,268	720,200	559,000
Potash Sales Revenue	475,051	482,591	541,300	678,800	529,000
Gross Profit	140,507	183,296	300,700	402,000	262,100
Profit from Operations	85,681	122,986	212,400	304,000	185,800
Financing Charges	641	1,027	3,344	4,900	3,800
Other Revenues	3,338	1,588	17,722	44,800	15,600
Net Profit After Tax	99,676	130,661	198,822	299,700	162,700
Net Fixed Assets	291,846	333,947	379,001	426,600	409,700
Long Term Loans & Other Long Term Obligations	9,191	14,266	20,032	41,800	44,400
Shareholders' Equity	860,982	886,488	963,915	1,015,200	819,900
Debt: Equity Ratio	0.01%	0.15%	0.7%	2.0%	3.9%
Return On Assets	10.6%	12.9%	18.4%	24.5%	16.1%
Return On Shareholders' Equity	11.6	14.7%	20.1%	32.7%	19.8%
Current Ratio	6.42	5.10	5.70	3.80	2.90
Closing Share Price/JD	19.50	28.05	46.51	44.10	43.50
Profit Dividends*	-	124,977	208,293	249,953	104,146
Dividends Percentage	-	150%	250%	300%	125%
Earnings Per Share / JD	1.2	1.6	2.4	3.6	2.0
Price Earnings Ratio	16.25	17.90	19.50	12.30	22.30
Royalty Fees JD per ton Produced	6.4	14.6	31.2	26.9	19.1

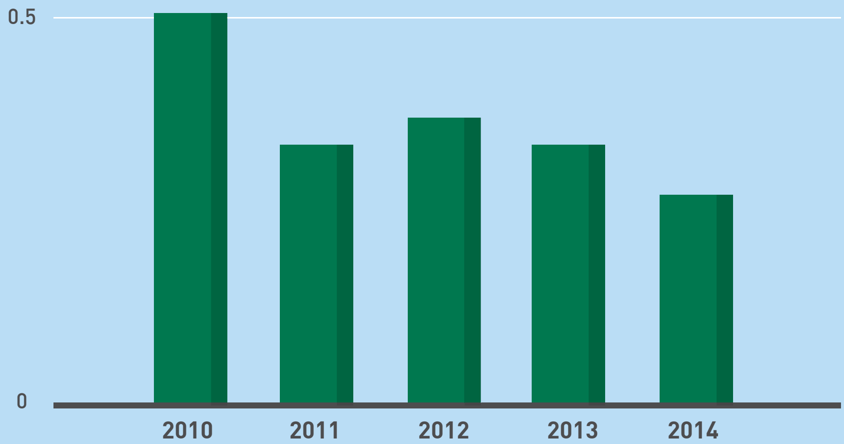
* Will be decided in the 2014 general assembly meeting which will be held in 2015.

Safety

APC believes that safety is the most important aspect of each job. It is a priority for APC to provide employees with a safe work environment including the proper personal protective equipment, so they can return home safely to their families.

In 2014, APC exceeded five million hours without a lost time injury – this is the first time that APC achieved that number.

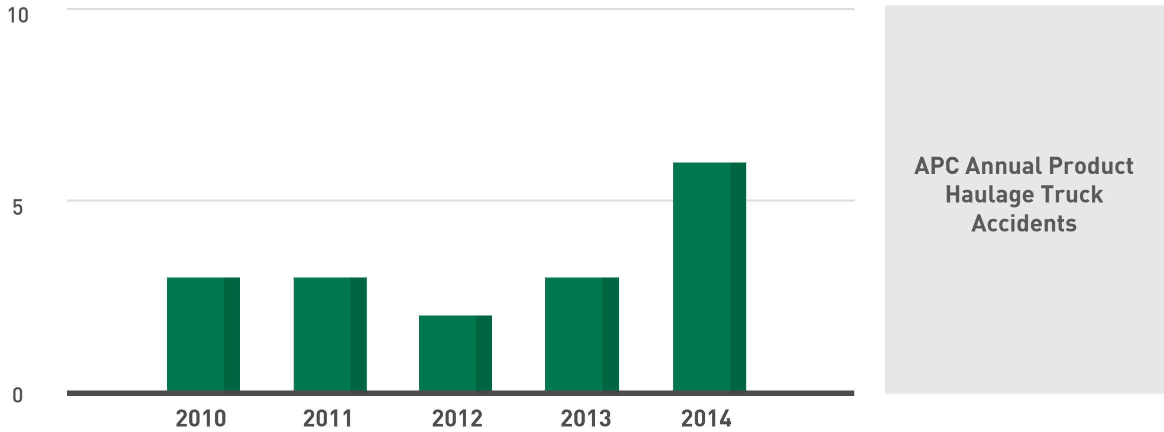
The company also works to maintain its leading and excelled role in safety at the local and international level; the figure below shows that our Lost Time Injury Rate in 2014 was (0.05) accidents per 200,000 Person Hours Worked.



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

Unfortunatly APC trucks experienced 6 accidents during 2014. Proactive measures have been taken to reduce this number going forward. APC is committed to the safety of its drivers and the public.

APC Annual Product Haulage Truck Accidents (2010 - YTD 2014)



Safety Initiatives in 2014 included:

1. Renew the safety management system certificate according to OHSAS – 18001:2007 for three new years.
2. Achieving 5 million working hours without lost time injury.
3. Performing six safety forums, 4 for supervisors & superintendents and 2 for trucking and traffic safety.
4. Effective implementation for the audit program on the key safety procedures at APC workplaces.
5. In November 2014, APC implemented a new system to evaluate service providers' safety performance.
6. Conducting training & awareness safety courses for APC service providers.
7. Reviewing and updating key safety procedures such as "Lockout/Tagout", Excavation Works Safety, and Mobile Cranes & Critical Lifts.
8. Updating the emergency safety plan for all APC sites and implementing all scheduled emergency drills in conjunction with the Civil Defense.
9. Effective participation in problem solving during the severe winter conditions in Karak, Safi and the Aqaba highway.
10. Continuous logistical support to Potash Civil Defense Center by Fire fighting, rescue, diving equipment, operations materials & medical supplies according to the agreement with the Civil Defense.
11. Developing and distributing the "Office Safety Calendar" in Arabic and English languages, which enhances the safety awareness among all APC employees.
12. Conducting the safety celebrations on the occasions of achieving one million or more person hours worked free of loss time injury.

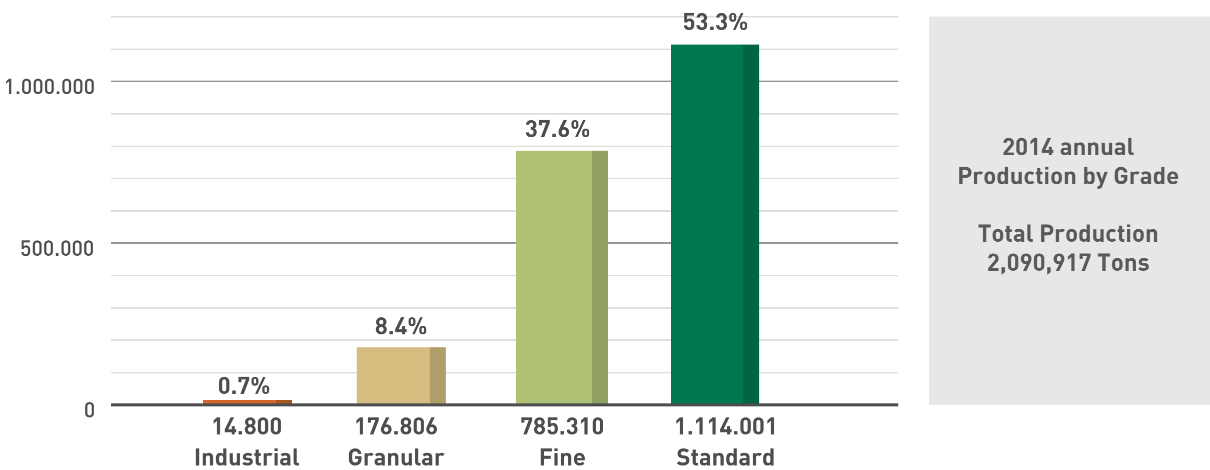
Production

The total production in the year 2014 was (2,090,917) tons which is equal to 105% of the annual production plan (2,000,000) tons and 124% of 2013 (1,744,238) tons.

The following table is showing the produced quantities from each grade of potash and the ratios from the total production in 2014:

Grade	Tons	Ratio (%)
Standard	1,114,001	53.3
Fine	785,310	37.6
Granular	176,806	8.4
Industrial	14,800	0.7
Total	**2,090,917**	**%100**

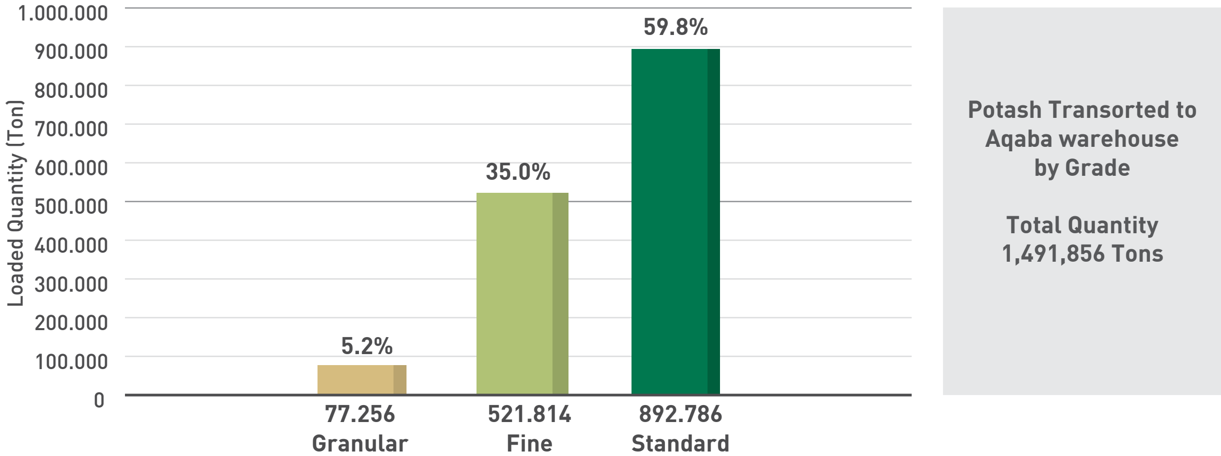
The following chart also shows the produced quantities and Grade ratios in 2014:



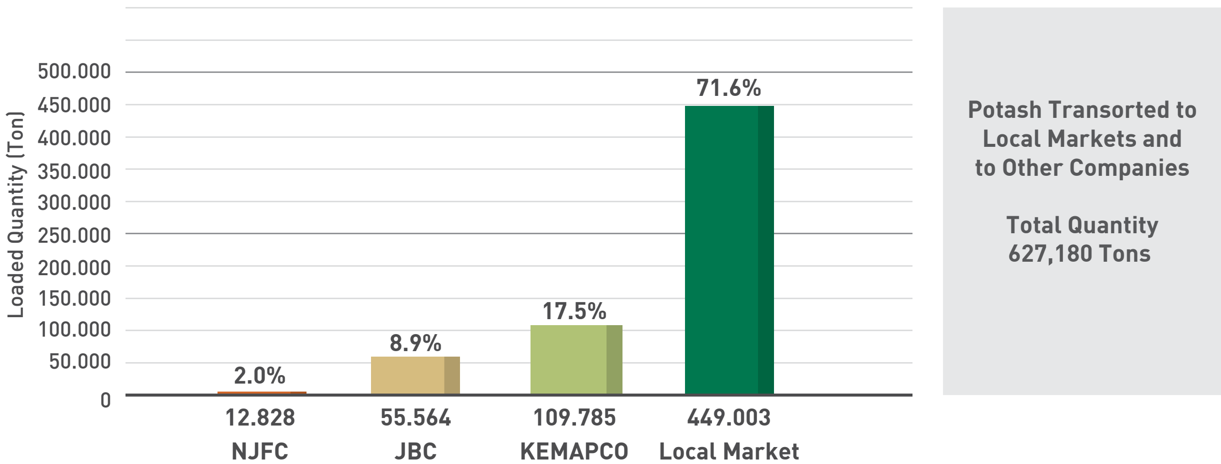
Potash is transported to the Aqaba warehouse, KEMAPCO, NJFC and JBC by means of our APC fleet while the local markets are being loaded at the Safi site. Transported quantities in 2014 are shown in the following table and charts:

Destination	Quantity (tons)	%
Aqaba Warehouse	1,491,856	**70.4**
Local Markets	449,003	**21.2**
KEMAPCO	109,785	**5.2**
JBC	55,564	**2.6**
NJFC	12,828	**0.6**
Total	**2,119,036**	**100**

The total potash transported to Aqaba warehouse was (1,491,856) tons as shown in the following chart:

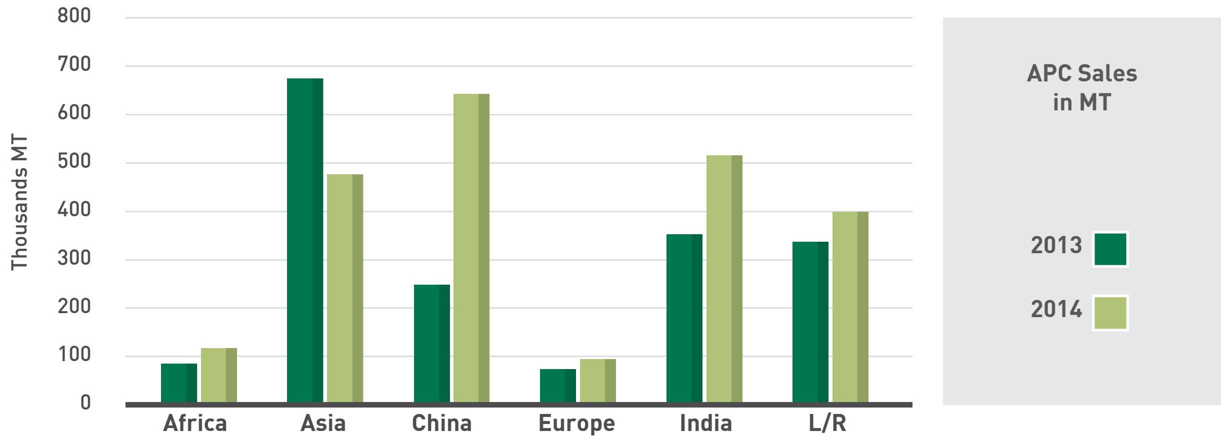


and the quantities transported to local markets and to other companies were (627,180) tons as shown in the following chart:



Sales

Sales volumes in 2014 grew by more than 26% over the year before. Local and Regional sales grew significantly as did shipments to China and India. Sales to most APC markets grew at a healthy pace during the year. APC continued its focus on Africa and achieved a volume increase of 32K tons or 37% after the 24% growth in the previous year.



National and International Quality Standards Compliance

English Translation

Ref: 4494
Date: 22/03/2015
From: Jordan Standards and Metrology Organization
To: Arab potash Company

Subject: A letter expressing appreciation and a wish for continuation

Kindly be informed that based on the follow up procedures done by the Conformity Certificates Administration for your company on 28 and 29/01/2015; whereas after conducting the technical evaluation and after withdrawing samples and comparing them with the required technical specifications of your products; of Industrial Potassium Chloride and Potassium Chloride used as fertilizer, it was found that your company is committed to applying all requirements needed to be granted the Jordanian Quality Trademark.

Thus we appreciate your commitment to applying all requirements of obtaining the quality trademark; whereas this proves that the products which obtain the Jordanian quality trademark are unique products that support the Jordanian economy and partially contribute to achieving the national goals.

We hope that you would continue to maintain that.

Best regards,

General Manager
Dr. Haidar Mansour Al Zaben
Signed

The Arab Potash Company Management recognizes the importance of customers' satisfaction as a basis for enhancing productivity and quality. In order to achieve that, APC implements the quality management system according to international standard ISO-9001 and enhances the process performance of products and ensures optimum utilization of resources at all production stages by complying with the most important quality standards for which we have obtained the compliance certificates by international certification bodies.

APC potash product types: fine, standard and granular were certified for the compliance with Australian Quarantine and Inspection Service (AQIS) requirements for shiploading as free flow in vessels and as packaging in sealed containers. Such achievement supports APC to export potash products to the Australian Markets that are classified as very sensitive to the quality and hygiene as free from any organic materials. APC has achieved all

manufacturing, quality and hygiene requirements of AQIS protocol in short time due to the effective and early implementation of our quality management system with top management support and full cooperation of concerned departments. Two certificates were granted by an Australian government representative after auditing and inspecting products during handling, storing, transporting and shipping processes at plants and Aqaba sites and after exporting trial shipments of potash as assurance for compliance with their requirements.

APC continues to comply with the Jordan Quality Mark requirements and maintains its fertilizer and industrial certificates granted by the Jordan Standards Organization (JSO). The JSO conducts annual audits of our Potash products during the handling, storing, final testing, and ship loading proccesses.

APC holds weekly quality meetings which are headed by VP Operations and attended by representatives of Quality, Production, Technical, Aqaba Site and Maintenance departments. Quality Standards are a vital pillar at APC and a direct impact on product quality and customer satisfaction. As a result, APC is dedicated to continuous improvement on the performance of the production processes and the implementation of quality projects to be completed. Additionally APC activates the role of quality assurance in measuring key quality indicators and comparing technical specifications for quality, analyzing and presenting on a weekly basis to take appropriate preventative measures to ensure timely improvement of product quality, which contributes directly to increasing the purity of potash in comparison with other potash producers around the world.

Upon CEO and VP Operations' directions; QES started to work on including APC potash products within the international program "Product, Protect and Sustain" adopted by the International Fertilizer Association (IFA) for the purpose of safety in the workplace and safety use during product lifecycle; security from product misuse; and sustainability through maximizing efficiency and minimizing the environmental impact. The first stage started with measuring the APC performance as a self-assessment and benchmarked against the performance level of the global fertilizer industry where it will be used for evaluation to proceed to the next stage of certification in 2015.

Governance

IFC International Finance Corporation World Bank Group

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 effort to develop the national capital market and its regulatory and organizational framework. It contains rules of corporate governance for shareholding companies listed on the Amman Stock Exchange (ASE) for the purpose of establishing a clear framework that regulates their relations and management while defining their rights, duties and responsibilities in order to realize their objectives and safeguard the rights of all stakeholders. These rules are based mainly on 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 corporate governance manual.

Arab Potash Company has a vision 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. This study has been completed and the results of the study have been presented to the Board.

In addition, APC has participated in the workshop titled "Corporate Governance Scorecards" held by the Amman Security Commission. Further more, all corporate governance disclosures were submitted to the commission as required.

Board of Directors

A. Duties and Responsibilities of the Board of Directors

The Company is in general compliance with 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:

- Investments Committee
- Finance, Administrative and Remuneration Committee
- Tendering Committee
- Dikes Affairs Committee
- Audit Committee
- Corporate Social Responsibility and Donations Committee

C. Board of Directors' Meetings

The company is in compliance regarding board of directors meetings. During 2014 it convened six times.

General Assembly Meetings

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

General Rights

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

Shareholders' rights

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

Rights within the jurisdictions of the General Assembly

The Company is in compliance with all these guidelines.

Disclosures and Transparency

Audit Committee

The company is in general compliance with the guidelines related to the Audit Committee.

Audit Committee Responsibilities

- The primary responsibility of the Audit Committee is to oversee the Arab Potash financial controls including appropriate disclosure, internal controls, and Enterprise Risk Management, 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 regarding APC'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 are independent and one of them is nominated to the Chair of the Audit Committee. The Board of Directors selects members of the committee and appoints its Chairman. All committee members are financially literate with financial and managerial experience. At least one member is designated as the financial expert. The financial expert worked previously in accounting and auditing and/or has related degrees and professional certification.
- The committee meets at least four times a year and the minutes of the meetings are properly administered. During 2014 the committee held six meetings.

Authorities of the Audit Committee

- The company is in compliance with the guidelines related to the powers and authorities of the Audit Committee

External Auditor

- The Company is in general compliance with the guidelines related to the external auditor.
- The Audit Committee during 2014 met with the company's external auditor without the presence of Executive Management or any person representing it.

Finance, Administrative and Remuneration Committee (F&A)

The company is in general compliance with the guidelines related to the Finance, Administrative and Remuneration Committee.

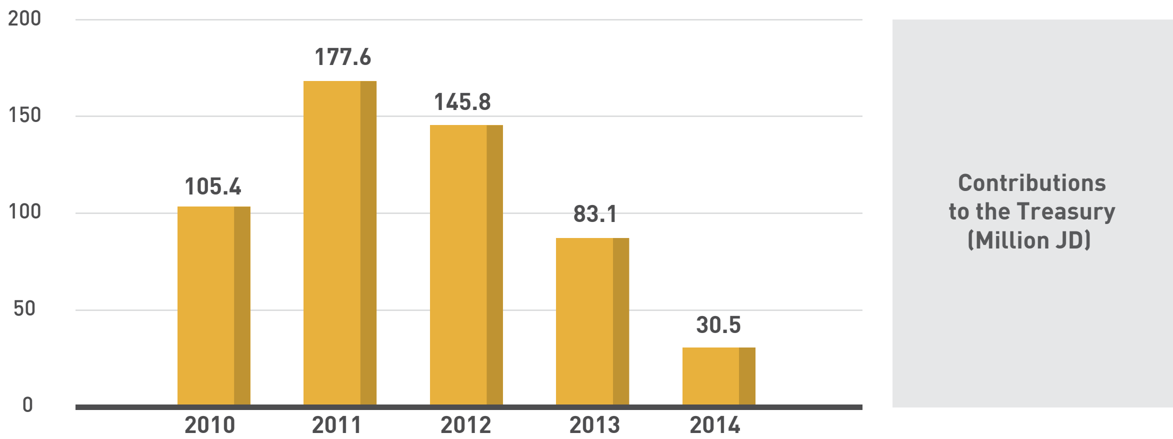
1. **The Committee shall consist of five non-executive Board members** (one of them shall be from the Audit Committee members), provided that three of them are independent members and one of them to chair the committee. The committee members and its Chairman shall be selected by the Board of Directors.
2. **The Committee shall appoint from its members a Deputy Chairman of committee** to be in the place of Committee Chairman upon his absence. Also, the committee shall appoint its secretary from employees in the Human Resources or Finance Departments at the company in order to organize committee meetings, prepare their agendas, write their minutes of meetings and their resolutions in a special register and same to be signed by Committee Chairman and its members who attended the meeting.
3. **Tasks and responsibilities of the committee:**
   a. To ensure the independence of F&A members at the Board of Directors meetings, conducted regularly.
   b. To review draft regulations set out by the Executive Management of the company related to the granting of bonuses and incentives in addition to salary scale and benefits of company employees and/or any amendments on these regulations and submitting them to the Board of Directors for their approval. These regulations are reviewed on an annual basis.
   c. Review of draft regulations set out by the Executive Management of the company related to Human Resources and/or any amendments on these regulations and submitting them to the Board of Directors for their approval, and their review on an annual basis.
   d. Review draft regulations of the company and/or any amendments on the company's regulations set out by the Executive Management of the Company and submitting them to the Board of Directors for their Approval.
   e. Review Organizational Structure of the Executive Management and/or any amendments thereof and submit the same to the Board of Directors for its approval.
   f. Determine the company's needs related to Executive Management and basis of their selection.

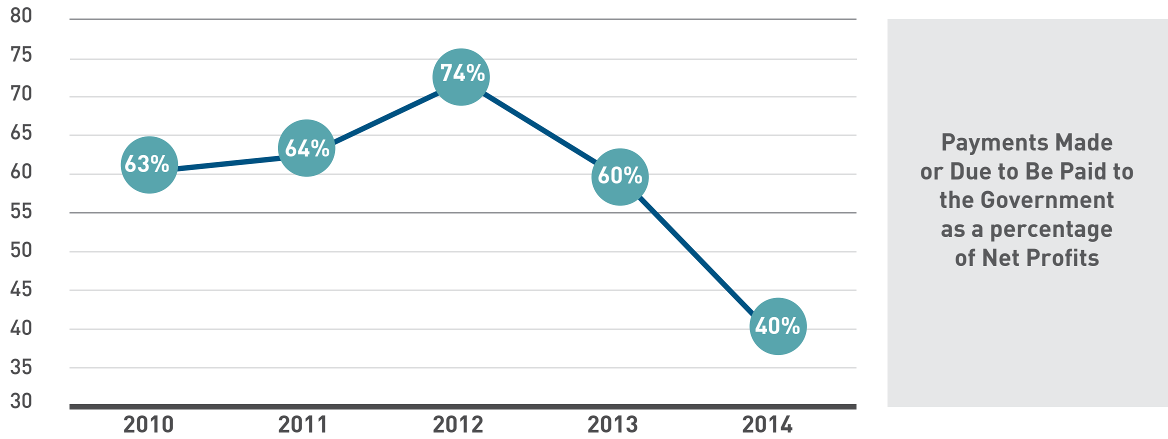
Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions (1,000 Dinars) 2010 - 2014

Year	Dividends	Tax	Royalty	Port Fees	Land Rent	Road Fees	Total	Of Net Income %
2010	27,997	30,112	39,774	4,299	1,500	1,711	105,393	63%
2011	69,984	39,745	60,220	4,309	1,500	1,859	177,617	64%
2012	59,798	30,015	49,883	3,009	1,641	1,440	145,786	74%
2013	33,601	17,114	25,949	3,101	2,016	1,240	83,021	60%
2014	-*	9,844	13,330	4,028	1,805	1,505	30,513	40%
Total	**191,380**	**126,830**	**189,156**	**18,746**	**8,463**	**7,755**	**542,329**	**64%**

* Will be decided in the 2014 general assembly meeting which will be held in 2015.

Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions 1,000 JD 2010-2014







APC Corporate Social responsibility (CSR)

APC's CSR budget in 2014 amounted to JD 7.5 million, which was allocated according to priorities set in consultation with public and private institutions and local communities. 29% was allocated to education and higher education, 21% for social development and the care of orphans, 21% for municipalities and supporting official institutions, 11% for health and care for people with special needs, 8% for sports and youth, 3% for water and the environment, 3% to support cultural activities, 3% for the maintenance and repair of houses of worship, and 1% to support professional trade unions and other activities.

Summary of the Arab Potash Company's CSR program 2014 in Jordan Dinars

Sector	Sub-Sector	Subsector total	Sector total
	Universities	949,117	
	Schools	1,254,140	
Education			2,203,257
	Welfare associations	918,249	
	Welfare packages	513,670	
	Orphans' care	122,500	
Social development			1,554,419
	Municipalities	567,329	
	Official organization	288,619	
	Community halls	530,000	
	Development associations	165,000	
Official bodies			1,550,948
Water & environment			256,147
	Health organization	586,500	
	Health associations	174,800	
	Special needs care	70,440	
Health			831,740
Sports			604,550
	Churches	18,000	
	Mosques	168,899	
Houses of worship			186,899
Culture			209,340
Professional associations			102,700
Total			**7,500,000**
Other sponsorship			133,000

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 Assembly Meeting and presents to you the Fifty-Eighth Annual Report and the Consolidated Financial Statements for the year ended December 31, 2014 in accordance with the Companies Law, Jordan Securities Commission Law and APC by-laws.

Arab Potash Company Addresses

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Aqaba Site - Aqaba
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Fax: +96265200299

1. 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 will be transferred to the government of the Hashemite Kingdom of Jordan at no cost to the latter.

The operational 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 to market them internationally.

A. Number of employees by geographic location

Distribution of employees by geographic location 2014

Company	Ghor Al Safi	Aqaba	Amman	Total
APC	1,878	74	143	2,095
Jormag	2	-	3	5
Kemapco	-	222	8	230
Numeira	56	-	17	73
JODICO	-	-	-	-
Total	**1,936**	**296**	**171**	**2,403**
Percenatge	81	12	7	100

B. Capital Investment

The value of property, plant and equipment amounted to JD 990 million in 2014, compared with JD 970 million at end of 2013, an increase of 2% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 292 million compared with JD 334 million at the end of 2013, a decrease of 13% from the previous year due to annual depreciation.

2. Subsidiary and Affiliate Companies

A. Subsidiaries

1- Arab Fertilizers and Chemicals Industries (KEMAPCO)

Limited Liability Company

P.O. Box 2564, Aqaba 77110

KEMAPCO was established in 1998 with a share capital of JD 29 million for the purpose of producing potasium nitrate NOP and dicalcium phosphate DCP. APC owns 100 percent of the share capital of the Company. KEMAPCO's employees number 230. In 2014, the Company's sales amounted to JD 81.7 million, principally from the sale of 138,000 NOP tons. Production in 2014 amounted to 125,800 tons NOP. KEMAPCO's main markets are Europe and Asia.

2- Jordan Magnesia Company (JORMAG)

Public Shareholding Company

P.O. Box 941701, Amman 11194

JORMAG 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 2014 was JD 62.4 million. 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 2015 by increasing JORMAG's paid in capital to JD 60 million, of which JD 56 million represents the Group's share after the increase. The capital increase in JORMAG will be achieved through capitalization of the balances due to APC.

3- Numeira Mixed Salts and Mud Company

Limited Liability Company

P.O. Box 941681, Amman 11118

Numeira 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 73.

4- Jordan Dead Sea Industries Company (JODICO)

Limited Liability Company

P.O. Box 1470, Amman 11118

JODICO was established in 1994 as a private limited liability company with a share capital of JD 100,000, owned in total by APC. The Company's main purpose is to be a vehicle for potential investments.

B. Affiliates

1- Jordan Bromine Company (JBC)

JBC 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 additional paid in capital 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 (142 million JOD).

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

2- Nippon-Jordan Fertilizers Company

The Company was established in 1999 to produce NPK and ammonium phosphate fertilizers 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%).

3- 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 agreements with ADC on 8 July 2013. The project is scheduled to be completed in December 2016.

4- 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, 2014.

3- Board of Directors and Executive Management

A. Board of Directors

Name	Title	Committees
Government of the Hashemite Kingdom of Jordan, Ministry of Finance		
H.E. Jamal Ahmad Mufleh 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	1, 2
Michael Terence Hogan	Member until 1/7/2014	1, 3, 4,6
Brent Edward Heimann	Member from 1/7/2014	1,3,4,6
Dr. Duried Mohammad Abd Al Hameeds Al Mahasneh	Member	1,2,3,4,6
Arab Mining Company		
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Vice Chairman	
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Member	
Jordan Social Security Corporation		
Dr. Maen Fahad Abdul-Karim Nsour	Member	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	3
Libyan Arab Foreign Investment Company		
Adbul Al-Hakeem Ali Al-Ajnaff	Member until 9/12/2014	5
Salem Husni Salem Braibish	Member from 10/12/2014	
Kuwait Investment Authority- Kuwait		
Fahid Majid Al Sultan Al Salim	Member	1

Board Committees

1- Investments Committee
2- Finance, Administrative and Remuneration Committee
3- Tendering Committee
4- Dikes Affairs Committee
5- Audit Committee
6- Corporate Social Responsibility and Donations Committee

Curriculum Vitae of Board Members

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

H.E. Jamal Ahmad Mufleh Al Sarayrah

Mr. Jamal Al Sarayrah, Chairman of the Arab Potash Company (APC) Board of Directors since 13/6/2012 and elected Chairman of the Board of the Arab Fertilizer Association (AFA) on 31/10/2013, has 30 years of experience in politics and business strategy development. He chaired a number of companies in the public and private sectors in post and communications, transportation, regulation, and oil and gas.

Mr. Al Sarayrah held a number of ministerial and parliamentary positions that included Minister of Post and Communication and Minister of Transportation, First Deputy Speaker and member of the Chamber of Deputies of Jordan, member of the Royal Commission for the National Charter of Jordan, Chairman of Jordan Telecom, Senior Advisor for business strategy development in telecommunication, and oil and gas (Reliance Globalcom, Dubai), and Director of ARAMCO (Jordan, Lebanon, Syria and Turkey).

He holds a diploma in international law and international relations from the Aberystwyth University in Wales and a BA in English Literature from the University of Kuwait.

Date of birth: 10/08/1954

"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 Basketball Union President during the period from 2000 till 2003. He assumed a number of key medals and Jordanian chevron.

Date of birth 05/11/1948

Rami Saleh Abdulkareem Wraikat

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 June 29, 2010. Mr. Delaney is a graduate of Southern Illinois University and also 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."

Date of birth 10/01/1961

Dr. Duried Mohammad Abd Al Hameed Al Mahasneh

APC Board Member since February 1, 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 10/03/1952

Brent Edward Heimann

Brent Heimann was appointed as Arab Potash Company Acting General Manager on 01/11/2013, after being seconded by Potash Corporation; whereas he was working as the President of both PCS Phosphate and PCS Nitrogen. After that Mr. Heimann was appointed as Arab Potash Company General Manager on 01/07/2014 and APC board member as a successor for Mr. Michael Hogan. Lately Mr. Heimann has been appointed as the Arab Potash Company President and CEO as of 03/12/2014.

Mr. Heimann has previously occupied the position of the Arab Potash Company General Manager during the period from October 2003 and February 2007. Mr. Heimann holds a bachelor degree in Chemical Engineering from the University of Cincinnati /USA. Mr. Heimann is also the Chairman of the Jordan Industrial Ports Company P.S.C. His experience in the field of fertilizers industry expands over a period that exceeds 24 years.

Date of birth 04/12/1960

Representatives of the Arab Mining Company

Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek

APC Board Member and Vice Chairman of the Board since October 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

Abdul Ghani Fakri Abdul Wahhab Al-Jaafar

APC Board Member since 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 01/07/1954

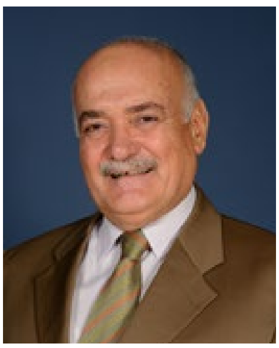
Representatives of Jordan Social Security Corporation

Dr. Maen Fahad Abdul-Karim Nsour

APC Board Member since 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 01/11/1961

Representative of the Islamic Development Bank, Jeddah



Dr. Jamal (Mohammad Hijazi) Sa'ed Salah

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

APC Board Member since December 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

APC Board Member since October 2011 till 9/12/2014. He holds a Bachelor degree in mechanical engineering (1993) and currently works in the management of the Libyan Company for Investments.

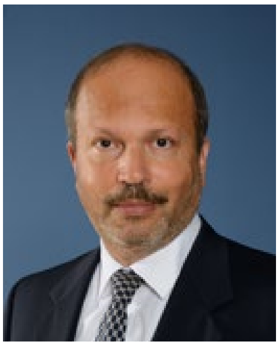
Date of birth 18/12/1971

Salem Husni Salem Braibish

APC Board Member since 10/12/2014 representing the Libyan Company for External Investments; he is the successor of the Board Member Mr. Abdulhakeem Ali Al Ajnaf.
He holds a bachelor degree in accounting from the "Al Jabal Al Gharbi" university / Gharyan – Libya 1999.
He occupied several positions and he currently occupies the position of the Manager of the general financial administration of the Libyan Company for External Investments as of 01/01/2014 and until this date.
Mr. Braibish participated as a board member at the Syrian – Libyan Company for Industrial and Agricultural Investments Damascus and the Yamani –Libyan Holding Company.
Currently Mr. Braibish is a board member at the Libya Company for Investment / Egypt and the Arab Company for Agricultural Projects; whereas both companies are subsidiaries of the AFICO.

Date of birth 28/08/1976

Representatives of the Kuwait Investment Authority – Kuwait



Mr. Fahid Majid Al Sultan Al Salim

APC 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
Brent Edward Heimann	President & CEO from 1/11/2013	1,3,4,6
Dr. Roderick Joseph McEachern	VP Operations	3,4
Julie Ann Fortunato	VP Finance and Support Services until 1/6/2014	
Scott Raymond Maczka	VP Finance and Support Services from 1/6/2014	
Jafar Mohammad Hafez Salem	VP Marketing and Sales	
Adnan Sulaiman Faris Al Ma'aitah	VP Human Recourses and Corporate Affairs	

Board Committees

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Curriculum Vitae of Executive Management

Brent Edward Heimann

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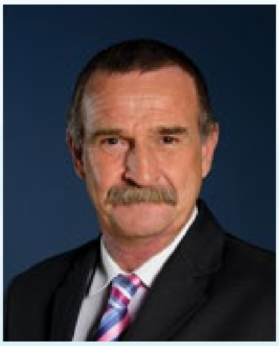
Mr. Heimann has previously occupied the position of the Arab Potash Company General Manager during the period from October 2003 and February 2007. Mr. Heimann holds a bachelor degree in Chemical Engineering from the University of Cincinnati /USA. Mr. Heimann is also the Chairman of the Jordan Industrial Ports Company P.S.C. His experience in the field of fertilizers industry expands over a period that exceeds 24 years.

Date of birth 04/12/1960



Dr. Roderick Joseph McEachern

Dr. Roderick Joseph McEachern has worked as VP Operations since July 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 01/01/1958

Scott Raymond Maczka

VP Finance and Support Services since June, 2014, holds B. of Sc. Degrees in Accounting and Finance from Marquette University as well as Certified Public Accountant (Wisconsin) and Chartered Global Management Accountant designations. Mr. Maczka has worked for PotashCorp since May, 2000 with positions in Corporate Taxation, Budgeting & Forecasting, Project Management, and Supply Chain Planning & Analysis covering Nitrogen, Phosphate, and Potash nutrients. He worked as an expatriate for two years on assignment in Saskatoon, Saskatchewan Canada and has over 4 years of Big Four accounting firm experience, Mr. Maczka also served as a board member of the Jordan Industrial Ports Company P.S.C.

Date of birth 03/02/1974

Jafar Mohammad Hafez Salem

VP Marketing and Sales since October 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 (IPNI).

Date of birth 04/05/1958

Adnan Sulaiman Faris Al Ma'aitah

VP Human Recourses and Corporate Affairs since November 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

Major Shareholders of Arab Potash Company (PLC)

	31/12/2014		31/12/2013	
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	22,400,455	27	22,400,559	27
Arab Mining Co.	16,655,651	20	16,655,481	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	1,730,760	2	1,730,760	2
Total	**83,317,500**	**100**	**83,317,500**	**100**

5. Competitive Position within the Sector of Activities

A.The International Scene

The economic developments during 2014 had a marked impact on commodity prices worldwide. The year turned out to be a mixture of slow growth with dramatic changes taking place in the exchange markets. These variations impacted commodities to an extent as we saw declines in cereal, oilseed, and dairy prices. The Food and Agriculture Organization (FAO) Food Price Index was at its lowest level since 2010. The International Grain Council (IGC) Index also showed a decline by the end of the year. Weather conditions generally were favorable and policies effecting agriculture remained under scrutiny and may have a large impact in 2015 but witnessed no changes in 2014.

While world cereal output increased by 10% in 2014 registering a record of 2.5 billion tons, the estimates for 2015 by FAO and the IGC both point to very little change from the previous year.

Most forecasts point to a small growth in utilization for cereals leading to a further increase in surplus. Maize used as a biofuel will be effected by the fall in oil prices but other industrial uses are developing.

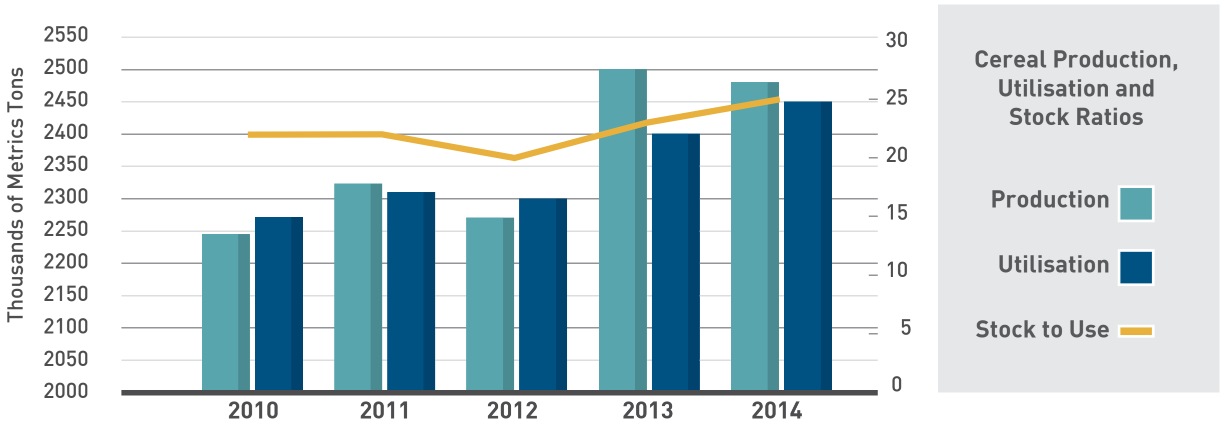
Both FAO and IGC forecasts point to a growth in cereal stocks by at least 5% by the end of the 2014/2015 harvest. The stock to use ratio according to The International Fertilizer Association (IFA) will rise by 2% to 25%.

As for fertilizer demand, IFA forecasts a small increase of 0.6% in 2015 and a further 2% in 2016. This is reflected by a forecasted increase of 1% for Potash consumption growth in 2015 and 2.6% in 2016.

B. Significant Developments for Potash

The fallout from the Russian-Belarus breakup in 2013 continued to influence the market in 2014. The slower shipments at the end of 2013 and the lower prices drove deliveries to high levels in the first half of the year as China and Brazil imported record volumes. The total deliveries by the end of June topped 33 million tons of Potash. Logistic complications led to shortages of Potash in several regions and most producers were working overtime to satisfy demand.

Towards the end of November, Uralkali announced that production from it's Solikamsk 2 mine was halted due to water inflow. The capacity of this mine was 2.4 million tons of product. At the end of 2014, there were a number of brownfield expansions underway in Canada and Russia. There were two major Greenfield projects which were expected to begin production by 2016/ 2017. Chinese production continues to witness incremental increases.



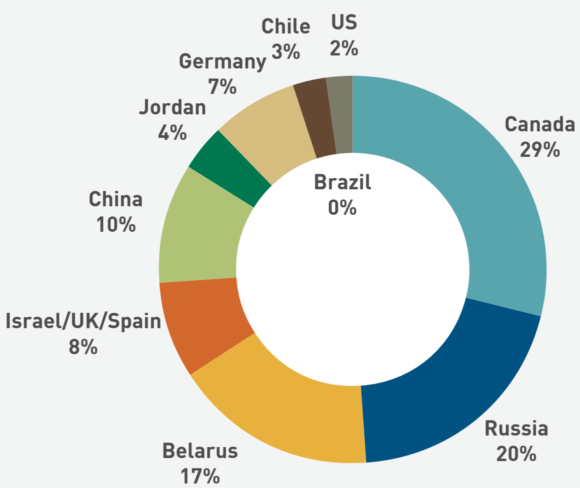
C. Potash Production

Potash Production by Country in Millions of Tons KCL					
Country	**2014**	**2013**	**2012**	**2011**	**2010**
Canada	17.1	16.5	15.2	17.8	16.1
Russia	12.1	10.0	9.1	10.9	10.0
Belarus	10.1	7.0	8.0	8.8	8.7
Israel/UK/Spain	5.0	5.1	4.9	4.3	4.1
China	6.2	6.0	5.1	4.3	4.4
Germany	4.0	4.0	4.0	4.1	4.1
Jordan	2.1	1.7	1.8	2.2	2.0
Chile	2.0	2.0	2.0	1.5	1.4
Brazil	0.3	0.4	0.5	0.5	0.6
US	1.0	1.0	1.0	1.0	0.9
Total	**59.9**	**53.7**	**51.6**	**55.4**	**52.3**

Global Potash production is estimated to have increased by about 10 percent in 2014. The total is an all-time record at just under 60 million tons produced. Most of the increase came from Russia and Belarus. It seemed that the residue of the dispute between the two producers had resulted in efforts by both to ramp up production to the maximum possible. The result is a significant shift in the global supply pattern and weaker pricing.

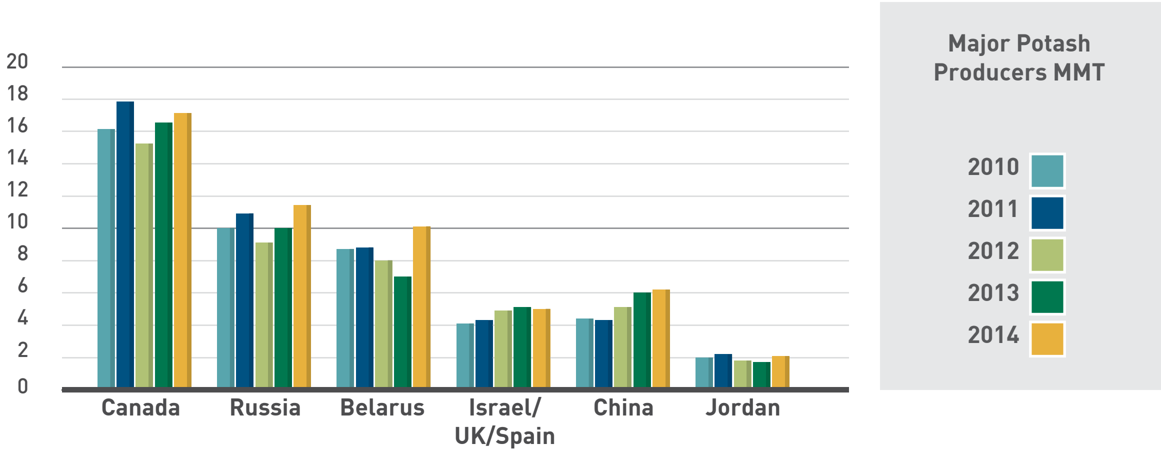
The production in Canada was slightly higher despite Agrium being on shutdown for most of the fourth quarter in order to bring a new expansion online. Chinese and Jordanian production also increased in 2014.

Logistical constraints in North America were also an important factor which affected availability for a large part of the year.



Global Potash Production Share By Country 2014

The production situation in 2015 is expected to witness a slowdown in Russian production due to the Uralkali mine accident. However, Chinese and Canadian producers are expected to increase the global availability, which will bring total Potash production just below 2014 levels.

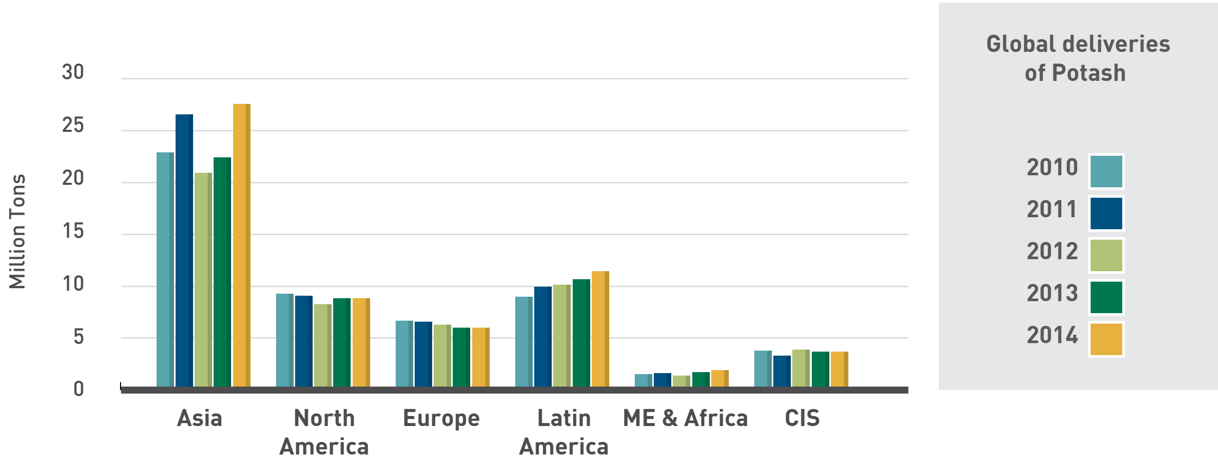


D.Potash deliveries and demand

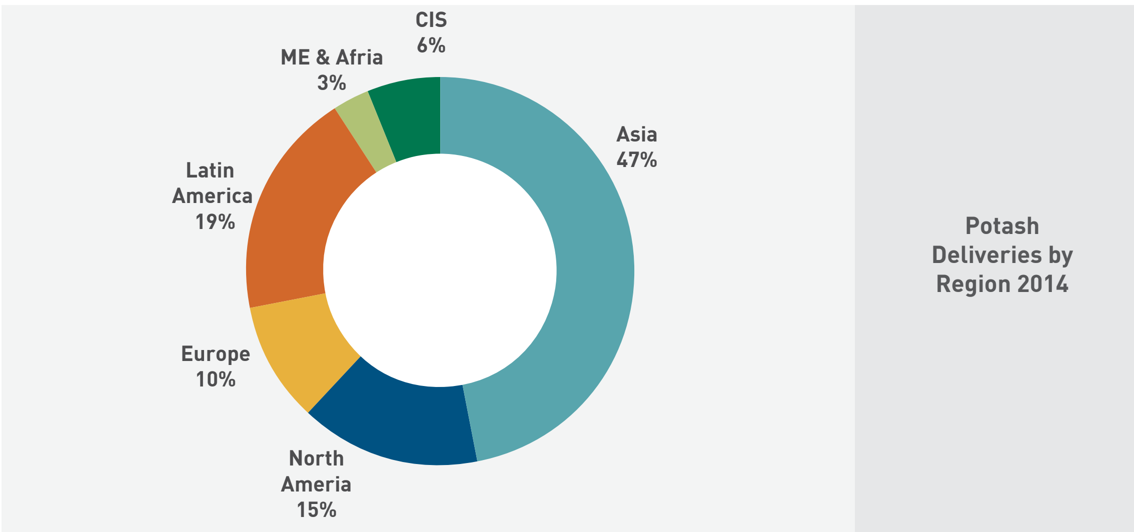
World Potash Deliveries 2010-2014 in million tons KCL					
Country	**2014**	**2013**	**2012**	**2011**	**2010**
Asia	27.7	22.5	21.0	26.7	23.0
North America	8.9	8.9	8.3	9.1	9.3
Europe	6.0	6.0	6.3	6.6	6.7
Latin America	11.5	10.7	10.2	10.0	9.0
ME & Africa	1.9	1.7	1.4	1.6	1.5
CIS	3.7	3.7	3.9	3.3	3.8
Total	**59.7**	**53.5**	**51.1**	**57.3**	**53.3**

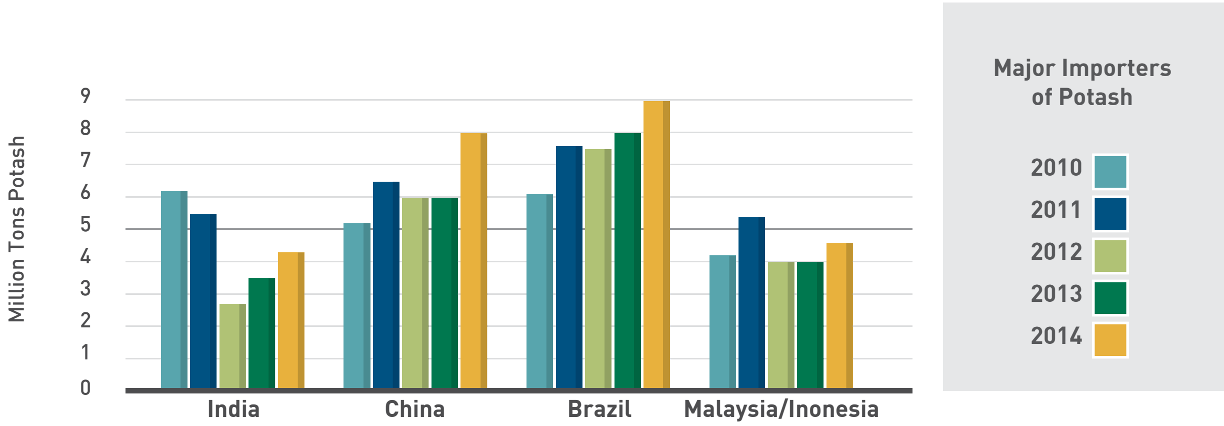
The first half of the year witnessed record deliveries which surpassed the 33 million ton mark. This was driven by the low beginning inventories as well as the availability of product at low prices which drove demand to high levels. Most regions witnessed growth in deliveries and shortages of product especially in the granular form. Potassium Sulfate was also in short supply and this boosted Potash demand further.

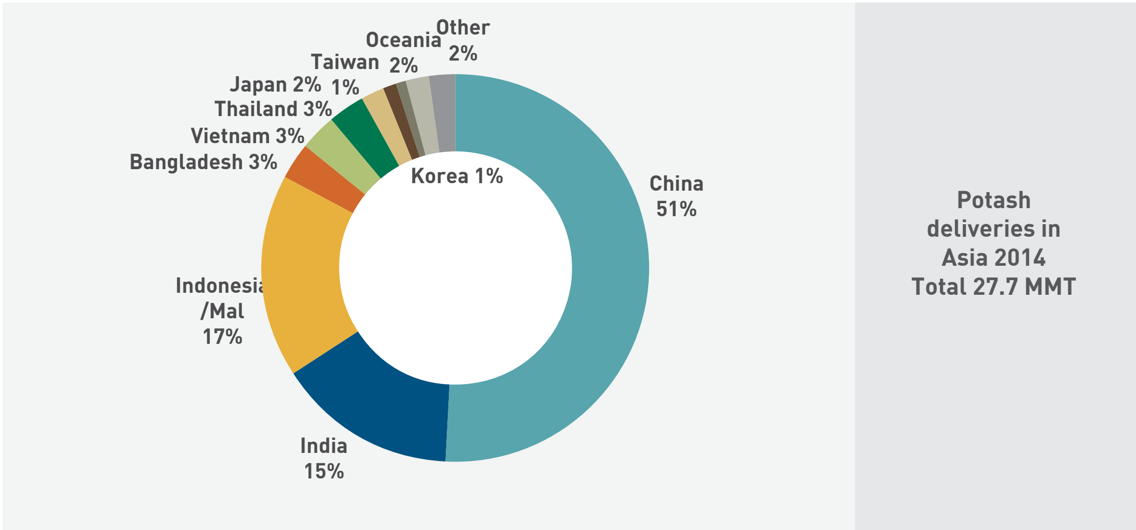
Total deliveries in 2015 are expected to be lower than in 2014 but it will depend on economic factors as well as commodity pricing of which neither provide a clear picture.



Asian deliveries were higher in most countries and the region as a whole saw a growth of over 20% in deliveries led by China with an increase of almost 2 million tons in imports alone. Brazil increased imports by another million tons in 2014.




Major Importers of Potash
Million Tons Potash
0
1
2
3
4
5
6
7
8
9
India
China
Brazil
Malaysia/Inonesia
2010
2011
2012
2013
2014


Potash deliveries in Asia 2014 Total 27.7 MMT
China 51%
India 15%
Indonesia /Mal 17%
Bangladesh 3%
Vietnam 3%
Thailand 3%
Japan 2%
Taiwan 1%
Korea 1%
Oceania 2%
Other 2%

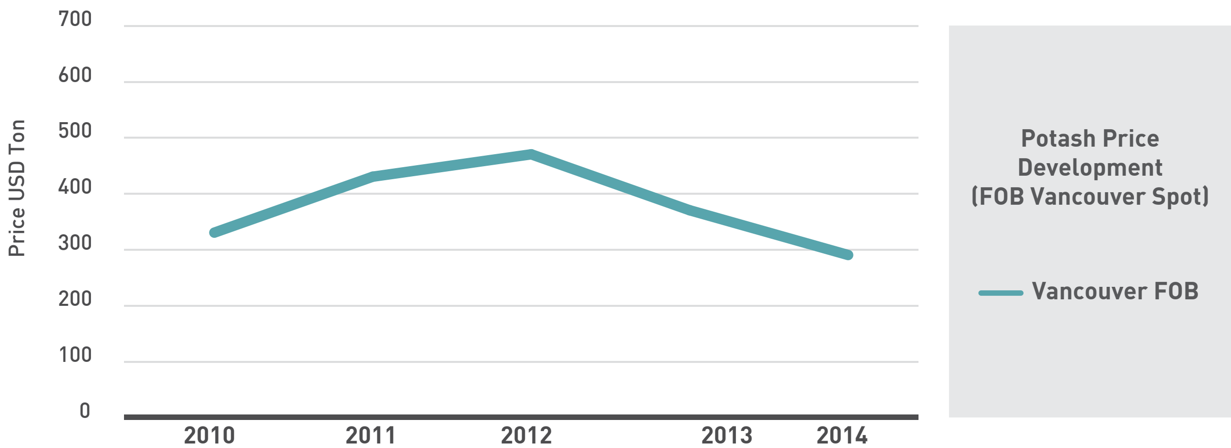

من شـركة البـوتاس العربية

E. Prices

The year started with a new contract for China agreed at a level of USD 305 CFR per ton. This was a drop of 95 dollars from the previous contract price established at the beginning of 2013. A new contract with India followed at USD 322 CFR per ton which was also a drop from the interim previous price of USD 369 CFR. A period of low spot prices ended in the spring as demand began to pick up and tightness in granular potash supplies appeared. Brazil saw spot levels surpassing USD 350 CFR and as the year drew to a close, spot prices were at USD 350 CFR in most of Asia and were stabilizing at higher levels in Brazil.

The Uralkali mine accident coupled with a loss of a potentially 3% of global supplies changed the supply demand equation as negotiations for new contracts took place. Despite this, macro-economic factors seemed to overshadow the potash supply situation as oil prices plummeted and the dollar soared in value making potash more expensive in local currencies.

The situation going into 2015 is a carefully balanced scenario with bullish supply demand fundamentals contrasted by falling currencies and weaker commodity prices.



F. Developments in APCs main markets

India

With an unchanged policy of subsidy towards potash, the overriding factors effecting volumes in India were the currency which remained stable during the year and the affordability of potash versus the freely available subsidized nitrogenous fertilizers. Despite the heavy tilt in favor of nitrogen, NPK production in India increased and deliveries of potash actually rose at the end of the year thanks to the efforts of promotion and calls for balanced fertilization. The demand in India going forward will depend largely on its governmental subsidy polices. This is expected to see some changes which are expected to be favorable for potash, however, if the Indian currency continues to weaken, we may see a reduction in potash imports.

The fundamentals remain that the potential demand in India for potash far exceeds current levels and will be close to about 7 million tons annually.

China

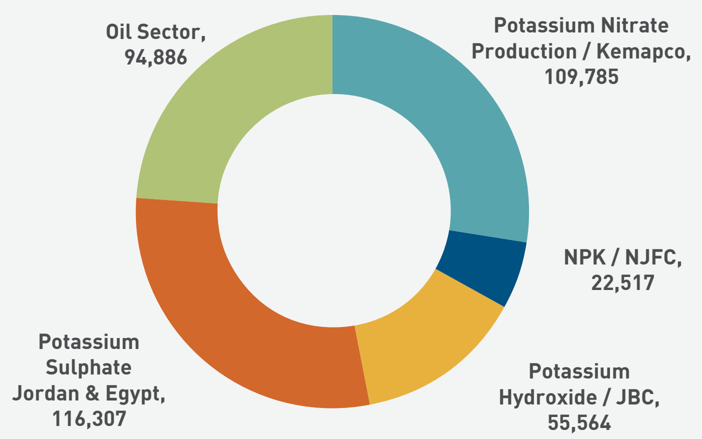
Several factors were present in China during 2014 which increased the level and pattern of imports. Demand was much improved and NPK producers were operating at higher rates throughout the year. The prices of potash relative to the return were also a major factor effecting demand. The buildup of a strategic inventory was also a driver of higher imports. The pattern of supply also changed during the year as rail shipments decreased and cargoes from Belarus increased to historically high levels. It is expected that Chinese imports may be lower in 2015 due to these factors as well as the potential increases expected in local Chinese production.

Malaysia and Indonesia

Demand as usual was driven mainly by the oil palm sector. Prices remained stable for this commodity, but the local currencies witnessed a decline in the latter part of the year which depressed the markets. The NPK government-controlled sector in Indonesia performed well during the year and potash intake was stable. The supply patterns to these markets changed in 2014 due to the highly competitive nature of the Belarus producers seeking to gain market share.

The Local and Regional Market

Developments in this market area were positive across the board. The SOP demand was high and stimulated demand from new and expanding producers of this fertilizer. The oil sector remained a healthy customer until the end of the year when oil prices began their drop. The oil drilling sector is expected to see a flat period for at least the next year. Jordanian and Egyptian production of complex fertilizers and SOP is expected to grow further in 2015. Local and regional sales grew again in 2014 to reach a record of 400K tons of product. Jordan represented 57% of this total.



2014 Local and Regional Sales Distribution in MT

G. APC Sales and Marketing

Sales volumes in 2014 grew by more than 26% over the year before. Local and Regional sales grew significantly as well as shipments to China and India. Sales to most APC markets grew at a healthy pace during the year. APC continued its focus on Africa and achieved a volume increase of 32K tons or 37% after the 24% growth the previous year.
The concentration of the 10 largest markets for APC remained constant at about 95% of total sales.

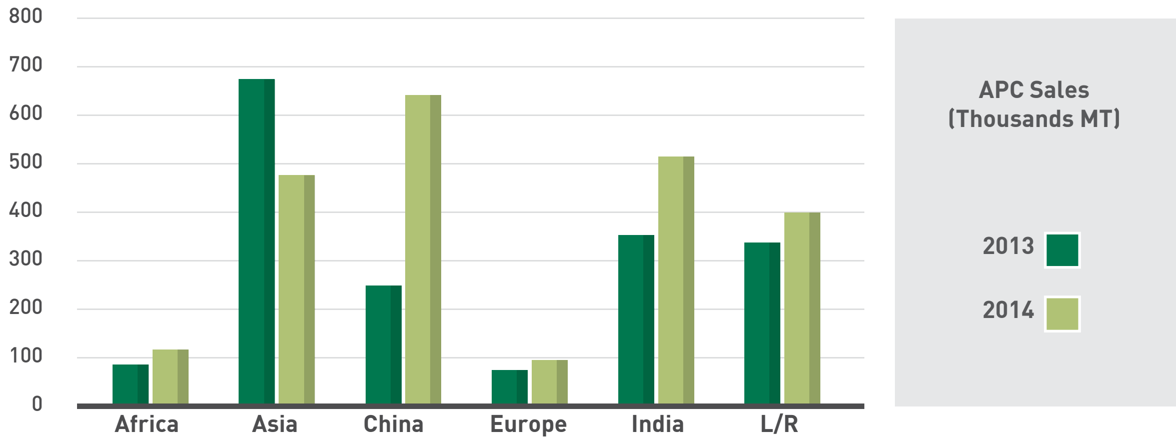
A major shift in emphasis was the reduction in Industrial Grade sales in favor of high quality Fine Grade which was shipped to Jordan Bromine for potassium hydroxide and chlorine production.

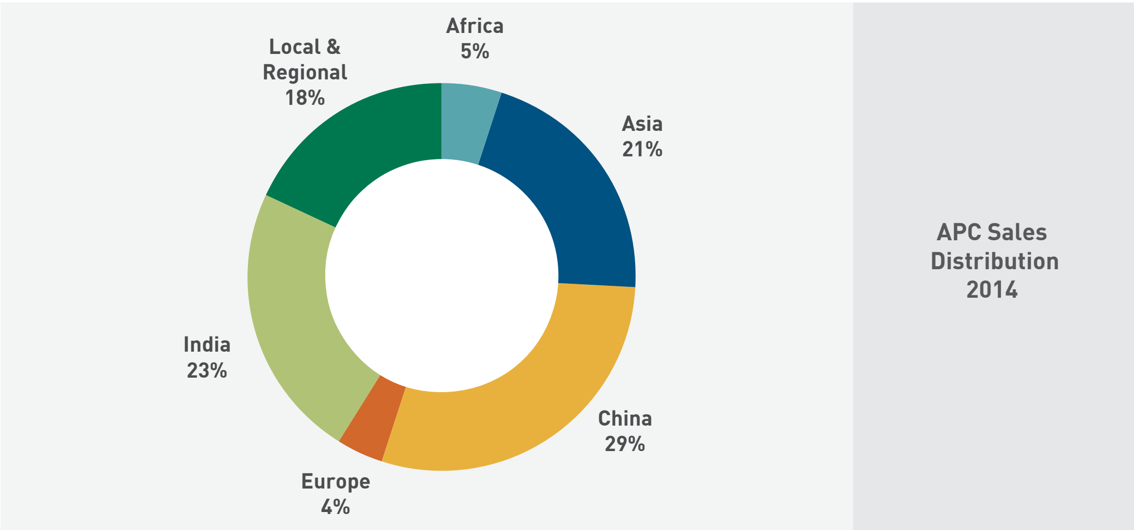
Notably, shipments of Granular potash increased by 75% to reach an all-time record of over 183 thousand tons.

The sales table of 2014 is markedly different from the previous year as China more than doubled their take to reach over 642 thousand tons in line with the MOU signed in Beijing in 2013 covering sales of Jordanian potash to 2016.

Sales volumes to India grew by 46% over the previous year and topped the half million tons mark. In contrast, shipments into Malaysia and Indonesia backtracked due to major price disruption as fallout from the Russian-Belarus.

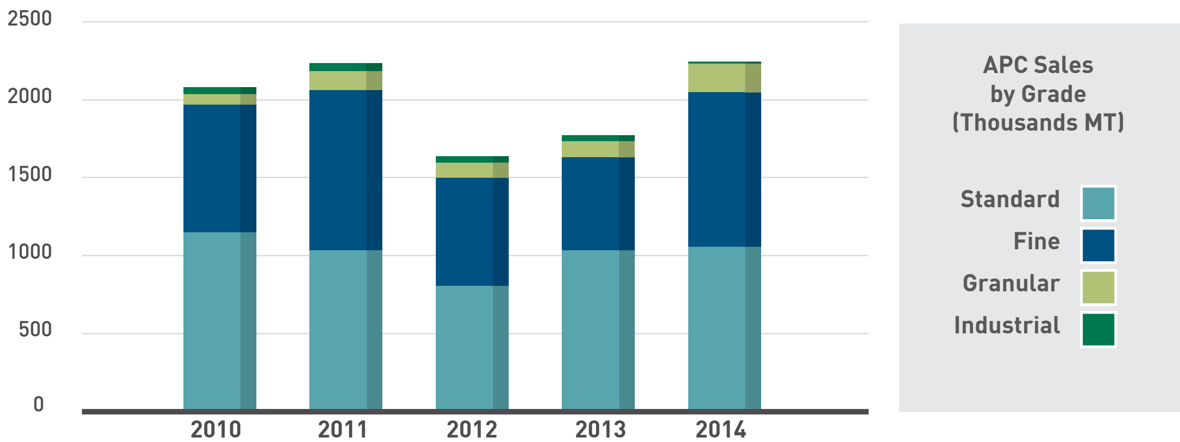
The two overseas offices of APC in Kula Lumpur and New Delhi provided valuable customer service and support as well as timely market information and a clear sign of APCs commitment to its customers and markets for the long term.





APC Sales Distribution in the top ten Markets 2010-2014					
Country	**2014**	**2013**	**2012**	**2011**	**2010**
China	642,026	248,522	404,700	462,077	313,510
India	514,965	352,430	249,406	556,690	841,942
Jordan	228,790	192,340	157,487	205,998	166,861
Malaysia	184,535	253,445	140,416	269,020	202,855
Indonesia	145,707	311,967	298,018	213,522	140,861
Africa	116,710	85,448	70,284	53,772	38,777
Europe	94,729	73,946	78,435	91,605	78,548
Egypt	87,880	78,300	54,120	46,702	55,778
Gulf	56,661	54,398	29,102	40,209	35,995
Japan	42,630	40,500	29,250	48,717	43,040
Top Ten Total	**2,114,633**	**1,691,296**	**1,511,218**	**1,988,312**	**1,918,167**
Grand Total	**2,239,150**	**1,771,267**	**1,636,630**	**2,233,866**	**2,081,427**
Top Ten Countries Percentage of Sales	**94%**	**95%**	**92%**	**89%**	**92%**

APC sales by the top ten customers 2010-2014						
Country	**Country**	**2014**	**2013**	**2012**	**2011**	**2010**
Sinochem	China	642,026	248,522	404,700	462,077	313,510
Indian Potash Limited	India	272,300	197,455	145,550	351,945	518,580
Zuari Industries	India	214,450	117,550	68,350	155,705	291,292
KEMAPCO	Jordan	109,785	94,363	91,152	107,964	90,494
Behn Meyer	Malaysia	83,599	72,440	16,800	79,256	62,650
Wilmar	Indonesia	81,500	52,500	-	-	-
Omnia	S. Africa	59,858	36,572	14,432	12,100	9,000
Jordan Bromine	Jordan	55,564	50,564	39,242	48,918	45,303
Mitsubishi Corporation	Japan	48,630	35,350	29,250	49,117	44,488
Ever Grow	Egypt	47,000	31,000	9,000	6,024	10,000
Top Ten Total		**1,614,713**	**936,316**	**818,476**	**1,273,106**	**1,385,316**
Year Sales Total		**2,239,150**	**1,771,267**	**1,636,630**	**2,233,866**	**2,081,427**



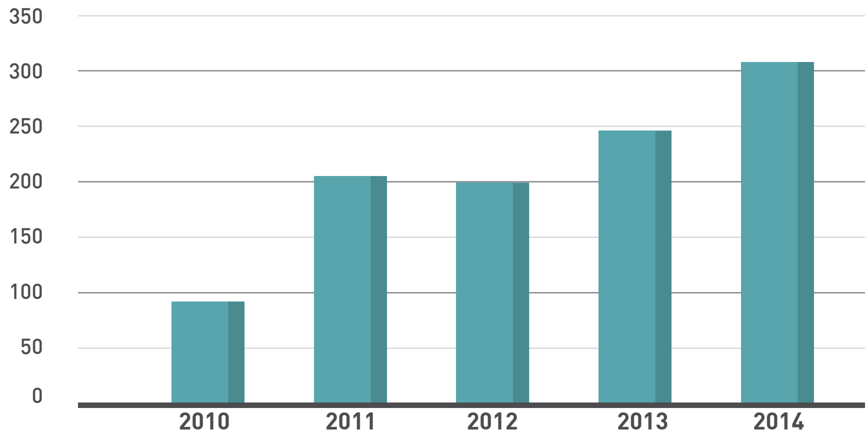
H. Shipping and Logistics

Freight rates worldwide witnessed a drop during 2014; this was due to a fall in the market demand which coincided with a drop in oil prices. In 2014, average freight paid by APC dropped over 5% compared to 2013.

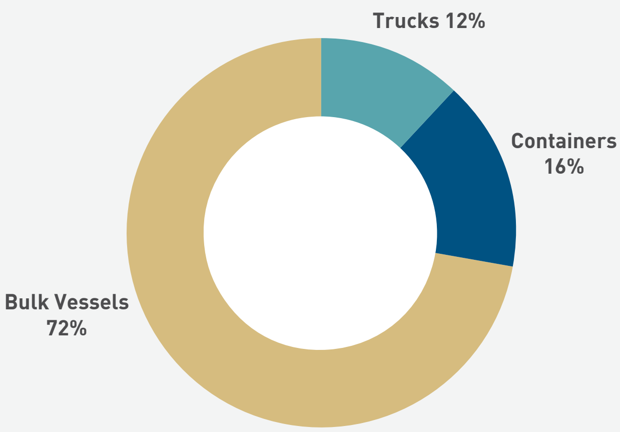
APC shipped its bulk volumes on 96 vessels of which 58 were chartered by APC, while 38 were on an FOB basis mainly to Egypt and Japan.

The bulk container operations featured prominently as the volume grew by 25% compared to 2013 reaching 308,000 MT. There were also about 52,000 MT of bagged product shipped in containers bringing the total number of containers to around 15,000.

Freight rates for container cargoes remained competitive with Bulk vessels for many destinations that APC ships to.



Bulk Containers Shipments (Thousands MT)



2014 Shipments by Type

I. International Activities and Promotion

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

J. Market Development

APC focused on developing its market in terms of actively encouraging the production of NPK and mixed fertilizers within the Region. There were efforts to develop distribution facilities in Africa, Egypt, and in the UAE.

APC maintained a strong emphasis on providing innovative logistic solutions for smaller and distant customers.

APC maintained and intends to further develop its long term commitments to the oil services industry.

APC also laid plans to improve and streamline bagging and packaging services for specialized consumers.

Of note during the year was the marked improvement of APC product in terms of potassium content providing it with a 3-4% edge over guaranteed specifications, giving APC a strong competitive advantage.

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

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

Suppliers of 10% or more of APC's total purchases:

Number	Supplier	Percentage
1	National Electric Company	26%
2	Jordan Petroluim refinery	21%
3	Van Oord Dredging and Marine Contractors B.V	12%

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

Number	Customer	Percentage
1	Sinochem	40%
2	Indian Potash Limited	17%

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 operational 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 January 2014 by 7.5%, which cost the Company JD 2.9 million in the cost of electricity and energy in 2014.

B. In July 2014 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 in 2013, which cost the Company an additional JD 0.7 million in the cost of water in 2014.

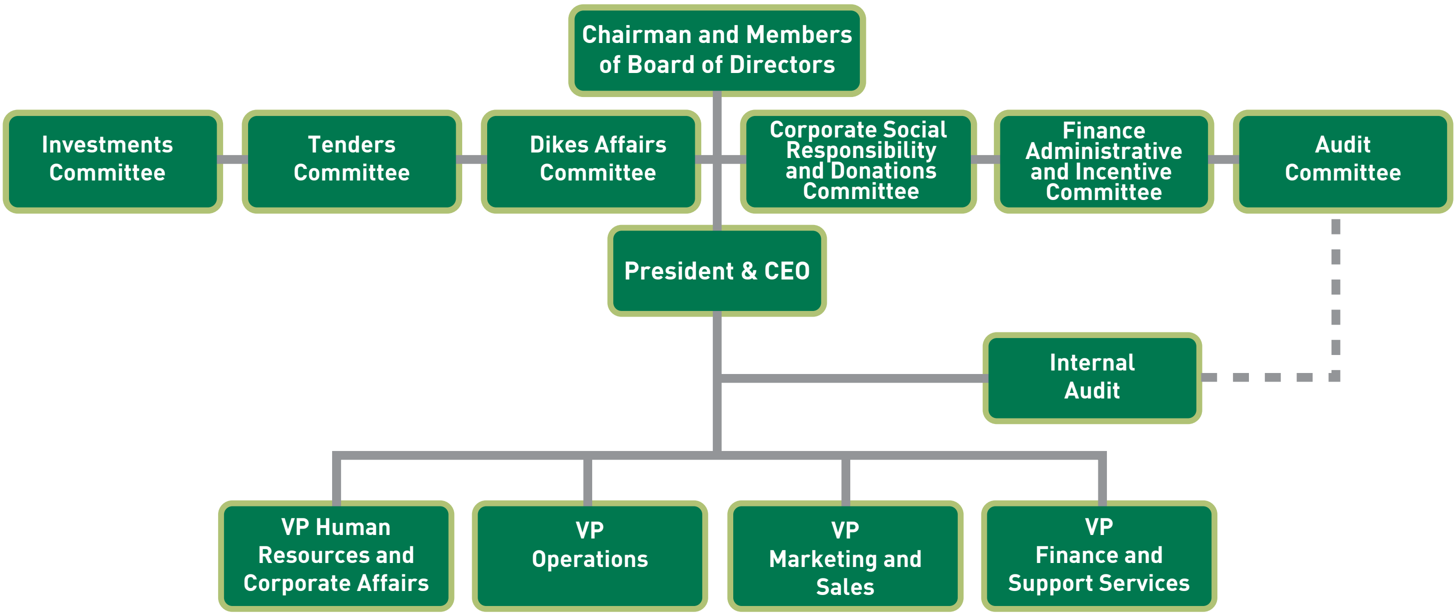
C. Among other debit balances in the financial statements is the amount of JD 53 million, These amounts are recoverable according to the sales tax law. The Company filed three refund applications to recover an amount of JD 17 million, JD 17.3 million and 22.3 million according to the recovery periods 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 6.172 million is still under audit. The Income and Sales Tax Department approved and settled the refund of JD 22.3 million during December 2014. The remaining applications are still subject to the review of the Income and Sales Tax Department until the date of the consolidated financial statements.

D. The tax rate was increased from 14% to 24% effective 1/1/2015.

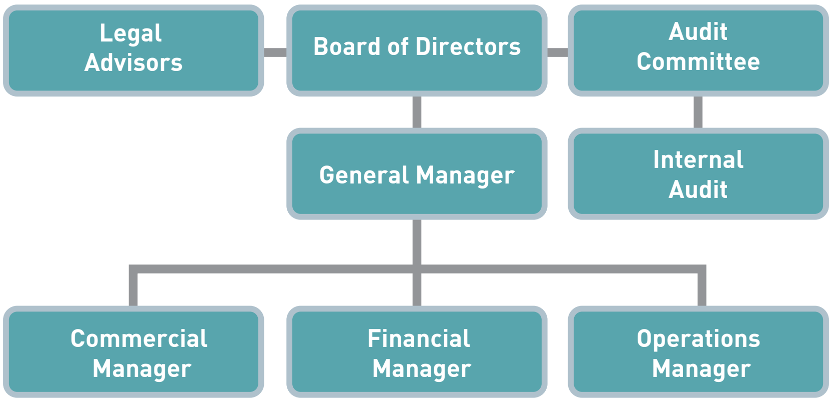
9. Organizational Structure

A. Organizational Charts

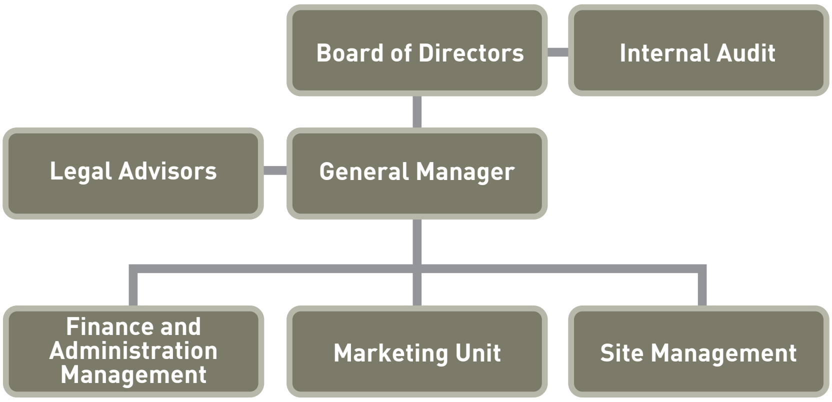
A-1. Organizational Chart for Arab Potash Company



A-2. Organizational Chart for Arab Fertilizers and Chemicals Industries (KEMAPCO).



A-3. Organizational Chart for Numeira Mixed Salts and Mud Company



B. Number and Qualifications of Company Employees

The Total Consolidated Number of Employees at the end of 2014 was 2,403.

Distribution of Employees by Academic Qualification 2014

Company Name	PhD	MA/MS	High Diploma	Bachelor	Diploma	High School	Total
Arab Potash Company PLC (APC)	10	39	6	342	364	1,334	2,095
Jordan Magnesia Company(JORMAG)	-	-	-	4	1	-	5
Arab Fertilizers and Chemicals Industries (KEMAPCO)	-	6	-	70	47	107	230
Jordan Dead Sea Industries Company (JODICO)	-	-	-	-	-	-	-
Numeira Mixed Salts and Mud Company	-	-	-	16	3	54	73
Total	**10**	**45**	**6**	**432**	**415**	**1,495**	**2,403**
Percentage	**0**	**2**	**0**	**18**	**17**	**62**	**100**

Turnover Rate for Year 2014 (7.2%).

C. Training Courses for APC Employees

Training Courses for APC Employees 2014

Activity	No. of Activities	Participants	Subjects
Internal Training	92	1,108	54
Training in Jordan	62	72	56
Training outside Jordan	12	17	11
Local Community Training	-	627	58
Other activities	362	416	-
Total	**528**	**2,240**	**179**

D. Other Benefits and Housing

The company continues to provide housing loans to its employees. The number of the beneficiaries from this benefit was 1,783 employees. Total housing loans granted in 2014 increased by JD 3.1 million in 2014 to a total of JD 54.5 million.

10. Risk Management

The nature of Arab Potash Company activities exposes our Company to the influence of many factors beyond its control. Accordingly, Arab Potash Risk Managment team studies and assesses these risks on a regular basis and submits their reports to the Audit Committee for review and discussion.The following are the main risk areas:

Factors affecting Potash sales

This includes price volatility in global markets and a slowing of the global economy, resulting in decreased demand for potash. 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 usages (i.e. Industrial), while adapting to market changes and customer demand.

Changes and amendments to the laws and governmental regulations, This includes two parts:

Local laws and regulations included changes to the income tax rate which has been increased from 14% to 24% for the year 2015 and forward. In addition, concessions and permits were provided by the government for the company to conduct its work, including the mining royalty fees. Importing countries' government policies and specifically subsidy levels for the agricultural sector and farmers, may impact the amount of agricultural crops and as a result, sales of fertilizer products.

Rising energy costs 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/or 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 an agreement with Noble Energy, an American Corporation, to provide APC with natural gas. In addition, APC is working on building a solar power system to generate electricity. Also, 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.

Dependence on seaport for loading and transporting

APC is heavily dependent on the Aqaba seaport for the loading and shipping of potash. Currently APC is working with Jordan Phosphate Mining Company on building a new jetty to ease and improve the shipping process via JIPC joint venture. Also APC's container shipping business is growing in addition to bulk, which increases distribution flexibility.

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.

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. APC has signed a new union labor agreement for the years 2015-2016. In addition a new salary scale and employee benefits study is to be implemented at the beginning of 2015.

Vulnerability to environment and natural disasters.

In the area of Ghor Safi where APC 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 to cover this risk.

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 of dykes no.1 and 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. In addition APC is in the process of a major rehabilitation for these dykes.

11. APC's Main Achievements in 2014

A. Safety

APC believes that safety is the most important aspect of each job. It is a priority for APC to provide employees with a safe work environment including the proper personal protective equipment, so they can return home safely to their families.

In 2014, APC exceeded five million hours without a lost time injury – this is the first time that APC achieved this milestone.

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

On the 22nd of October 2014 the Company signed an agreement with the Union. Included in the agreement was a 40% payout of the Medical Insurance Fund which caused an outflow of 6.1 Million JOD.

13. Trend of Major Financial Indicators for the period 2010 - 2014 in Thousand JD Except Financial Ratios, Share Data, Production and Sales.

The following table summarizes the major indicators for the past five years.

Details	2014	2013	2012	2011	2010
Potash Production (Million Tons)	2.09	1.74	1.82	2.26	1.94
Potash Sales (Million Tons)	2.24	1.77	1.63	2.24	2.08
Consolidated Sales Revenue	535,465	521,209	586,268	720,200	559,000
Potash Sales Revenue	475,051	482,591	541,300	678,800	529,000
Gross Profit	140,507	183,296	300,700	402,000	262,100
Profit from Operations	85,681	122,986	212,400	304,000	185,800
Financing Charges	641	1,027	3,344	4,900	3,800
Other Revenues	3,338	1,588	17,722	44,800	15,600
Net Profit After Tax	99,676	130,661	198,822	299,700	162,700
Net Fixed Assets	291,846	333,947	379,001	426,600	409,700
Long Term Loans & Other Long Term Obligations	9,191	14,266	20,032	41,800	44,400
Shareholders' Equity	860,982	886,488	963,915	1,015,200	819,900
Debt: Equity Ratio	0.01%	0.15%	0.7%	2.0%	3.9%
Return On Assets	10.6%	12.9%	18.4%	24.5%	16.1%
Return On Shareholders' Equity	11.6	14.7%	20.1%	32.7%	19.8%
Current Ratio	6.42	5.10	5.70	3.80	2.90
Closing Share Price/JD	19.50	28.05	46.51	44.10	43.50
Profit Dividends*	-	124,977	208,293	249,953	104,146
Dividends Percentage	-	150%	250%	300%	125%
Earnings Per Share / JD	1.2	1.6	2.4	3.6	2.0
Price Earnings Ratio	16.25	17.90	19.50	12.30	22.30
Royalty Fees JD per ton Produced	6.4	14.6	31.2	26.9	19.1

* Will be decided in the 2014 general assembly meeting which will be held in 2015.

14. Financial Performance Analysis

A. Property, Plant and Equipment

The value of property, plant and equipment amounted to JD 990 million in 2014, compared with JD 970 million at end of 2013, an increase of 2% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 292 million compared with JD 334 million at the end of 2013, a decrease of 13% from the previous year due to annual depreciation.

B. Inventory

Potash ending Inventory in 2014 amounted to JD 15 million, or 112,423 tons, compared with JD 51 million, and 260,821 tons at the end of 2013. Spare parts and supplies inventory amounted to JD 52 million at the end of 2014, compared to JD 54 million at the end of 2013. This inventory is subject to close control and followup for the purpose of maintaining optimal stock levels.

C. Investments

The Company's investments in affiliates and joint venture increased from JD 87 million 2013 to JD 105 million in 2014, an increase of 21%, as per the accounting of APC's share of income from affiliated companies (equity accounting) as per International Financial Reporting Standards, and additional investments of JD 7.5 million in Jordan Industrial Ports Company.

D. Loans

The balance of consolidated long term loans decreased from 1.3 million JD in 2013 to JD 119 thousands in 2014.

E. Revenues from Sales

Total consolidated sales revenue for 2014 amounted to about JD 535 million compared to JD 521 million in 2013, an increase of 3%. Sales revenues of Potash and carnalite in 2014 amounted to JD 453 million, which accounts for 85% of total sales revenues. The remaining JD 82 million is primarily attributed to Kemapco.

F. Gross Cost

Gross cost (JD million)

Details	2014	2013	2012	2011	2010	Percentage increase (decrease)
Consolidated Gross Cost	460.8	411.1	417.7	465.2	413.1	12%
Consolidated Cost of Goods Sold	394.9	337.9	285.5	318.3	298.8	16%
Selling and Distribution Expenses	18.9	17.0	16.3	21.5	15.5	4%
Royalty	13.3	25.9	49.9	60.2	39.8	93%
General and Administrative Expenses	22.6	17.3	22.1	16.6	21.0	38%

G. Profits

The Company realized a consolidated net income of JD 110.2 million before income tax. After tax the Net Income amounted to JD 99.7 million, compared with JD 130.7 million for the year 2013.

H. Shareholders' Equity

Shareholders' Equity at the end of 2014 amounted to JD 861.0 million, a decrease of 3% from 2013. The book value per share of the Company's equity amounted to JD 10.3 as at the end of 2014.

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 our Company is guided by firm principles and that APC is well prepared to meet the continuously rising demand for potash. APC is working on several initiatives to enhance production and improve performance, which would serve our interests and the national economy of Jordan.

A. **Human Resources and Safety:** APC continues to consider the safety of its employees as its top priority and implements the necessary procedures to maintain a safe working environment for its employees.

B. **Production:** APC studies options for increasing production, efficiency and evaporation areas. The Board of Directors approved a project for a phased expansion in production, whereby the first phase will raise production capacity by 65,000 tons per year and it will be completed in 30 months. Additionally, APC has a project to increase the production capacity of granular potash by 250,000 tons per year at a cost of JD 9 million, which is expected to be completed in 2016.

C. **Energy:** APC studies all options for energy saving. On February 19, 2014 APC 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. It is expected that the shift from heavy fuel oil 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. Moreover, APC engaged an international consultant to study the possibility of using renewable energy and concluded that the optimal choices were to proceed with the project to generate electricity using solar cells at a capacity of 33 MW. The project will be completed in two years. In addition, APC continues to study the option of building a power plant to generate electricity and steam using natural gas.

D. **Water resources:** On 30 January 2014, APC signed an agreement with the Ministry of Water and Irrigation whereby APC 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:** APC 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. On 1 February 2015 an agreement between Jordan Industrial Ports Company

and a consortium formed by Técnicas Reunidas and PHB, was signed to refurbish and expand the industrial port of Aqaba (JIPC) which is owned equally by Arab Potash Company and Jordan Phosphate Mines Company, for the purposes of serving the import of production inputs and export of finished products through a specialized industrial port.

F. **Marketing:** APC plans to diversify its markets, improve its client relations, and establish representative offices in its main markets. In 2014, APC opened an office in Delhi, India.

G. **Jump to Excellence:** Given the strong competitive nature of our business in the global industry, APC has undertaken an ambitious project to control expenses, increase efficiency and reduce the cost of production. This project has already impacted profitability and has realized many benefits to the company and its employees. In 2014, APC contracted the services of Alexander Proudfoot, a consulting firm that specializes in cost reduction on a large scale. 7 major teams were formed to cover energy, operations, maintenance, warehousing, transportation, training, communications, evaluation and measurement. This project focuses on cost cutting in all above-mentioned areas and in all stages of the production process.

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

A. The external auditor's fees for 2014 in thousands of Dinars were as follows

APC	KEMAPCO	Numeira	Total
79.5	20.0	2.6	**102.1**

The external auditor also provides consultancy services to the Company to the value of 62.6 JD.
Internal Auditor's Fees

B. Internal Auditor's Fees

The internal Auditor's Fees for 2014, in thousands of Dinars were as follows:

APC	KEMAPCO	Numeira	Total
38.0	18.1	6.5	**62.6**

C. Legal Fees

Legal Fees for 2014, in thousands of Dinars were as follows

APC	KEMAPCO	Numeira	Total
3,055.0	13.9	13.5	**3,082.4**

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 31/12/2014	Number of Shares as at 31/12/2013	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

None of the Executive Management members own shares in the Company or its affiliates except,

No	Name	Title	Nationality	Number of Shares as at 31/12/2014	Number of Shares as at 31/12/2013	Companies they control
1	Hesham Khaled Hesham al-Shawwa	Internal Audit Executive Manager	Jordanian	609	-	N/A
	Total			**609**	**-**	

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

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

No	Name	Relative of	Nationality	Number of Shares as at 31/12/2014	Number of Shares as at 31/12/2013
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

Name	Title	Nationality	Total Annual salaries	Annual Transportation, Committees Allowances	Representation Fees	Annual Bonus	Per diem	Total Annual Remuneration
Government of the Hashemite Kingdom of Jordan (Ministry of Finance) Representatives			-	-	-	15,000	-	15,000
HE. Jamal Ahmad Al Sarayrah*	Chairman	Jordanian	157,500	18,000	27,000	-	41,750	244,250
Ahmad Jamal Nawwaf Al Bataineh	Board Member	Jordanian	-	18,000	18,000	-	-	36,000
Rami Saleh Abdulkareem Wraikat	Board Member	Jordanian	-	18,000	18,000	-	-	36,000
POTASH CORPORATION OF SASKATCHEWAN (PCS JORDAN LLC) Representatives			-	-	-	15,000	-	15,000
George David Delaney**	Board Member	American	-	18,000	-	-	6,250	24,250
Eng. Michael Terence Hogan**	Board Member	Canadian	-	9,000	-	-	5,000	14,000
Brent Edward Heimann**	Board Member	American	-	9,000	-	-	-	9,000
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	Board Member	Jordanian	-	18,000	22,065	-	-	40,065
Arab Mining Company Representatives			-	-	-	10,000	-	10,000
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Vice Chairman	Saudi	-	18,000	-	-	6,250	24,250
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Board Member	Iraqi	-	18,000	-	-	6,250	24,250
Jordan Social Security Corporation Representative			-	-	-	5,000	-	5,000
Dr. Maen Nsour ***	Board Member	Jordanian	-	18,000	21,000	-	-	39,000
Islamic Development Bank/Jeddah Representative			-	-	-	5,000	-	5,000
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah ****	Board Member	Jordanian	-	18,000	-	-	2,500	20,500
Representative of The Government of Iraq			-	-	-	5,000	-	5,000
Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi	Board Member	Iraqi	-	18,000	-	-	6,250	24,250
Libyan Arab Foreign Investment Company Representatives			-	-	-	5,000	-	5,000
Adbul Al-Hakeem Ali Al-Ajnaff	Board Member	Libyan	-	16,935	-	-	6,250	23,185
Salem Husni Salem Braibish	Board Member	Libyan	-	1,065	-	-	-	1,065
Kuwait Investment Authority – Kuwait Representative			-	-	-	5,000	-	5,000
Fahid Majid Al Sultan Al Salim*****	Board Member	Kuwaiti	-	18,000	-	-	6,250	24,250
Subtotal			**157,500**	**234,000**	**106,065**	**65,000**	**86,750**	**649,315**

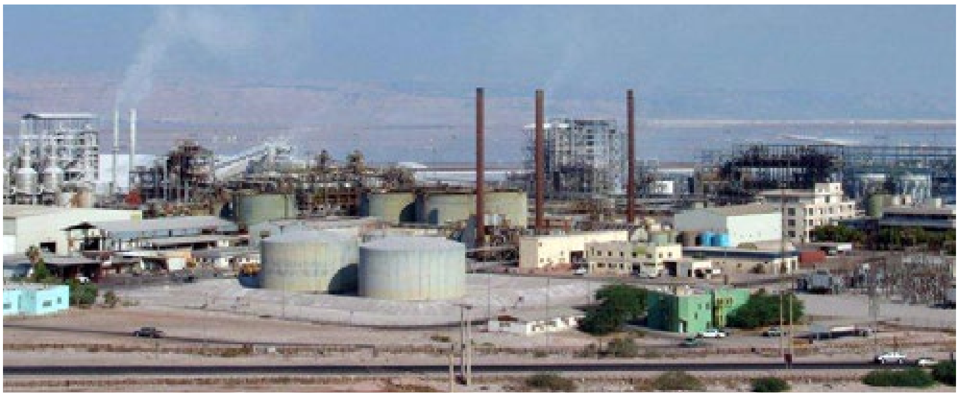
* Other Benefits: the Chairman has two chauffeur-driven cars
** Transportation, committee allowance, and representation allowance are paid directly to PSC Jordan LLC
*** Transportation, committee allowance, and representation allowance are paid directly to Jordan Social Security Corporation
**** Transportation, committee allowance, and representation allowance are paid directly to Islamic Development Bank, Jeddah
***** Transportation, committee allowance, and representation allowance are paid directly to Kuwait Investment Authority – Kuwait

B. Compensations and Benefits to the Members of the Executive Management

Compensations and Benefits to the Members of the Executive Management

Name	Title	Nationality	Total Annual Salaries	Representation Fees	Per Diem	Housing and Utilities	Indemnity	Total
Brent Edward Heimann *	President and CEO	American	173,616	-	19,600	40,572	-	233,788
Julie Ann Fortunato**	VP Finance and Support Services	American	61,017	-	-	32,632	-	93,649
Scott Raymond Maczka*	VP Finance and Support Services	American	52,030	-	5,000	46,794	-	103,824
Dr. Roderick Joseph McEachern*	VP Operations	Canadian	104,958	-	10,600	43,307	-	158,865
Jafar Mohammad Hafez Salem**	VP Marketing and Sales	Jordanian	129,868	3,600	15,200	-	-	148,668
Adnan Sulaiman Faris Al Ma'aitah**	VP Human Recourses and Corporate Affairs	Jordanian	89,775	3,600	1,800	-	-	95,175
Sub Total			**611,264**	**7,200**	**52,200**	**163,305**	**-**	**833,969**
Grand Total								**1,483,284**

* Other Benefits: the CEO, and VP's have two chauffeur-driven cars
** Other Benefits: Other Executive Management members have one chauffeur-driven car



19. Summary of the Arab Potash Company's CSR program 2014 in Jordan Dinars

Sector	Sub-Sector	Subsector total	Sector total
	Universities	949,117	
	Schools	1,254,140	
Education			2,203,257
	Welfare associations	918,249	
	Welfare packages	513,670	
	Orphans' care	122,500	
Social development			1,554,419
	Municipalities	567,329	
	Official organization	288,619	
	Community halls	530,000	
	Development associations	165,000	
Official bodies			1,550,948
Water & environment			256,147
	Health organization	586,500	
	Health associations	174,800	
	Special needs care	70,440	
Health			831,740
Sports			604,550
	Churches	18,000	
	Mosques	168,899	
Houses of worship			186,899
Culture			209,340
Professional associations			102,700
Total			**7,500,000**
Other sponsorship			133,000

Summary of the Arab potash Company's CSR program 2014 in Jordan Dinars

APC's CSR budget in 2014 amounted to JD 7.5 million, which was allocated according to priorities set in consultation with public and private institutions and local communities. 29% was allocated to education and higher education, 21% for social development and the care of orphans, 21% for municipalities and supporting official institutions, 11% for health and care for people with special needs, 8% for sports and youth, 3% for water and the environment, 3% to support cultural activities, 3% for the maintenance and repair of houses of worship, and 1% to support professional, trade union and other activities.

Education

The projects that were launched or completed in the education sector and opened this year included the following:

1- Opening of Tawahin Al Sukkar Mixed Secondary School located in Ghor Al Mazra'ah, which APC financed fully to the value of JD 1.06 million, in response to an initiative by His Majesty King Abdullah II Ibn Al Hussein. The school provides a model learning environment for about 1,000 students from the Southern Valley Area, from kindergarten to the tawjihi (school leaving exam). This will empower them to greater educational attainment and expand the opportunities available to them to build a better future.
2- Adoption of the project to establish a model secondary school in Ghor Safi.
3- Adoption of the project to establish a model secondary school in the town of Taybeh in the Karak Governorate.
4- Adoption of the project to provide a Wi-Fi network for internet use at the universities of Muta, Tafila and Al Hussein Bin Talal.

Social Development

In the area of social welfare and orphans care, APC's main activities included:

Distribution of 15,000 welfare packages during the month of Ramadan to needy families in all provinces of the Kingdom, to a value of more than half a million Dinar. The packages were distributed in cooperation with the Ministry of Awqaf Zakat Fund, which prepared lists of families most in need who do not receive aid from other sources, so as to provide for the largest number of needy families.

APC's contributions also included support for 10 welfare associations operating in the Wadi Araba area to support their development activities in the region, which is one of the most in need of development in the Kingdom. APC also provided a tractor with all its fittings to serve farmers in the entire Wadi Araba region.

In cooperation with the Princess Alia Foundation (PAF), APC provided a bus to the Al Amani Association for the care of special needs people in the Wadi Araba region. APC will also cooperate with PAF to implement the solar energy project to generate electricity for lighting, cooling and heating schools in Wadi Araba.

Finally, APC adopted an SOS home at the SOS Children's Village in Aqaba to the value of JD 18,000 annually. It is noteworthy that the SOS Children's Village Foundation follows a sophisticated approach to care for orphans, whereby children live in houses within the village under the auspices of a mother that cares for around nine children who grow up as siblings in a family atmosphere where they enjoy the love of a mother and family of which life had deprived them.

Governmental Bodies

In support of Governmental bodies, APC provided support to municipalities and other official institutions, to build multi-purpose community halls in the cities and villages of the Kingdom. Multi-purpose community halls were opened in the villages of Mhai Shqeirah and Salihiya, which APC had pledged to build and equip in 2013.

Within the municipal support program, APC cooperated with the Municipality of Wadi Araba to build a multi-purpose hall, and the Municipality of Greigrah and Finan to tender for the purchase of machinery.

Health

In the area of health and care for people with special needs, APC's contributions included:

1- Three dental clinics with all accessories for the Prince Zeid Ibn Al Hussein Hospital in Tafilah
2- Two dental clinics with all accessories for the Prince Ali Hospital in Karak
3- Six dialysis machines with chairs to Al Hussein Hospital of the Royal Medical Services
4- Seven kidney dialysis machines with chairs to Prince Rashid Hospital in Irbid
5- Twenty chairs for patients receiving chemotherapy at the Al Hussein Hospital of the Royal Medical Services
6- Sixteen dialysis machine with chairs allocated in cooperation with the Ministry of Health.
7- A new building annexed to Ghor Safi Government Hospital for internal medicine
8- Purchase of medical equipment for Al Salt Government Hospital
9- Purchase of X-ray device for Al Taybeh Al Karak medical center
10- Support for the King Hussein Cancer Foundation to the amount of JD 125,000
11- Support for the Mu'tah University Nursing College for the purchase of medical equipment
12- Financing cleft lip operations
13- Sponsor of medical forums and medical societies

Sports

APC's contributions to the sports sector including the establishment of six 6-a-side courts in the Southern Jordan Valley, Karak, and Tafilah in cooperation with the Higher Council for Youth.

Water & the Environment

APC supported a number of water projects in the Southern Jordan Valley area to serve local communities and provide residents with suitable quantities of drinking water. Most important among these projects was the opening of two artesian wells and laying the foundation stone for a water reservoir with a capacity of 1,000 cubic meters to provide drinking water for its citizens, and another 300-cubic meter tank to collect untreated water.

In the area of environmental conservation and optimal use of all resources, including recycling consumed materials, APC signed on Sunday 05/11/2014 an agreement with two Jordanian companies for recycling 1,300 tons of worn tires over two years. The move comes mainly to relieve pressure on the environment caused by the large quantity of truck tires consumed by the Company in the course of its activities, and to support the recycling industry in Jordan.

It is worth mentioning that the Arab Potash Company attaches great importance to sustainable development by working to reduce the environmental impact of its activities. APC is proud to have received the global ISO 14001 certificate of conformity in recognition of its observance of international standards in this regard.

Houses of Worship and Union Activities

APC also provided support for the maintenance and repair of Houses of Worship in all parts of the Kingdom, cultural activities, professional association and trade union activities.

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 CEO, 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 the Protection of the Environment

Environmental commitment and compliance is a major concern at all company levels. Sustainable development is necessary so that future generations can enjoy the natural resources while providing energy for company operations. Our company is determined to treat nature with the highest degree of respect and care. therefore, APC's activities have been planned carefully in the area of the Dead Sea and Aqaba in order to reduce environmental impacts and to preserve the enjoyable magnificent landscapes in the region. Our company boasts to maintain international standards with regard to environmental responsibility and to obtain the global certificate of conformity ISO 14001 in this regard.

At the local level, the company is concerned to prevent any cases of pollution affecting the surrounding environment of air, water and soil through monitoring of all the solutions and strategies for this purpose. This is shown in the air pollution control and monitoring projects for which our company is involved. Thus, the company is committed to achieve these environmental goals over time to minimize and mitigate all environmental impacts. This is reflected by the project of installing ambient air quality stations that are directly connected with the Ministry of Environment to ensure the coherence to legal requirements, APC also performs periodical environmental measurements and housekeeping inspections in various departments and plants to ensure a safe and clean work environment for all APC employees. On the energy and environment level, APC is currently proceeding in the fuel oil replacement project with natural gas that will return in savings plus minimizing pollutants from the stacks to the air.

The environmental responsibility of our company is not limited only to its boundaries, but also communicated within our schools and our communities to lead and inspire initiative throughout the region. We concentrate on building environmental solutions in order to serve our region and enhance the motivation.

B. APC contributions to the service of local communities

APC's CSR budget in 2014 amounted to JD 7.5 million, which was allocated according to priorities set in consultation with public and private institutions and local communities. 29% was allocated to education and higher education, 21% for social development and the care of orphans, 21% for municipalities and supporting official institutions, 11% for health and care for people with special needs, 8% for sports and youth, 3% for water and the environment, 3% to support cultural activities, 3% for the maintenance and repair of houses of worship, and 1% to support professional, trade union and other activities.

22. 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 2015. 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 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
Brent Edward Heimann

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 Nsour

Board Member
Salem Husni Salem Braibish

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 2014 are correct, accurate and complete.

Chairman of the Board
HE. Jamal Ahmad Al Sarayrah

President & CEO
Brent Edward Heimann

VP Finance and Support Servies
Scott Raymond Maczka

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 2014 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, 2015 and determining their fees, and,
7- 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., for their support and assistance.
The Board also extends thanks to all Arab and International financing institutions and organizations which contributed in financing the Company's projects.
We especially thank our company's clients for their trust in our product and services and we commend the efforts exerted by APC employees at their all locations.

Arab Potash Company
Public Shareholding Company

Consolidated Financial Statements
31 December 2014

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 2014 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 2014 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.

Amman – Jordan
22 March 2015

Arab Potash Company
Consolidated Statement of Financial Position
As at 31 December 2014

	Notes	2014	2013
Assets		JD "000"	JD "000"
Non-current assets			
Property, plant and equipment	3	291,846	333,947
Projects in progress	4	39,683	26,928
Investment in associates and joint ventures	5, 6	104,746	87,023
Financial assets at fair value through other comprehensive income	7	715	920
Deferred tax assets	19	3,063	3, 748
Employees' housing loans	8	19,561	18,902
		459,614	**471,468**
Current assets			
Employees' housing loans	8	2,321	2,299
Accounts receivable	9	61,546	52,480
Inventories	10	17,924	53,126
Spare parts and supplies	11	52,313	54,040
Other current assets	12	59,946	67,565
Cash on hand and bank balances	13	294,759	304,437
		488,809	**533,947**
TOTAL ASSETS		**948,423**	**1,005,415**
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	58	263
Retained earnings		646,443	671,744
Total Equity		**860,982**	**886,488**
Non-current liabilities			
Long-term loans	15	85	119
Other non-current liabilities	18	9,106	14,147
		9,191	**14,266**
Current liabilities			
Current portion of long term loans	15	34	1,228
Potash mining fees due to the government of the Hashemite Kingdom of Jordan	1,23	6,330	5,949
Trade payables and other accruals		28,941	31,239
Income tax provision	19	5,097	10,187
Other current liabilities	16	37,848	56,058
		78,250	**104,661**
Total Liabilities		**87,441**	**118,927**
TOTAL EQUITY AND LIABILITIES		**948,423**	**1,005,415**

The attached notes 1 to 33 form part of these consolidated financial statements

Arab Potash Company
Consolidated Income Statement
For The Year Ended 31 December 2014

	Notes	2014	2013
		JD "000"	JD "000"
Sales	17	535,465	521,209
Cost of sales	20	(394,958)	(337,913)
Gross profit	**17**	**140,507**	**183,296**
Administrative expenses	21	(22,579)	(17,267)
Selling and distribution expenses	24	(18,917)	(17,094)
Royalty to the Government of Jordan	1, 23	(13,330)	(25,949)
Operating profit		**85,681**	**122,986**
Finance revenue		10,948	15,822
Donations expenses		(7,633)	(10,074)
Finance costs and bank charges	25	(641)	(1,027)
Other income	22	3,338	1,588
Other expenses		(344)	(1,501)
Net foreign currency exchange differences		(2,270)	851
Profit before tax and gain from associates and joint ventures		**89,079**	**128,645**
Company's share of profit of associates and joint ventures	5,6	21,228	19,511
Revaluation of Islamic Development Bank loan for Jordan Magnesia Company		(102)	(283)
Profit before tax		**110,205**	**147,873**
Income tax expense	19	(10,529)	(17,212)
Profit for the year		**99,676**	**130,661**
		JD / Fills	JD / Fills
Earnings per share			
Basic and diluted earnings per share	26	1/196	1 / 568

The attached notes 1 to 33 form part of these consolidated financial statements

Arab Potash Company
Consolidated Statement of Comprehensive Income
For The Year Ended 31 December 2014

	Notes	2014	2013
		JD "000"	JD "000"
Profit for the year		**99,676**	**130,661**
Add: Other Comprehensive income			
Net change in fair value for financial assets at fair value through other comprehensive income	7	(205)	206
Total comprehensive income for the year		**99,471**	**130,867**

Arab Potash Company
Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2014

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings*	Total
2014	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Balance at 1 January 2014	**83,318**	**50,464**	**80,699**	**263**	**671,744**	**886,488**
Profit for the year	-	-	-	-	99,676	99,676
Other comprehensive income	-	-	-	(205)	-	(205)
Total comprehensive income for the year	**-**	**-**	**-**	**(205)**	**99,767**	**99,471**
Dividends (Note 14)	-	-	-	-	(124,977)	(124,977)
Balance at 31 December 2014	**83,318**	**50,464**	**80,699**	**58**	**646,443**	**860,982**
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**

* Retained earnings include an amount of JD 3,063 thousand which represents deferred tax assets.

The attached notes 1 to 33 form part of these consolidated financial statements

Arab Potash Company
Consolidated Statement of Cash Flows
For The Year Ended 31 December 2014

	Notes	2014	2013
		JD "000"	JD "000"
Operating Activities			
Profit for the year before tax		110,205	147,873
Adjustments:			
Depreciation	3	62,749	63,836
Gain from sale of property, plant and equipment		(207)	(71)
Finance revenue		(10,948)	(15,822)
Finance costs	25	160	426
Share of profit of associates and joint ventures	5,6	(21,228)	(19,511)
Revaluation of Islamic Development Loan from Jordan Magnesia Company		102	283
Employee's legal cases compensation provision		2	589
Compensation and death provision		1,366	2,402
End of service indemnity provision		788	2,109
Reverse of provision for doubtful debts	9	-	(25)
Unpaid leaves provision		192	100
Employees' post-employment benefits provision		3,229	483
Provision for slow moving inventory	10	(7)	(9)
Provision for slow moving spare parts	11	1,166	-
		147,569	**182,663**
Working capital changes:			
Accounts receivable		(9,066)	28,239
Inventories		35,209	7,215
Spare parts		561	(5,713)
Other current assets		8,981	(9,521)
Trade payables and accruals		(2,298)	4,404
Other current liabilities		(11,501)	4,595
Income tax paid	19	(14,934)	(26,977)
Net cash flows from operating activities		**154,521**	**184,905**
Investing Activities			
Purchase of property, plant and equipment	3, 4	(5,441)	(10,156)
Proceeds from sale of property, plant and equipment		213	339
Projects in progress	4	(27,968)	(17,865)
Dividends received from associates and joint ventures		11,005	11,364
Investment in associates and joint ventures		(7,500)	-
Interest received		9,586	16,331
Employees' housing loans, net		(681)	(2,791)
Short term deposits		14,839	8,857
Net cash flows (used) from investing activities		**(5,947)**	**6,079**
Financing Activities			
Loans		-	170
Repayment of loans		(1,228)	(6,833)
Interest paid		(160)	(426)
Dividends paid to shareholders		(142,025)	(200,137)
Net cash flows used in financing activities		**(143,413)**	**(207,226)**
Net decrease in cash and cash equivalents		**5,161**	**(16,242)**
Cash and cash equivalents at 1 January		242,041	258,283
Cash and cash equivalents at 31 December	**13**	**247,202**	**242,041**

The attached notes 1 to 33 form part of these consolidated financial statements

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 34,512 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 22 March 2015; 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 2014:

	Paid in capital	Percentage of Ownership
	(Thousands of shares)	%
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 2015 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 2014.

2.3 Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2013 except for the following:

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods which started on or after 1 January 2014. The amendments 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. The application of the new amendments did not have any impact on the Company's, financial position or performance.

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. Application of the new amendments did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. Application of the interpretation did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Application of the new amendments did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

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%
Tools	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 2014 and 2013.

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 is recognized when the inventory is shipped and the invoice is issued to the customer and according to the shipped terms.

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 30.

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 Fixtures	Computers	Total
	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''	JD''000''
2014 -								
Cost:								
Balance at 1 January 2014	3,011	102,663	175,290	631,013	41,593	6,924	9,819	970,313
Additions	-	881	-	17,728	1,469	443	133	20,645
Disposals	-	-	-	(199)	(356)	(11)	(285)	(851)
Transfers*								
Balance at 31 December 2014	**3,011**	**103,544**	**175,290**	**648,542**	**42,706**	**7,356**	**9,667**	**990,116**
Accumulated Depreciation								
Balance at 1 January 2014	-	59,022	148,444	382,442	32,159	5,845	8,454	636,366
Depreciation for the year	-	4,065	4,285	50,356	3,121	364	558	62,749
Disposals	-	-	-	(195)	(354)	(11)	(285)	(845)
Balance at 31 December 2014	**-**	**63,087**	**152,729**	**432,603**	**34,926**	**6,198**	**8,727**	**698,270**
Net Book Value At 31 December 2014	**3,011**	**40,457**	**22,561**	**215,939**	**7,780**	**1,158**	**940**	**291,846**
2013 -								
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**

4. Projects in Progress

	Balance as at 1 January 2014	Additions	Transfers	Balance as at 31 December 2014
	JD "000"	JD "000"	JD "000"	JD "000"
Various projects*	26,928	27,968	(15,213)	39,683

	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

* The additions represent a new harvester project (harvester number 12), this project started during 2012 and is capitalized during 2014. In addition to a new project (developing of the infrastructure required for the flow of the natural gas), as the company and Jordan Bromine Company signed on 19th February 2014 an agreement to purchase natural gas from NBL eastern Mediterranean Marketing Limited (Cayman Islands).

The agreement with a term of 15 years, states that the group will be provided with its demand of natural gas. The group expects that the cost per ton will decrease significantly as a result of the agreement

Most of the transfers represents the completion of the harvester project (harvester number 12) with a total cost of JD 11,905 thousands, in addition to other projects with a total amount of JD 3,308 thousand.

** The additions represent the completion of (harvester number 12) project started in 2012.

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 4,062 thousand, in addition to the completion of other projects with a total amount of JD 4,832 thousand.

The expected cost of completing the projects is JD 25,000 thousands as at 31 December 2014 (2013: JD 21,295).

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 2014	Investment in associates Balance 2013
		%	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	3,345,600	20	6,691	5,918
Jordan Investment and South Development Company (JISDC)	833,000	45.45	204	199
Jordan International Chartering Company (JICC)*	12,000	20	23	36
			6,918	**6,153**

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

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

	2014	2013
	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	774	559
Jordan Investment and South Development Company (JISDC)	5	16
Jordan International Chartering Company (JICC)	(13)	1
	766	**576**

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

	NJFC		JISDC		JICC	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Current assets	29,817	24,765	230	222	170	261
Non-current assets	8,862	8,774	289	429	4	5
Current liabilities	(4,378)	(2,228)	(244)	(247)	(46)	(73)
Non-current liabilities	-	(3,561)	-	(9)	-	-
Net assets	**34,301**	**27,750**	**275**	**395**	**128**	**193**
Percentage of ownership	20%	20%	45.45%	45.45%	20%	20%
Carrying amount of investment in associates	**6,691**	**5,918**	**204**	**199**	**23**	**36**

	NJFC		JISDC		JICC	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Revenue	82,288	60,572	308	315	254	303
Cost of sales	(76,024)	(54,842)	(237)	(229)	(324)	(300)
Other revenues and expenses	(2,399)	(3,044)	(60)	(51)	5	5
Profit (loss) before tax	3,865	2,686	11	35	(65)	8
Income tax expense	**-**	**-**	**-**	**-**	**-**	**(1)**
Profit (loss) for the year	3,865	2,686	11	35	(65)	7
Group's share of profit (loss) for the year	**774**	**559**	**5**	**16**	**(13)**	**1**

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 ventures balance	
		%	**2014**	**2013**
			JD "000"	JD "000"
Jordan Bromine Company (JBC)*	15,000,000	50	90,113	80,573
Jordan Industrial Port (JIB)**	8,000,000	50	7,715	297
			97,828	**80,870**

* 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 11,005 thousands during 2014 (2013: JD 11,344 thousands).

** During 2014 Jordan Industrial Port (JIB) Capital was increased by JD 15,000,000 at par value of JD 1 Per share, to reach JD 16,000,000. The Group investment in Jordan Industrial Port was increased to 8,000,000 share (2013: 500,000 share), the Group's percentage of ownership remains constant.

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

	2014	2013
	JD "000"	JD "000"
Jordan Bromine Company (JBC)*	20,545	19,004
Jordan Industrial Port (JIB)	(83)	(69)
	20,462	**18,935**

* Effective 1 January 2013, the Group implemented IFRS II, Joint Agreements. 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	
	2014	2013	2014	2013
	JD "000"	JD "000"	JD "000"	JD "000"
Statement of financial position				
Current assets	94,524	77,324	14,900	253
Non-current assets	162,719	162,491	802	749
Current liabilities	(26,306)	(26,202)	(389)	(397)
Non-current liabilities	(3,294)	(3,503)	-	-
Net assets	**227,643**	**210,110**	**15,313**	**605**
Group's percentage of ownership	50%	50%	50%	50%
Carrying amounts of investment in joint ventures	**113,822**	**80,573**	**7,715**	**297**

	Jordan Bromine Company		Jordanian Industrial Ports Company	
	2014	2013	2014	2013
	JD "000"	JD "000"	JD "000"	JD "000"
Statement of comprehensive income				
Revenue	161,973	146,864	-	-
Cost of sales	(99,480)	(90,077)	-	-
Other revenues and expenses	(8,850)	(7,697)	(167)	(138)
Profit before tax	**53,643**	**49,090**	**(167)**	**(138)**
Income tax expense	-	-	-	-
Profit (loss) for the year	**53,643**	**49,090**	**(167)**	**(138)**
The Groups share of profit (loss) for the year	**20,545**	**19,004**	**(83)**	**(69)**

7. Financial Assets at Fair Value Through Other Comprehensive Income

	2014	2013
	JD "000"	JD "000"
Quoted shares*	639	844
Unquoted shares**	76	76
	715	**920**

* The movement on the fair value reserve is as follows:

	2014	2013
	JD "000"	JD "000"
At 1 January	263	57
Net (losses) unrealized gains	(205)	206
At 31 December	**58**	**263**

** 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:

	2014	2013
	JD "000"	JD "000"
Balance as at 1 January	21,201	18,410
Loans granted during the year	3,531	5,880
Collections during the year	(2,850)	(3,089)
Balance as at 31 December	**21,882**	**21,201**

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

	2014	2013
	JD "000"	JD "000"
Non-current	19,561	18,902
Current	2,321	2,299
	21,882	**21,201**

9. Accounts Receivable

	2014	2013
	JD "000"	JD "000"
Trade receivables	60,025	51,674
Due from associates (note 27)	2,207	1,464
Others	54	82
	62,286	**53,220**
Less: Allowance for doubtful debts*	(740)	(740)
	61,546	**52,480**

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

	2014	2013
	JD "000"	JD "000"
At 1 January	740	765
Provision reversed during the year	-	(25)
At 31 December	**740**	**740**

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"
2014	47,656	10,415	1,214	59,285
2013	34,225	10,108	6,601	50,934

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

	2014	2013
	JD "000"	JD "000"
Finished goods	15,778	50,458
Raw materials	1,481	2,092
Others	791	709
	18,050	**53,259**
Allowance for decreasing in inventory value*	(16)	(23)
Provision for slow moving inventory**	(110)	(110)
	17,924	**53,126**

* The movement of the allowance is as follows:

	2014	2013
	JD "000"	JD "000"
At 1 January	23	25
Reversed provision	(7)	(2)
At 31 December	16	23

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

	2014	2013
	JD "000"	JD "000"
At 1 January	110	117
Reversed provision	-	(7)
At 31 December	110	110

11. Spare Parts and Supplies

	2014	2013
	JD "000"	JD "000"
Spare parts	48,352	50,588
Fuel store	4,804	5,165
Others	2,449	1,500
	55,605	**57,253**
Provision for slow-moving spare parts*	(3,292)	(3,213)
	52,313	**54,040**

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

	2014	2013
	JD "000"	JD "000"
At 1 January	3,213	3,348
Provision for the year	1,166	-
Write – off during the year	(1,087)	(135)
At 31 December	3,292	3,213

12. Other Current assets

	2014	2013
	JD "000"	JD "000"
Prepaid expenses	2,743	2,772
Advance payments to contractors	12,570	7,351
Due from Sales Tax Department *	37,419	53,384
Advance payments to death and compensation fund	3,282	-
Others	3,932	4,058
	59,946	**67,565**

* This item represents sales tax receivable which was 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, JD 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 6.172 million is still under audit. The Income and Sales Tax Department approved and settled the refund of JD 22.3 million during December 2014. The remaining 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

	2014	2013
	JD "000"	JD "000"
Cash on hand	105	109
Cash at banks*	73,733	64,199
Short term deposits**	173,364	177,733
Cash and cash equivalents	247,202	242,041
Short term deposits mature after more than 3 months***	47,557	62,396
	294,759	**304,437**

* 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 as at 31 December 2013 (2014: Zero).

** This item represents deposits in Jordanian Dinar at local banks with an interest rate of 4.7% (2013: 5.8%) 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 4.7% (2013: 5.8%) 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 2014 to distribute JD 124,976,250 as dividends which represent 150% of Company's capital. (2013: JD 208,293,750 as dividends which represents 250% of Company's capital).

15. Loans

	2014		2013	
	Short term	Long term	Short term	Long term
	JD "000"	JD "000"	JD "000"	JD "000"
European Investment Bank	-	-	1,194	-
Societe Generale	34	85	34	119
	34	**85**	**1,228**	**119**

The details of these loans are as follows:

- **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, the loan was paid in full during 2014.

- **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 2015 and after are as follows:

	JD "000"
2015	34
2016	34
2017	34
2018	17
	119

16. Other Current Liabilities

	2014	2013
	JD "000"	JD "000"
Employees' legal cases compensation provisions	10,089	10,634
Employees' post-employment benefits provision (Note 18)	226	188
Dividends payable (Note 14)	6,784	23,832
Contractors retentions	1,241	2,278
Accrued interest and expenses	11,443	12,637
Others	8,065	6,489
	37,848	**56,058**

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:

	2014					
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Eliminations & Adjustments	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	453,013	81,677	775	535,465	-	535,465
Inter-company Sales	22,037	-	2,345	24,382	(24,382)	-
Total Sales	**475,050**	**81,677**	**3,120**	**559,847**	**(24,382)**	**535,465**
Segment profit	**108,440**	**21,545**	**831**	**130,816**	**9,691**	**140,507**
Results						
Share of profit of associates and joint ventures	21,228	-	-	21,228	-	21,228
Depreciation	62,264	5,608	97	67,969	(5,220)	62,749
Capital Expenditure						
PP&E and projects in progress	32,470	700	239	33,409	-	33,409
Total Assets	**940,821**	**91,251**	**2,294**	**1,034,366**	**(89,225)**	**945,141**
Total Liabilities	**136,016**	**11,251**	**415**	**147,682**	**(63,523)**	**84,159**
Investments in associates and joint ventures	104,746	-	-	104,746	-	104,746

	2013					
	Arab Potash Co.	KEMAPCO	Numeira Co.	Total	Eliminations & 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	**1,019,262**	**80,579**	**2,051**	**1,101,892**	**(96,477)**	**1,005,415**
Total Liabilities	**167,542**	**11,202**	**412**	**179,156**	**(60,229)**	**118,927**
Investments in associates and joint ventures	87,023	-	-	87,023	-	87,023

Following is a summary of sales by geographical location for the year ended 31 December 2014 and 2013:

	31 December 2014				31 December 2013			
	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	238,002	7,296	15	245,313	161,832	4,244	28	166,104
Far East	98,263	3,664	20	101,947	178,910	4,709	-	183,619
Middle East	42,337	8,933	648	51,918	47,559	7,334	515	55,408
Africa	51,409	7,953	5	59,367	48,868	7,680	2	56,550
Europe	21,476	41,521	69	63,066	20,547	29,112	33	49,692
America & Australia	1,526	11,943	18	13,487	120	9,349	10	9,479
Canada	-	367	-	367	-	357	-	357
	453,013	**81,677**	**775**	**535,465**	**457,836**	**62,785**	**588**	**521,209**

18. Other Non-Current Liabilities

	2014	2013
	JD "000"	JD "000"
Company and employees share in compensation and death fund *	28	384
End of service indemnity provision	6,133	7,690
Employees' post-employment benefits provision **	2,884	5,770
Unpaid leaves provision	61	156
Other provision	-	147
	9,106	**14,147**

* 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:

	2014	2013
	JD "000"	JD "000"
Employee' post-employment benefits provision	2,884	5,770
Provision payable within one year (Note 16)	226	188
	3,110	**5,958**

During 2014, the Group paid JD 6,076 post – employment benefits to the beneficalies, which represents 40% if the undiscounted provision, as a result the company recorded 3,229 JD as an expense during 2014, which represents the present value of the remaining unpaid post – employment benefits amounting 7,954 JD (2013: 14,446 JD).

19. Income Tax

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

	2014	2013
	JD "000"	JD "000"
Balance at 1 January	10,187	20,050
Income tax expense for the year	9,844	17,114
Income tax paid	(14,934)	(26,977)
Balance at 31 December	**5,097**	**10,187**

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

	2014	2013
	JD "000"	JD "000"
Current year income tax	9,844	17,114
Deferred tax asset	685	98
	10,529	**17,212**

Income tax expense

	2014	2013
	JD "000"	JD "000"
Computed tax at statutory rates	12,448	22,609
Subsidiaries' profits not subject to income tax	(839)	(2,964)
Gain on investments in associates not subject to income tax	(2,917)	(2,732)
Tax effect of expenses not acceptable for tax purposes	1,837	299
Income tax expense for the year	**10,529**	**17,212**
Effective income tax rate	9,5%	11,6%
Statutory income tax rate	14%	14%

Deferred tax assets

	2014	2013
	JD "000"	JD "000"
Movement is as follows:		
At 1 January	3,748	3,846
Additions during the year	885	1,332
Retirements during the year	(1,570)	(1,430)
At 31 December	**3,063**	**3,748**

The provision for income tax for the years ended 31 December 2014 and 2013 has been calculated in accordance with the Income Tax Law No. (28) of 2009.

The Income and Sales Tax Department re-opened the Company's records for 2007 regarding the acquisition of Arab Fertilizers and Chemicals Industries (KEMAPCO) and issued its decision to impose an amount of JD 2,215 thousands. Arab Potash Company has filed a lawsuit with the First Instance court 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 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 deviance was obtained 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 2014, an amount of JD 37 Million is included in other current assets represents sales tax receivable which were paid by the Company during the previous year's mostly on the expansion project which was completed during 2010. These amounts are recoverable according to the sales tax law.

20. Cost of Sales

	2014	2013
	JD "000"	JD "000"
Raw materials used in production	20,844	16,897
Salaries and wages	51,873	56,119
Freight costs	38,650	30,107
Depreciation	59,660	60,518
Fuel and electricity	118,922	105,926
Maintenance	41,666	34,121
Water	7,553	7,569
Insurance	7,863	7,716
Others	13,247	10,547
	360,278	**329,520**
Add: beginning inventory	50,458	58,851
Less: ending inventory	(15,778)	(50,458)
	394,958	**337,913**

21. Administrative Expenses

	2014	2013
	JD "000"	JD "000"
Salaries and other benefits	7,534	6,497
Professional and consulting fees	5,413	3,387
Litigation compensations	356	589
Employees' post-employment benefits expenses	3,229	483
Travel and hospitality	861	821
Depreciation	968	1,092
Maintenance and repairs	360	319
Electricity	144	156
Fuel	134	105
Post and telephone	184	216
Board of Directors' remuneration	41	65
Insurance	3,024	1,924
Others	331	1,613
	22,579	**17,267**

22. Other Income

	2014	2013
	JD "000"	JD "000"
Scrap sales	419	432
Others, net	2,919	1,156
	3,338	**1,588**

23. Royalty to the Government of Jordan

During 2014, royalty due to the Government of Jordan was JD 13,330 thousand (2013: JD 25,949 thousand).

During 2014, the Company paid an amount of JD 7 million as an advance payment (2013: 20 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 2014 is JD 6.3 million (2013: 5.9 million).

24. Selling and Distribution Expenses

Marketing	2014	2013
	JD "000"	JD "000"
Salaries and other benefits	758	790
Sales commission	3,539	4,609
Travel and transportation	375	429
Depreciation	30	40
Sample testing	253	204
Advertising	47	74
Post and telephone	25	31
Others	993	1,065
	6,020	**7,242**

Aqaba	2014	2013
	JD "000"	JD "000"
Handling fees	6,532	3,101
Salaries, wages and other benefits	2,041	2,215
Depreciation	2,091	2,186
Electricity	492	410
Maintenance and repair	434	365
Fuel	37	71
Insurance	157	167
Rent	318	723
Others	795	614
	12,897	**9,852**
	18,917	**17,094**

25. Finance Costs and Bank Charges

	2014	2013
	JD "000"	JD "000"
Interest expense	160	426
Bank commissions	481	601
	641	**1,027**

26. Earnings Per Share

	2014	2013
	JD "000"	JD "000"
Profit for the year	99,676	130,661
Weighted average number of shares ("000")	83,318	83,318
Basic and diluted, earnings per share (JD / Fils)	**1/196**	**1/568**

27. 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:

	2014	2013
	JD "000"	JD "000"
Amounts due from related parties		
Accounts receivable – Jordan Bromine Company	2,207	1,464

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

	2014	2013
	JD "000"	JD "000"
Sales – Nippon Jordan Fertilizer Company (Associate)	**2,602**	**2,264**
Sales – Jordan Bromine Company (Joint venture)	**13,967**	**15,767**

Compensation of the key management personnel was as follows:

	2014	2013
	JD "000"	JD "000"
Benefits (Salaries, wages, and bonus)	**1,483**	**1,826**

28. Contingencies and Commitments

As of 31 December 2014, the Group had the following contingencies and commitments:

Letters of credit, letters of guarantee and bills of collection amounting to JD 7,079 thousands (2013: JD 5,806 thousands).

The Group has committed and contracted for capital expenditure amounting to JD 40,136 thousands (2013: JD 36,688 thousands).

The Group has committed but not contracted for capital expenditure amounting to JD 78,952 thousands (2013: JD 24,078 thousands).

Legal claims

The Group is a defendant as at 31 December 2014 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 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 limited 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 limited 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 which was on March 2011, and on 9 January 2012, the court of Cassation reconsidered its decision based on our replies list which was ignored in the previous decision.

On 17 February 2013, the Court of Appeal confirms the Court of First Instance decision to reject ATA's request to invite GIBB limited 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

On 20 May 2002 and before the Court of First Instance, APC filed a lawsuit against ATA Company, the contractor of Dike 18, claiming incurred damages related to defects in the Dike. The Court of First Instance dismissed the case on the grounds that there is an arbitration clause in the Construction Contract, and the courts of Appeal and Cassation upheld the Court of First Instance decision.

Accordingly and pursuant to the Arbitration Clause, each Party has nominated an arbitrator and agreed on a third arbitrator who has accepted the appointment. On 30 September 2009, the APC submitted its Statement of Claim. On 2 January 2010, the Respondent (ATA) submitted its Statement of Defence and Motion to dismiss the case on the ground of Statute of Limitation.

On 10 September 2011 the tribunal unanimously decided to reject ATA's motion to dismiss APC's case on the ground of Statute of Limitation, and proceeded with examining the merits of the case. The proceedings have been suspended temporarily due to ATA's refusal to pay its share of the Tribunal fees and the fees of the Tribunal appointed experts. After APC substituted ATA in paying the latter's share of the said fees, the tribunal issued an interim award ordering ATA to reimburse the same to APC.

Between the dates of 19 and 25 October 2012, several hearing sessions have been held to cross examine both Parties' witnesses as well as the experts appointed by the tribunal. APC's final brief was submitted on 3 January 2013 and ATA submitted its final brief on 4 February 2013.

The tribunal decided to extend the deadline for rendering its Final Award several times the last of which was on 1 November 2013 when the tribunal decided to extend such deadline till the end of January 2014.

On 5 January 2014 the tribunal rendered its Final Award requiring ATA to pay JD 2,623,020 which represents 25% of the cost of rehabilitation of dam 18 with legal interest from the date of 30 September 2009 until full payment thereof, in addition to 25% of the fees and expenses of arbitration and attorneys' fees with interest legal implications from the date of judgment until full payment thereof.

On 30 January 2014 ATA applied to the Court of Appeal to nullify the Final Award, and the court decided to suspend this application pending a decision on another application submitted by ATA to disqualify certain arbitrators. The case is still at court as of the date of the condensed consolidated financial statements.

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.

29. 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 assess 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.

	Increase in basis points	Effect on profit for the year JD "000"	Decrease in basis points	Effect on profit for the year JD "000"
2014				
Currency JD	50	1,104	(50)	(1,104)
	Increase in basis points	**Effect on profit for the year JD "000"**	**Decrease in basis points**	**Effect on profit for the year JD "000"**
2013				
Currency JD	50	1,268	(50)	(1,268)

Credit risk

Credit risk is the risk that one party to financial instrument will fail to discharge on obligation and cause the other party to incur a financial loss.

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 a limited numbers of customers and fertilizing companies. Its 5 largest customers account for 85% of outstanding accounts receivable at 31 December 2014 (2013: 83%).

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 2014 and 2013, based on contractual payment dates and current market interest rates.

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD "000"	JD "000"	JD "000"	JD "000"
Year ended 31 December 2014				
Trade payables and accruals	28,941	-	-	28,941
Potash mining fees due to the	-	6,330	-	6,330
Income tax provision	5,097	-	-	5,097
Loans	9	27	104	140
Total	**34,047**	**6,357**	**104**	**40,508**
Year ended 31 December 2013				
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**

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.

	Increase in Exchange Rate	Effect on Profit	Decrease in Exchange Rate	Effect on profit
	Points	JD "000"	Points	JD "000"
2014				
Currency EURO	10	13	(10)	(13)

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

30. 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.

31. 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 2014 and 2013. Capital comprises share capital, reserves and retained earnings, and is measured at JD 860,982 thousand as at 31 December 2014 (2013: JD 886,225 thousand).

32. Standards 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.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

IFRS 9 Financial Instruments

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

Amendments issued but not yet effective

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

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

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

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to :
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

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

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

Investment entities (Amendments to IFRS 10 and IAS 28)

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

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

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

33. Comparative Figures

Some of 2013 balances were reclassified to correspond with 2014 presentation.

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

شركة البوتاس العربية المساهمة العامة

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