البوتاس العربية
Arab Potash

الرقم Ref. ٣٧٤/ ٢٦/ ٢

التاريخ Date ٢٠١٦/٣/٢٤

السادة هيئة الاوراق المالية المحترمين

ص.ب 8802

عمان – الاردن

تحية طيبة وبعد ،،،

الموضوع:- معايير الافصاح

اشارة لتعليمات الافصاح والمعايير المحاسبية نرجو اعلامكم بقرار مجلس الادارة لعقد اجتماع الهيئة العامة العادي للمساهمين الساعة الثانية عشر من ظهر يوم الخميس الموافق 2016/4/21 في فندق الشيراتون – عمان.

مرفقين طيا" القوائم المالية لعام 2015 والمصادق عليها من قبل مدققي الحسابات الساده آرنست ويونغ ، ونسخة من التقرير السنوي لعام 2015 (قرص مرن) وجدول اعمال الاجتماع.

وتفضلوا بقبول فائق الاحترام والتقدير،،،

M. Razem

محمد الـرازم CPA , CFA

مدير تنفيذي- المراقب المالي

نسخة/ الدائرة المالية – قسم المساهمين

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الدائرة الادارية / الديوان
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ANNUAL REPORT **2015**
Partners in Food Security

البوتاس العربية
Arab Potash

His Majesty
King Abdullah II Ibn Al Hussein

His Royal Highness Crown

Prince Al Hussein Bin Abdullah II

FIFTY NINTH ANNUAL REPORT

Of the Board of Directors and the consolidated financial statements of the Company for the year ended 31 December 2015, presented at the Ordinary General Assembly Meeting at 12:00 noon on Thursday 21April 2016 AD, 14 Rajab 1437 H.

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MESSAGE FROM THE CHAIRMAN

In the name of God the Compassionate the Merciful

The Members of the Board of Directors and the Executive Management of the Arab Potash Company (APC) and I are delighted and honored to submit to you the 59th annual report for the year 2015 on the Company's operations, including its consolidated financial statements for the year ended 31/12/2015. The report also contains a review of the past year's achievements and an outlook for the new year.

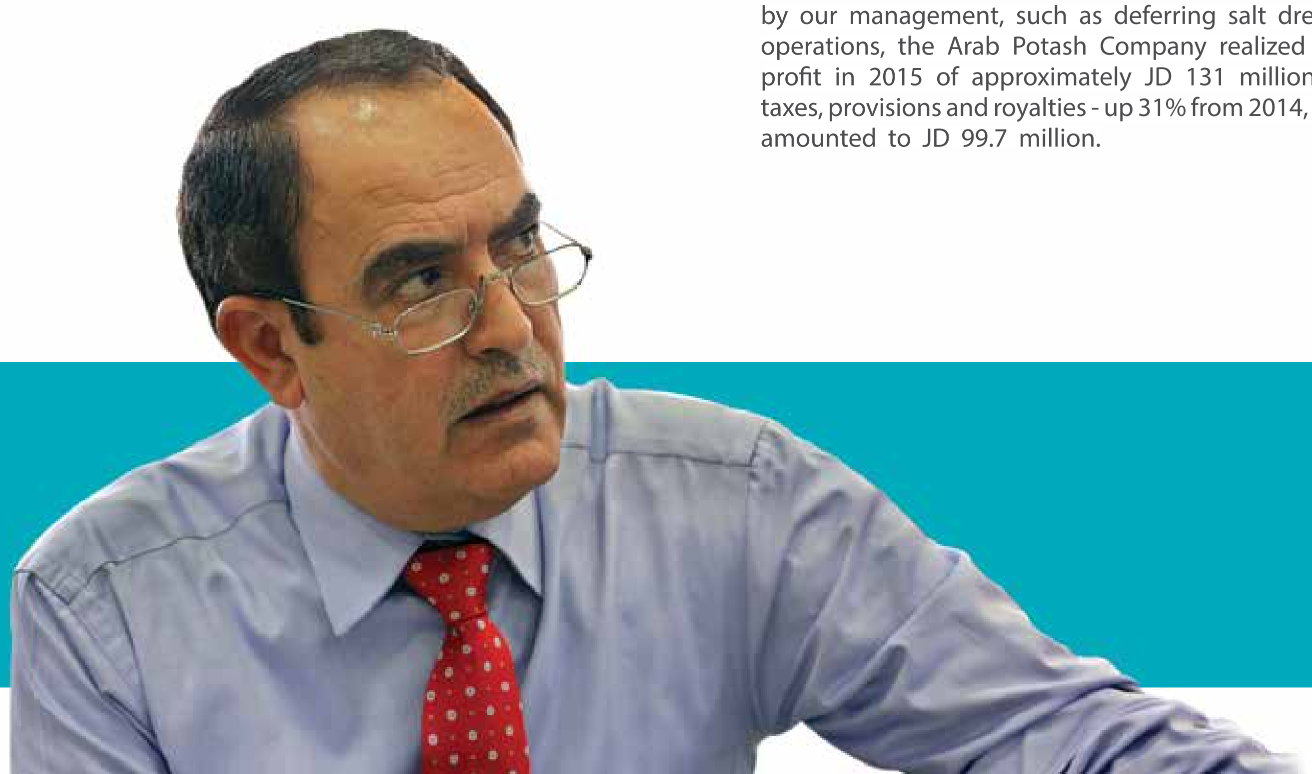
APC continued, as always, to focus on the safety of its employees as its first priority. After two tragic accidents involving the Company's trucks at the beginning of the year, APC reviewed and updated the truck safety requirements. As a result the Company completed in 2016 four million working hours without a lost time injury - an achievement of which we are very proud. We shall forge ahead with determination and with the help of God to break last year's record of five-million working hours. APC is one of the largest private sector employers in the Kingdom, providing work for more than 2,000 employees, of whom a large portion comes from local communities. We want each one of them to return to his family every day in complete health and safety.

I am also glad to congratulate all members of the Arab Potash family on achieving a new production record of 2,355,000 tons. This achievement comes in addition to the Company's plan to raise the total production capacity of potash by 245,000 tons per year, and granular potash by 250,000 tons. These improvements are in response to market expectations of an increase in long-term demand for potash. The Board of Directors has approved the project for completion in 2018/2019, God willing.

APC is also working to reduce production costs on several levels, most importantly, the cost of energy. In the recent past years, production costs were seriously impacted by the rise in energy costs, particularly electricity, which did not drop this year in parallel to the fall in world oil and gas prices. Electricity tariffs increased by approximately 3.75% in 2015, which contributed to the rise in APC's electricity costs - by 6% in 2015 compared with 2014 and the cost of labor rose by 1%. This significant rise in production costs put the company among the top in the world after it was one of the lowest in this area until 2008.

To meet the energy challenge, APC is working to diversify its energy sources by replacing heavy fuel oil, currently in use with less expensive and more environmentally friendly natural gas. APC also continues to work on expanding the use of renewable energy sources. The decision was taken to proceed with a photovoltaic-cell solar power generation initiative that will have a capacity of 33 MW to be completed within two years. Studies are also ongoing to conduct an electric power and steam generation project fuelled alternatively by natural gas or heavy fuel oil. This project will provide sufficient flexibility to alternate the use of fuel burned according to price and source. The Company also plans to complete the construction of the natural gas pipeline to its plants at Ghor Safi by the end of 2016.

By the grace of God, and thanks to these achievements in improving the efficiencies of production, cost management, and the prudent policies implemented by our management, such as deferring salt dredging operations, the Arab Potash Company realized a net profit in 2015 of approximately JD 131 million after taxes, provisions and royalties - up 31% from 2014, which amounted to JD 99.7 million.



These profits have enabled APC to reinforce its position and leading role as a major contributor to the Jordanian Treasury. This is shown clearly by the significant increase in the funds paid to the state treasury in 2015 over the previous year: For example, income tax payments increased to JD 32 million compared with JD 11 million in 2014, and mining royalties rose to JD 24 million compared to JD 13 million in 2014.

The Arab Potash Company also continued to reinforce its position as one of the top companies in Jordan with regards to social responsibility, guided by the vision of His Majesty King Abdullah II Ibn Al Hussein, may God protect him, that the priority is to secure a better life for all Jordanians.

The Arab Potash Company stands out as one of the largest enterprises in Jordan while its plants are located in the largest concentration of poverty and unemployment in the Kingdom. This means we as an organization have a responsibility to work for the improvement of living standards in local communities most affected by APC's activities.

In response, the Arab Potash Company provided in the period 2012 - 2015 an average of nearly JD 10 million annually for social responsibility programs, which were divided as follows:

Distribution of CSR Expenditure by Sector 2012 – 2015 (JD)

	2012	2013	2014	2015	Total	Average	٪
Education	1,713,000	2,331,820	2,203,257	2,162,372	8,410,449	2,102,612	23
Social work	2,037,000	1,848,901	1,554,419	1,670,855	7,111,175	1,777,794	19
Official bodies	3,374,000	2,054,591	1,683,948	2,914,094	10,026,633	2,506,658	27
Water & Environment	1,344,000	1,241,700	256,147	711,320	3,553,167	888,292	9
Health	700,000	1,328,170	831,740	1,809,400	4,669,310	1,167,328	12
Sports	193,000	487,500	604,550	372,484	1,657,534	414,384	4
Houses of worship	298,000	356,673	186,899	219,568	1,061,140	265,285	3
Culture	95,000	312,150	209,340	240,000	856,490	214,123	2
Professional associations	84,000	38,495	102,700	38,605	263,800	65,950	1
Total	**9,838,000**	**10,000,000**	**7,633,000**	**10,138,698**	**37,609,698**	**9,402,426**	**100**

" I am also glad to congratulate all members of the Arab Potash family on achieving a new production record of 2,355,000 tons. This achievement comes in addition to the Company's plan to raise the total production capacity of potash by 245,000 tons per year. "

The main programs supported by APC were:

1. Reinforcement lessons for more than 200 Tawjihi (Secondary School Final Exam) students from the Southern Jordan Valley. This program was introduced in a year when all students from the Southern Ghor failed the Tawjihi exam. Consequently, APC took the initiative to fund reinforcement lessons for students from this region. By the grace of God, some students from the Southern Ghor now score over ninety percent in the Tawjihi. Additionally, APC provides a further incentive by pledging full scholarships to any student from the southern Jordan Valley who qualifies to study medicine at a Jordanian university. The goal here is not to favor one area over others, but to give assistance and raise the ceiling of ambition in areas that are most in need of this aid.
2. Building model schools such as Tawahin Al Sukkar Model School in Ghor Al Mazra'ah. APC funded JD 1.06 million in response to an initiative from His Majesty King Abdullah II Bin Al Hussein. The school provides a model learning environment for approximately one thousand students from the Southern Jordan Valley from kindergarten to the Tawjihi. This initiative will enhance their educational attainment and broaden their prospects to build a better future.
3. Maintenance of schools, installation of canopies for protection from the sun and rain, as well as teacher training and student skills sessions in cooperation with the Madrasati Initiative.
4. Providing Wi-Fi Internet networks at the universities of Muta Tafileh and Al-Hussein bin Talal in Maan, so as to enable students to employ their time on campus optimally and help them conduct their research.
5. Providing dialysis machines to hospitals in view of the great need in this area. APC provided in the period 2012 - 2014 more than 50 devices at a cost of JD 800,000, which now benefit more than 50,000 patients a year. APC plans to continue in this project to eliminate the shortage of dialysis machines throughout Jordan. APC also supplied hospitals within the Ministry of Health and the Royal Medical Services with medical and dental equipment according to their needs.
6. The distribution of welfare packages in the holy month of Ramadan to needy families in all governorates of the Kingdom in cooperation with the Zakat Fund. This program was valued at more than JD 0.5 million annually.
7. Building multi-purpose community halls in a number of villages and municipalities.
8. Building six-a-side courts in the Southern Jordan Valley, Karak and Tafilah in cooperation with the Higher Council for Youth.
9. Cooperation with the Ministry of Water and the Jordan Valley Authority in building dams to harvest rain water, which is discussed in more detail below. This project will help provide drinking water for citizens in the southern governorates.
10. Digging artesian wells and building water tanks to provide drinking water to citizens in the Southern Jordan Valley.
11. Installing photovoltaic panels to generate electricity from solar energy at health centers, mosques, schools and teachers' housing and electricity poles in the Southern Jordan Valley and Tafilah Governorate.
12. Providing municipalities with APC snow-moving and salt vehicles during snow storms to help keep the roads open.

APC's future plans focus on investing in expanding the Company's asset base at its plants in Southern Jordan. Around JD 1 billion was allocated in the budget estimates for capital projects to be completed over the next few years, which include:

1. Downstream industries. KEMAPCO (a subsidiary wholly owned by APC) approved a project to raise its production capacity of potassium nitrate from 135,000 to 175,000 tons per year. This project will be completed in 20 months at a cost of nearly JD 15 million.
2. Diversifying energy sources as discussed above.
3. Financing the construction of Wadi Ibn Hammad Dam at a cost of JD 26 million which will be built in cooperation with the Ministry of Water and Irrigation and the Jordan Valley Authority. Work to implement the project has started and is expected to be completed within three years. The dam will harvest and store rain water at a capacity of four million cubic meters to serve two objectives:

A. To address the needs of citizens in the southern regions for drinking water at one of the largest concentrations of poverty in the Kingdom and

B. To supplement APC water needs at the production facility.

> " The Arab Potash Company also continued to reinforce its position as one of the top companies in Jordan with regards to social responsibility, guided by the vision of His Majesty King Abdullah II Ibn Al Hussein, may God protect him, that the priority is to secure a better life for all Jordanians. "

4. Pursuant to the plan to unify strategies for the development of local communities with subsidiary and affiliate companies, the Board of Directors of the Jordan Bromine Company (JBC) approved the allocation of $400,000, which is more than JD 280,000, to study the construction of Wadi Assal Dam in the Jordan Valley area.
5. Construction of Al Wadat Dam in cooperation with the Ministry of Water and Irrigation at a cost of four million Dinars. Construction is expected to take two to three years, after which rain water will be harvested in the dam at a capacity of about 0.5 million cubic meters.
6. Construction of a new industrial port at Aqaba as part of APC's plan to increase the handling capacity of the export jetty and in line with the government's plans for the development of the Aqaba ports. The project's initial cost of JD 118 million is funded equally by APC and Jordan Phosphate Mines Company (JPMC). It is expected to be completed during 2017.
7. Pumping brine from the Dead Sea plant project. The APC Board of Directors decided to approve plans to build a new pumping station for the company at a total estimated cost of JD 190 million and the station is due to come into service in early 2020.

These ambitious plans may collide with reality of the global economy, which has gone into a new slowdown and may turn into a global recession, or retreat. The collapse of world oil prices by more than 75% since June, 2014 has affected not only oil producers but the global economy as a whole. Indicators began impacting weak economic growth in 2015 and the low exchange rates against the US dollar resulting in lower purchasing power of our key customers in many countries, including leading potash markets. Consequently, there has been a decline in demand. Some of our leading customers in China and India now have a high inventory of potash at their ports, and hence, have virtually stopped importing potash. These events have caused prices to drop to the lowest level in the past nine years.

This situation has resulted in considerable pressure on producers of fertilizers including potash. In 2015, one of the largest producers of fertilizers in the world was compelled to close one of its mines and lay off more than 400 individuals. Forecasts from specialized international economic research and study centers foresee that the slowdown will be the main feature of 2016, which portends further declines in the prices of key commodities. Falling potash prices will make APC, which holds only 4% of the global market, captive to international price trends, with the choice of either keeping up with the prices set by big producers, or leaving certain markets to our competitors.

In brief, we need to tighten our belts in the next year or two and work as one team to control our expenses as much as possible in order to preserve the Arab Potash Company as a profitable enterprise, major employer, strong contributor to the Jordanian economy, and a respected member of the community through its CSR activities while we overcome these difficult market conditions and emerge from the crisis even stronger, God willing.

Despite these gloomy forecasts in the near term, the long-term demand outlook for fertilizer is still positive as the main driver for potash demand is a continually growing world population. The coming years may be very difficult; however, the situation will improve over time, God willing.

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 APC 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. I also 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 that 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

2015 IN NUMBERS

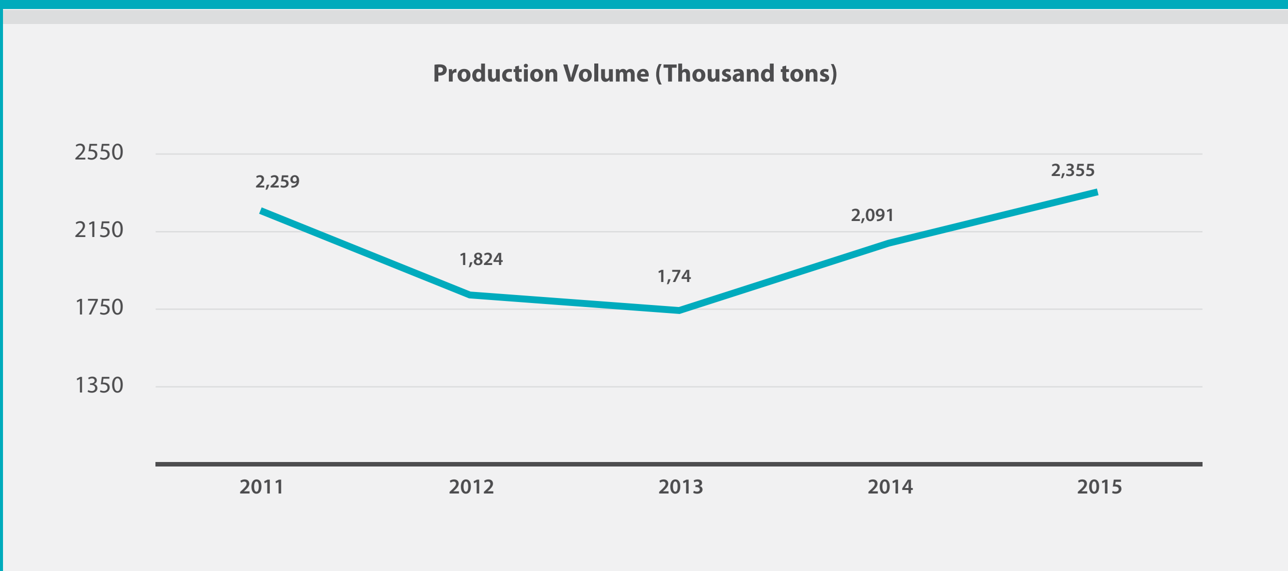
Arab Potash Company in numbers 2011-2015:

1. Safety

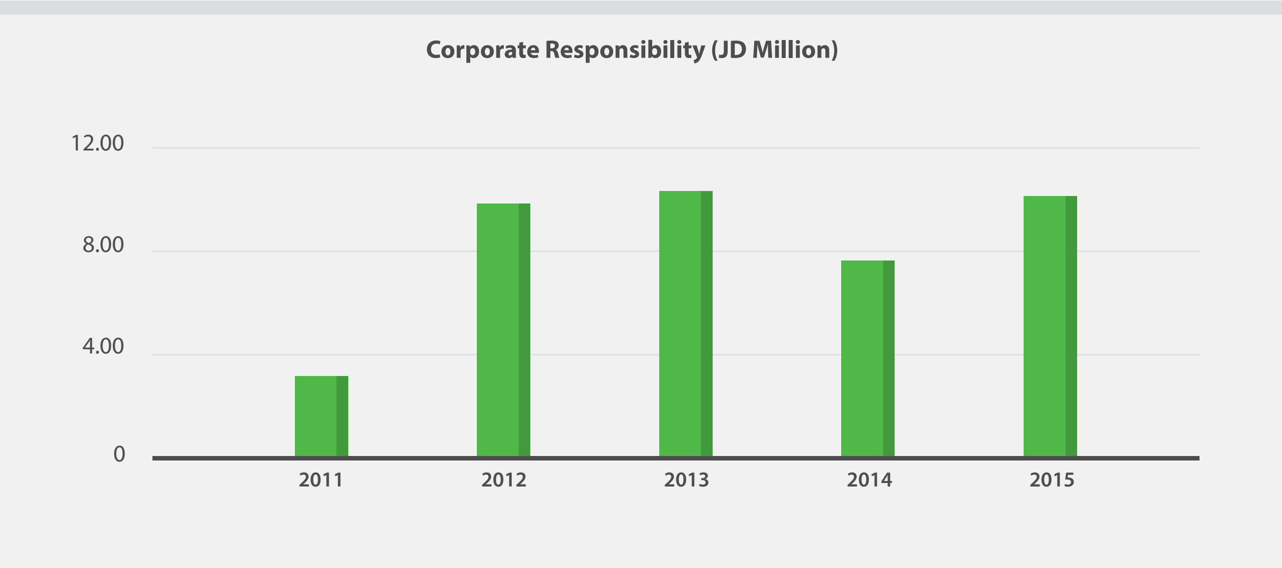
LTI frequency rate which traces the number of lost time work injuries per 200,000 work hours.

2. Production

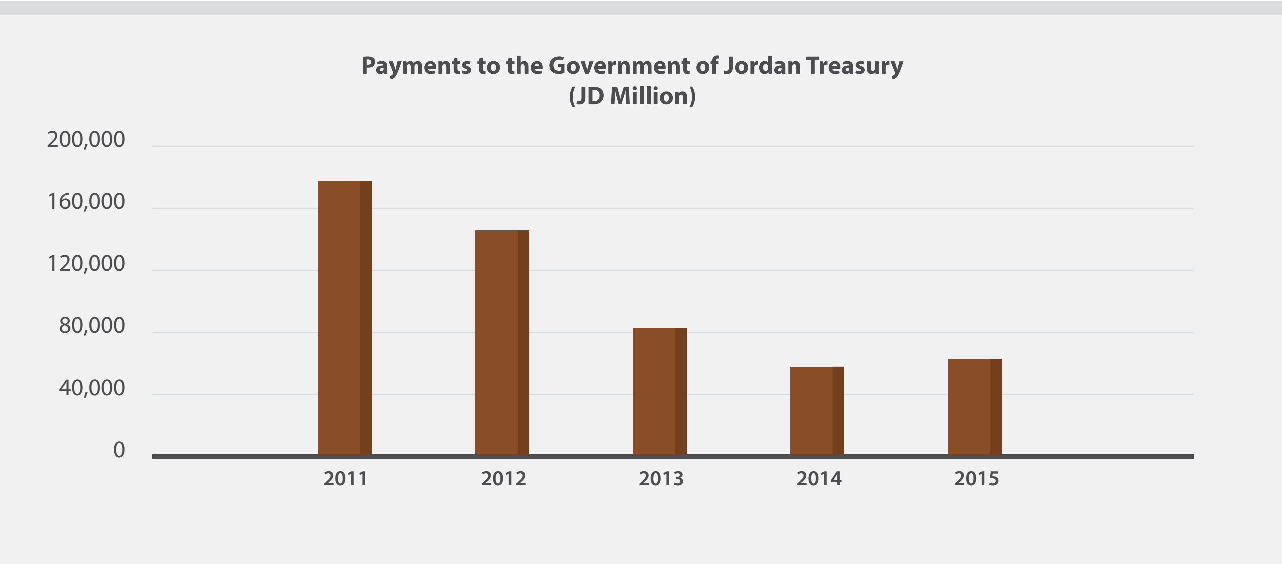
APC achieved a new production record in 2015 amounting to 2,355,000 tons, which was a 55,000-ton increase over our annual production plan of 2,300,000 tons.



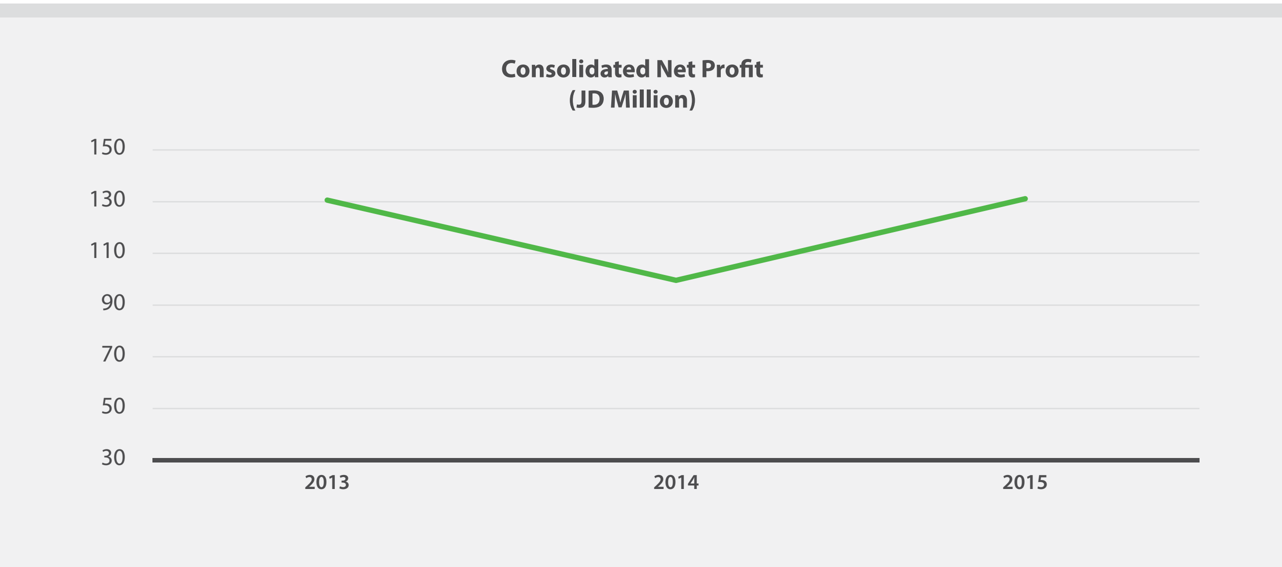
3. Corporate Social Responsibility



4. Payments to the Government of Jordan Treasury during the period (2011-2015)



5. Consolidated Net Profit during the period (2013-2015)



Major Financial Indicators 2011 – 2015 in Thousands of Dinars except Financial Ratios, Share Data, Production and Sales Numbers

Details	2015	2014	2013	2012	2011
Potash Production (Million Tons)	2.355	2.09	1.74	1.82	2.26
Potash Sales (Million Tons)	2.189	2.24	1.77	1.63	2.24
Consolidated Sales Revenue	527,527	535,465	521,209	586,268	720,200
Potash Sales Revenue	472,885	475,051	482,591	541,300	678,800
Gross Profit	213,413	140,507	183,296	300,700	402,000
Profit from Operations	145,611	85,681	122,986	212,400	304,000
Financing Charges	609	641	1,027	3,344	4,900
Other Revenues	1,887	3,338	1,588	17,722	44,800
Net Profit (Loss) After Tax	131,133	99,676	130,661	198,822	299,700
Net Fixed Assets	244,082	291,846	33,947	379,001	427,600
Long Term Loans & Other Long Term Obligations	9,377	9,919	12,266	20,032	41,800
Shareholders' Equity	892,190	860,982	886,488	963,915	1,015,200
Debt: Equity Ratio	0%	0.01%	0.15%	0.7%	2.0%
Return On Assets	13.3%	10,6%	12.9%	18.4%	24.5%
Return On Shareholders' Equity	15%	11.6%	14.7%	20.1%	32.7%
Current Ratio	4	6.42	5.10	5.70	3.80
Closing Share Price/JD	21	19.50	28.05	46.51	44.10
Dividends *	-	99,981	124,977	208,293	249,953
Dividends Percentage *	-	120%	150%	250%	300%
Earnings Per Share / JD	1.6	1.2	1.6	2.4	3.6
Market Price / Earnings Ratio	13.3	16.25	17.90	19.50	12.30
Royalty / ton produced	10.1	6.4	14.6	31.2	26.9

* Dividends ratio for the year 2015 will be determined in the Annual General Assembley Meeting

Partners in Food Security

The Company completed in the begining of 2016
4,000,000
working hours without a lost time injury

Record annual production volume
2,355,000
Tons for the year 2015

Corporate Social Responsibility Spending
10,138,698
JD in 2015

Net profits for the year 2015
131.1
Million JD

The Company surpassed in early in 2016

4,000,000

working hours without a lost time injury

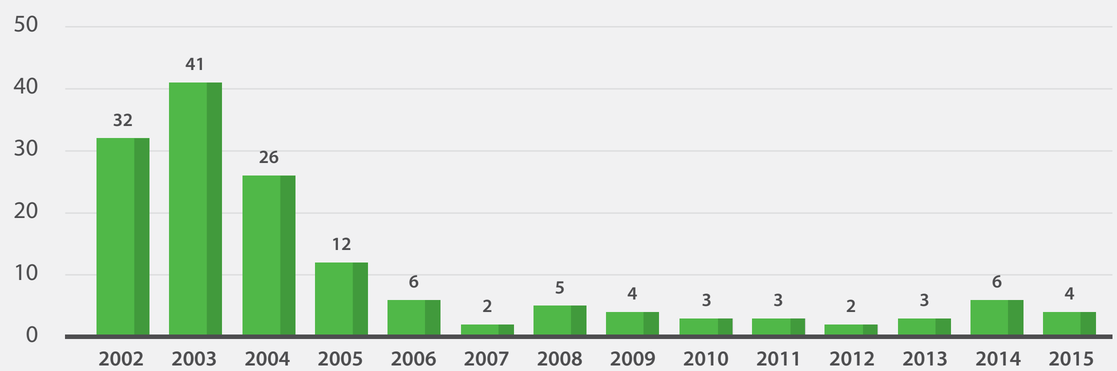
SAFETY

The Arab Potash Company believes firmly that the safety of its employees is its top priority. This is the first item in the Company's core values because the Board of Directors and senior management consider themselves responsible for the safe return of all employees to their families and loved ones every day. Accordingly, the Company focuses on providing a safe working environment for its employees, which includes providing appropriate personal safety equipment, strict enforcement of work safety procedures, and implementation of work permits which applies equally to service providers, contractors, and visitors.

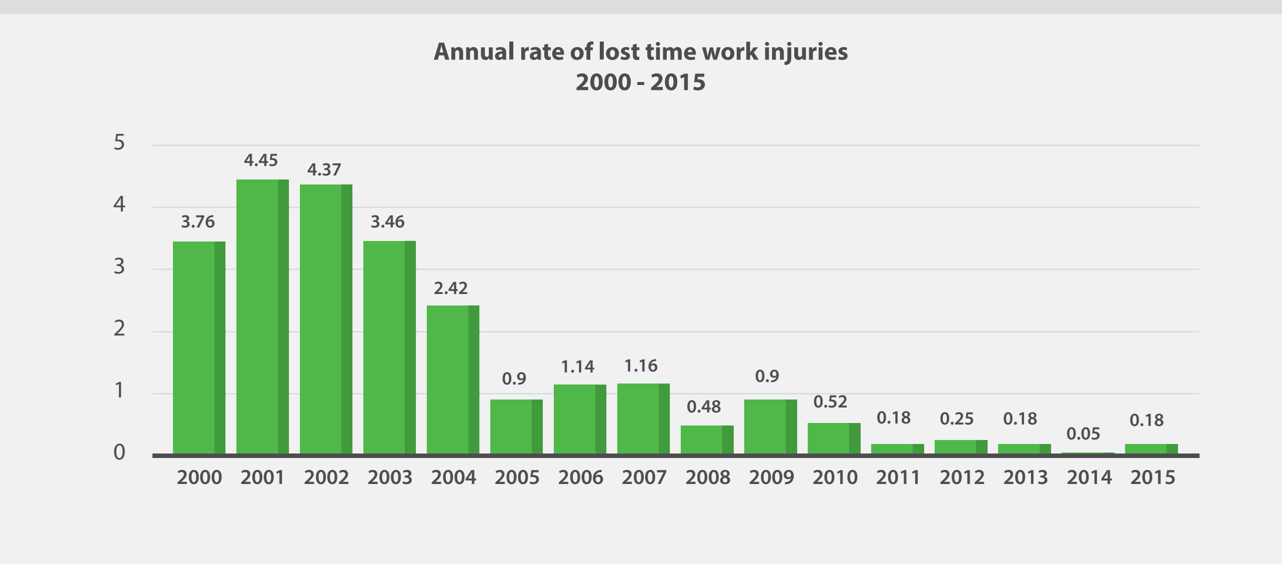
After two tragic trucking accidents early in 2015, APC, in coordination with the Union, reviewed driving safety instructions and procedures for cars and all heavy vehicles to ensure that such accidents are not repeated. As a result in 2016, the Company surpassed four million working hours without a lost time injury, which are defined as working accidents that require the injured worker to take time off for treatment. Safety procedures are constantly reinforced to keep APC at the forefront of industrial companies in worker safety at the regional and international levels.

The figure below, which traces the number of lost time work injuries per 200,000 work hours, shows that injuries in 2015 were 0.18.

Figure: Number of trucking accidents 2002 – 2015



• Rate of lost time work injuries = number of injuries x 200,000 work hours / total number of work hours



Safety Initiatives in 2015 included:

1. Renewing the safety management system certificate ISO– 14001:2007 for three years and ISO 9001-2008.
2. Completing three million work hours without a lost time injury.
3. Organizing three safety forums for supervisors and superintendents and two for drivers.
4. Effective implementation of the APC workplace key safety procedures audit program.
5. Implementing the new safety performance evaluation for APC service providers.
6. Conducting safety awareness and training courses for APC service providers.
7. Updating safety procedures by implementing programs such as lockout - tagout, excavation works safety, and mobile cranes & critical lift procedures.
8. Updating the emergency safety plan for all APC sites and implementing all scheduled emergency drills in conjunction with the Civil Defense.
9. Participating in problem-solving initiatives during the severe winter conditions in Karak, Safi and the Aqaba highway.
10. Continuous logistical support to the Potash Civil Defense Center by providing firefighting, rescue and diving equipment, as well as medical supplies according to the agreement with the Civil Defense.
11. Preparing the office safety calendar in Arabic and English to enhance safety awareness among APC employees.
12. Organizing safety celebrations on completion of each one-million work hours without lost time injuries.
13. Monitoring the speed of cars, trucks, and busses around the clock through GPS.
14. Starting the second phase of procedures to join the IFA (International Fertilizer Association) and the International Organization of Legal Metrology.

The Arab Potash Company believes firmly that the safety of its employees is its top priority. This is the first item in the Company's core values

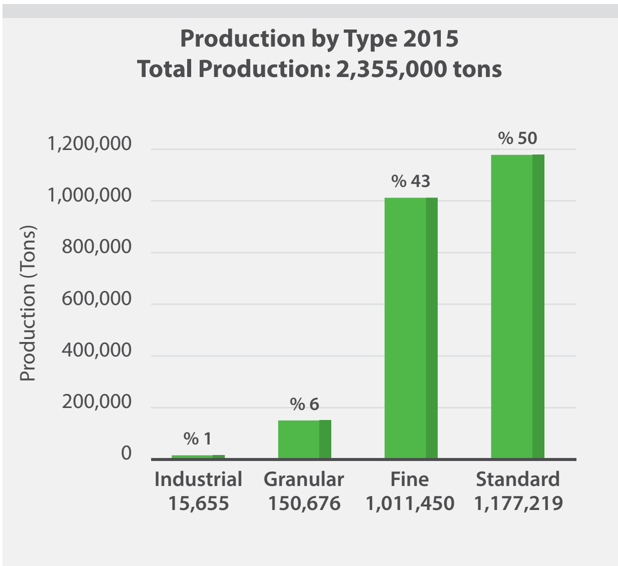
PRODUCTION

APC achieved a new production record in 2015 amounting to 2,355,000 tons, which was a 55,000 tons increase over our annual production plan of 2,300,000 tons.

The following table and chart show the quantities of potash produced by type and corresponding ratios of the total 2015 production:

Type	Tons	Ratio (%)
Standard	1,177,219	50
Fine	1,011,450	43
Granular	150,676	6
Industrial	15,655	1
Total	**2,355,000**	**100**

Potash intended for export, KEMAPCO, NJFC and JBC is transported to the Aqaba warehouses by the APC fleet of trucks. Products for the local markets are loaded at the Safi site.

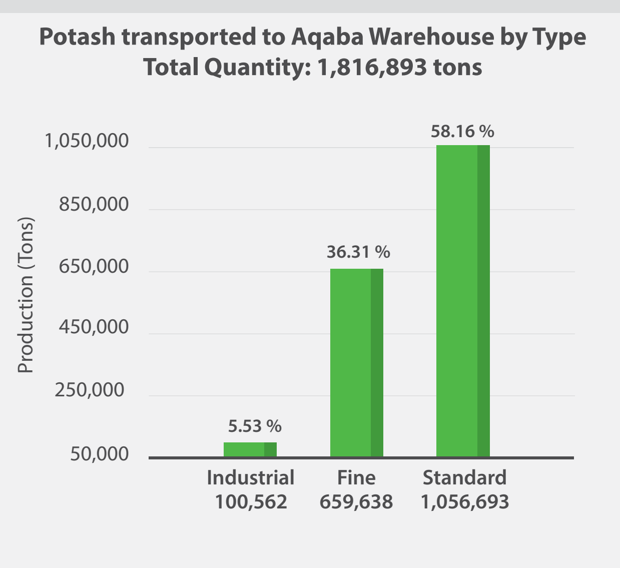


Quantities transported in 2015 are shown in the following table and charts:

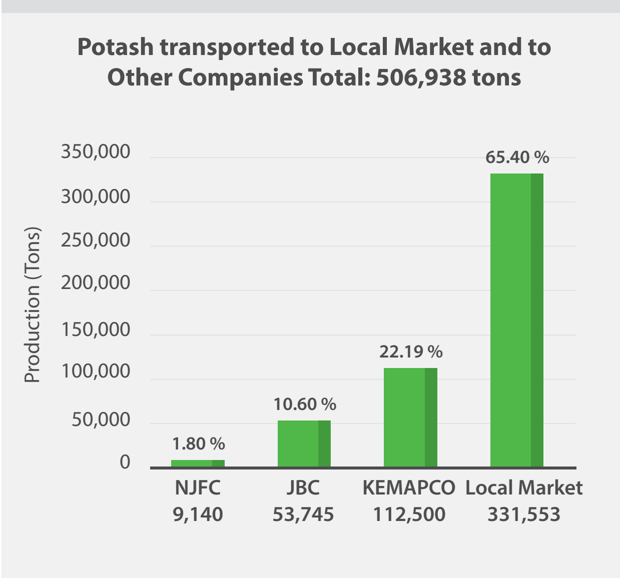
Quantities transported by destination

Destination	Quantity (tons)	Ratio (%)
Aqaba warehouse	1,816,893	78.19
Local markets	331,553	14.27
KEMAPCO	112,500	4.84
JBC	53,745	2.31
NJFC	9,140	0.39
Total	**2,323,831**	**100%**

The total quantity of potash transported to the Aqaba warehouse was 1,816,893 tons as shown in the following chart:



Quantities transported to the local market and other companies amounted to 506,938 tons as shown in the following chart:



APC's direct sales reached approximately

165,000

to non-fertilizer customers

SALES

APC Sales and Marketing

Sales in 2015 fell approximately 57,000 tons or 2.5% year over year. There were no major changes in the sales distribution pattern except for new sales to Morocco.

The position of APC in China consolidated further and volumes reached an all-time high topping last year by 6%. India, Indonesia, and Malaysia sales were maintained at similar levels to 2014. The top ten Markets for APC had a concentration of 97% of the total compared to 94% the year before. The relative position of the top ten customers for APC was the same as the previous year with the only change being that Morocco appeared on this list for the first time.

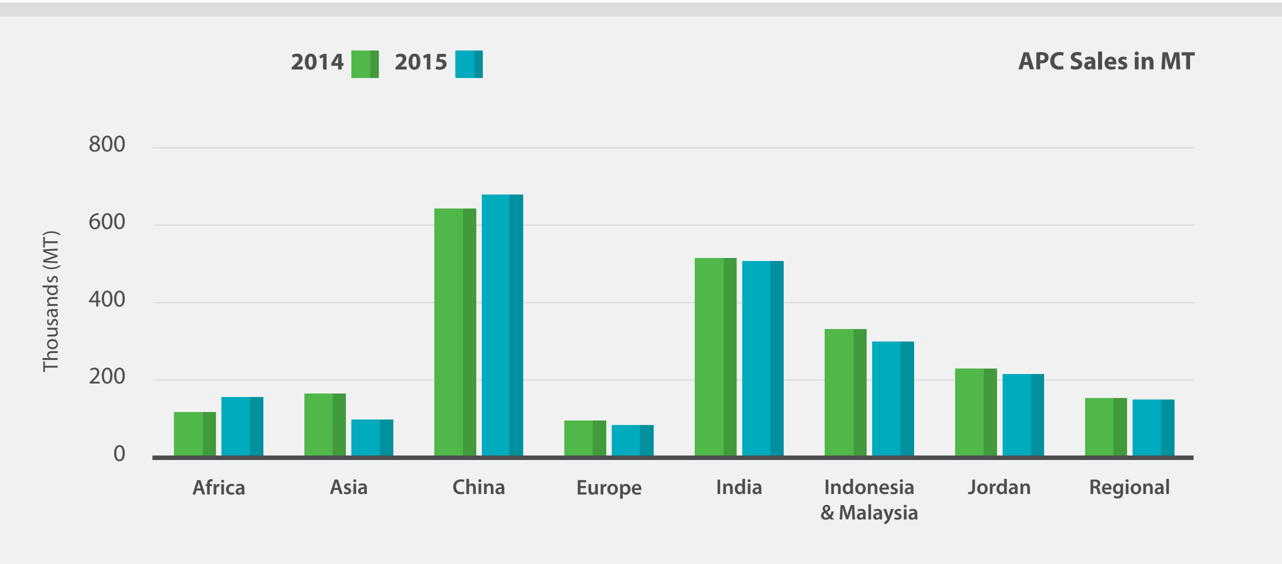
Production of industrial grade potash continued to be phased out as the fine grade content of KCL topped 99% and replaced it for use in chemical and industrial applications.

Granular grade sales fell in 2015 due to the slowdown in European and Indonesian volumes while standard grade quantities recorded a 5-year high.

The top ten customers for APC amounted to 76% of the total sales compared to 67% in 2014.

The Overseas offices played an important role in maintaining market share, information, and expanding specialty customers and logistics services.

APC's direct sales to non-fertilizer customers reached approximately 165,000 tons representing 7.5% of total APC sales. The major oil drilling service companies in the Middle East, Jordan Bromine and Halliburton, as well as the industrial customers in Asia accounted for the majority of these sales.



COMPLIANCE WITH NATIONAL AND INTERNATIONAL QUALITY STANDARDS

Arab Potash Company recognizes the importance of customer satisfaction as the basis for enhancing productivity and profitability. Maintaining quality is a pivotal factor in achieving this objective as made evident by our commitment to consistently attain certificates of conformity from both national and international certification bodies. Quality assurance management systems are implemented in accordance with the highest national and international standards to enhance the performance of production and support operations and also to ensure high quality of output in line with the technical specifications required in all phases of production.

Periodic meetings of the Quality Assurance Committee are a vital factor in quality assurance management and they have a direct impact on the continuous improvement of the production process. Quality indicators are measured, compared to client-approved technical specifications, and analyzed in order to take timely preventative and curative measures as needed to address any deviations and ensure product quality during the manufacturing process. We will also continue to implement the necessary projects for upgrading the quality of our products. This dedication has contributed directly to raising the purity of potash to beyond international standards and resulted in a very high level of customer satisfaction for 2015.

The annual renewal of certificates of conformity with the Australian Quarantine and Inspection standards (AQIS) was completed for all potash products exported by sea, both in bulk and packaged in closed containers. This was achieved after experimental samples of potash were exported wherein the handling, storage, transport and shipping operations at the factory as well as Aqaba sites underwent a second external audit by the delegated representative of the Australian accreditation body to confirm compliance with all of their requirements. All processes of manufacturing, quality and cleanness received close attention to ensure the absence of any organic substances throughout all stages of production. This achievement is considered a prerequisite and supports the Company's efforts to export its potash products to product-sensitive Australian markets.

At the national level, APC continued to comply with Jordanian quality requirements and to maintain the quality certificate of potash products for agricultural and industrial purposes which is awarded by the Jordan standards and Metrology Organization (JSMO) through an annual audit of handling, storage, final inspection and shipping operations of potash products. This certificate was awarded to APC thanks to our continued commitment of attaining the certificate of conformity with ISO-9001.

Through the direct instructions of our President &CEO and VP Operations, The Quality Environment and Safety Directorate continued to work on enrolling APC's potash products in the international Fertilizer Association's (IFA) program "Protect and Sustain" which aims to maintain quality, safety, security and sustainability throughout the product lifecycle by maximizing efficiency and minimizing the environmental impact. Subsequent to the initial performance self-assessment and international performance standards benchmarking of the fertilizer industry, we made improvements in preparation for the final assessment. This assessment will be performed as part of the registration process to receive the certificate of product stewardship.

GOVERNANCE

The governance guide was prepared in view of the development of the national economy at all levels and in line with the Jordan Securities Commission (JSC)'s 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 affairs 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 and Companies Law and related regulations along with 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.

Additionally, APC has participated in the workshop titled "Corporate Governance Scorecards" held by the Amman Security Commission and 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:

- Finance, Administrative, Investment and Remuneration (FAIR) Committee
- Tendering Committee
- Dikes Affairs Committee
- Audit & Risk Management Committee
- Corporate Social Responsibility (CSR) and Donations Committee

C. Board of Directors' Meetings

The company is in compliance regarding board of directors meetings. During 2015 it convened six times.

General Assembly Meetings

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

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

A. Audit Committee and Risk Management Committee

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

B. Audit Committee and Risk Management Committee Responsibilities

- The primary responsibility of the Audit Committee and Risk Management Committee is to oversee the Arab Potash Company's financial controls including appropriate disclosure, internal controls, 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 and Risk Management Committee does not waive the ultimate responsibility of the Board of Directors and Executive Management regarding APC's internal controls, compliance with rules and regulations and soundness of financial information.
- The Committee may seek legal, financial, administrative or technical advice from an independent external consultant if the need arises
- The Audit Committee and Risk Management Committee consist 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 Chair the Audit Committee. The Board of Directors selects members of the committee and appoints its Chairman. The Committee appoints one of its members as deputy chairman, to deputize for the chairman in his absence.
- All committee members are financially literate with financial and managerial experience. At least one member is designated as the financial expert. The financial expert shall have 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 recorded. During 2015 the committee held seven meetings.

C. Authorities of the Audit Committee and Risk Management 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 2015 met with the company's external auditor without the presence of Executive Management or any person representing it.

Finance, Administrative, Investment and Remuneration (FAIR) Committee

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

A. The Committee shall consist of five non-executive Board members (one of them shall be an Audit Committee and Risk Management Committee member), provided that three of them are independent members and one of them chairs the committee. Committee members and its Chairman shall be selected by the Board of Directors.

B. The Committee shall appoint from its members a Deputy Chairman of the Committee to deputize for the Committee Chairman in his absence. Also, the committee shall appoint its secretary from the employees of the Human Resources or Finance Departments at the Company in order to organize committee meetings, prepare their agendas, write their minutes of meetings and its resolutions in a special register and same to be signed by Committee Chairman and its members who attended the meeting.

C. Tasks and responsibilities of the committee:

I. To ensure the independence of FAIR Committee members at regular Board of Directors' meetings.

II. To review draft regulations set out by the Executive Management of the Company related to granting bonuses and incentives in addition to salary scale and benefits of APC employees and/or any amendments to these regulations and submitting them to the Board of Directors for their approval. These regulations are reviewed on an annual basis.

III. Review draft regulations set out by the Executive Management of the Company related to Human Resources and/or any amendments to these regulations and submitting them to the Board of Directors for their review and approval on an annual basis.

IV. Review draft regulations of the Company and/or any amendments to the Company's regulations set out by the Executive Management of the Company and submitting them to the Board of Directors for their Approval.

V. Review the organizational structure of the Executive Management and/or any amendments thereof and submit the same to the Board of Directors for its approval.

VI. Determine the company's needs related to Executive Management and basis of their selection.

VII. Overseeing the company's investments and follow-up in order to maximize returns on these investments and protect them from potential risks, and searching for future investment opportunities and studying them in sound practical ways, and to assist the Board in the sound investment decision in a timely manner, and according to the authorities set forth in the Investments Regulations of the company in effect.

Payments Made or Due to Be Paid to the Government either Through the Ministry of Finance or Other Relevant Institutions (1,000 Dinars) 2011 – 2015

Payments to the Government of Jordan Treasury during the period (2011-2015)								
Year	**Dividends**	**Income Tax**	**Royalties**	**Port Fees**	**Land Lease**	**Road Fees**	**Total**	**Percentage of APC non-consolidated profits**
2011	69,984	39,745	60,220	4,309	1,566	1,859	177,683	64%
2012	59,798	30,015	49,883	3,009	1,641	1,440	145,786	74%
2013	33,601	17,212	25,949	3,101	2,016	1,240	83,119	60%
2014	26,881	10,529	13,330	4,028	1,805	1,505	58,078	74%
2015	-*	31,691	23,698	4,194	1,805	1,641	63,029	51%
Total	**190,264**	**129,192**	**173,080**	**18,641**	**8,833**	**7,685**	**527,695**	**65%**

* Dividends ratio for the year 2015 will be determined in the Annual General Assembley Meeting

the Arab Potash Company provided in the period 2012 - 2015 an average of nearly

10,000,000

annually for social responsibility programs

APC CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Arab Potash Company continued to reinforce its position as one of the top companies in Jordan with regards to social responsibility, guided by the vision of His Majesty King Abdullah II Ibn Al Hussein, may God protect him, that the priority is to secure a better life for all Jordanians.

The Arab Potash Company stands out as one of the largest enterprises in Jordan while its plants are located in the largest concentration of pockets of poverty and unemployment in the Kingdom. This means we as an organization have a responsibility to work for the improvement of living standards of local communities most affected by APC's activities.

In response, the Arab Potash Company provided in the period 2012 - 2015 an average of nearly JD 10 million annually for social responsibility programs, which were divided as follows:

Distribution of CSR Expenditure by Sector 2012 – 2015 (JD)

	2012	2013	2014	2015	Total	Average	%
Education	1,713,000	2,331,820	2,203,257	2,162,372	8,410,449	2,102,612	23
Social work	2,037,000	1,848,901	1,554,419	1,670,855	7,111,175	1,777,794	19
Official bodies	3,374,000	2,054,591	1,683,948	2,914,094	10,026,633	2,506,658	27
Water & Environment	1,344,000	1,241,700	256,147	711,320	3,553,167	888,292	9
Health	700,000	1,328,170	831,740	1,809,400	4,669,310	1,167,328	12
Sports	193,000	487,500	604,550	372,484	1,657,534	414,384	4
Houses of worship	298,000	356,673	186,899	219,568	1,061,140	265,285	3
Culture	95,000	312,150	209,340	240,000	856,490	214,123	2
Professional associations	84,000	38,495	102,700	38,605	263,800	65,950	1
Total	**9,838,000**	**10,000,000**	**7,633,000**	**10,138,698**	**37,609,698**	**9,402,426**	**100**

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-ninth APC Annual Report and the consolidated financial statements for the year ended December 31, 2015 in accordance with the Companies Law, Jordan Securities Commission Law and APC bylaws.

Arab Potash Company Addresses

Head Office – Amman,
Al Shmeisani - Aljaheth St.
P.0. Box 1470 Amman 11118 Jordan
Tel.: +96265200520
Fax: +96265200080
Website: www.arabpotash.com

Plant Site - Al Karak
Ghor Al Safi - Aqaba Main Road
Tel.: +96265200520
Fax: +96265200290

Aqaba Site - Aqaba
Southern Industrial Zone - Industrial Port
Tel.: +96265200520
Fax: +96265200299

1. COMPANY ACTIVITIES

The Arab Potash Company (APC) was established on July 7, 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, 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 both domestically and internationally.

B. Capital Investment

The value of property, plant and equipment amounted to JD 1 billion in 2015, compared with JD 990 million at end of 2014, an increase of 1% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 244 million compared with JD 292 million at the end of 2014, a decrease of 16% from the previous year due to annual depreciation.

A. Number of employees by geographic location

2015 Distribution of employees by geographic location

Company	Ghor Al Safi	Aqaba	Amman	Total
APC	1,823	74	142	2,039
JORMAG	3	-	1	4
KEMAPCO	-	228	9	237
Numeira	58	-	19	77
JODICO	-	-	-	-
Total	**1,884**	**302**	**171**	**2357**
Percentage	80	13	7	100

2. SUBSIDIARY AND AFFILIATE COMPANIES

A. Subsidiaries

i. Arab Fertilizers and Chemicals Industries (KEMAPCO) Limited Liability

Company, P.O. Box 2564, Aqaba 77110
KEMAPCO (share capital 100% owned by APC) was established in 1998 with a share capital of JD 29 million and today it employs 237 people. In 2015, sales reached JD 76.4 million, which consisted mainly of 133.2 thousand tons of NOP. Production in 2015 amounted to 128.9 thousand tons of NOP. Europe and Asia are KEMAPCO's main markets.

ii. 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 to produce magnesium oxide (DBM) used in the fire bricks industry, magnesium hydroxide, and other magnesium derivatives. APC owns 55% of the Company's share capital. JORMAG's provision for losses as at 31 December 2015 was JD 62.8 million. JORMAG employs four people and it has been inactive since 2005.

iii. Numeira Mixed Salts and Mud Company,

Limited Liability Company, P.O. Box 941681, Amman 11118
Numeira was established in 1997 to extract, buy, and package mud from the Dead Sea for the cosmetic industry. APC owns 100% of its JD 800,000 share capital. Numeira employs a staff of 77. The Company suffered a JD 143,000 loss at the end of 2015.

iv. 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 has no organizational structure and no employees. APC's CEO acts as CEO for JODICO, whose objectives are to be an incubator for any new investments.

B. Affiliates

i. Jordan Bromine Company (JBC)

JBC was established in 1999 to produce bromine and associated derivatives, which are marketed by Albemarle Corporation, USA, based on the marketing agreement with it. JBC's capital amounts to JD 30 million and a JD 24.7 million additional paid in capital distributed equally between the two shareholders, APC and Albemarle.

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

ii. Nippon-Jordan Fertilizers Company

The Company was established in 1999 to produce NPK and ammonium phosphate fertilizers, which are marketed in Japan. With regards to the Company's JD 16.7 million of paid-in-capital, APC and the Jordan Phosphate Mines Company (JPMC) hold 20% and 70%, respectively while Mitsubishi Corporation holds the remaining 10%.

iii. Jordan Industrial Ports Company (JIPC)

To ensure 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 (JPMC) 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 joint venture 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 JPMC. Implementation started immediately after signing the operating and management agreements with ADC on 8 July 2014. The project is scheduled to be completed in December, 2016. On 1/2/2015, JIPC signed an agreement with the Spanish consortium of TECNICAS REUNIDAS, S.A. - PHB WESERHUTTE, S.A for the overhauling and expansion of the industrial port on the southern part of The Gulf of Aqaba, which is owned equally by APC and JPMC, to import production inputs and export finished products through a dedicated industrial port. APC's investment in JIPC at the end of 2015 was JD 35 million.

iv. Jordan Safi Salt Company (under liquidation)

The Liquidation Committee appointed by the Company's General Assembly has not finalized liquidation procedures as at December 31, 2015.

3. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

A. Board of Directors

Name	Representative of	Position	Committees
H.E. Jamal Ahmad Mufleh Al-Sarayrah	Ministry of Finance - Jordan	Chairman of the Board	FAIR Tendering Dikes Affairs CSR and Donations
"Ahmad Jamal" Nawwaf Al Bataineh	Ministry of Finance - Jordan	Board Member	Dikes Affairs Audit & Risk Management CSR and Donations
Rami Saleh Abdulkareem "Wraikat Al Edwan"	Ministry of Finance - Jordan	Board Member	FAIR CSR and Donations
George David Delaney	PCS Jordan LLC	Board Member	FAIR
Brent Edward Heimann	PCS Jordan LLC	Board Member, President and CEO	Tendering Dikes Affairs CSR and Donations
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	PCS Jordan LLC	Board Member	FAIR Tendering Dikes Affairs CSR and Donations
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Arab Mining Company	Board Vice Chairman	
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Arab Mining Company	Board Member	
Dr. Maen Fahad Abdul-Karim Nsour	Jordan Social Security Corporation	Board Member	FAIR Audit & Risk Management
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah	Islamic Development Bank, Jeddah	Board Member	Audit & Risk Management
Abdul Wadoud Abdul - Sattar Mahmoud Al – Dulaimi	Government of Iraq	Board Member	Tendering
Salem Husni Salem Braibish	Libyan Arab Foreign Investment Company	Board Member	
Fahad Majid Al Sultan Al Salim	Kuwait Investment Authority - Kuwait	Board Member	

Curriculum Vitae of Board Members

H.E. Jamal Ahmad Mufleh Al-Sarayrah

Representative of	Ministry of Finance - Jordan
Position	Chairman of the Board
Other positions in APC Group	Chairman of the Board of Jordan Bromine Company, JORMAG, KEMAPCO, and Al Numeira for Mixed Salts & Mud
Committees: Chairman	Finance, Administrative, Investment, and Remuneration (FAIR), Tendering, Dikes Affairs, CSR and Donations

Mr. Jamal Al Sarayrah, Chairman of the Arab Potash Company (APC) Board of Directors since 13/6/2012, and Chairman of Arab Fertilizers Association (AFA) from 31/10/2013 – 31/12/2014. 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, oil, and gas (Reliance Globalcom, Dubai), and Director of ARAMCO (Jordan, Lebanon, Syria and Turkey). He holds a post-graduate 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

Representative of	Ministry of Finance - Jordan
Position	Board Member
Other positions in APC Group	Board Member of KEMAPCO, JORMAG and Nippon Jordan Fertilizers Co
Committees	Dikes Affairs, Audit & Risk Management CSR and Donations

APC Board Member since 12/08/2012. A career military officer, Mr. Bataineh attained the rank of Major General of the Jordanian Armed Forces and held the positions of Director of Military Intelligence until 2000 and Military Attaché of Jordan to the United Kingdom until 1999. He was also General Manager of the National Resources Development Company until 2007, and founder and CEO of Al Salam company for security of protection until 2011, President of the Basketball Union 2000 - 2003. He received a number of high decorations from Jordan and other countries.

Date of birth	05/11/1948

Rami Saleh Abdulkareem "Wraikat Al Edwan"

Representative of	Ministry of Finance - Jordan
Position	Board Member
Other positions in APC Group	Board Member of Al Numeira for Mixed Salts & Mud, Jordan Bromine Company
Committees	Finance, Administrative, Investment and Remuneration (FAIR), CSR and Donations

APC Board Member since 26/01/2012. He holds a bachelor degree in business administration and he enrolled in a master program in private law at the Middle East University. Currently he is Secretary General of the Ministry of Parliamentary Affairs. He also served as an adviser to the Prime Minister, Head of Investors' Complaints and the Chief of Protocol Department for the Prime Minister, and a member of a number of youth organizations.

Date of birth	01/01/1969

George David Delaney

Representative of	PCS Jordan LLC
Position	Board Member
Committees	Finance, Administrative, Investment and Remuneration (FAIR)

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 PotashCorp 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

Brent Edward Heimann

Representative of	PCS Jordan LLC
Position	Board Member, President & CEO
Other positions in APC Group	Chairman of the Jordan Industrial Ports Company P.S.C., Board member of KEMAPCO and Al Numeira for Mixed Salts & Mud
Committees	Tendering,
	Dikes Affairs,
	CSR and Donations

Arab Potash Company President and CEO as of 03/12/2014, Brent Heimann had served as APC General Manager from October 2003 until February 2007. On 01/11/2013, he was seconded as APC Acting General Manager by Potash Corporation, where he was working as the President of both PCS Phosphate and PCS Nitrogen. After that Mr. Heimann became APC General Manager and Board Member on 01/07/2014. Mr. Heimann holds a bachelor degree in chemical engineering from the University of Cincinnati, USA, and his experience in the fertilizers industry spans over 25 years.

Date of birth	04/12/1960

Dr. Duried Mohammad Abd Al Hameed Al Mahasneh

Representative of	PCS Jordan LLC
Position	Board Member
Other positions in APC Group	Board member of KEMAPCO, Al Numeira for Mixed Salts & Mud, JORMAG, Jordan Industrial Ports Company
Committees	Finance, Administrative, Investment and Remuneration (FAIR), Tendering, Dikes Affairs, CSR and Donations

APC Board Member since 1/2/2012, he 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 has received a number of Jordanian and international awards.

Date of birth 10/03/1952

Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek

Representative of	Arab Mining Company
Position	Vice Chairman

APC Board Member and Vice Chairman of the Board since 1/11/ 2007, Mr. Al-Mebrek 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

Representative of	Arab Mining Company
Position	Board Member

APC Board Member since 23/6/2013, Mr. Al-Jaafar received a degree in mechanical engineering from the University of Technology, Baghdad in 1979. He is currently the Director General of the Iraqi Geological Survey and he held a number of important and sensitive positions that included Director-General of the Investment Department, 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.

Date of birth 01/07/1954

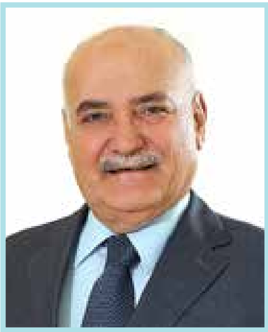
Dr. Maen Fahad Abdul-Karim Nsour

Representative of	Jordan Social Security Corporation
Position	Board Member
Other positions in APC Group	Board Member of KEMAPCO, Al Numeira for Mixed Salts & Mud, Jordan Industrial Ports Company, JORMAG
Committees	Finance, Administrative, Investment and Remuneration (FAIR)
	Audit & Risk Management

APC Board Member since 15/8/2013, Dr. Nsour 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

Dr. Jamal (Mohammad Hijazi) Sa'ed Salah



Representative of	Islamic Development Bank, Jeddah
Position	Board Member
Committees	Chairman, Audit & Risk Management

APC Board Member since 12/04/2012, Dr. Salah holds a PhD in economics, monetary policy and banks from the UK. He was Manager of the Jordanian Company for Loans Guarantees until July 2011, Executive Director of the Research Department at the Central Bank of Jordan, Secretary General of the Ministry of Planning and Consultant for the Islamic Bank for Development, Jeddah.

Date of birth 26/07/1947

Abdul Wadoud Abdul-Sattar Mahmoud Al-Dulaimi

Representative of	Government of Iraq
Position	Board Member
Committees	Tendering Committee

APC Board Member since 25/12/2003, Mr. Al-Dulaimi holds a BSc degree in electrical engineering from the University of Baghdad (1977). He currently works as the Chairman of the Board of Directors and General Manager of Diala Company for Electrical Industries. Mr. Dulaimi was Director General for the Iraqi Phosphate Public Company.

Date of birth 15/11/1954

Salem Husni Salem Braibish

Representative of Libyan Arab Foreign Investment Company

Position Board Member

APC Board Member since 10/12/2014, Mr. Braibish holds a bachelor degree in accounting from the "Al Jabal Al Gharbi" University / Gharyan – Libya 1999. He occupied several positions and he is currently the Director of Finance and Public Administration at the Libyan Arab Foreign Investment Company since 01/01/2014. 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

Fahad Majid Al Sultan Al Salim

Representative of Kuwait Investment Authority - Kuwait

Position Board Member

APC Board Member since 12/04/2012, Mr. Al Salim 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

Board Committees

1. Finance, Administrative, Investment and Remuneration (FAIR)
2. Tendering
3. Dikes Affairs
4. Audit & Risk Management
5. Corporate Social Responsibility (CSR) and Donations

B. Executive Management

Name	Position	Committees
Brent Edward Heimann	Board Member, President & CEO	Tendering Dikes Affairs CSR and Donations
Dr. Roderick Joseph McEachern	VP Operations until 31/8/2015	Tendering Dikes Affairs
Lane Bernard Knorr	VP Operations as of 1/9/2015	Tendering
Scott Raymond Maczka	VP Finance and Support Services	
Jafar Mohammad Hafez Salem	VP Marketing and Sales	
Adnan Sulaiman Faris Al Ma'aitah	VP Human Recourses and Corporate Affairs	

Curriculum Vitae of Executive Management

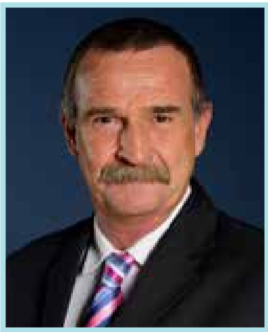
Brent Edward Heimann

Position	Board Member, President & CEO
Other positions in APC Group	Chairman of the Jordan Industrial Ports Company P.S.C. Board member of KEMAPCO, Al Numeira for Mixed Salts & Mud
Committees	Tendering, Dikes Affairs CSR and Donations

Arab Potash Company President and CEO as of 03/12/2014, Brent Heimann had served as APC General Manager from October 2003 until February 2007. On 01/11/2013, he was seconded as APC Acting General Manager by Potash Corporation, where he was working as the President of both PCS Phosphate and PCS Nitrogen. After that Mr. Heimann became APC General Manager and Board Member on 01/07/2014. Mr. Heimann holds a bachelor degree in Chemical Engineering from the University of Cincinnati, USA, and his experience in the fertilizers industry spans over 25 years.

Date of birth 04/12/1960

Dr. Roderick Joseph McEachern



Position	VP Operations until 31/8/2015
Committees	Tendering, Dikes Affairs

Dr. Roderick Joseph McEachern worked as VP Operations until 31/8/2015. 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

Lane Bernard Knorr

Position	VP Operations as of 1/9/2015
Committees	Tendering

Lane began his career at PotashCorp in 1989 as an Electrical Engineer at the Lanigan Mine after graduating with a BSc in Electrical Engineering from the University of Saskatchewan. He was promoted to Electrical General Foreman in the Mill in 1995, Maintenance Superintendent in 2000, and was the Mill General Superintendent from 2003 – 2015.

Date of birth 23/5/1964

Scott Raymond Maczka

Position VP Finance and Support Services

Scott Maczka holds BSc. Degrees in Accounting and Finance from Marquette University as well as Certified Public Accountant (Wisconsin) and Chartered Global Management Accountant designations. He worked for PotashCorp since May, 2000 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 5 years of Big Four accounting firm experience.

Date of birth 03/02/1974

Jafar Mohammad Hafez Salem

Position VP Marketing and Sales

Other positions at APC Board Member at Jordan International Chartering Company

Jafar Salem 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 as a member of the Production and International Trade Committee. He is also a member of the Board of the International Plant Nutrition Institute (IPNI). Jafar is also a member of the Economic Committee of the Arab Fertilizer Association.

Date of birth 04/05/1958

Adnan Sulaiman Faris Al Ma'aitah

Position VP Human Recourses and Corporate Affairs

Adnan Al Ma'aitah 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 worked as HR Manager in several international Companies in Jordan and Saudi Arabia.

Date of birth 16/12/1971

4. MAJOR SHAREHOLDERS

Major Sharejolders				
	31/12/2015		31/12/2014	
Shareholder	**No. of Shares**	**Percentage**	**No. of Shares**	**Percentage**
PCS Jordan LLC	23,294,614	28	23,294,614	28
Ministry of Finance - Jordan*	22,401,074	27	22,400,455	27
Arab Mining Co.	16,655,651	20	16,655,651	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	1,730,141	2	1,730,760	2
Total	**83,317,500**	**100**	**83,317,500**	**100**

* On 6 March 2016, Ministry of Finance - Jordan transferred 22,382,437 shares to Governmental Investments Management Company.

5. COMPETITIVE POSITION WITHIN THE SECTOR OF ACTIVITIES

A. The International Scene

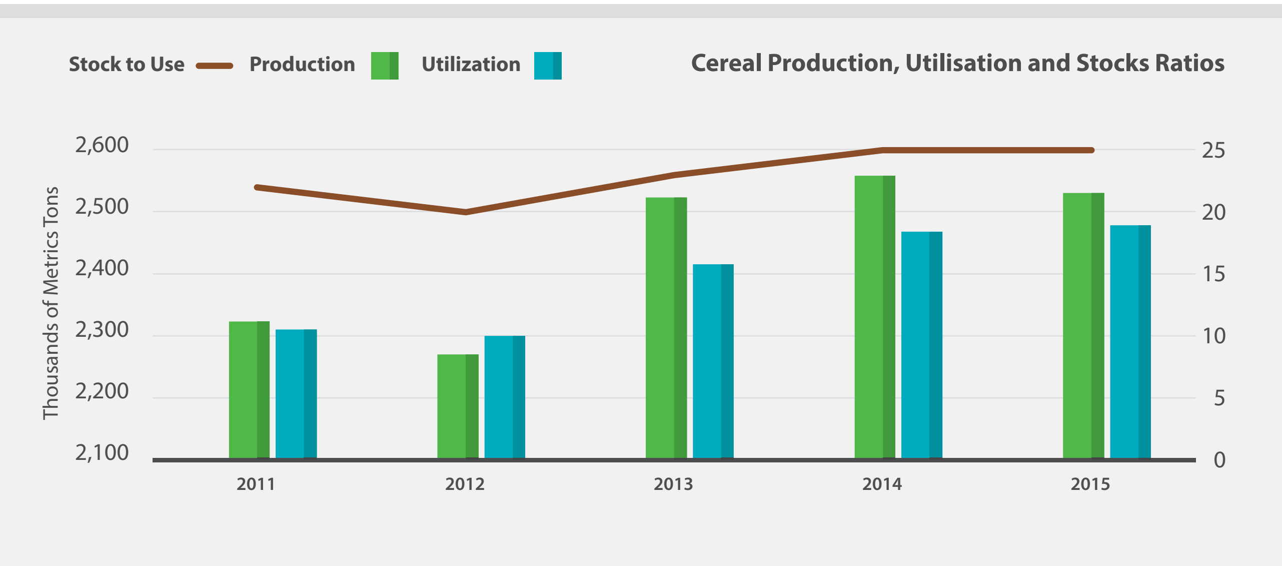
World Agriculture output during 2015 was stable with normal weather patterns and very few deviations. The global output for cereals was lower than 2014 by a mere 1%, while usage was marginally higher by only one percent. Most of the other major crops such as oilseeds were also stable in terms of production and demand.

This stability in production, coupled with similar demand stagnation, played an important role in the decline of agricultural commodity prices during the year. The FAO food price index reached a seven year low in November. The Stocks-to-Use ratio for cereals was about 25% which is a bearish indicator and almost unchanged from last year.

World economic growth was weak in 2015 and currencies fell against the US Dollar which reduced the purchasing power of many countries.

Fertilizer usage growth in 2015 was negative with several markets witnessing maturity and potential expansion regions suffered from economic and financial pressures.

Forecasts for growth in the medium term continue to call for expanding cultivated areas in order to satisfy the dual requirements of a growing world population and changing dietary needs. A long-term growth rate of 1-2% compounded annually remains intact.

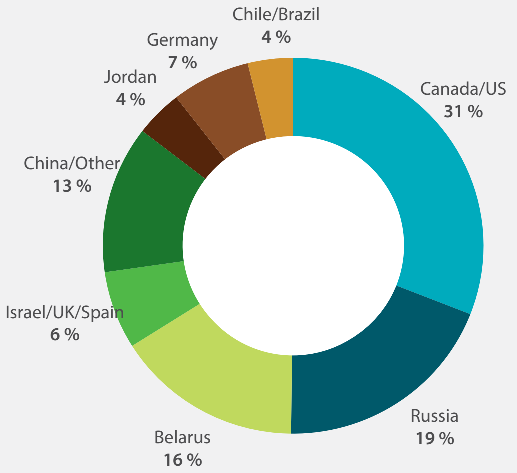


B. World Potash Production

Potash Production by Country in Millions of Tons KCL

	2011	2012	2013	2014	2015
Canada/US	18.8	16.2	17.5	18.5	18.5
Russia	10.9	9.0	10.0	12.1	11.5
Belarus	8.8	8.0	7.0	10.3	9.5
Israel/UK/Spain	4.3	4.9	5.1	5.1	4.0
China/Laos/Uzbek	4.3	5.1	6.5	8.0	7.6
Jordan	2.2	1.8	1.7	2.1	2.4
Germany	4.1	4.0	4.0	4.0	4.0
Chile/Brazil	2.0	2.5	2.5	2.5	2.3
Total	**55.4**	**51.5**	**54.3**	**62.6**	**59.8**

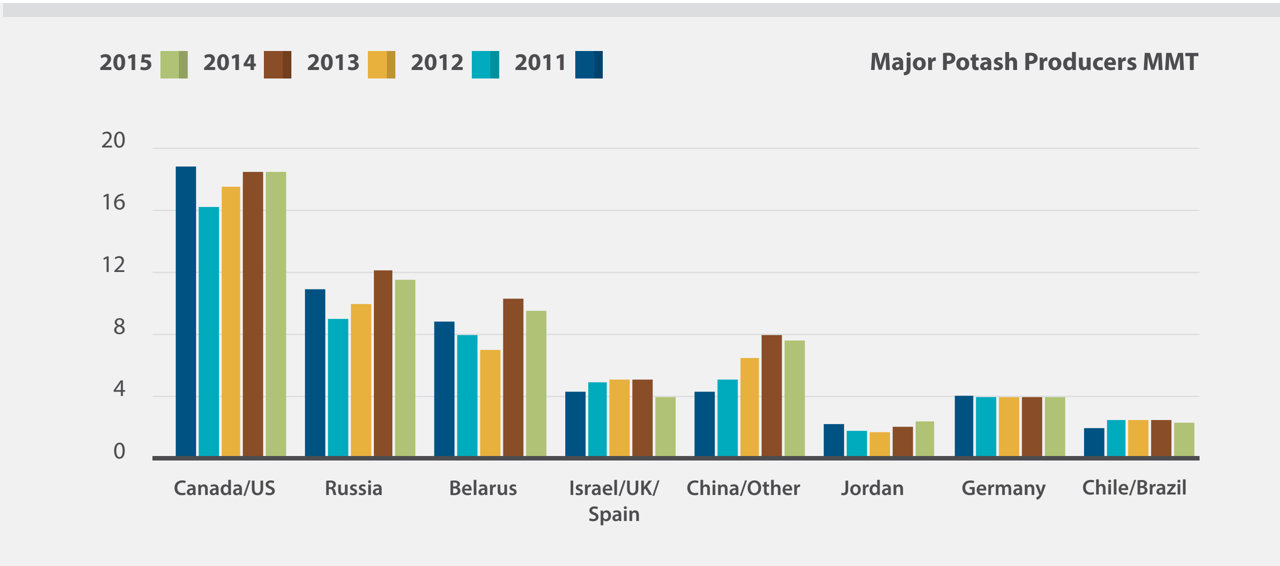
Global Potash Production share 2015 by country



Global production in 2015 is estimated at about 59.8 million tons of KCL. Although this total is 4.5% lower than the record of 2014, it remains the second highest year ever for potash production. In fact, production in the first half of the year was an all-time record and exceeded the 2014 first half by more than one million tons. This is despite lower production at Israel's ICL where a strike lasted for more than three months in the first half.

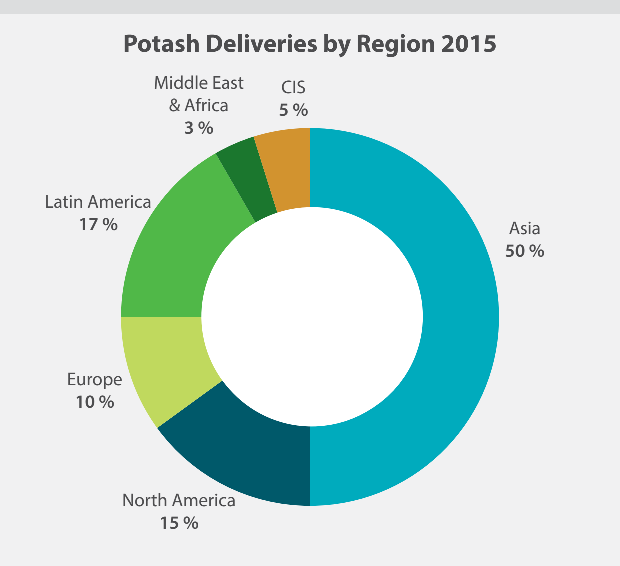
Most of the lower estimates for global production came in the last quarter of the year as PotashCorp, Uralkali and Belaruskali all curtailed production for varying reasons ranging from inventory control to maintenance turnarounds. Production at Uralkali was initially estimated to drop by two million tons after the Solikamsk 2 mine was flooded in 2014; however that loss was mitigated by higher output from other mines and plants. The net result was only a half-million ton reduction for Uralkali.

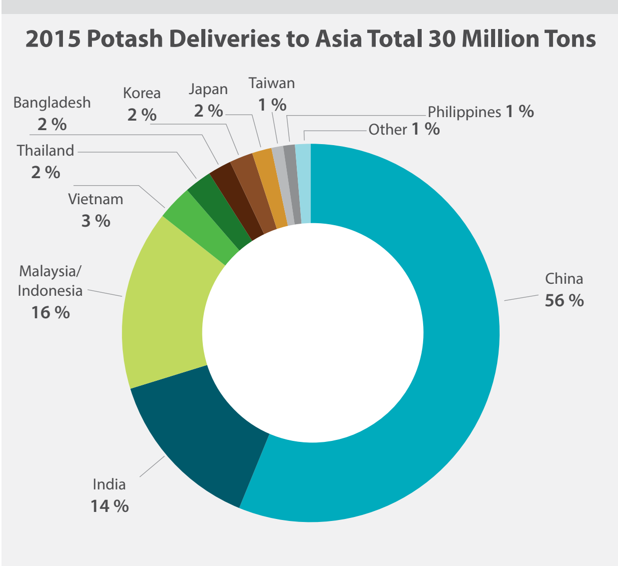
Global nameplate capacity is estimated by IFA in 2015 to have been about 80 million tons. However, there is wide agreement that operational capability of the Industry is not much above 67-68 million tons of KCL. This is evidenced by the production in the first half of this year.



C. Potash deliveries and demand

World Potash Deliveries 2011-2015 in million tons KCL					
	2011	**2012**	**2013**	**2014**	**2015**
Asia	26.7	21	22.5	30.5	30.0
North America	9.1	8.3	8.9	10.5	9.0
Europe	6.6	6.3	6.0	6.3	6.0
Latin America	10.0	10.2	10.7	11.7	10.0
ME & Africa	1.6	1.4	1.7	2.3	2.1
CIS	3.3	3.9	3.7	3.1	2.9
Total	**57.3**	**51.1**	**53.5**	**64.4**	**60.0**



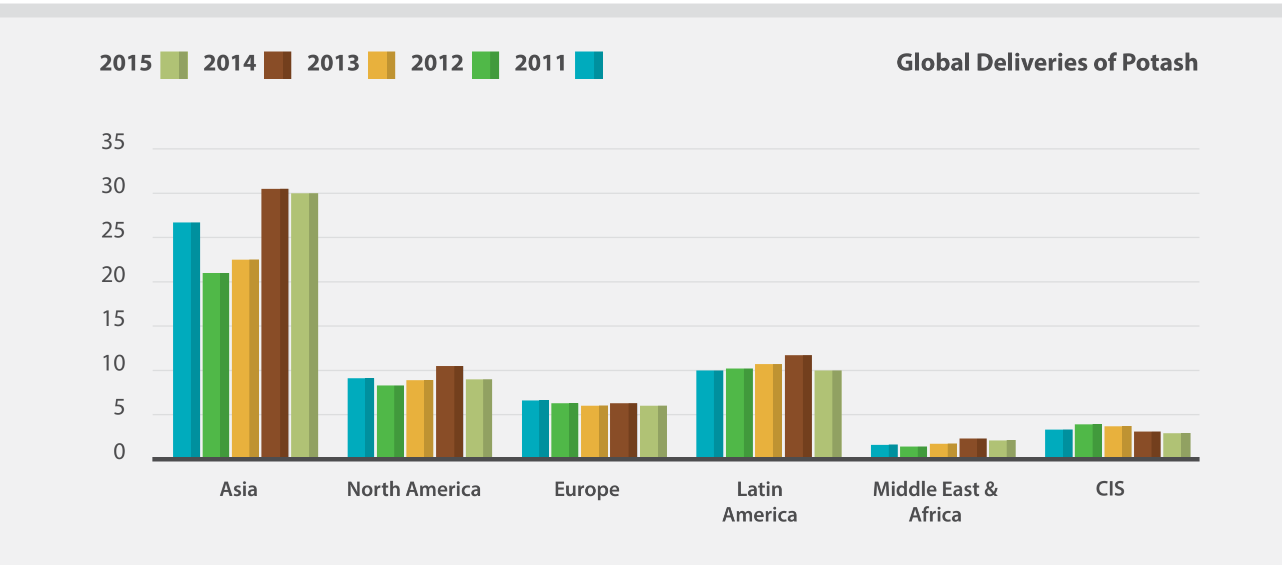


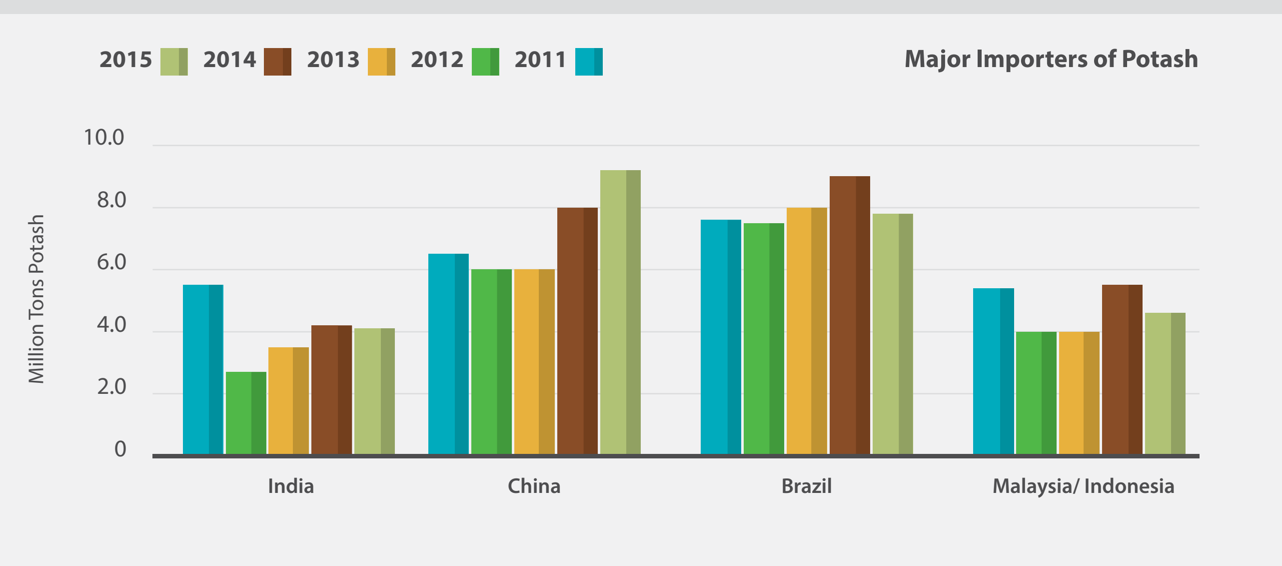
Deliveries in the first half of 2015 were about 700,000 tons behind 2014. The slowing trend continued in the second half to record an estimated fall of 4.4 million tons for the year which represents a drop of more than 6.8%.

Even with the reduced delivery volumes, 2015 stands as the second highest year on record for global potash deliveries.

There were lower deliveries in Brazil, USA and Malaysia. India and Indonesia are estimated to have witnessed smaller changes in shipments. Chinese imports were at a record topping nine million tons.

Factors influencing potash deliveries in 2015 were not specific to potash or to fertilizers for that matter. Economic pressures, currency fluctuations, adverse credit (Brazil), tax policies (introduction of 13% VAT in China), and reduced commodity values were drivers for the drop.

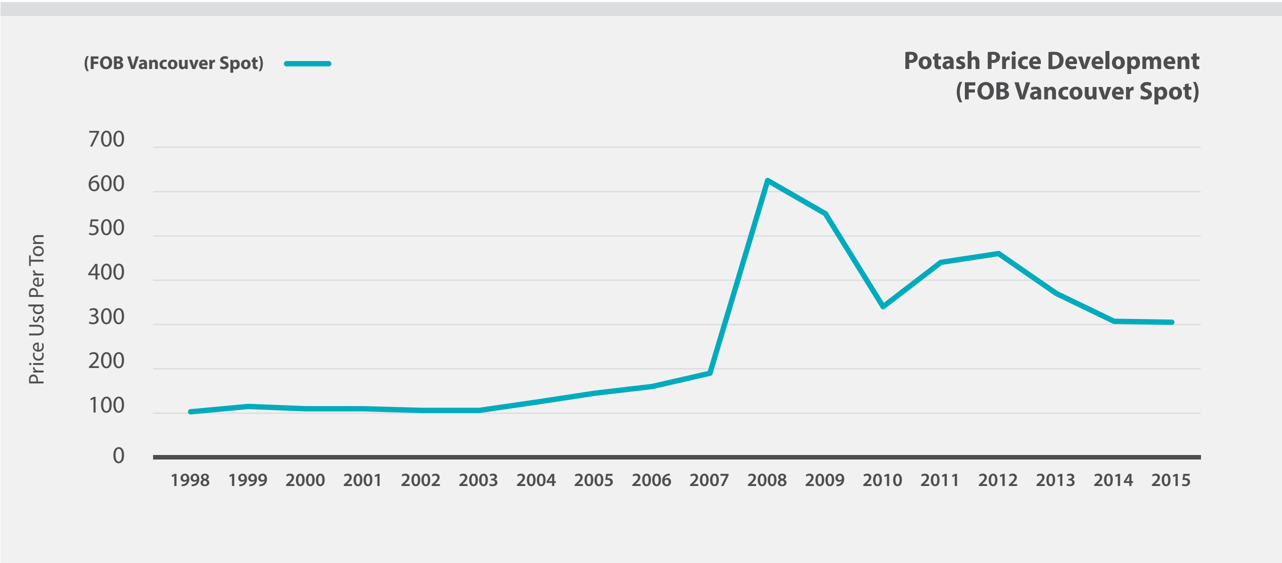



2015
2014
2013
2012
2011
Major Importers of Potash
Million Tons Potash
10.0
8.0
6.0
4.0
2.0
0
India
China
Brazil
Malaysia/ Indonesia

D. Prices

The contrast between the first and second half of 2015 was sharp. The market began the year on a bullish note with contract prices increasing by 10 dollars in China and India. Supply was constrained after the Russian mine flooding accident. The situation was exacerbated with the strike at ICL and supply restrictions in Chile due to weather conditions. This trend reversed when currencies and emerging economies began to feel the effect of lower commodity prices, led by the plunge in crude oil values. Potash market prices in the second half of the year drifted from the USD 350 CFR levels down toward the contract levels of India and China. In some cases, prices fell below the levels where supply began to outstrip demand and buyers became more hesitant. Heavy competition in Brazil and North America put downward pressure on some spot sales and quotes.

Contract prices for 2016 will be discussed in the first half of the year and are expected to reflect the situation in agricultural and other commodities in general. Until such a universally-recognized benchmark is established, the markets will seek direction from short-term factors.



E. Developments in APC's main markets

India

The Potash situation in India remained, as always, dependent on the subsidy regime and the efforts by scientists and industry to promote increased potash usage to balance the over application of nitrogen due to its subsidized, artificially low price. The Indian government pledged to settle the arrears owed to the industry in subsidies and to provide any support necessary for the sector to be on a level playing field. The weak monsoon and currency devaluation reversed expectations of a big year for potash. Toward the end of the year, inventories in India were seasonably higher than normal at about one million tons and deliveries were estimated to be very close to 2014 levels. There are no expectations of any structural change to the subsidy system in 2016. The potential demand for potash in India is estimated at 7 million tons annually if the efforts to balance usage of nutrients bear fruit.

The supply pattern to India was unchanged from the previous years and the market share of the various players indicated gains for Belarusian Potash Company (BPC) and small adjustments by ICL and Uralkali.

China

It is estimated that Chinese MOP imports in 2015 reached an all-time record and may have topped nine million tons. This trend is expected to continue as more emphasis is placed on efficiency and high-end NPK fertilizers. Potash production in China was also robust and is estimated to be 7.5 million to 8 million tons of KCL equivalent. The trade patterns remained intact with about 1.5 million tons imported by rail with BPC gaining a foothold by increasing its Chinese market share and ICL falling behind due to the supply constraints in the first half.

Usage of granular potash grew in China in 2015. Port inventories at the beginning of 2016 were about 2.4 million tons which is considered higher than average which may result in 2016 contracts being delayed.

Malaysia and Indonesia

There was a marked slowdown in potash intake in the second half of the year as importers were unwilling to carry stocks. Local competition and currency fluctuations clouded the picture. Palm oil prices were reasonably buoyant and plantation economics remained favorable. The Government supported sectors that were stable in terms of intake; however, they exercised caution in the last quarter of the year due to uncertainty in the market.

There was evidence of competition and positioning as BPC sought to find its way into the market. Prospects for 2016 at the end of the year seemed cloudy but fundamentals point to a period of restocking and expectations of better deliveries may materialize in the second half of 2016.

Europe and Africa

APC sales reached 240K tons in this region. This is 11.5% higher compared to 2014 and represents 11% of total APC sales.

The increase in sales is mainly attributed to the increased sales to Morocco where a new NPK plant was commissioned by OCP. This plant is designated for exports to other African nations. In 2015, APC lost some of its accounts in East Africa and the Indian Ocean due to severe competition from other suppliers.

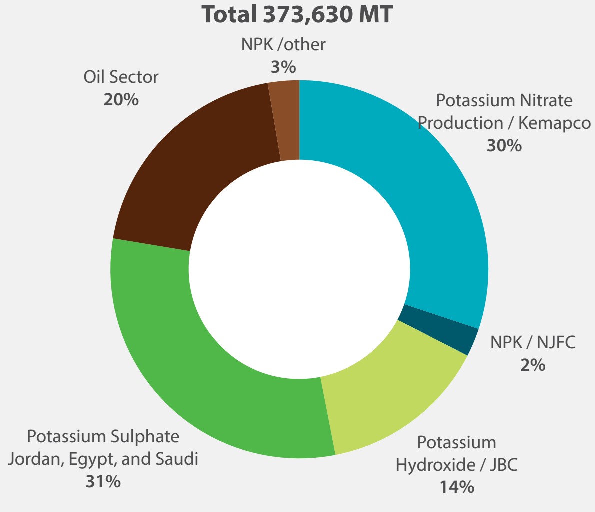
Local and regional markets

The region witnessed more construction and commissioning of NPK plants in Egypt and Saudi Arabia. Financial constraints at the Jordanian SOP producer, JAFFCO, limited its production and intake capability. APC's partners in Jordan (Kemapco and JBC) operated at normal levels and maintained regular intake of Potash.

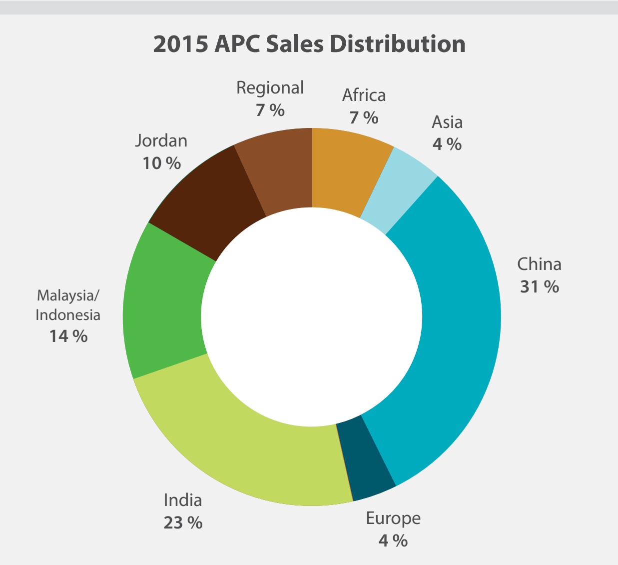
The Oil drilling industry faced challenges which reduced potash usage during the year.

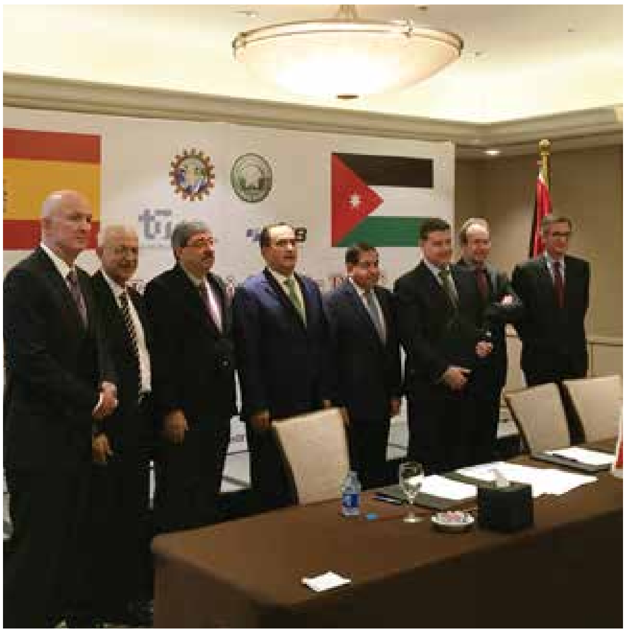
Total sales in this region reached 374K tons which is down from 2014 but represents approximately 17% of total APC sales.

2015 Local & Regional Sales Distribution
Total 373,630 MT



F. APC Sales and Marketing





Sales in 2015 fell by about 57,000 tons or 2.5% from the year before. There was no major change of sales distribution patterns except for new sales to Morocco. The position of APC in China consolidated further and volumes reached an all-time high topping last year by 6%. India, Indonesia, and Malaysia sales were maintained at similar levels to 2014. The top ten Markets for APC had a concentration of 97% of the total compared to 94% the year before. The relative position of the top ten customers for APC was the same as the previous year with the only change being that Morocco appeared on this list for the first time.

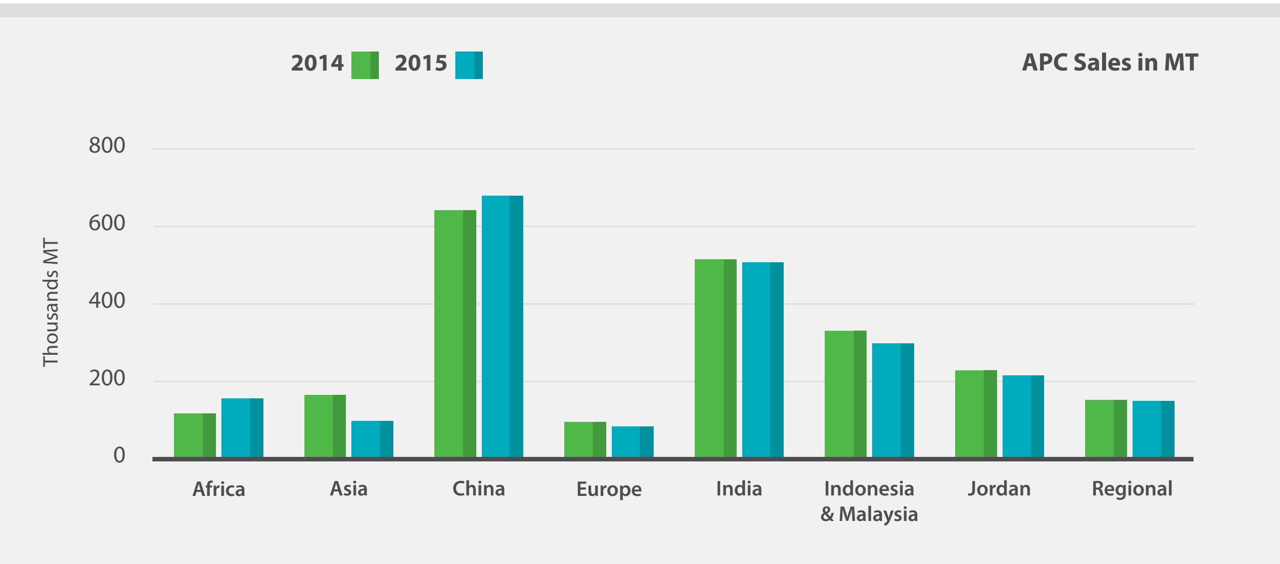
Production of industrial grade potash continued to be phased out as the fine grade content of KCL topped 99% and replaced it for use in chemical and industrial applications.

Granular grade sales fell in 2015 due to the slowdown in European and Indonesian volumes while standard grade quantities recorded a 5-year high.

The top ten customers for APC were at 76% of the total sales compared to 67% the year before.

The Overseas offices played an important role in maintaining market share, information, and expanding specialty customers and logistics services.

APC's direct sales to non-fertilizer customers reached approximately 165,000 tons which represents 7.5% of total APC sales. The major oil drilling service companies in the Middle East, Jordan Bromine and Halliburton, as well as the industrial customers in Asia accounted for the majority of these sales.

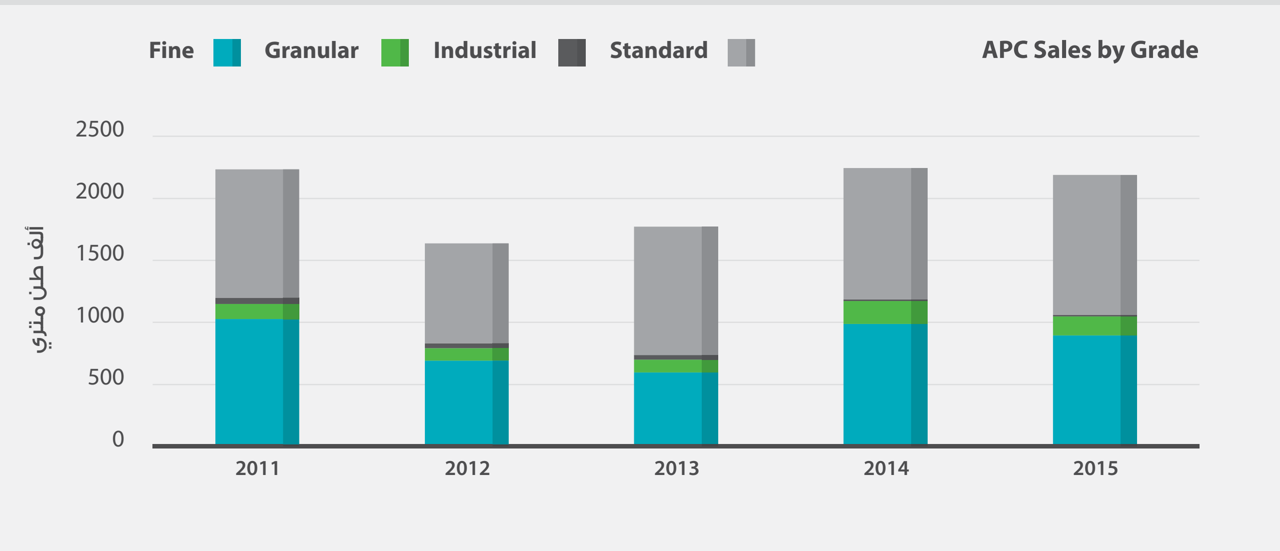


APC Sales Distribution in the top ten Markets 2011 - 2015

Country	2011	2012	2013	2014	2015
China	462,077	404,700	248,522	642,026	679,613
India	556,690	249,406	352,430	514,965	507,734
Jordan	205,998	157,487	192,340	228,790	215,344
Malaysia	269,020	140,416	253,445	184,535	193,269
Africa	53,772	70,284	85,448	116,710	156,230
Indonesia	213,522	298,018	311,967	145,707	105,545
Egypt	46,702	54,120	78,300	87,880	93,550
Europe	91,605	78,435	73,947	94,729	83,724
Regional	40,209	29,102	54,398	56,661	55,145
Japan	48,717	29,250	40,500	42,630	25,000
Top Ten Total	1,988,312	1,511,218	1,691,297	2,114,633	2,115,154
Year Sales Total	2,233,866	1,636,630	1,771,267	2,245,292	2,188,289
Top Ten Countries Percentage of sales	**89%**	**92%**	**95%**	**94%**	**97%**

APC Sales by the top ten customers 2011 - 2015

Customer	Country	2011	2012	2013	2014	2015
Sinochem	China	462,077	404,700	248,522	642,026	679,613
Indian Potash Limited	India	351,945	145,550	197,455	272,300	278,850
Zuari	India	155,705	68,350	117,550	207,700	197,950
KEMAPCO	Jordan	107,964	91,152	94,363	109,785	112,500
Omnia	S.Africa	12,100	14,432	36,572	59,858	95,703
Behn Meyer	Malaysia	79,256	16,800	72,440	84,584	92,056
EVERGROW	Egypt	6,024	9,000	31,000	47,000	55,000
Petrokimia Gresik	Indonesia	88,500	116,675	60,500	27,500	55,000
Jordan Bromine Company	Jordan	48,918	39,242	50,564	55,564	53,745
OCP	Morocco	-	-	-	-	41,000
Top Ten Total		**1,312,489**	**905,901**	**908,966**	**1,506,318**	**1,661,417**
Year Sales Total		**2,233,866**	**1,636,630**	**1,771,267**	**2,245,292**	**2,188,289**



APC shipped its bulk volumes of

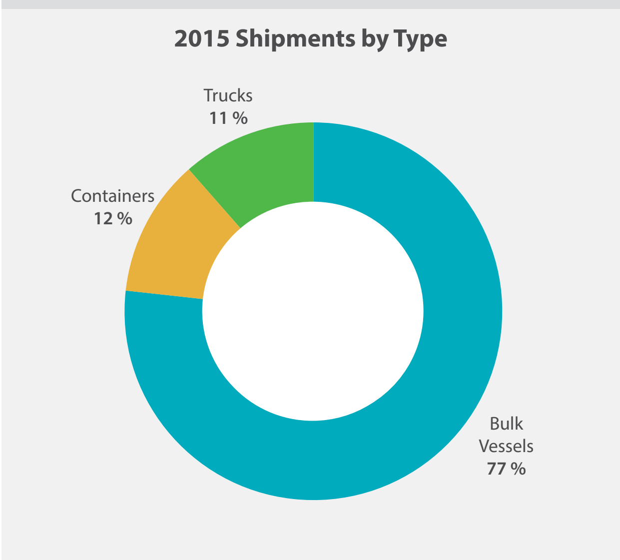
1,679,090

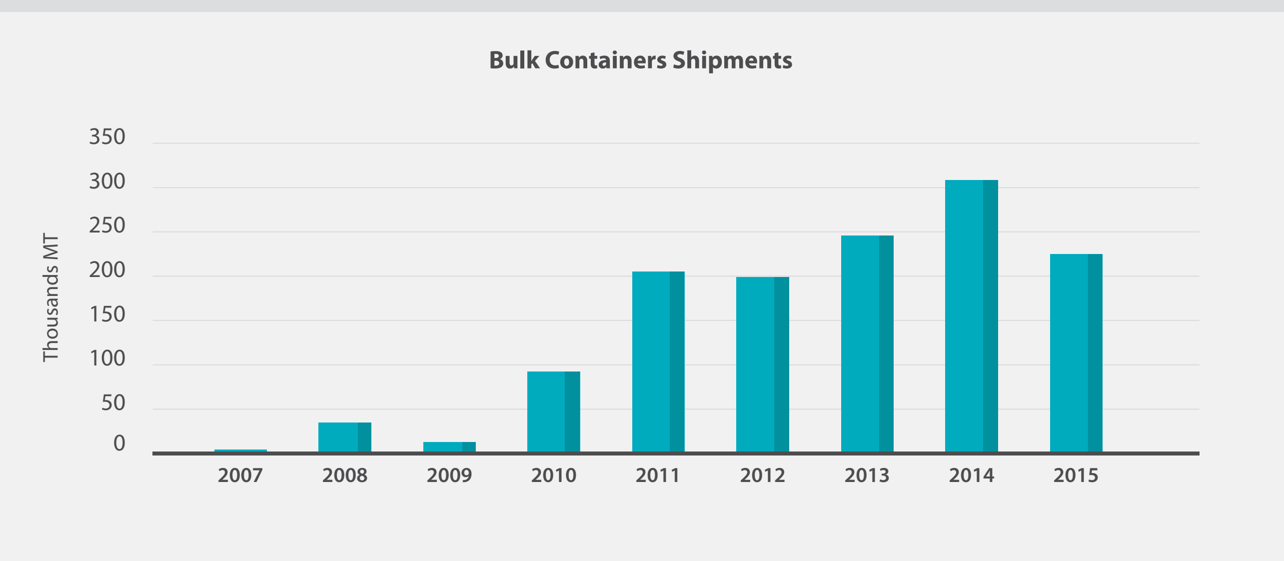
MT from The Aqaba Terminal on 96 vessels

G. Shipping and Logistics

Freight rates worldwide witnessed a dramatic decline in 2015. The market was weak for most of the year. Most of the drop was due to lower fuel prices. The average freight paid by APC was about USD10 PMT lower than 2014.

APC shipped its bulk volumes of 1,679,090 MT from The Aqaba Terminal on 96 vessels of which 57 were chartered by APC, while 39 were on an FOB basis mainly to Egypt and Japan. Tonnage shipped on chartered vessels represented 92% of the total volume shipped from Aqaba.





Bulk container operations also played an important part of APC sales, however, volume dropped by 27% primarily due to the strikes at the container terminal in Aqaba and the serious congestion during the summer. The operations normalized in October, but APC had lost valuable business by the time operations resumed. There were also about 32,800 MT of bagged product shipped in containers bringing the total containers to around 257,800 MT.

H. International Activities and Promotion

APC continued to play an active role in the International Fertilizer Association (IFA), The Arab Fertilizer Association (AFA) and their 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, notably training activities on fertigation in Jordan and a promotional program specifically designed for Pakistan in cooperation with ENGRO and IPNI.

APC and Zuari began a promotional activity for balanced fertilizer use in India and there are plans to extend the cooperation with Indian Potash Limited.

6. COMPANY'S DEPENDENCE ON A LOCAL OR FOREIGN SUPPLIERS OR CUSTOMERS BY MORE THAN 10%

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

	Supplier	Percentage
1	National Electric Company	35%
2	Jordan Petroleum Refinery	17%

Customers who constitute 10% or more of APC's total sales

	Supplier	Percentage
1	Sinochem	31%
2	Indian Potash Limited	13%

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 2015 by 3.75%, which cost the Company JD 2.6 million in the cost of electricity and energy for the year.

B. Among other debit balances in the financial statements is the amount of JD 39 million due to APC from the Jordanian Income and Sales Tax Department. The Company paid these funds over the past years mainly in connection with the expansion project, which was completed in 2010, and they are recoverable according to the Sales Tax Law.

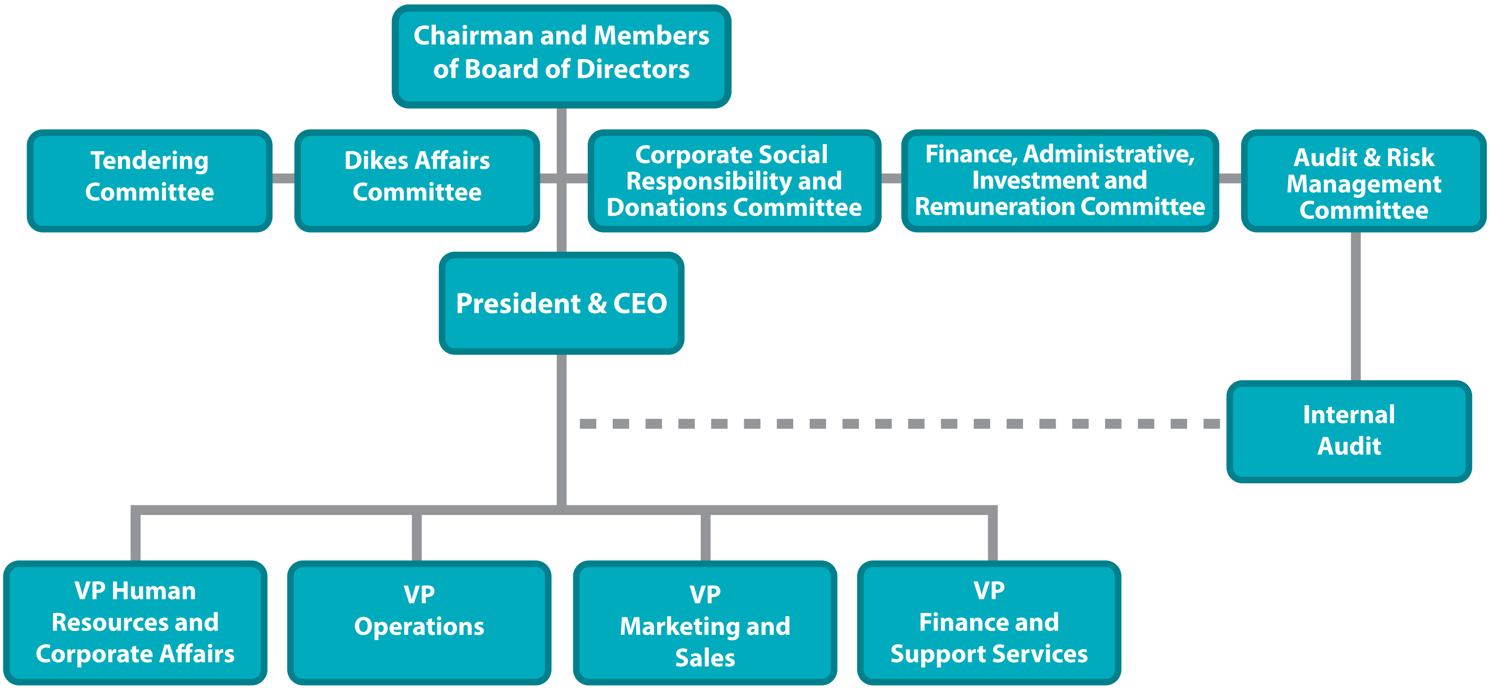
C. The income tax rate was increased from 14% to 24% effective 1/1/2015.

D. On January 1, 2015 the Company signed a new two-year labor agreement, which included a study of the level and structure of employees' salaries and benefits. Its findings came into effect as of the beginning of 2015.

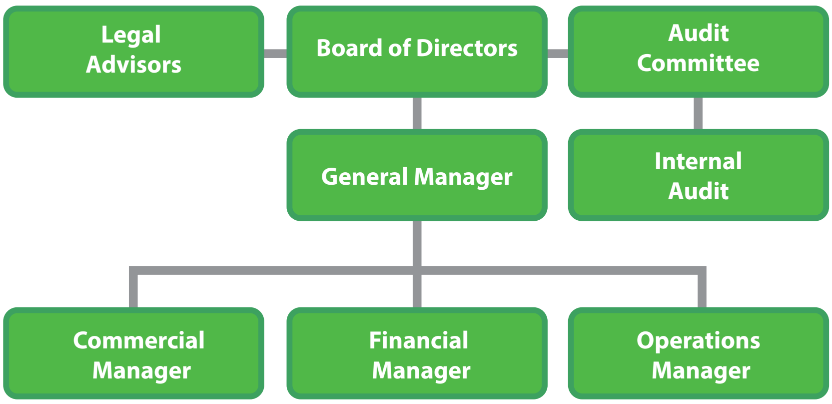
9. ORGANIZATIONAL STRUCTURE

A. Organizational Charts

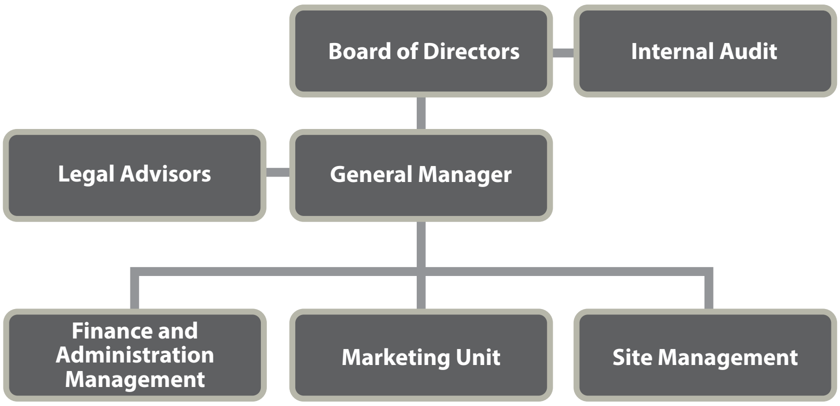
I. Organizational Chart for Arab Potash Company



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



III. 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 2015 was2,357.

Distribution of Employees by Academic Qualification 2015

Company	PhD	Master	High Diploma	Bachelor	Diploma	High School	Total
Arab Potash Company PLC (APC)	9	42	6	331	351	1,300	2,039
Jordan Magnesia Company (JORMAG)	-	-	-	4	-	-	4
Arab Fertilizers and Chemicals Industries (KEMAPCO)	-	7	-	75	46	109	237
Jordan Dead Sea Industries Company (JODICO)	-	-	-	-	-	-	0
Numeira Mixed Salts and Mud Company	-	-	-	19	3	55	77
Total	**9**	**49**	**6**	**429**	**400**	**1,464**	**2,357**
Percentage	0	3	0	18	17	62	100

The turnover rate for 2015 was 3.3%.

C. Training Courses for APC Employees

Training Courses for APC Employees 2015

Activity	No. of activities	No. of Participants	No. of Subjects
Internal Training	129	1,663	41
Training in Jordan	40	89	40
Training Abroad	20	58	20
Local Community Training	-	570	46
Other Activities	1,162	445	-
Total	**1,351**	**2,825**	**147**

D. Other Benefits and Housing

The Company continues to provide housing loans to its employees. The total number of beneficiaries was 1,818 employees as at 31/12/2015. Total housing loans granted in 2015 increased by JD 800,000 in 2015 to a total of JD 55.3 million.

10. RISK MANAGEMENT

The nature of the Arab Potash Company's (APC) activities exposes the Company to many factors beyond its control. Accordingly, the APC risk management team studies and assesses these risks on a regular basis and reports to the Audit Committee for its review and discussion. The following are the main risk areas:

Factors affecting Potash sales

These factors include 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 output, produce prices, weather related events like draught and floods, or other events that may lead farmers to plant less and consequently reduce their use of fertilizers.

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

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

First, local laws and regulations including changes to the income tax rate which increased from 14% to 24% in 2015. In addition, concessions and permits were provided by the government for the company to conduct its work, including mining royalty fees.

Second, importing countries' government policies, specifically subsidies for the agricultural sector, may impact the amount of agricultural crops and as a result, sales of fertilizer products.

High cost of electricity and the scarcity of water

The process of extraction and production of potash consumes large quantities of water and energy. Accordingly, significant shortages or price increases of water and/or electricity will impact production cost and/or quantities. In addition APC is in the process of using electricity generators, fuelled by lower-cost heavy fuel oil, to produce up to 15 Mw which should provide significant savings to the company.

APC continues to explore alternative and cheaper sources of energy including the utilization of renewable energy resources. APC 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 some of APC's needs.

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 (JPMC) 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 as well as the potential to use some limited land routes to supply nearby markets. This will increase 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 was 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. 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.

The APC risk management team studies and assesses these risks on a regular basis

11. APC'S MAIN ACHIEVEMENTS IN 2015

A. Safety

APC believes that worker safety is its first priority. APC provides employees with a safe work environment including the proper personal protective equipment, so they can return home safely to their families. In 2015, after two tragic accidents involving company trucks, APC reviewed and upgraded its safety measures, which contributed to the Company completing three million working hours without any lost time injuries.

B. Production

Thanks to its efforts to raise efficiency and cut production costs, mainly through the "Jump to Excellence" initiative being implemented in cooperation with Alexander Proudfoot, APC achieved a new production record of 2,355,000 tons.

12. FINANCIAL IMPACT OF NON-RECURRING ACTIVITIES THAT OCCURRED DURING THE FINANCIAL YEAR AND ARE NOT PART OF THE COMPANY'S CORE ACTIVITY

APC settled a court case with the Ports Authority – Aqaba by paying an amount JD 1 million.

13. TREND OF MAJOR FINANCIAL INDICATORS FOR THE PERIOD 2011 - 2015 IN THOUSAND JD EXCEPT FINANCIAL RATIOS, SHARE DATA, PRODUCTION AND SALES

Details	2015	2014	2013	2012	2011
Potash Production (Million Tons)	2.355	2.09	1.74	1.82	2.26
Potash Sales (Million Tons)	2.189	2.24	1.77	1.63	2.24
Consolidated Sales Revenue	527,527	535,465	521,209	586,268	720,200
Potash Sales Revenue	472,885	475,051	482,591	541,300	678,800
Gross Profit	213,413	140,507	183,296	300,700	402,000
Profit from Operations	145,611	85,681	122,986	212,400	304,000
Financing Charges	609	641	1,027	3,344	4,900
Other Revenues	1,887	3,338	1,588	17,722	44,800
Net Profit (Loss) After Tax	131,133	99,676	130,661	198,822	299,700
Net Fixed Assets	244,082	291,846	33,947	379,001	427,600
Long Term Loans & Other Long Term Obligations	9,377	9,919	12,266	20,032	41,800
Shareholders' Equity	892,190	860,982	886,488	963,915	1,015,200
Debt: Equity Ratio	0%	0.01%	0.15%	0.7%	2.0%
Return On Assets	13.3%	10,6%	12.9%	18.4%	24.5%
Return On Shareholders' Equity	15%	11.6%	14.7%	20.1%	32.7%
Current Ratio	4	6.42	5.10	5.70	3.80
Closing Share Price/JD	21	19.50	28.05	46.51	44.10
Dividends *	-	99,981	124,977	208,293	249,953
Dividends Percentage *	-	120%	150%	250%	300%
Earnings Per Share / JD	1.6	1.2	1.6	2.4	3.6
Market Price / Earnings Ratio	13.3	16.25	17.90	19.50	12.30
Royalty / ton produced	10.1	6.4	14.6	31.2	26.9

* Dividends ratio for the year 2015 will be determined in the Annual General Assembley Meeting

14. FINANCIAL PERFORMANCE ANALYSIS

A. Property, Plant and Equipment

The value of property, plant and equipment amounted to JD 1 billion in 2015, compared with JD 990 million at end of 2014, an increase of 1% from the previous year. Net book value of said assets after deduction of consolidated accumulated depreciation was JD 244 million compared with JD 292 million at the end of 2014 a decrease of 16% from the previous year due to annual depreciation.

B. Inventory

Potash ending Inventory in 2015 amounted to JD 30 million, or 255 thousand tons, compared with JD 15 million, and 112 thousand tons at the end of 2014. Spare parts and supplies inventory amounted to JD 42 million at the end of 2015, compared to JD 52 million at the end of 2014.This inventory is subject to close control and follow-up for the purpose of maintaining optimal stock levels.

C. Investments

The Company's investments in affiliates and joint venture increased from JD 105 million 2014 to JD 134 million in 2015, an increase of 28%, 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 27 million in Jordan Industrial Ports Company.

D. Loans

The balance of consolidated long term loans decreased from 119 Thousands JD in 2014 to JD 85 thousands in 2015.

E. Sales Revenues

Total consolidated sales revenue for 2015 amounted to about JD 527 million compared to JD 535 million in 2014, a decrease of 1%. Sales revenues of Potash in 2015 amounted to JD 450 million, which accounts for 85% of total sales revenues. The remaining JD 77 million is primarily attributed to Kemapco.

F. Gross Cost

Gross cost (JD million)

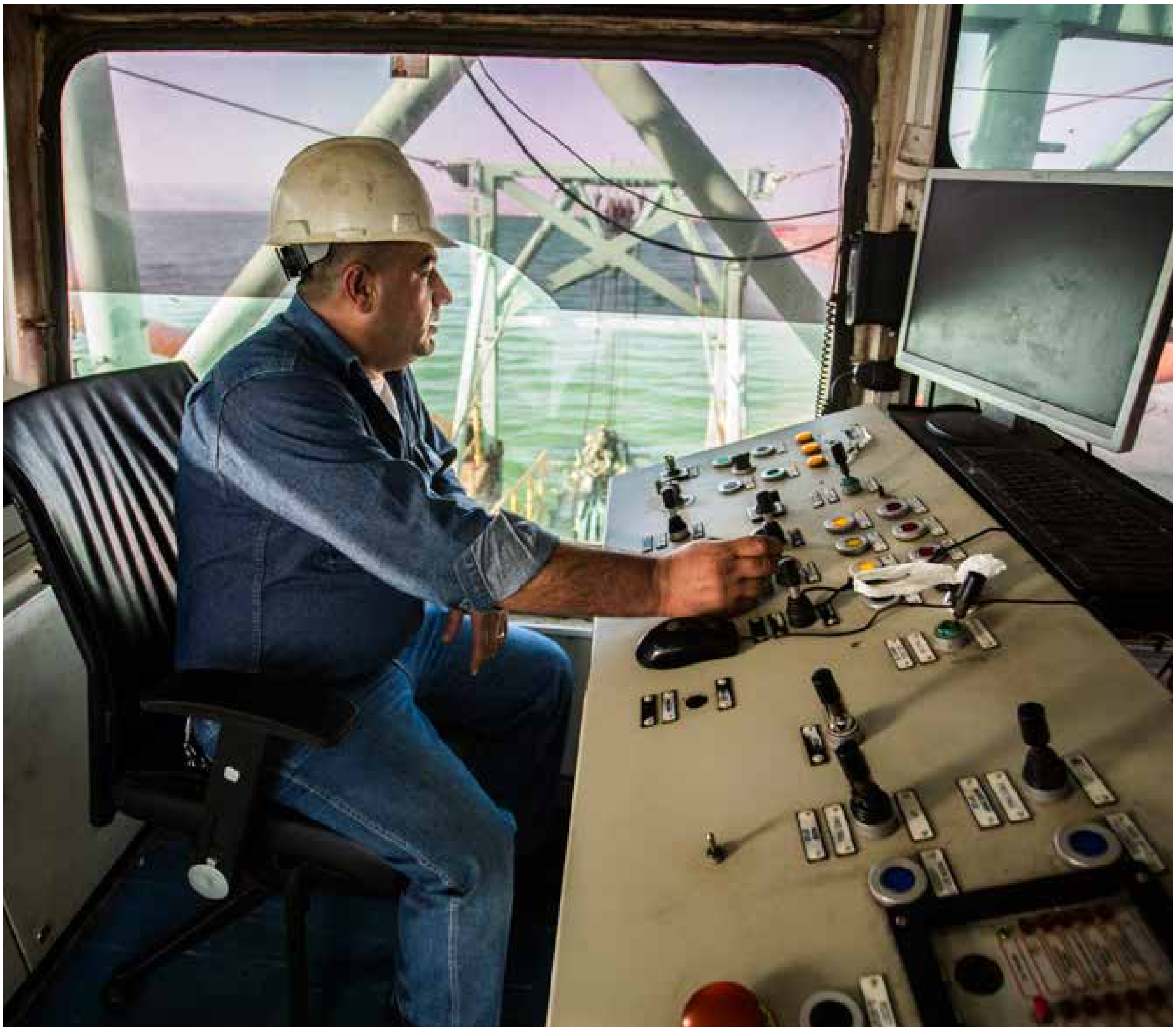
Details	2015	2014	2013	2012	2011	Percentage increase (decrease)
Consolidated Gross Cost	395	460	411,1	417,7	465,2	(14%)
Consolidated Cost of Goods Sold	314.1	394,9	337,9	285,5	318,3	(20%)
Selling and Distribution Expenses	20.1	18,9	17,0	16,3	21,5	6%
Royalty	23.7	13,3	25,9	49,9	60,2	78%
General and Administrative Expenses	23.9	22,6	17,3	22,1	16,6	6%

G. Profits

The Company realized a consolidated net income of JD 162.8 million before income tax. After tax the Net Income amounted to JD 131.1 million, compared with JD 99.7 million for the year 2014.

H. Shareholders' Equity

Shareholders' Equity at the end of 2015 amounted to JD 892 million, a decrease of 4% from 2014. The book value per share of the Company's equity amounted to JD 10.7 as at the end of 2015.



15. FUTURE PLANS

The future plan of APC is to reach an optimal level of potash production that achieves a balance with global demand. During the current economic slowdown and the related implications of expected drop in sales volumes and prices APC will continue to focus on reducing costs to the lowest achievable level. The Company is working on several projects for the purposes of reducing costs associated, in a balanced manner, with enhancing production of potash and downstream industries and improved performance, which would serve the interests of the Company and the national economy of Jordan.

A. Safety:

The Arab Potash Company believes firmly that the safety of its employees is its top priority along with providing a safe working environment for its employees.

B. Heavy Fuel Oil Costs:

The Company has started the construction works required for the gas pipeline in Its plants in Safi and installing the required equipment in this regards, it is expected to complete the project in December 2016. It is worth noting that the company equipment is being prepared to be compatible with fuel oil and natural gas in order to give the company flexibility between the appropriate energy sources based on the prevailing prices.

C. Electricity:

1. Renewable Energy: It was decided to proceed with a project to generate electricity from solar cells at a capacity of 33 MW, which will be completed in 2017.
2. Electricity Generation: Studies are also ongoing for another project to generate electricity and steam using natural gas. In addition to that, the company is planning to rent diesel electricity generators with a capacity of 15 MW for the purposes of saving electricity costs.

D. Water resources:

On 30 January 2014, APC signed an agreement with the Ministry of Water and Irrigation whereby the Company provides JD 26 million to finance in full the construction of Wadi ibn Hammad Dam. The dam will be built in cooperation with the Ministry of Water and Irrigation, over the coming three to four years, after which rain water will be collected and stored at a capacity of about four million cubic meters.In addition to that, the Company has recently signed an agreement with Jordan Valley Authority for the purposes of financing the construction of Wadat Dam which will be built by Jordan Valley Authority for a cost of JD 4 million, it is expected to complete the dam construction over the next 1-2 years which will provide additional water for the purposes of manufacturing and agriculture expected to be around 4 million cubic meters annually.

Moreover, Jordan Bromine Company Board of Directors assigned a budget of US$ 400,000 to finance the studies of building a dam in Wadi Issal area in Ghor.

APC efforts in securing the necessary water needs were not limited to cooperation with the concerned governmental authorities, but were further extended to include digging wells in APC concession area.

E. Production:

APC studies options for increasing production, efficiency and evaporation areas. The Board of Directors approved a project for expanding the production of potash to increase production capacity by 245,000 tons, in addition to raising the production capacity of granular potash by 250,000 tons per year.

F. Downstream Industries:

The aim of this initiative is the completion of the supply chain by investing in value-added products through investment products that use potash as raw material, and the company is studying now opportunities for 5-6 plants for materials derived and related to potash and other investments related to logistic services such as transport and others. In this way, the company and its shareholders benefit from all aspects of the production process where these plants are expected to increase the quantities of potash sold as raw materials and then take advantage of the company's profit margins of products derived from potash.

G. Aqaba Port:

APC continues to work on implementing the Aqaba industrial port expansion and rehabilitation project through its investment in the Jordan industrial Ports Company (JIPC), which is entrusted with the project. On 1 February 2015 an agreement between JIPC and a consortium formed by Técnicas Reunidas and PHB, was signed to refurbish and expand the industrial port of Aqaba. JIPC 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.

H. Marketing:

APC plans to diversify its markets, improve its client relations, and establish representative offices in its main markets. APC opened an office in Delhi, India.

I. Jump to Excellence Project:

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. APC contracted the services of Alexander Proudfoot, a consulting firm that specializes in cost reduction on a large scale. 7 major work streams 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.

The Company is working on several projects for the purposes of reducing costs associated, in a balanced manner, with enhancing production of potash and downstream industries and improved performance

16. AUDITORS', LEGAL AND CONSULTANTS' FEES FOR THE COMPANY AND SUBSIDIARIES' EXTERNAL AUDITOR'S FEES

A. The external auditor's fees for 2015 in thousands of Dinars

APC	KEMAPCO	Numeira	Total
72	20.0	2.6	94.6

The external auditor provides consulting services to the company worth of 10,000 JDS.

B. 2015 Internal Auditor's Fees, in thousands of Dinars

APC	KEMAPCO	Numeira	Total
75.25	25.0	7.2	107.45

C. 2015 Legal Fees, in thousands of Dinars

APC	KEMAPCO	Numeira	Total
778	31.3	15	824.3

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 the required disclosures are as follows:

A. Shares owned by Members of the Board of Directors

Name	Title	Nationality	Number of Shares as at 31/12/2015	Number of Shares as at 31/12/2014	Companies they control
H.E. Jamal Ahmad Mufleh Al-Sarayrah	Chairman of the Board	Jordanian	0	0	None
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Board Vice Chairman	Saudi	0	0	None
Rami Saleh Abdulkareem "Wraikat Al Edwan"	Board Member	Jordanian	0	0	None
George David Delaney	Board Member	American	0	0	None
Brent Edward Heimann	Board Member, President and CEO	American	0	0	None
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh	Board Member	Jordanian	500	500	None
"Ahmad Jamal" Nawwaf Al Bataineh	Board Member	Jordanian	0	0	None
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Board Member	Iraqi	0	0	None
Dr. Maen Fahad Abdul-Karim Nsour	Board Member	Jordanian	0	0	None
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah	Board Member	Jordanian	0	0	None
Abdul Wadoud Abdul - Sattar Mahmoud Al – Dulaimi	Board Member	Iraqi	0	0	None
Salem Husni Salem Braibish	Board Member	Libyan	0	0	None
Fahad Majid Al Sultan Al Salim	Board Member	Kuwaiti	0	0	None
Total			**500**	**500**	

B. Shares Owned by Members of the Executive Management

I. Shares Owned by Members of the Executive Management

Name	Title	Nationality	Number of Shares as at 31/12/2015	Number of Shares as at 31/12/2014	Companies they control
Brent Edward Heimann	Board Member, President & CEO	American	0	0	None
Scott Raymond Maczka	VP Finance and Support Services	American	0	0	None
Dr. Roderick Joseph McEachern	VP Operations until 31/8/2015	Canadian	0	0	None
Lane Bernard Knorr	VP Operations as of 1/9/2015	Canadian	0	0	None
Jafar Mohammad Hafez Salem	VP Marketing and Sales	Jordanian	0	0	None
Adnan Sulaiman Faris Al Ma'aitah	VP Human Recourses and Corporate Affairs	Jordanian	0	0	None
Total			**0**	**0**	

2. Shares Owned by Insiders

Name	Title	Nationality	Number of Shares as at 31/12/2015	Number of Shares as at 31/12/2014	Companies they control
Hesham Khaled Hesham al - Shawwa	Director - Internal Audit	Jordanian	1000	609	None

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

Name	Relative of	Nationality	Number of Shares as at 31/12/2015	Number of Shares as at 31/12/2014
Hind Mohammad Muflieh Alsaad	Wife of Dr. Duried Mohammad Abd AlHameed Al Mahasneh	Jordanian	1695	347
Lubna Marawan Abedlaulfatah Abu Zahra	Wife of Jafar Mohammad Hafez Salem	Jordanian	800	800
Total			2495	1147

18. COMPENSATIONS AND BENEFITS

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

Name	Title	Nationality	Total Annual salaries	Annual Transportation and Committees Allowances	Representation Fees	Annual Bonus	Per diem	Other allowances	Total Annual Remun-eration
Ministry of Finance - Jordan Represenatives						15,000			15,000
H.E. Jamal Ahmad Mufleh Al-Sarayrah *	Chairman of the Board	Jordanian	162,900	18,000	29,250	-	28,000	-	238,150
"Ahmad Jamal" Nawwaf Al Bataineh	Board Member	Jordanian	-	18,000	24,250	-	1,250	-	43,500
Rami Saleh Abdulkareem "Wraikat Al Edwan" **	Board Member	Jordanian	-	18,000	18,000	-	6,250	-	42,250
PCS Jordan LLC						10,000	-	-	10,000
George David Delaney ***	Board Member	American	-	18,000	-	-	7,500	-	25,500
Brent Edward Heimann***	Board Member, President and CEO	American	-	18,000	-	-	-	-	18,000
Dr. Duried Mohammad Abd Al Hameed Al Mahasneh***	Board Member	Jordanian	-	18,000	27,750	5,000	2,000	6,000	58,750
Arab Mining Company			-	-	-	10,000	-	-	10,000
Mansour Bin Sulaiman Bin Ibrahim Al-Mebrek	Board Vice Chairman	Saudi	-	18,000	-	-	8,750	-	26,750
Abdul Ghani Fakri Abdul Wahhab Al-Jaafar	Board Member	Iraqi	-	18,000	-	-	8,750	-	26,750
Jordan Social Security Corporation				-	-	5,000	-	-	5,000
Dr. Maen Fahad Abdul-Karim Nsour ****	Board Member	Jordanian	-	18,000	19,742	-	1,250	3,000	41,992
Islamic Development Bank, Jeddah			-	-	-	5,000	-	-	5,000
Dr. Jamal (Mohammad Hijazi) Sa'ed Salah *****	Board Member	Jordanian	-	18,000	-	-	4,250	-	22,250
Government of Iraq			-	-	-	-	-	-	5,000
Abdul Wadoud Abdul - Sattar Mahmoud Al – Dulaimi	Board Member	Iraqi	-	18,000	-	5,000	8,750	-	26,750
Libyan Arab Foreign Investment Company			-	-	-	-	-	-	5,000
Salem Husni Salem Braibish	Board Member	Libyan	-	18,000	-	5,000	8,750	-	26,750
Kuwait Investment Authority - Kuwait			-	-	-	5,000	-	-	5,000
Fahad Majid Al Sultan Al Salim ******	Board Member	Kuwaiti	-	18,000	-	-	8,750	-	26,750
Total			**162,900**	**234,000**	**118,992**	**65,000**	**94,250**	**9,000**	**684,142**

* Other Benefits: the Chairman has two chauffeur-driven cars
** Transportation, committee allowance, and representation allowance are paid directly to ministry of Finance starting August 2015
*** 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

Name	Title	Nationality	Total Annual salaries	Representation Fees	Per diem	Housing and Utilities	Indemnity	Total Annual Remun-eration
Brent Edward Heimann *	Board Member, President & CEO	American	173,616	-	26,750	54,371	-	254,737
Scott Raymond Maczka *	VP Finance and Support Services	American	81,535	-	4,400	50,038	-	135,973
Dr. Roderick Joseph McEachern*	VP Operations until 31/8/2015	Canadian	70,803	-	5,800	6,752	-	83,355
Lane Bernard Knorr*	VP Operations as of 1/9/2015	Canadian	31,424	-	1,200	50,812	-	83,436
Jafar Mohammad Hafez Salem **	VP Marketing and Sales	Jordanian	148,686	4,400	13,400	-	-	166,486
Adnan Sulaiman Faris Al Ma'aitah **	VP Human Recourses and Corporate Affairs	Jordanian	111,424	3,183	2,800	-	-	117,407
Total			617,488	7,583	54,350	161,973	-	841,394
Grand Total								**1,525,536**

* 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 DURING THE YEARS 2012-2015

2012-2015 Distribution of CSR Expenditure by Sector (JD)

	2012	2013	2014	2015	Total	Average	٪
Education	1,713,000	2,331,820	2,203,257	2,162,372	8,410,449	2,102,612	23
Social work	2,037,000	1,848,901	1,554,419	1,670,855	7,111,175	1,777,794	19
Official bodies	3,374,000	2,054,591	1,683,948	2,914,094	10,026,633	2,506,094	27
Water & Environment	1,344,000	1,241,700	256,147	711,320	3,553,167	888,292	9
Health	700,000	1,328,170	831,740	1,809,400	4,669,310	1,167,328	12
Sports	193,000	487,500	604,550	372,484	1,657,534	414,384	4
Houses of worship	298,000	356,673	186,899	219,568	1,061,140	265,285	3
Culture	95,000	312,150	209,340	240,000	856,490	214,123	2
Professional associations	84,000	38,495	102,700	38,605	263,800	65,950	1
Total	**9,838,000**	**10,000,000**	**7,633,000**	**10,138,698**	**37,609,698**	**9,402,426**	**100**

Projects supported by APC include

A. Education

1. Reinforcement lessons for more than 200 Tawjihi (Secondary School Final Exam) students from the Southern Jordan Valley. This program was introduced in a year when all students from the Southern Ghor failed the Tawjihi exam. Consequently, APC took the initiative to fund reinforcement lessons for students from this region. By the grace of God, some students from the Southern Ghor now score over ninety percent on the Tawjihi. Additionally, APC provides a further incentive by pledging full scholarships to any student from the southern Jordan Valley who qualifies to study medicine at a Jordanian university. The goal here is not to favor one area over others, but to give assistance and raise the ceiling of ambition in areas that are most in need of this aid.
2. Building model schools such as Tawahin Al Sukkar Model School in Ghor Al Mazra'ah. APC funded JD 1.06 million in response to an initiative from His Majesty King Abdullah II Bin Al Hussein. The school provides a model learning environment for approximately 1,000 students from the Southern Jordan Valley from kindergarten to the Tawjihi, which will enhance their educational attainment and broaden their prospects to build a better future.
3. Maintenance of schools, installation of canopies for protection from the sun and rain, as well as teacher training and student skills sessions in cooperation with the Madrasati Initiative.
4. Providing Wi-Fi Internet networks at the universities of Muta Tafileh and Al-Hussein bin Talal in Maan, so as to enable students to make the best use of their time on campus and to help them conduct their research more efficiently.

B. Health

1. Providing dialysis machines to hospitals in view of the great need in this area. From 2012 – 2014, APC provided more than 50 devices at a cost of JD 800,000, which benefits more than 50,000 patients a year. APC plans to continue in this project to eliminate the shortage of dialysis machines throughout Jordan.
2. Supplying hospitals of the Ministry of Health and the Royal Medical Services with medical and dental equipment according to their needs.

C. Social Development

1. The distribution of welfare packages in the holy month of Ramadan to needy families in all governorates of the Kingdom in cooperation with the Zakat Fund. This program was valued at more than JD 0.5 million annually.
2. Building multi-purpose community halls in a number of villages and municipalities.

D. Sports

Building six-a-side courts in the Southern Jordan Valley, Karak and Tafilah in cooperation with the Higher Council for Youth.

E. Water and the Environment

1. Cooperation with the Ministry of Water and the Jordan Valley Authority in building dams to harvest rain water, which is discussed in more detail below. This project will help provide drinking water for citizens in the southern governorates.
2. Digging artesian wells and building water tanks to provide drinking water to citizens in the Southern Jordan Valley.
3. Installing photovoltaic panels to generate electricity from solar energy at health centers, mosques, schools and teachers' housing as well as electricity poles in the Southern Jordan Valley and Tafilah Governorate.

F. Institutional support

Providing municipalities with APC snow-moving and salt vehicles during snow storms to help keep the roads open.







20. RELATED PARTY TRANSACTIONS

There are no contracts, 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 commits to maintain international standards with regards to environmental responsibility and to obtain the global certificate of conformity (ISO 14001).

At the local level, the company is focused on preventing any cases of pollution that will impact 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 our adherence to legal requirements; APC also performs periodic 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 environmental level, APC is currently proceeding in the fuel oil replacement project with natural gas which will provide savings as well as minimize pollutants from the stacks to the air.

The environmental responsibility of our company is not limited to its boundaries, but also communicated within our schools and our communities to lead and inspire these type of initiatives 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

The Arab Potash Company stands out as one of the largest enterprises in Jordan while its plants are located in the largest concentration of poverty and unemployment in the Kingdom. This means we as an organization have a responsibility to work for the improvement of living standards of local communities most affected by APC's activities.

In response, the Arab Potash Company provided in the period 2012 - 2015 an average of nearly JD 10 million per year for social responsibility programs.

22. DECLARATIONS AND RECOMMENDATIONS

Declarations of the Board of Directors

1. 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 2016. 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 Al Edwan)

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

2. The Chairman of the Board, the President & CEO and the Vice President – Finance and Support Services declare that all the data and statements in the Annual Report 2015 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. Reciting the minutes of the previous Ordinary General Assembly Meeting
2. Board of Directors report on the activities during 2015 and the future plans
3. Auditors report
4. Consolidated Statement of Financial Position and Income Statement
5. Approve dividends distribution
6. Election of the Company auditors for the year 2016 and their related fees
7. Release of liability of Board of Directors for the year 2015 within the provisions of the law
8. Election of Board of Directors
9. Approve the Board recommendation to guarantee Jordan Industrial Ports Company for an amount of JD 2.6 million which represents 50% of the required guarantee to be submitted to Aqaba Development Corporate
10. Any other business

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 PotashCorp, for their support and assistance. The Board also extends thanks to all Arab and International institutions and organizations which contributed in facilitating the Company's activities.

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 2015

Independent auditors' report
To the Shareholders of Arab Potash Company Public Shareholding Company
Amman – Jordan

Report on the Consolidated Financial Statements

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 2015 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

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated 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 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Legal and other regulatory Requirements

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

Amman – Jordan **Ernst & Young**
3 March 2016

Arab Potash Company
Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	2015	2014
Assets		JD "000"	JD "000"
Non-current assets			
Property, plant and equipment	3	244,082	291,846
Projects in progress	4	68,932	39,683
Investment in associates and joint ventures	5, 6	133,608	104,746
Financial assets at fair value through other comprehensive income	7	771	715
Deferred tax assets	19	3,100	3,063
Employees' housing loans	8	18,918	19,561
		469,411	**459,614**
Current assets			
Employees' housing loans	8	2,960	2,321
Accounts receivable	9	68,453	61,546
Inventories	10	31,462	17,924
Spare parts and supplies	11	42,533	52,313
Other current assets	12	65,349	59,946
Cash on hand and bank balances	13	338,463	294,759
		549,220	**488,809**
TOTAL ASSETS		**1,018,631**	**948,423**
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	114	58
Retained earnings		677,595	646,443
Total Equity		**892,190**	**860,982**
Non-current liabilities			
Long-term loan	15	51	85
Other non-current liabilities	18	9,326	9,106
		9,377	**9,191**
Current liabilities			
Current portion of long term loan	15	34	34
Potash mining fees due to the government of the Hashemite Kingdom of Jordan	1,23	23,698	6,330
Trade payables and other accruals		25,535	28,941
Income tax provision	19	29,039	5,097
Other current liabilities	16	38,758	37,848
		117,064	**78,250**
Total Liabilities		**126,441**	**87,441**
TOTAL EQUITY AND LIABILITIES		**1,018,631**	**948,423**

The attached notes 1 to 32 form part of these consolidated financial statements

Arab Potash Company
Consolidated Income Statement
For The Year Ended 31 December 2015

	Notes	2015	2014
		JD "000"	JD "000"
Sales	17	527,527	535,465
Cost of sales	20	(314,114)	(394,958)
Gross profit	**17**	**213,413**	**140,507**
Administrative expenses	21	(23,964)	(22,579)
Selling and distribution expenses	24	(20,140)	(18,917)
Royalty to the Government of Jordan	1, 23	(23,698)	(13,330)
Operating profit		**145,611**	**85,681**
Finance revenue		10,452	10,948
Donations expenses		(10,138)	(7,633)
Finance costs and bank charges	25	(609)	(641)
Other income	22	1,887	3,338
Other expenses		(430)	(344)
Foreign currency exchange differences		(2,100)	(2,270)
Profit before tax and gain from associates and joint ventures		**144,673**	**89,079**
Company's share of profit of associates and joint ventures	5,6	18,471	21,228
Revaluation of Islamic Development Bank loan for Jordan Magnesia Company		(320)	(102)
Profit before tax		**162,824**	**110,205**
Income tax expense	19	(31,691)	(10,529)
Profit for the year		**131,133**	**99,676**
		JD / Fills	JD / Fills
Earnings per share			
Basic and diluted earnings per share	**26**	**1/574**	**1/196**

The attached notes 1 to 32 form part of these consolidated financial statements

Arab Potash Company
Consolidated Statement of Comprehensive Income
For The Year Ended 31 December 2015

	Notes	2015	2014
		JD "000"	JD "000"
Profit for the year		**131,133**	**99,676**
Add: other Comprehensive income			
Net change in fair value for financial assets at fair value through other comprehensive income	7	56	(205)
Total comprehensive income for the year		**131,189**	**99,471**

Arab Potash Company
Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2015

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings*	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
2015 -						
Balance at 1 January 2015	**83,318**	**50,464**	**80,699**	**58**	**646,443**	**860,982**
Profit for the year	-	-	-	-	131,133	131,133
Other comprehensive income	-	-	-	56	-	56
Total comprehensive income for the year	-	-	-	56	131,133	131,189
Dividends (Note 14)	-	-	-	-	(99,981)	(99,981)
Balance at 31 December 2015	**83,318**	**50,464**	**80,699**	**114**	**677,595**	**892,190**
2014 -						
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)	99,676	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**

* Retained earnings include an amount of JD 3,100 thousand which represents deferred tax assets (2014: JD 3,063 thousand).

Arab Potash Company
Consolidated Statement of Cash Flows
For The Year Ended 31 December 2015

	Notes	2015	2014
		JD "000"	JD "000"
Operating Activities			
Profit for the year before tax		162,824	110,205
Adjustments:			
Depreciation	3	63,527	62,749
Gain on sale of property, plant and equipment		(119)	(207)
Finance revenue		(10,452)	(10,948)
Finance costs	25	183	160
Share of profit of associates and joint ventures	5,6	(18,471)	(21,228)
Revaluation of Islamic Development Loan from Jordan Magnesia Company		320	102
Employee's legal cases compensation provision		-	2
Compensation and death provision		2,091	1,366
End of service indemnity provision		457	788
Unpaid leaves provision		103	192
Employees' post-employment benefits provision		476	3,229
Provision for slow moving inventory	10	-	(7)
Provision for slow moving spare parts	11	1,824	1,166
		202,763	147,569
Working capital changes:			
Accounts receivable		(6,907)	(9,066)
Inventories		(13,538)	35,209
Spare parts		7,956	561
Other current assets		(5,773)	8,981
Trade payables and accruals		(3,406)	(2,298)
Other current liabilities		14,950	(11,501)
Income tax paid	19	(7,786)	(14,934)
Net cash flows from operating activities		**188,259**	**154,521**
Investing Activities			
Purchase of property, plant and equipment	3, 4	(3,391)	(5,441)
Proceeds from sale of property, plant and equipment		213	213
Projects in progress	4	(41,715)	(27,968)
Dividends received from associates and joint ventures		16,609	11,005
Investment in associates and joint ventures		(27,000)	(7,500)
Interest received		10,822	9,586
Employees' housing loans, net		4	(681)
Short term deposits		(114,633)	14,839
Net cash flows used in investing activities		**(159,091)**	**(5,947)**
Financing Activities			
Repayment of loan		(34)	(1,228)
Interest paid		(179)	(160)
Dividends paid to shareholders		(99,884)	(142,025)
Net cash flows used in financing activities		(100,097)	(143,413)
Net (decrease) increase in cash and cash equivalents		(70,929)	5,161
Cash and cash equivalents at 1 January		247,202	242,041
Cash and cash equivalents at 31 December	**13**	**176,273**	**247,202**

The attached notes 1 to 32 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 thousands 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 3 March 2016; 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 2015:

	Ownership	Percentage of
	(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's Board of Directors resolved in its ordinary meeting held on 9 December 2015 to dispose its share of Jordan Megnesia through a public tender.

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 2015.

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 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 2015 and 2014.

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 consolidated 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
2015 -	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"	JD"000"
Cost:								
Balance at 1 January 2015	3,011	103,544	175,290	648,542	42,706	7,356	9,667	990,116
Additions	-	3,513	-	9,737	1,201	271	1,135	15,857
Disposals	-	(16)	-	(1,931)	(1,245)	(13)	-	(3,205)
Balance at 31 December 2015	**3,011**	**107,041**	**175,290**	**656,348**	**42,662**	**7,614**	**10,802**	**1,002,768**
Accumulated Depreciation								
Balance at 1 January 2015	-	63,087	152,729	432,603	34,926	6,198	8,727	698,270
Depreciation for the year	-	4,991	3,525	51,165	2,812	365	669	63,527
Disposals	-	(10)	-	(1,924)	(1,169)	(8)	-	(3,111)
Balance at 31 December 2015	-	**68,068**	**156,254**	**481,844**	**36,569**	**6,555**	**9,396**	**758,686**
Net Book Value At 31 December 2015	**3,011**	**38,973**	**19,036**	**174,504**	**6,093**	**1,059**	**1,406**	**244,082**
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	20,654
Disposals	-	-	-	(199)	(356)	(11)	(285)	(851)
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**

4. Projects in Progress

	Balance as at 1 January 2015	Additions	Transfers	Balance as at 31 December 2015
	JD "000"	JD "000"	JD "000"	JD "000"
Various projects*	39,683	41,715	(12,466)	68,932

	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

* The additions represent Wadi Ben Hammad Dam project, as the Company and Jordan Valley Authority signed an agreement on 30 January 2014 to finance the construction of the water dam. Toal estimated cost to complete the project is JD 26,000 thousands as at 31 December 2015. The project was commenced during 2014 and expected to be completed during 2017.

The additions also represent renovation and rehabilitation of all plant factory's electronic cables, systems and control rooms with total estimated cost of JD 30,000 thousands as at 31 December 2015. The project was commenced during 2014 and expected to be completed during 2017.

The additions also represents payments on the Natural Gas pipe lines amounting to JD 5,900 thousands, with total estimated cost of JD 16,000 thousands. The project is expected to be completed during 2016.

** The additions represent a new harvester project (harvester number 12), this project started during 2012 and was 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 19 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 by the end of 2016.

Most of the transfers represent 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 thousands.

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 2015	Investment in associates balance 2014
		%	JD "000"	JD "000" 0
Nippon Jordan Fertilizer Company (NJFC)*	3,345,600	20	7,125	6,691
Jordan Investment and South Development Company (JISDC)	833,000	45.45	219	204
Jordan International Chartering Company (JICC)	12,000	20	26	23
			7,370	**6,918**

* The Group's portion of Nippon Jordan Fertilizer Company's dividends amounted to JD 155 thousands during 2015.

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

	2015	2014
	JD "000"	JD "000"
Nippon Jordan Fertilizer Company (NJFC)	589	774
Jordan Investment and South Development Company (JISDC)	15	5
Jordan International Chartering Company (JICC)	3	(13)
	607	**766**

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

	NJFC		JISDC		JICC	
	2015	2014	2015	2014	2015	2014
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Current assets	36,233	29,817	250	230	197	170
Non-current assets	8,219	8,862	281	289	2	4
Current liabilities	(7,702)	(4,378)	(243)	(244)	(38)	(46)
Non-current liabilities	(280)	-	-	-	-	-
Net assets	**36,470**	**34,301**	**288**	**275**	**161**	**128**
Percentage of ownership	20%	20%	45,45%	45.45%	20%	20%
Carrying amount of investment in associates	**7,125**	**6,691**	**219**	**204**	**26**	**23**

	NJFC		JISDC		JICC	
	2015	2014	2015	2014	2015	2014
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Revenue	96,090	82,288	314	308	211	254
Cost of sales	(91,211)	(76,024)	(239)	(237)	(185)	(324)
Other revenues and expenses, net	(1,938)	(2,399)	(42)	(60)	(9)	5
Profit (loss) before tax	2,941	3,865	33	11	17	(65)
Income tax expense	-	-	-	-	(2)	-
Profit (loss) for the year	**2,941**	**3,865**	**33**	**11**	**15**	**(65)**
Group's share of profit (loss) for the year	**589**	**774**	**15**	**5**	**3**	**(13)**

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	
		%	2015	2014
			JD "000"	JD "000"
Jordan Bromine Company (JBC)*	15,000,000	50	91,731	90,113
Jordan Industrial Port (JIPC)**	35,000,000	50	34,507	7,715
			126,238	**97,828**

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

The Group's portion of Jordan Bromine Company's dividends amounted to JD 16,454 thousands during 2015 (2014: JD 11,005 thousands).

** During 2015 Jordan Industrial Port Company (JIPC) Capital was increased by 54,000,000 at par value of JD 1 per share to reach JD 70,000 thousands. The Group invested an amount of JD 27,000 thousands to increase its investment in Jordan Industrial Port to 35,000,000 shares (2014: 8,000,000 share), the Group's percentage of ownership did not change.

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

	2015	2014
	JD "000"	JD "000"
Jordan Bromine Company (JBC)	18,072	20,545
Jordan Industrial Port (JIPC)	(208)	(83)
	17,864	**20,462**

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

	Jordan Bromine Company		Jordanian Industrial Port Company	
	2015	**2014**	**2015**	**2014**
	JD "000"	JD "000"	JD "000"	JD "000"
Current assets	**80,794**	**94,524**	**46,265**	**14,900**
Non-current assets	165,020	162,719	23,845	802
Current liabilities	(13,705)	(26,306)	(1,199)	(389)
Non-current liabilities	(2,654)	(3,294)	-	-
Net assets	**229,455**	**227,643**	**68,911**	**15,313**
Group's percentage of ownership	50%	50%	50%	50%
Carrying amounts of investment in joint ventures	**91,731**	**113,822**	**34,507**	**7,715**

	Jordan Bromine Company		Jordanian Industrial Ports Company	
	2015	**2014**	**2015**	**2014**
	JD "000"	JD "000"	JD "000"	JD "000"
Revenue	149,536	161,973	-	-
Cost of sales	(87,649)	(99,480)	-	-
Other revenues and expenses, net	(10,516)	(8,850)	(416)	(167)
Profit before tax	**51,371**	**53,643**	**(416)**	**(167)**
Income tax expense	-	-	-	-
Profit (loss) for the year	**51,371**	**53,643**	**(416)**	**(167)**
The Group's share of profit (loss) for the year	**18,072**	**20,545**	**(208)**	**(83)**

7. Financial Assets at Fair Value Through Other Comprehensive Income

	2015	2014
	JD "000"	JD "000"
Quoted shares*	695	639
Unquoted shares**	76	76
	771	**715**

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

	2015	2014
	JD "000"	JD "000"
At 1 January	58	263
Net unrealized gains (losses)	56	(205)
At 31 December	**114**	**58**

** 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 as at the date of consolidated financial statements.

8. Employees' housing loans

During 1992, the Company established the employees' housing loans' fund, the fund's objective is 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:

	2015	2014
	JD "000"	JD "000"
Balance as at 1 January	21,882	21,201
Loans granted during the year	2,561	3,531
Collections during the year	(2,565)	(2,850)
Balance as at 31 December	**21,878**	**21,882**

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

	2015	2014
	JD "000"	JD "000"
Non-current	18,918	19,561
Current	2,960	2,321
	21,878	**21,882**

9. Accounts Receivable

	2015	2014
	JD "000"	JD "000"
Trade receivables	67,647	60,025
Due from associates (note 27)	1,448	2,207
Others	98	54
	69,193	**62,286**
Less: allowance for doubtful debts*	(740)	(740)
	68,453	**61,546**

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

	2015	2014
	JD "000"	JD "000"
At 1 January	740	740
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"
2015	51,117	15,592	198	66,907
2014	47,656	10,415	1,214	59,285

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

	2015	2014
	JD "000"	JD "000"
Finished goods	27,422	15,778
Raw materials	4,104	1,481
Others	62	791
	31,588	**18,050**
Provision for decrease in lower of cost or net realizable value of inventory*	(16)	(16)
Provision for slow moving inventory**	(110)	(110)
	31,462	**17,924**

* The movement of the provision for decrease in lower of cost or net realizable value of inventory is as follows:

	2015	2014
	JD "000"	JD "000"
At 1 January	16	23
Reversed provision	-	(7)
At 31 December	**16**	**16**

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

	2015	2014
	JD "000"	JD "000"
At 1 January	110	110
At 31 December	**110**	**110**

11. Spare Parts and Supplies

	2015	2014
	JD "000"	JD "000"
Spare parts	40,984	48,352
Fuel store	3,057	4,804
Others	2,606	2,449
	46,647	**55,605**
Provision for slow-moving spare parts*	(4,114)	(3,292)
	42,533	**52,313**

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

	2015	2014
	JD "000"	JD "000"
At 1 January	3,292	3,213
Provision for the year	1,824	1,166
Amounts written-off during the year	(1,002)	(1,087)
At 31 December	**4,114**	**3,292**

12. Other Current assets

	2015	2014
	JD "000"	JD "000"
Prepaid expenses	2,936	2,743
Advance payments to contractors	11,358	12,252
Due from Sales Tax Department (note 19)	39,585	37,419
Advance payments to death and compensation fund	4,851	3,282
Refundable deposits	3,192	318
Others	3,427	3,932
	65,349	**59,946**

13. Cash on Hand and Bank Balances

	2015	2014
	JD "000"	JD "000"
Cash on hand	100	105
Cash at banks*	68,103	73,733
Short term deposits**	108,070	173,364
Cash and cash equivalents	176,273	247,202
Short term deposits mature after more than 3 months***	162,190	47,557
	338,463	**294,759**

* This item includes checks under collection which maturities within 3 months from the statement of financial position date in the amount of JD 564 thousands as at 31 December 2015 (2014: 2,110 thousands).

** This item represents deposits in Jordanian Dinar at local banks with an interest rate of 3.8% (2014: 4.7%) 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 3.8% (2014: 4.7%) 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 thousands 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 thousands 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 2015 to distribute JD 99,981 thousands as dividends which represent 120% of Company's capital. (2014: JD 124,977 thousands as dividends which represents 150% of Company's capital).

15. Bank Loan

This item represents a loan that was granted to Numeira Mixed Salts and Mud Company amounting to JD 170 thousands on 24 June 2013 to finance the purchase of offices. 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 2016 and after are as follows:

	JD "000"
2016	34
2017	34
2018	17
	85

16. Other Current Liabilities

	2015	2014
	JD "000"	JD "000"
Employees' legal cases compensation provision	9,701	10,089
Employees' post-employment benefits provision (Note 18)	190	226
Dividends payable (Note 14)	6,881	6,784
Contractors retentions	1,936	1,241
Accrued interest and expenses	10,497	11,443
Others	9,553	8,065
	38,758	**37,848**

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 Mixed Salts and Mud Company.

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

	2015					
	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	450,505	76,484	538	527,527	-	527,527
Inter-company Sales	22,380	-	1,956	24,336	(24,336)	-
Total Sales	**472,885**	**76,484**	**2,494**	**551,863**	**(24,336)**	**527,527**
Segment profit	**187,699**	**21,239**	**455**	**209,393**	**4,020**	**213,413**
Results						
Share of profit of associates and joint ventures	**18,471**	**-**	**-**	**18,471**	**-**	**18,471**
Depreciation	**62,990**	**5,809**	**106**	**68,905**	**(5,378)**	**63,527**
Capital Expenditure						
PP&E and projects in progress	**43,178**	**1,799**	**129**	**45,106**	**-**	**45,106**
Total Assets	**1,007,770**	**93,924**	**2,344**	**1,104,038**	**(85,407)**	**1,018,631**
Total Liabilities	**180,013**	**10,852**	**608**	**191,473**	**(65,032)**	**126,441**
Investments in associates and joint ventures	**133,608**	**-**	**-**	**133,608**	**-**	**133,608**

	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**	**(85,943)**	**948,423**
Total Liabilities	**136,016**	**11,251**	**415**	**147,682**	**(60,241)**	**87,441**
Investments in associates and joint ventures	**104,746**	**-**	**-**	**104,746**	**-**	**104,746**

Following is a summary of sales by geographical location for the year ended 31 December 2015 and 2014:

	31 December 2015				31 December 2014			
	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	251,302	5,289	9	256,600	238,002	7,296	15	245,313
Far East	85,850	3,965	10	89,825	98,263	3,664	20	101,947
Middle East	38,199	8,627	280	47,106	42,337	8,933	648	51,918
Africa	58,027	10,743	-	68,770	51,409	7,953	5	59,367
Europe	16,619	39,956	239	56,814	21,476	41,521	69	63,066
America & Australia	508	7,408	-	7,916	1,526	11,943	18	13,487
Canada	-	496	-	496	-	367	-	367
	450,505	**76,484**	**538**	**527,527**	**453,013**	**81,677**	**775**	**535,465**

18. Other Non-Current Liabilities

	2015	2014
	JD "000"	JD "000"
Company and employees share in compensation and death fund	336	28
End of service indemnity provision	5,754	6,133
Employees' post-employment benefits provision *	3,111	2,884
Unpaid leaves provision	125	61
	9,326	**9,106**

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

	2015	2014
	JD "000"	JD "000"
Non - current	3,111	2,884
Current	190	226
	3,301	**3,110**

During 2014, the Group paid JD 6,076 thousands post – employment benefits to the beneficiaries, which represents 40% of the undiscounted provision, as a result the company recorded JD 3,229 thousands as an expense during 2014, which represents the present value of the remaining unpaid post – employment benefits.

The present value of the remaining unpaid post-unemployment benefits amounting to JD 3,301 thousands as at 31 December 2015 (2014: JD 3,110 thousands).

19. Income Tax

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

	2015	2014
	JD "000"	JD "000"
Balance at 1 January	5,097	10,187
Income tax expense for the year	31,728	9,844
Income tax paid	(7,786)	(14,934)
Balance at 31 December	**29,039**	**5,097**

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

	2015	2014
	JD "000"	JD "000"
Current year income tax	31,728	9,844
Deferred tax assets	(37)	685
	31,691	**10,529**

Income tax expense

	2015	2014
	JD "000"	JD "000"
Computed tax at statutory rates	37,096	12,448
Subsidiaries' profits not subject to income tax	(2,160)	(839)
Gain on investments in associates not subject to income tax	(3,361)	(2,917)
Tax effect of expenses not acceptable for tax purposes	116	1,837
Income tax expense for the year	**31,691**	**10,529**
Effective income tax rate	19,5%	9,5%
Statutory income tax rate	24%	14%

Deferred tax assets	2015	2014
	JD "000"	JD "000"
Movement is as follows:		
At 1 January	3,063	3,748
Additions during the year	693	885
Retirements during the year	(656)	(1,570)
At 31 December	**3,100**	**3,063**

The provision for income tax for the period ended at 31 December 2015 has been calculated in accordance with the Income Tax Law No. (34) of 2014.

The provision for income tax for the period ended at 31 December 2014 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 Tax First Instance court to prevent the claim issued by the Income and Sales Tax Department for the aforementioned amount. On 7 September 2014 the Court of First Instance issued its decision in favour of the Income and Sales Tax Department, the Company has appealed the lawsuit to the Tax Court of Appeal, on 23 March 2015, the Tax Court of Appeal issued its decision in favour of Income and Sales Tax Department. The Company has appealed the lawsuit to Tax Court of Cassation, on 6 December 2015, the Tax Court of Cassation issued its decision in favour of Income and Sales Tax Department. The Company is planning to settle the amount during 2016.

The Income and Sales Tax Department has reviewed the Company's records for the years 2011, 2012, 2013 and has issued the final tax clearance for those years. As for the year 2014, the Income and Sales Tax Department has accepted the Company's income tax return as presented based on the samples system.

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 has issued the final tax clearance for those years. As for the years 2012, 2013 and 2014 the Income and Sales Tax Department has accepted the Company's income tax return for the aforementioned years as presented based on the samples system.

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 commercial warehousing projects for goods that are ready to be sold for local consumption. The granted exemption will expire on April 2016.

Due from Sales Tax Department

Other current assets balance includes an amount of JD 39 million that represents sales tax receivable which were paid by the Company during the previous years mostly on the expansion project which was completed during 2010. These amounts are recoverable according to the sales tax law.

During the year 2015, the Income and Sales Tax Department approved the refund of the outstanding JD 31,800 thousands from the balance due from the Sales Tax Department. In addition, during the year 2016 the Sales Tax Department approved the refund of JD 4,600 thousands and the remaining balance amounting to JD 2,500 thousands is still under the review of the Sales Tax Department as at the date of consolidated financial statements.

20. Cost of Sales

	2015	2014
	JD "000"	JD "000"
Raw materials used in production	18,761	20,844
Salaries and wages	56,981	51,873
Freight costs	25,354	38,650
Depreciation	60,323	59,660
Fuel and electricity	107,910	118,922
Maintenance	25,586	41,666
Water	6,696	7,553
Insurance	8,083	7,863
Others	16,064	13,247
	325,758	**360,278**
Add: beginning inventory	15,778	50,458
Less: ending inventory	(27,422)	(15,778)
	314,114	**394,958**

21. Administrative Expenses

	2015	2014
	JD "000"	JD "000"
Salaries and other benefits	8,711	7,534
Professional and consulting fees	7,287	5,413
Litigation compensations	315	356
Employees' post-employment benefits expenses	-	3,229
Travel and hospitality	997	861
Depreciation	1,070	968
Maintenance and repairs	1,033	360
Electricity	256	144
Fuel	236	134
Post and telephone	163	184
Insurance	3,619	3,024
Others	277	372
	23,964	**22,579**

22. Other Income

	2015	2014
	JD "000"	JD "000"
Scrap sales	616	419
Others, net	1,271	2,919
	1,887	**3,338**

23. Royalty to the Government of Jordan

During 2015, royalty due to the Government of Jordan was JD 23,968 thousands (2014: JD 13,330 thousands).

During 2014, the Company paid an amount of JD 7,000 thousands as an advance payment based on the Ministry of Finance request. Accordingly, the balance due from the accrued mining fees as at 31 December 2015 is JD 23,698 thousands (2014: 6,330 thousands).

24. Selling and Distribution Expenses

	2015	2014
Marketing	JD "000"	JD "000"
Salaries and other benefits	786	758
Sales commission	3,741	3,539
Travel and transportation	356	375
Depreciation	19	30
Sample testing	343	253
Advertising	48	47
Post and telephone	27	25
Others	982	993
	6,302	**6,020**

	2015	2014
Aqaba	JD "000"	JD "000"
Handling fees	6,517	6,532
Salaries, wages and other benefits	2,300	2,041
Depreciation	2,115	2,091
Electricity	531	492
Maintenance and repair	511	434
Fuel	18	37
Insurance	167	157
Rent	875	318
Others	804	795
	13,838	**12,897**
	20,140	**18,917**

25. Finance Costs and Bank Charges

	2015	2014
	JD "000"	JD "000"
Interest expense	183	160
Bank commissions	426	481
	609	**641**

26. Earnings Per Share

	2015	2014
	JD "000"	JD "000"
Profit for the year	131,133	99,676
Weighted average number of shares (''000'')	83,318	83,318
Basic and diluted, earnings per share (JD / Fils)	**1/574**	**1/196**

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 thousands annually, retrospectively effective June 2008.

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

	2015	2014
Amounts due from related parties	JD "000"	JD "000"
Accounts receivable – Jordan Bromine Company	1,448	2,207

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

	2015	2014
	JD "000"	JD "000"
Sales – Nippon Jordan Fertilizer Company (Associate)	2,276	2,602
Sales – Jordan Bromine Company (Joint venture)	11,707	13,967

Compensation of the key management personnel was as follows:

	2015	2014
	JD "000"	JD "000"
Benefits (Salaries, wages, and bonus)	1,525	1,483

28. Contingencies and Commitments

As of 31 December 2015, the Group had the following contingencies and commitments:

Letters of credit, letters of guarantee and bills of collection amounting to JD 9,943 thousands (2014: JD 7,079 thousands).

The Group has committed and contracted for capital expenditure amounting to JD 62,452 thousands (2014: JD 40,136 thousands).

The Group has committed but not contracted for capital expenditure amounting to JD 283,582 thousands (2014: JD 78,952 thousands).

Legal claims

The Group is a defendant as at 31 December 2015 in the following lawsuits:

1-a Dike No. 19 cases:

APC filed an arbitration case against ATA, the contractor of Dike19 claiming an amount of JD 37,477 thousands. An arbitration agreement was signed between the parties on 10 April 2001. The Arbitral Tribunal issued a majority award on 30 September 2003 where it has dismissed APC's claim and awarded ATA a sum of JD 5,907 thousands under the counter claim it had filed against APC in the same proceeding. APC appealed the Arbitral Award on 29 October 2003. The Court of Appeal accepted APC's appeal whereby it nullified the Award and extinguished the Arbitration Clause in the Contract. ATA took the case to the Cassation Court, and the Cassation Court issued its decision upholding the Court of Appeal decision. As a result, APC had to go to court. During 2008 APC filed a (lawsuit number: 219/2008) against ATA Company before the Jordanian courts claiming the damages sustained from Dike 19 collapse. The lawsuit is still under process before the court as of the date of the consolidated financial statements.

1-b Lawsuit filed against Middle East Insurance Company

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

APC sent the case to the Court of Cassation and on 3 March 2011 the Court of Cassation upheld the Court of Appeal decision accepting the Middle East Insurance request to invite Gibb as a second Respondent in this case.

On 27 April 2011, APC submitted a request to the Court of Cassation asking it to reconsider its decision rendered on March 3, 2011. On January 9, 2012, the Court of Cassation reconsidered its previous decision and decided to repeal the court of appeal's decision and to file back to the court of cassation to consider our reply to statement of Appeal of ATA which neglected by the court of appeal and cassation in their previous decision.

On 17 February 2013, the Court of Appeal confirms the Court of First Instance decision to dismiss ATA's request to invite Gibb to the Case as a second respondent, and the court of Cassation upheld such decision.

MEIC has filed again another application to invite Gibb to the Case as a second respondent on a legal basis different from that used in the first application. The new application is currently in process before the court.

2- Dike No.18 case

On 20 May 2002, APC filed a lawsuit against ATA Company, the contractor for Dike 18 before the court of first instance claiming damages related to defects in the Dike. The court of first instance dismissed the lawsuit based on the existence of a valid and binding arbitration clause under the construction contract, which decision was later upheld by the appeal court and the cassation court.

Accordingly, and pursuant to the arbitration clause, each party named his arbitrator and both parties then agreed on a third arbitrator who has accepted the appointment. By the end of September 2009, APC submitted its statement of claim. On 2 January 2010, the Respondent (ATA) submitted their Statement of Defence and Motion to dismiss the claim.

On 10 September 2011, the tribunal rendered a unanimous decision rejecting ATA's motion to dismiss APC's case on the ground of time bar, and proceeded with examining the case. The arbitration procedures have temporarily stopped due to the fact that ATA refused to pay its share of the Tribunal fees and the fees of the Tribunal appointed experts. After the said fees were paid by APC in substitution of ATA, the tribunal issued an interim award ordering ATA to reimburse such fees and expenses to APC, and moved on in the arbitration proceedings.

Between the dates of 19 and 25 of October 2012, several hearing session were held in Amman in which testimonies of both parties' witnesses as well as the tribunal appointed experts were heard and cross-examined. The final brief by APC was submitted on 3 January 2013 and ATA's on 4 February 2013.

The Tribunal decided to extend the time to render the final award several times the last of which was on 1 November 2013 when the tribunal extended the time to render its final award till the end of January 2014.

On 5 January 2014, the tribunal issued its final Award requiring ATA to pay JD 2,623 thousands which represents 25% of the cost of rehabilitation of Dike 18 with legal interest from the date of 30 September 2009 until full settlement, in addition to 25% of the fees and expenses of arbitration and attorneys' fees with legal interest thereon from the date of the award until full settlement. APC is currently taking all actions to enforce the award against ATA in Turkey.

On 30 January 2014, ATA filed an application before the court of appeal to nullify the Final Award, which application is currently being examined before court of appeal as of the date of the condensed consolidated financial statements.

3- There are several individual claims filed against APC by a number of employees mostly relating to medical insurance claims. The overall aggregate amount of such claims is estimated to reach JD 9,975 thousands 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"
2015				
Currency				
JD	50	1,351	(50)	(1,351)
	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)

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 82% of outstanding accounts receivable at 31 December 2015 (2014: 85%).

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 2015 and 2014, 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 2015				
Trade payables and accruals	25,535	-	-	25,535
Potash mining fees due to the	-	23,698	-	23,698
Income tax provision	29,039	-	-	29,039
Loans	9	25	51	85
Total	**54,583**	**23,723**	**51**	**78,357**
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	25	85	119
Total	**34,047**	**6,355**	**85**	**40,487**

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
	%	JD "000"	%	JD "000"
2015				
Currency				
EURO	5	81	(5)	(81)

	Increase in Exchange Rate	Effect on Profit	Decrease in Exchange Rate	Effect on profit
	%	JD "000"	%	JD "000"
2014				
Currency				
EURO	5	65	(5)	(65)

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 2015 and 2014. Capital comprises share capital, reserves and retained earnings, and is measured at JD 892,076 thousands as at 31 December 2015 (2014: JD 860,982 thousands).

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 2018, 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.

IFRS (16) "Leases"

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

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

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

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

Accounting for Acquisitions of Interests – Amendments to IFRS (11) "Joint Arrangements"

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

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

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

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