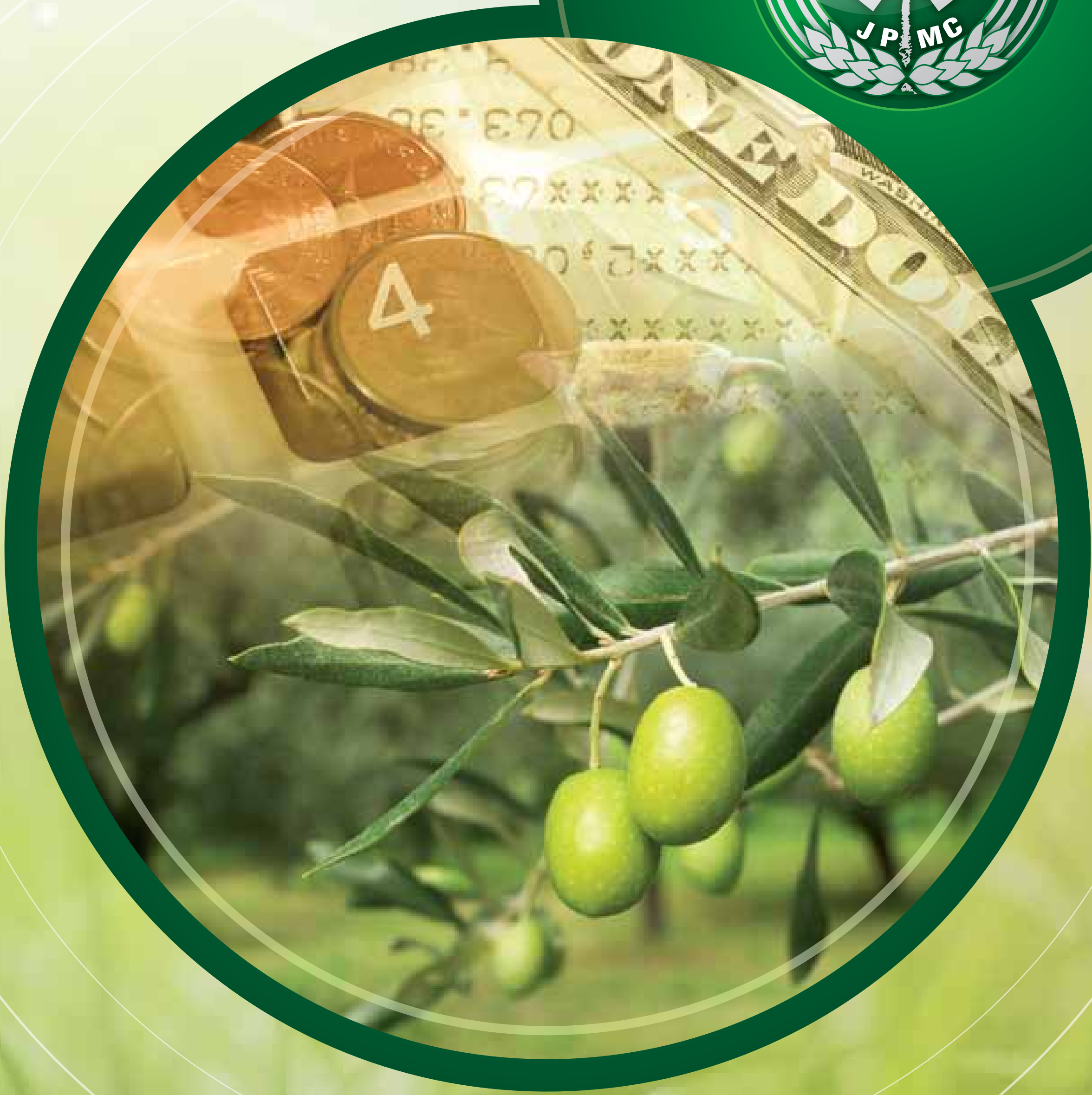
JORDAN PHOSPHATE MINES COMPANY PLC.



Annual Report 2014

JORDAN PHOSPHATE MINES CO.

Annual Report 2014

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His Majesty King Abdullah II Ibn Al-Hussein

His Royal Highness Crown Prince Al Hussein bin Abdullah II

JORDAN PHOSPHATE MINES CO. PLC.

Head Office: 5 Al-Sharif Al- Radhi St.- Al-Shemmisani-Amman

P.O.Box (30) Amman 11118

Hashemite Kingdom of Jordan

The Sixty - First Report of the Board of Directors &
The Consolidated Financial Statement For The Year 2014

Our vision :

Become a global business that meets the needs of our shareholders and customers throughout the world

Our mission:

Become an effective marketer and efficient low-cost of Phosphate products while preserving the environment and workers' safety, for to benefit of the shareholders, the workers and the local community and the national economy

Contents

Board of Directors

Eng. Amer Majali	The Chairman as of 12th March 2015 representative the General Social Security Corporation

REPRESENTATIVES OF KAMIL HOLDINGS LIMITED:

H.E. Eng. Muzahim Muhaisin	Member as of 19th March 2015
Mr. Junaidi Masri	Member
Eng. Talal al-Saadi	Member until 25th March 2015
Eng. Amer Majali	Chairman until 10th March 2015

REPRESENTATIVES OF THE JORDAN MINISTRY OF FINANCE:

H.E. Abdel karim Malahmeh	Deputy Chairman
H.E. Dr. Eng. Munther Haddadin	Member

REPRESENTATIVE OF SOCIAL SECURITY CORPORATION:

Eng. Amer Al-Majali	Member as of 11th March 2015
Mr. Saeed Shanan	Member until 11th March 2015

REPRESENTATIVE OF THE STATE OF KUWAIT:

Mr. Hamad Al-Omer	Member

REPRESENTATIVES OF THE PRIVATE SECTOR:

H.E. Mr. Haethum Battikhi	Member
H.E. Mr. Khaled Quran	Member

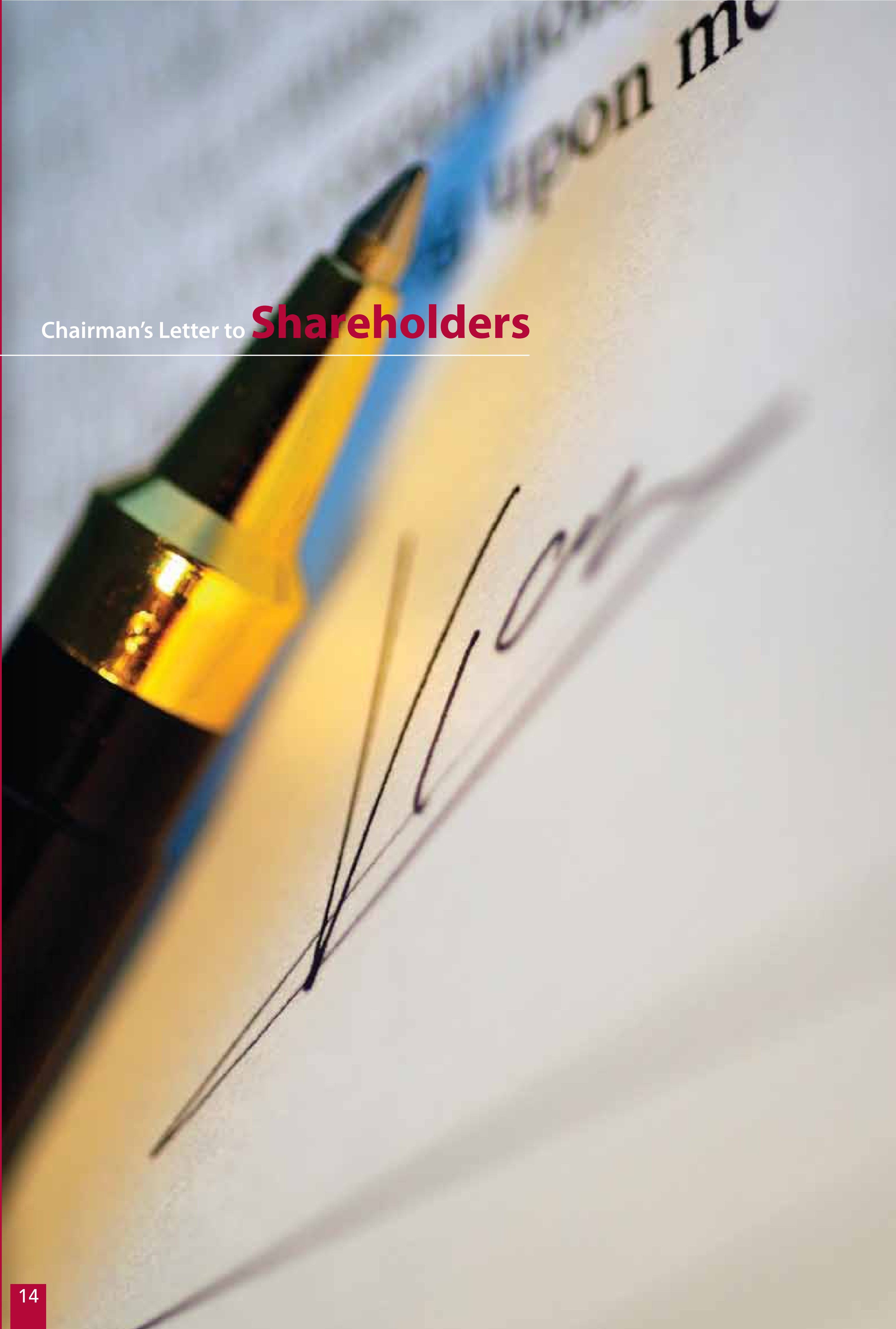
CHIEF EXECUTIVE OFFICER:

Dr. ShafiK AshKar

AUDITORS:

Messrs. ERNST & YOUNG

Chairman's Letter to Shareholders



In the name of God, the Most Gracious, the Most Merciful

Dear Shareholders:

It is my pleasure and that of the members of the Board of Directors of the Jordan Phosphate Mines Co. to welcome you in the ordinary meeting of the Company's General Assembly and to present to you the sixty first annual report including a brief on the company businesses, activities and achievements during the fiscal year ending on 31December 2014 as along with its future business plan.

It pleases me further and I have the honor to inform you that the commercial operation of the largest project we have invested in has commenced prior to the end of 2014. It is the largest project for production of phosphoric acid in the region which had been erected by a partnership between your company and the Indian Farmers Fertilizers Cooperative, IFFCO, under the name JIFCO, the Jordan- India Fertilizer Company. This new project consumes annually about 1.8 million tonnes of low grade phosphate.

Moreover, we have more of the good news; we have opened our project in Indonesia, which has been established by Petro Jordan Abdi our partners in the Indonesian Petrokemia Grisk Company. This project consumes annually about 800 thousand tonnes of low grade phosphate. By these achievements, we have increased the consumption of raw phosphate prior to the end of the subject fiscal year and so the added value and employment opportunities have been increased.

The first half of the year 2014 coincided with formidable challenges that your company had to face. Such challenges consisted of the fall of the international prices of rock phosphate and phosphatic fertilizers. However, despite the price and demand fluctuations of the fertilizers markets mostly with a downward trend and despite government decisions raising energy and water prices, as well as raising mining Fees and land lease , the company was able within the year to achieve positive results. The total sales of rock phosphate reached 7.3 million tonnes of which 4.6 million tonnes were exported in comparison with 5.1 million tonnes and about 3.2 million tonnes respectively achieved in the previous year 2013.

It is worth noting that the rock phosphate exports for the year 2014 have been the highest such exported since 2011. The company was able in the fiscal year of our report to sell 646 thousand tonnes of fertilizers compared to 483 thousand tonnes in the previous year 2013. Against such background, we are studying the possibilities of entering into new strategic partnerships to establish integrated industries to boost a secure sustainable consumption market for the rock phosphate, increase added value, and create job opportunities.

These results have been achieved not without the directives of the Board of Directors but also by the untiring efforts of the company management and staff, affiliates and subsidiaries who labored to keep customers and expand markets. They all succeeded in re-entering some former markets which the company used to deal with in previous years. Such successes translated the Company's strategies for modernization and advancing its production and marketing plans.

On the financial front, work continued to enhance the financial position of the company and to finance the operations and processes from its own resources and through borrowing from the local banks as and when its needs arise keeping the financial indicators within permissible secure bounds.

The outcome of activities in 2014 surpassed the outcome of the comparable activities in the previous year 2013. Suffice it to report the net profit which amounted to about JD 20.9 million in 2014 in comparison with JD 2.6 million in the year 2013. The net sales revenue was JD 738.4 million in comparison of JD 574.4 million respectively. The company assets attained a value of JD1211.4 million in 2014 compared to JD 1112.5 million for the year 2013. The equity shareolders reached JD 784 million in comparison with JD 762.3 million for 2013.

Dear Shareholders:

We have to point out to share of the company employees of the company's gross profits. Labor agreements with the company since 2011 yielded JD 76.5 million for the employees as an incentive for them to end their employment with the company. The workers' share in the year 2014 alone amounted to JD26 million. Further, it is worth to report that the company has improved the health care coverage of its employees and those on pension.

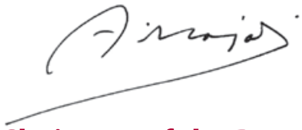
On the organizational front, the company has reassessed the need for restructuring the organization chart and the number of workers needed for its operations. It is on its way to implement a human resources regulation along with a regulation for the benefits of end of services to replace the incentive plans that have been in action since the late 1990s. The labor union participates in the restructuring process and in promoting its implementation

In conclusion, the members of Board of Directors and I extend to you our sincere thanks and appreciation for your continued support. I also extend to the members of Board of Directors and company management and workers our thanks and appreciation for their valuable efforts and continued dedication to the advancement of the company.

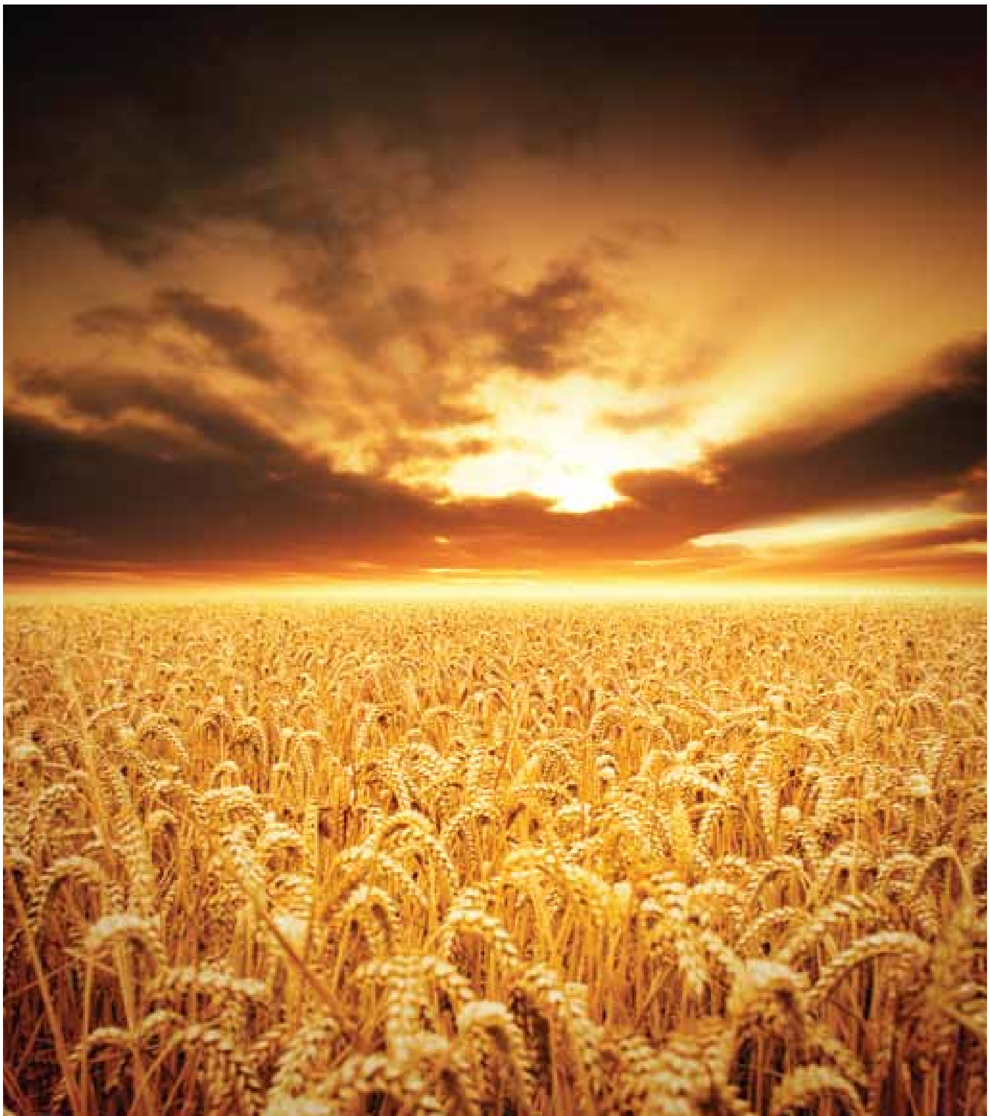
I pray that the company's achievements may continue and further accelerate to further improve the business returns May the Almighty guide us in our continued efforts to contribute to the wellbeing of the company and the economic and social development of the country under the leadership of His Majesty King Abdullah II Bin Al-Hussein, God protect and support him.

Peace and God's Mercy be upon you

Eng. Amer Al-Majali



Chairman of the Board



Board of Directors' Report

Dear Shareholders:

In accordance with the provisions of Article (171) of the Jordanian Companies' Law No. (22) for the year 1997 and its amendments, and in application of Disclosure Instructions, Accountant and Auditing Standards for the year 2004, and in compliance with the Article (62) of the Articles of Association of the Company, the Board of Directors of the Jordan Phosphate Mines Company PLC. hereby presents its Sixty-First annual report, summarising of the Company's operations and achievements during the fiscal year ending on December 31, 2014, as well as its future plan. The report also presents the results of the Company operations, and its financial position as presented by the financial statements, which includes the consolidated Statement of Financial Position, the consolidated Statement of Income and consolidated Statement of Comprehensive Income, the consolidated Statement of Changes In Equity and consolidated Cash Flow Statement.

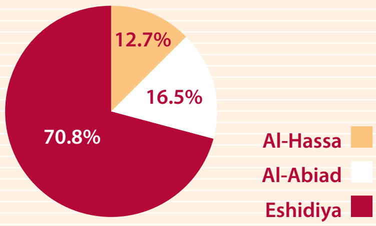
Following is the Company's main activities during the year 2014:

Production:

A- Phosphate:

The finished dry phosphate production for the year 2014 from the company mines of all grades (7,143,713) tonnes with 32.3% increase from the year 2013. The production quantities in mines have been effected by the labor strikes and weather conditions.

The dry phosphate quantities which were produced in 2014 distributed as follows:



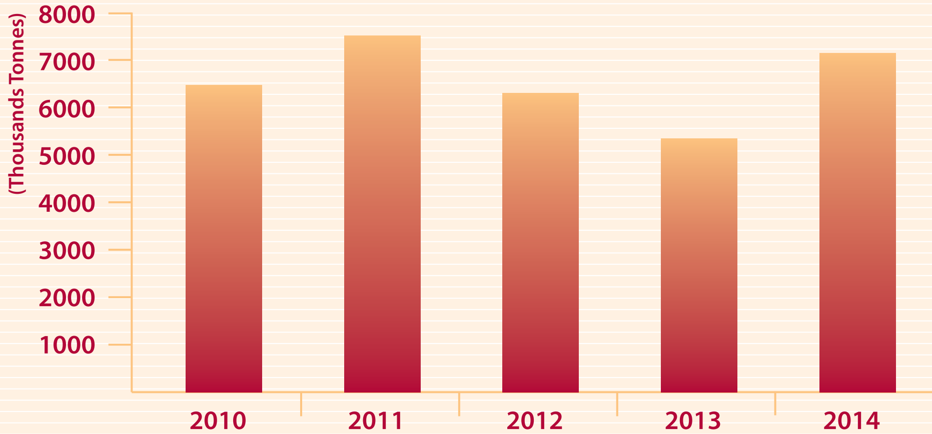
(Tonnes)

Mine	Amount
Al-Hassa	904,362
Al-Abiad	1,181,853
Eshidiya	5,057,498
Total	**7,143,713**

Dry phosphate production quantities from the company mines during 2010-2014:

(Thousands Tonnes)

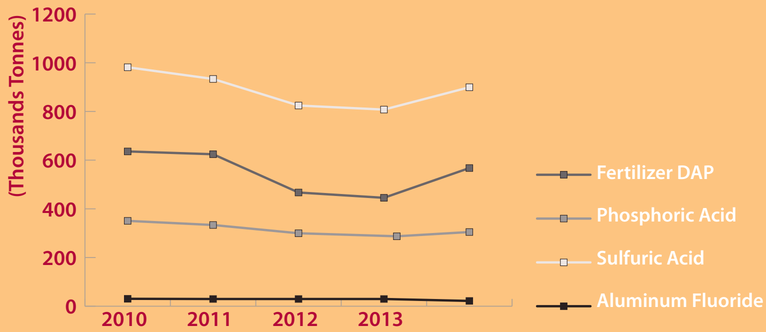
Mine	2014	2013	2012	2011	2010
Al-Hassa	904	724	771	882	634
Al-Abiad	1,182	1,057	1,159	1,864	1,666
Eshidiya	5,058	3,618	4,453	4,848	4,229
Total	**7,144**	**5,399**	**6,383**	**7,594**	**6,529**



B- Chemical Fertilizer Products :

production of the chemical fertilizers at industrial complex in aqaba in 2014 as follows:

Product	Quantity (Tonnes)
Fertilizer DAP	590,000
Phosphoric Acid	292,000
Sulfuric Acid	932,112
Aluminum Fluoride	8,706



Production quantities of the chemical fertilizers at industrial complex in Aqaba during 2010 - 2014:

(Thousands Tonnes)

Product	2014	2013	2012	2011	2010
Fertilizer DAP	590	494	551	706	732
Phosphoric Acid	292	251	272	309	344
Sulfuric Acid	932	822	843	929	1049
Aluminum Fluoride	9	8	9	11	9

Exploration:

In 2014 the exploration strategy was focused on general investigation and exploration and quality control in all company mines and intensifying the excavation operations in the discovered ore bodies where there are promising areas in the three mines (Al- Hassa, Al-Abiad and Eshidiya mines). The excavation operations will be intensified in the coming 2015.

Total ore reserves (proven, probable and possible) until the end of 2014 in all mines distributed are as follow:

(Thousands Tonnes)

Mine	Proven	Probable	Possible	Mined Reserve	Total
Al-Abiad	14,460	-	-	-	14,460
Al-Hassa	28,740	-	-	-	28,740
Eshidiya	680,451	120,000	350,000	50,000	1,200,451
Total	723,651	120,000	350,000	50,000	1,243,651

Transport:

Quantities of Rock Phosphate transported from the Company's mines by trucks and railroad in 2014 reached to (7,115,469) tonnes distributed as follows:

(Tonnes)

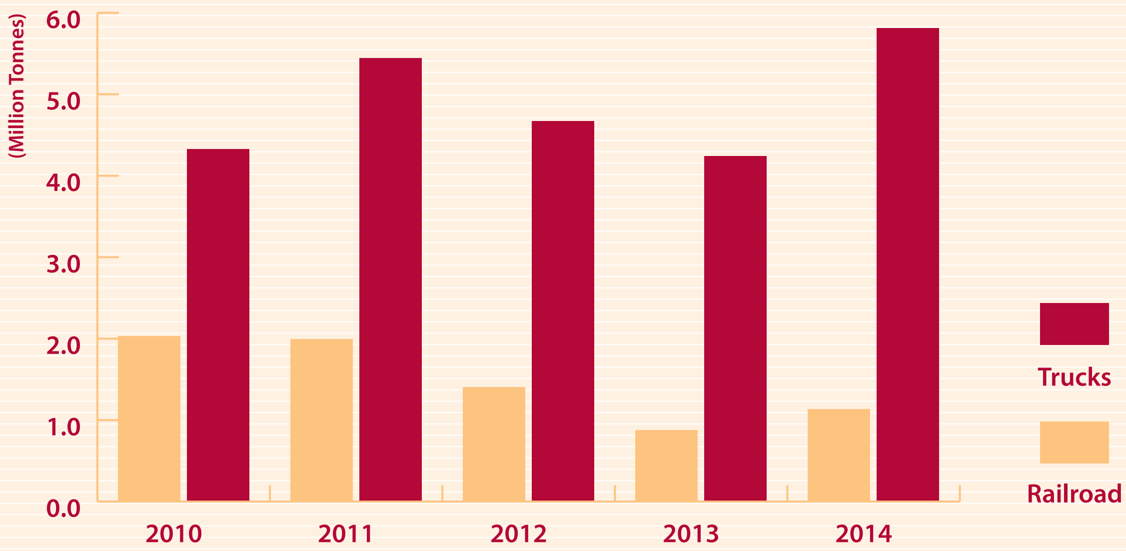
Mine	Export	JFIC	IJCC	JIFCO	JAFCCO	Total	Participation (%)
Eshidiya	2,634,052	825,549	876,103	640,987	-	4,976,691	70
Al-Hassa	923,469	35,600	-	-	-	959,069	13,5
Al-Abiad	872,221	281,070	-	-	26,418	1,179,709	16,5
Total	4,429,742	1,142,219	876,103	640,987	26,418	7,115,469	100

A total of (1,287,713) tonnes were transported by railroad and a total of (5,827,756) tonnes were transported by trucks.

Phosphate Quantities Transported from Mines during 2010-2014:

(Thousands Tonnes)

Method	2014	2013	2012	2011	2010
Railroad	1,287	961	1,524	2,045	2,103
Trucks	5,828	4,328	4,742	5,484	4,337
Total	**7,115**	**5,289**	**6,266**	**7,529**	**6,440**



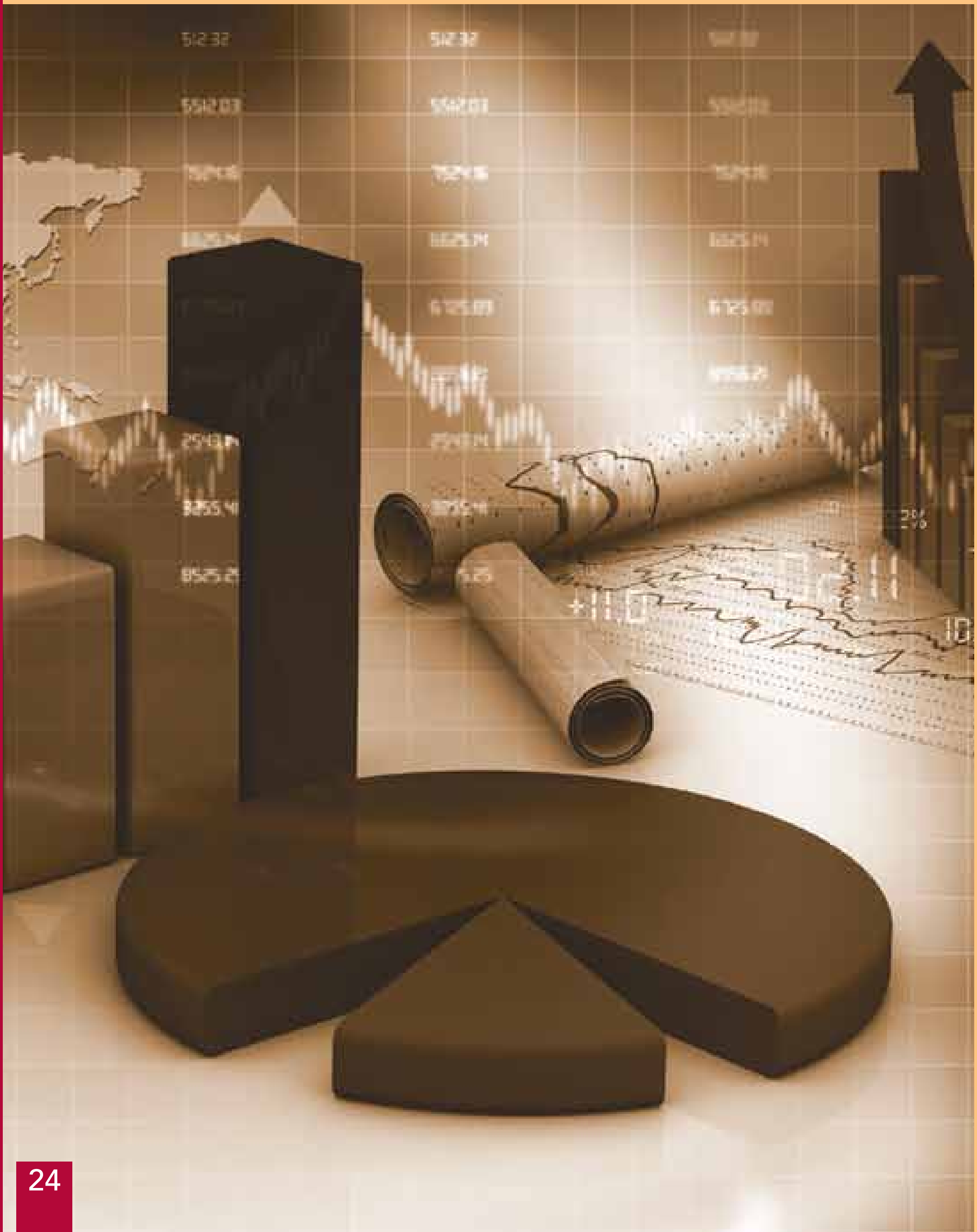
Marketing and Sales:

The second half of the year 2014 witnessed higher sale prices of Rock phosphate and fertilizers (DAP) compared to the first half of the year 2014 and the last quarter of the year 2013. However, the prices averages remained lower than those of the previous years. The Indian market is considered the main importer of the company products of Rock Phosphate and fertilizers (DAP), the sales of the company from Rock Phosphate and (DAP) to Indian market during the year 2014 were (69% and 38%) respectively.

The company followed the changes in the international market where the focus was greatly on maintaining the traditional markets and the company succeeded in 2014 to return back to markets which it used to deal in the previous years such as New Zealand and Korea.

The company was able in 2014 to export of 4.6 million tonnes of phosphate and consumed 2.7 million tonnes locally .

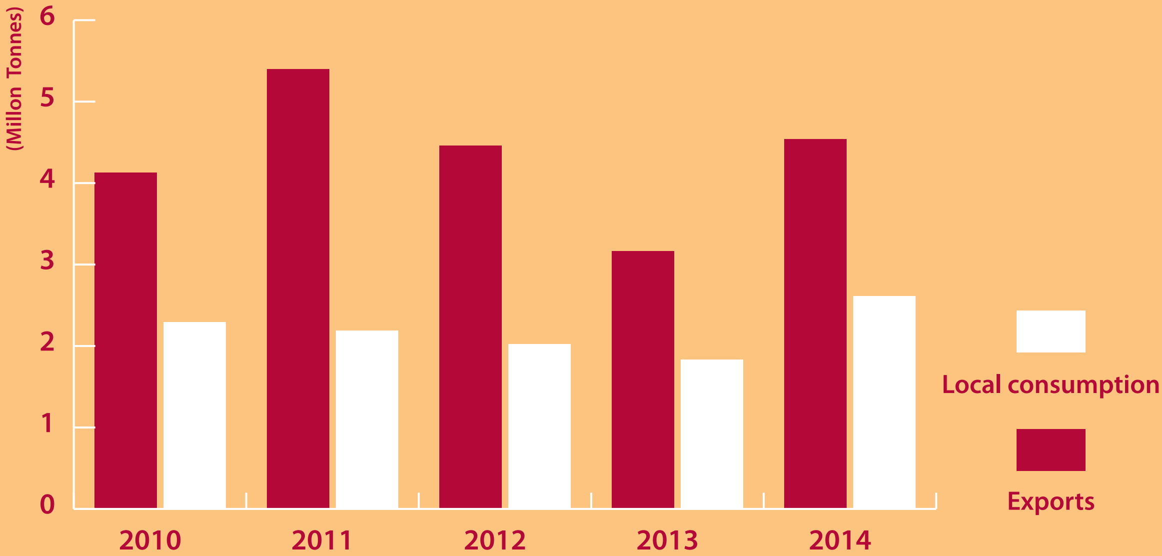
Also It was able to sell (646) thousand tonnes of fertilizers (DAP) in spite that the international prices are still low. Moreover, the company continued securing the needs of the local and affiliated companies from rock phosphate and other raw materials.



A: Phosphate sales during 2010 - 2014:

(Thousands Tonnes)

Year	2014	2013	2012	2011	2010
Exports	4,616	3,245	4,336	5,403	4,297
Local consumption	2,685	1,852	1,852	2,038	2,209
Total	7,301	5,097	6,188	7,441	6,506

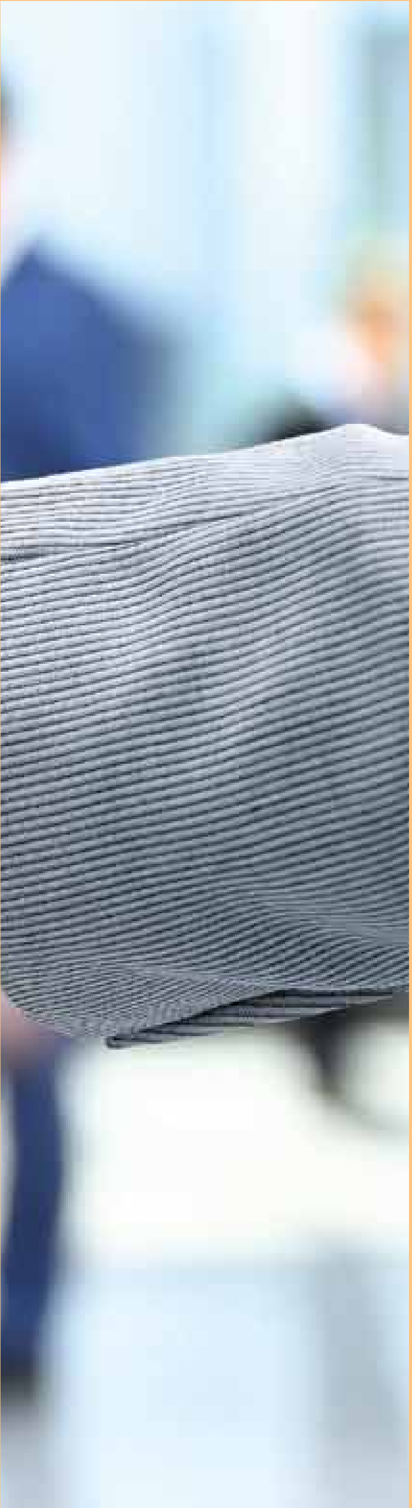


B: Sales of the Chemical Fertilizers at Industrial Fertilizers Complex, during 2010 - 2014:

(Thousands Tonnes)

Product	2014	2013	2012	2011	2010
DAP fertilizer	646	483	532	663	760
Phosphoric acid	22	24	18	41	19
Sulfuric acid	55	48	20	13	19
Aluminum fluoride	6	8	13	14	5

Joint Ventures



A- Jordan-India Fertilizer Company (JIFCO):

The Jordan Indian Fertilizers Company (JIFCO) was established in Jordan in 2008 to produce phosphoric acid in the Eshidiya area in partnership with the Indian Farmers Fertilizers Cooperative (IFFCO). The Jordan Phosphate Mines Company contributes to 48% of the JIFCO's capital. And the cost for the project is estimated at USD 860 million, 54% of the construction cost has been funded by the shareholders, and the other 46% was funded through loans from the International Finance Corporation (IFC) and the European Investment Bank (EIB). JIFCO is expected to utilize about 1.8 million tonnes of Rock phosphate annually. The commercial production has been declared in December 2014.

B – Jordan Abyad Fertilizer and Chemicals Company (JAFCCO):

The Jordan Abyad Fertilizer and Chemicals Company (JAFCCO) was established in 2007 to produce fertilizers and chemicals at Al-Wadi Al-Abiad mine, in partnership with JAFCO Bahrain Co., Arab Mining Company, Venture Capital Bank. JPMC's contributes 25% of the Company's capital. In 2014, Jordan Phosphate Mines Co. increased its share by acquiring part of the partners' shares, increasing its contribution to be 27,3% of JAFCCO's capital.

C- Manajim for Mining Development Company (MMDCo):

Manajim for Mining Development Company was established in 2007 with Jordanian Trade Development company, with a capital of JD (1) million. Jordan Phosphate Mines Co. contributes 46% of the share capital; Manajim Mining Development is responsible for Mining activities at Eshidiya mine.

D- Jordan Industrial ports Company(JIPCO):

Jordan Industrial Ports Company was established in 2009 for the purpose of managing and operating of Aqaba industrial port with the equal capital share contribution totaling of JD (1) million (Initial) between of both companies Jordan Phosphate Mines and Arab Potash. Starting to achieve the project after signed the agreement with ADC the expected date to completed the project in first quarter in 2017. JIPCO signed the contract on 1 February 2015, with the consortium (Tecnicas Reunidas, S.A.-PHB Weserhutt. S.A.). and the cost for the project is estimated at USD200 million.

E- PT Petro Jordan Abadi Company(PJA):

The PT Petro Jordan Abadi Company was established in Indonesia in partnership with the Indonesian Petrokimia Gresik Company to produce phosphoric acid using about 800 thousend tonnes of Rock phosphate from the Jordan Phosphate Mines Company. JPMC contributes to 50% of the company's capital. The capital of the Company is USD (62) million. The commercial production has been declared in October 2014.

F- Arkan for Contracting and Construction Company:

Arkan for Contracting and Construction Company was established in 2011, in partnership with Al-Own Modern Contracting with a capital of JD (25) million. Jordan Phosphate Mines Co. contributes 46% of the share capital. Arkan company is responsible for Mining activities at Wadi Al-Abiad Mine.

Subsidiary companies:

A- Indo-Jordan Chemicals Company (IJC):

The Indo-Jordan Chemicals Company (IJC) was established in 1992 with a capital of USD 63.4 million. IJC annual production capacity is (224) thousand tonnes of phosphoric acid. It's fully owned by Jordan Phosphate Mines Co.

Phosphoric Acid Production during 2014 was (205) thousand Tonnes compared with (193,4)thousand tonnes in 2013.

Phosphoric Acid Sales during 2014 was (212,4) thousand Tonnes compared with (195,2) thousand tonnes in 2013.

Workforce

The total number of employees in The Indo-Jordan Chemicals Company (IJC) was (385) in the end of 2014 distributed by qualification as following:

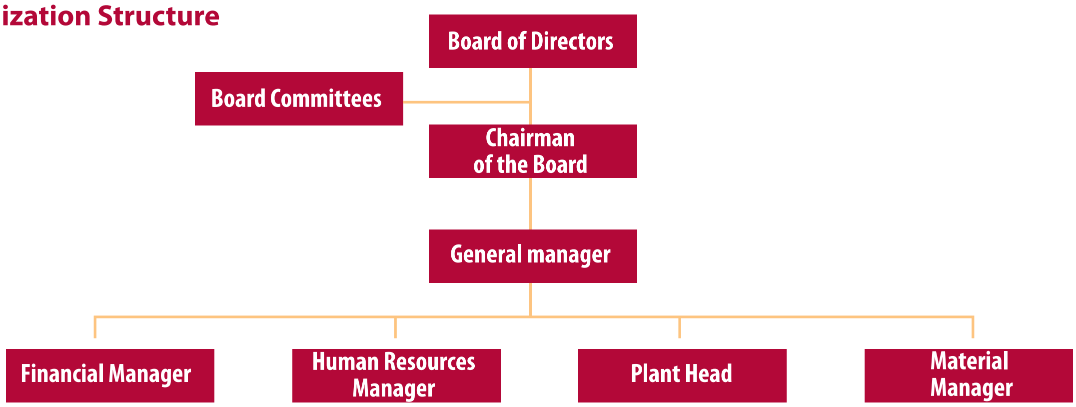
Employee Details	University Graduate	Diploma	High Shcool & Below	Total
Engineer	40	-	-	40
Technical	17	38	11	66
Administration	20	10	19	49
Accounts	18	-	-	18
Laborers	30	76	95	201
Driveres	-	1	10	11
Total	125	125	135	385

Address:

Address: Amman – AL-Rabia Ghazi Al Dabbas Center

B.O. Box: 17028 Amman 11195 Jordan

IJC Organization Structure



B- Ro'ya Transportation Company L.L.

The Ro'ya Transportation Company was established in 2010 with a capital of JD 100 thousand it's fully owned by Jordan Phosphate Mines Co.

Workforce :

The total number of employees in The Ro'ya Transportation Company was (31) in the end of 2014 distributed by qualification as following:

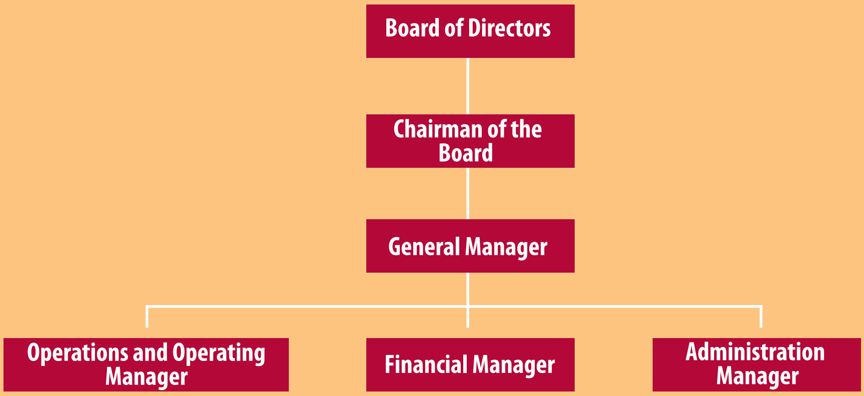
Employee Details	University Graduate	Diplome	High Shcool & Below	Total
Administration	9	1	5	15
Laborers	-	1	2	3
Drivers	-	-	13	13
Total	9	2	20	31

Address:

Amman – Professional Association Building

Tel: 5686293 – Fax: 5686294

Ro'ya Organization Structure



C - Nippon-Jordan Fertilizer Company (NJFC)

The Nippon - Jordan Fertilizer Company (NJFC) was established in 1992 with a capital of USD 24 million and produces compound fertilizers and ammonium phosphate fertilizer with an annual production capacity of (300) thousand tonnes. Jordan Phosphate Mines Co. contribution is 70% of NJFC's capital.

Production Chemical Fertilizers (NPK&DAP) during 2014 was (290) thousand Tonnes compared with (184) thousand tonnes in 2013.

Chemical Fertilizers (NPK&DAP) Sales during 2014 was (275,3) thousand Tonnes compared with (193) thousand tonnes in 2013.

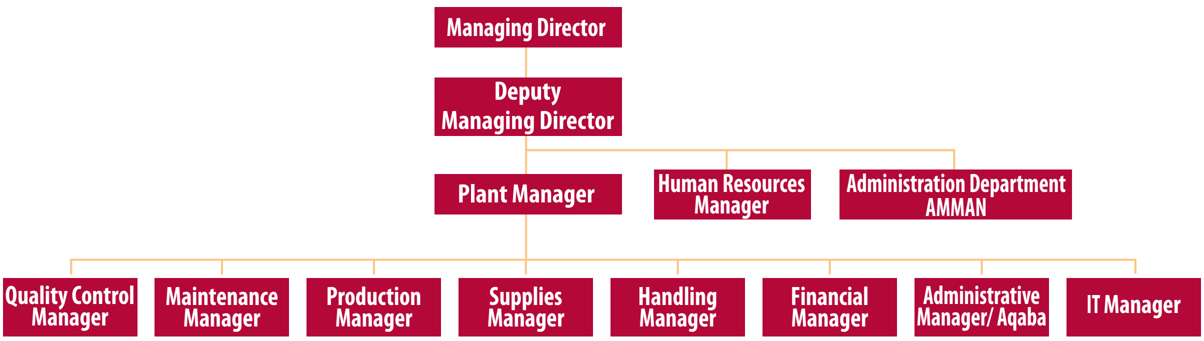
Workforce

The total number of employees in Nippon-Jordan Fertilizer Company (NJFC) was (121) in the end of 2014 distributed by qualification as following:

Employee Details	University Graduate	Diploma	High Shcool & Below	Total
Engineer	6	-	-	6
Technicial	23	20	-	43
Administration	27	-	-	27
Accounts	4	-	-	4
Laborers	-	-	36	36
Drivers	-	-	5	5
Total	60	20	41	121

Address:
(59) Issam Ajlouni Street, Shmesani - Amman
B.O. Box: 926861 Amman 11190 Jordan

NJFC Organization Structure



Researches, Quality & Environment:

Researches, Quality and Environment: the company exerts great interest and attention to research, development and product control in addition to rendering technical services whether to the company various locations or to its customers importing its products of raw phosphate or chemical fertilizers through its qualified human staff which conducts specialized scientific researches in developing products and performing chemical analysis and tests required for the phosphate types through the various production stages.

The company management is also keen to activate the technical researches role to develop its operations, products and continuation of maintaining its reputation, goodwill and existence in the international markets where it conducts studies, research and development in addition to provide services to the companies, scientific organizations and universities for serving the local community as well as supervising the university students and new graduated engineers in the company labs because the company enjoys broad and diverse experiences, technical equipments, lab equipments and various test plants. This is in addition to the fact that the work is going on in the research projects financed by the higher council for science and technology by cooperation with several of the Jordanian universities professors. Moreover, the company has been conducting researches in silica separation by using ionic voltage, follow up erecting high quality training center and studying erecting phosphate museum in Al-Russeifa by cooperation with the Germany University.

The Environment Management System Certificate (OHS) has been renewed and applied in the industrial complex in compliance with the international Standard ISO 14001. The company has been training the environment and public safety staff at the various company locations to supply the safety and environment systems in these locations as well on the vocational safety system (OHSAS 18001: 2007).

The work is going on for requalification of the units No. (53) and (54) in Sulfuric Acid factory which include replacing of the initial and final absorption towers, final drying tower and some of the thermal exchanges for the purpose of control of gas emissions to the lowest possible level.

In the environment and public safety field, the company is keen that its business and activities are within safe environment through application the systems of environment, safety and vocational health in compliance with the international standards for maintaining the various environment elements within the company locations and surrounding areas as well as maintaining the natural sources of surface and underground water and the best usages of such sources.

Workforce

The number of employees of the company in the end of 2014 is (3978) employees distributed according to their qualifications and work location as follows:

Location	Engineer	University Graduate Technical	University Graduate Administrative	Middle Technical	Middle Administrative	Technical Less Than High School	Administrative Less Than High School	Total
Headquarter								
Males	28	10	114	15	39	10	39	358
Females	20	7	47	2	23	-	4	
Research Department Centre								
Males	6	5	7	12	7	3	3	53
Females	5	2	-	2	1	-	-	
Eshidiya Mine								
Males	66	21	76	266	112	335	417	1293
Females	-	-	-	-	-	-	-	
Russeifa Mine								
Males	12	1	6	9	4	6	4	42
Females	-	-	-	-	-	-	-	
Al-Hassa Mine								
Males	48	13	26	127	91	137	203	658
Females	2	2	-	1	3	-	5	
Al-Abiad Mine								
Males	31	9	18	82	71	64	132	407
Females	-	-	-	-	-	-	-	
Export Department / Aqaba								
Males	3	1	1	7	10	8	12	44
Females	-	-	1	-	1	-	-	
Industrial Fertizier Complex / Aqaba								
Males	84	15	42	286	89	237	251	1049
Females	8	7	9	4	13	-	4	
New Phosphate Terminal								
Males	9	-	7	16	9	10	23	74
Females	-	-	-	-	-	-	-	
Total	322	93	354	829	473	810	1097	3978
Percentage	8%	2%	9%	21%	12%	20%	28%	100%

The table below shows the number of employees in the company in the last ten years:

Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number	3978	4056	4234	3767	3775	3811	3816	3870	4019	4200

Housing Loans:

The total of housing loans granted to employees since the establishing of the fund until the end of 2014 is JD (24,510,049) , where (1509) employees of various company locations benefits from such loans. The loan ceiling is JD (30,000) which is 150 multiple of the basic salary. In the end of 2014 the company approved granting (93) employees housing loan according to the effective regulation. The costs of such loans to be granted to them is JD (2,760,000) .

Training and development:

Within the company efforts aiming at developing the human resources abilities and skills, it has during 2014 participated in (165) training courses where (2003) employees from the various locations of the company participated in.

Nature of Programs / Location	Administrative, Accounting & Auditing courses	Technical courses specialized in company work	Security, General Safety & environment courses	IT courses	TOTAL
Programs held at company's training centers	1075	405	335	12	1827
Programs held inside Jordan	37	98	20	7	162
Programs held outside Jordan	4	3	7	-	14
Total	1116	506	362	19	2003

(50) students have been trained within the training agreement signed with the Vocational Training Corporations and (60) engineering and geologists in the various company locations within the agreement signed by the company and Jordan engineers and geologist associations as well as training (8) students from IEASTA international organizations and (87) colleges students with their academic specialization for graduation purposes.

In 2014, the company each employee has been granted a scholarship to one of his children so that the total of such scholarship to be one hundred per year in addition to (10) scholarship to the children of retirees from the company, according to the applicable regulation the company since 2006. The total cost of the scholarships in 2014 about JD (618) thousand .

Medical and health services:

The company provide special and comprehensive health care to more than (24 thousand) beneficiaries among employees and their families through medical services department clinics spread over all company locations in addition to approving broad and special medical net in all various governorates of the Kingdom.

The company is keen to go on in provision of the best medical services to the employees and their families in addition to the fact that the company has approved the rates of all medical institutions according to the fees schedule approved by the Ministry of Health, medical and dentists unions and labs associatations in the year 2011.

The medical treatment costs of the employees and in their families during the years 2010-2014:

(Thousand JD)

Description	2014	2013	2012	2011	2010
A - Cost of Medical treatment for employees	3358	3493	3412	3293	2402
B - Cost of Medical treatment for employees Families	3277	3425	3516	3216	2705
Total (A + B)	6635	6918	6928	6509	5107

Health insurance post retirement:

The company provides health insurance to the company employees retires because of age or early retirement according to the system used for this purpose. The company share in the costs of implementation of this system is 50% annually in addition to the fact that the company pays the cash deficit in the fund. Since 2013 the company has provided health insurance to the retired children. It is expected that the number of the beneficiaries in 2015 will be increased by 1055 beneficiary (retired and their wives and children). The costs of the health insurance for post retirements during the years 2010-2014 are as follows:

(JD)

Description	2014	2013	2012	2011	2010
The cost of health insurance after retirement (Retirees, their spouses and their children)	3,110,500	3,132,315	1,757,654	1,734,216	1,832,427
Amounts paid from the company's contribution to the health insurance fund for after retirement	1,525,000	1,562,058	1,095,093	1,986,111	376,073
Number of beneficiaries	4873	4440	4000	3233	4111

Future plans

For the purpose of implementation the company strategy for the future by transforming raw phosphate to the intermediate and finished products for the increasing the added value, achieve highest possible profits, creating new employment opportunities and sharing in development and flourish of the national economy, the company has increased the manufacturing and mining capacity, established strategic partnerships with the major consumers of fertilizers products and providing the basic infrastructure to cover the requirements of such objectives. The company has allocated the largest part of its profits revenues in the previous years for covering its future expansion.

The execution of new phosphate export terminal project as provided in the development and operations agreements signed by Aqaba Development Corporation/Aqaba Special Economic Zone Authority signed on 28 March 2010 on BOT basis for 30 years embodies the significant role which the Company plays in provision of infrastructure for serving the economic interest and is a model for the private sector partnership in developing the national economy for securing and guaranteeing the exports of the raw phosphate as a result of closure of the existing phosphate terminal and in line with Aqaba Development Corporation tasks in developing infrastructure of the ports.

The estimated cost of the port is USD 220 million. The port is designed to receive various vessels with loads from (5 thousand – 100 thousand) tonnes and handling volume of (6) millions tonnes per year. The port also includes unloading and storage stations with a storage capacity of (240 thousand) tonnes and handling equipment for phosphate and loading vessels by pipe conveyor transporting phosphate linking the loading area in port with the storage facilities with a capacity of (36 thousand) tons per days. The designs of such equipment and devices of this facility took into considerations the latest technology for reducing dust emissions as a basic part of the Phosphate Mines Company obligations for complying with environment, health and safety conditions according to the most modern international standards and legalizations effective and applicable in Aqaba Special Economic Zone.

In this area also, each of Jordan Phosphate Mines Company and Arab Potash Company has established the Jordanian Industrial Ports Company (equally). In July 2013, an agreement with Aqaba Development Corporation was signed for developing, operation and management of the industrial port which includes design, finance, build, operations and managements on (BOT) basis for 30 years in compliance with the master plan approved for the ports in Aqaba and according to the best international practices and standards and the most modern technology. The rehabilitation and expansion of the industrial port project tender has been awarded to joint venture of specialized Spanish companies. It is expected to complete this projects and starting operation within the first quarter of 2017 where the Jordan Industrial Ports Company would be able to export DAP fertilizer, potassium (MOP), compound fertilizers (NPKs) and phosphoric acid (H3PO4) and import its needs of raw materials required for fertilizers and various derivatives such as ammonia and sulfur as well as satisfying the needs of the affiliate and subsidiary companies.

With respect to the company's strategic plans to increase the production capacity , the work is still going on in the rehabilitation and production capacity increase of the sulfuric acid plant in the industrial complex which included replacing of the most equipment in sulfuric acid plant and increasing its production capacity as well as replacing the fresh water cooling tower since such equipment has passed its lifetime period. The contractor is currently making some remedy works to overcome the technical problems in both units. To be followed by performance guarantee testing.

However, with respect to the rehabilitation and production capacity increase of the units 75 and 76 of the Fertilizers plant (DAP) in the industrial complex which was faced by several obstacles and technical problems, it is currently technically and legally treated according to the agreement signed with the contractors (SNC-LAVALIN) as an application of (Make Good) principle for achieving the results as proviced in the agreement as soon as possible.

In line with the government decision for starting establishing the first phase of the national railway network (Mini Project) which include erecting Al-Shaydiya railroad link connection, loading station unload station at Wadi Alyoutome in Al-Tayem valley and rehabilitation of the railway and transport fleet for guaranteeing the continuation of the function of Aqaba railway corporation and maintaining its workers for transport of phosphate by train post to moving to the new location, Phosphate Mines Co. is committed for executing the railway connection project, trains loading station in Al-Shaydiay mine and its unloading and warehouses in Wadi Al-Tayem valley to its responsibilities of erecting trains loading station in Al-Shaydiay mine where bening implemented by Dar Al-Handasa .

Also, the company is currently studying the expansion of the phosphate warehouses in the new phosphate port by erecting (4) additional cylinder warehouses and spare parts warehouse in the new phosphate port so that the phosphate storage capacity in Aqaba port would reach 300 thousand tonnes.

For satisfying the needs of the company and its affiliates industrial projects under progress or which would be constructed in the future (IJC, JIFCO and others), the company has executed drilling and development of (6) deep wells in Al-Shaydiya area including its required infrastructure (installation of pipes networks with total length of about 8.5 km connecting the pumping stations from the six wells to its water tank with storage capacity of (25,000 M^3) in addition to cooling towers of 10 million cubic meters annual capacity for industrial usage purposes (from 64 C° to 37C°) as well as the required pumping stations, control systems, electricity supplies and required roads networks. It is expected to complete the project works and starting operations within the first half of the year 2015.

Data Related to Disclosure Instructions

Issued by the Board of Commissioners of the Securities Commission

Data Related to Disclosure Instructions Issued by the Board of Commissioners of the Securities Commission

Following are some instructions related to disclosure instructions:

A - General Information

- The Jordan Phosphate Mines Company was granted concession rights to mine phosphate at various production locations throughout the Kingdom, including Al-Hassa, Al-Abiad, Russeifa, and Eshidiya, and through official decisions issued by the Natural Resources Authority under Law No. (12) for the year 1968 The Organization of Natural Resources Affairs Law (Mining Rights number 1&2 in Al-Hassa and Eshidiya), and a mining lease agreement for Russeifa, signed with the government of the Hashemite Kingdom of Jordan/Ministry of National Economy prior to that. The Cabinet decided on 13/11/2001 to renew the contract concerning mining rights in Al-Hassa and Al-Abiad for 20 years.
- The Cabinet decided on 20/11/2001 to improved to amend the law of Mining fees to be JD (1,420) per tomes sold or utilized as of 1/1/ 2001.
- The Cabinet decided on 17/4/2013 to amend the regulation of Rock Phosphate Mining fees for the year 2013, to become effective as of March 7/3/ 2013, to be 5% of the total sales of the Jordan Phosphate Mines Company or JD (1,420) per tonnes, whichever is greater, shall be forwarded to the treasury. This applies to the quantities exports, sold or utilized by the company. Proceeds shall be paid monthly during the month following earning.
- The Fertilizer Industrial Complex in Aqaba obtained the (ISO 14001) Environmental Management System, (OHSAS 18001) Occupational Health & Safety Management System and the (ISO 9001) Quality Management System approved by Lloyd's Register Quality Assurance. Moreover The Export Department in Aqaba obtained the ISO 9001by (SGS).
- The Jordan Phosphate Mines Company is an enterprise, duly registered and licensed/ industrial activities at the Aqaba Special Economic Zone Authority in 2001. In light of this, the Fertilizer Industrial Complex enjoys privileges and exemptions contained in the law of the Aqaba Special Economic Zone.
- The Jordan Phosphate Mines Company was re-registered at the Income and Sales Tax Department under the number 49918 as of January 1st 2001.

B- External Audit Remuneration :

The remuneration to external auditors of the Group Messrs Ernst &Young for 2014

(JD)

Company / Description	Annual fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company (JPMC)	80,000	12,800	92,800
Indo - Jordan Chemicals Company (IJC)	10.000	-	10,000
Nippon - Jordan Fertilizer Company (NJFC)	5000	800	5,800
Ro'ya Transportaion Company	2,500	400	2,900

C - Company Sales to Major Customers during 2014:

Country	Phosphate Sales		Fertilizer sales		Percentage of trading in Raw materials (%)
	Percentage of total sales (%)	Percentage of total Exports (%)	Percentage of total sales (%)	Percentage of total Exports (%)	
India	58,6	69,1	35,7	37,9	-
Indonesia	13,0	15,4	-	-	-
Turkey	-	-	20,3	21,5	-
Ethiopia	-	-	18,7	19,8	-
Germany	-	-	4,2	4,4	
Iraq	-	-	3,6	3,8	-
Bulgaria	3,0	3,6	2,3	2,4	-
Taiwan	2,1	2,5	-	-	-
Dubai	-	-	2,2	2,4	-
Japan	1,9	2,2	-	-	-
Subsidiaries, Affiliates & Local Market	15,3	-	5,6	-	100

D- List of Company Activities According to Geographic Location and Volume of Capital Investment as for 2014:

(thousands JD)

Location	Type of Activity	Capital Investment
Russeifa Mine	Re-processing of stockpiles	4,520
Al-Hassa Mine	Production of normal and washed phosphate	63,652
Abiad Mine	Production of normal and washed phosphate	24,100
Eshidiya Mine	Production of normal, washed and floatation beneficiation Phosphate	241,071
Industrial Complex / Aqaba	Production of Fertilizers, Phosphoric acid & Aluminum Fluoride	206,382
Other Locations		11,975
Total		551,700

E - List of Main Contractors and local Suppliers for 2014 which increase than 5%:

(thousands JD)

Description	Amount	Percentage of total purchases (%)
Phosphate Excavation Contractors	176,813	45,43
Phosphate Transport Contractors	59,548	15,30
Jordan Refinery Company	20,724	5,32
Electricity Companies	22,561	5,80

F - Contributions of Board Members and senior management personnel in the Company's capital during the years 2014 - 2013:

Name of Contributor	Nationality	Shares of Stock	
		2014	2013
- Board of Directors:			
Eng. Talal Al-Saadi	Jordanian	250	250
Mr. Khaled Quran	Jordanian	450	450
- Senior Management			
Dr. Shafik Ashkar / CEO	Jordanian	1680	1680

Otherwise, Chairman of the Board of Directors or Board members or any of the senior management don't have any shares in the company's capital.

G - The Company's Contract, Projects and Links with the Chairman of the Board of Directors or Board members or General Manager, or any employee in the Company or their relatives: Jordan Phosphate Mines Co. has no contracts, projects or connections with the Chairman of the Board, Board members, CEO or any employee in the Company or their relatives.

H - The Company's Role in Development and Serving the Local Community:

The Jordan Phosphate Mines Company keeps on its role in supporting the local community and sharing in society developing in the areas of production through supporting the organizations and projects aiming at developing such communities and creating real development in economic and social environment. The company further shares actively in creating work opportunities in the company which actually are more than its needs. This is in addition to the fact that the company contrieution in the joint companies and participates in erecting project for creating new jobs to cut off unemployment for the area residents.

The company aloso contributes financially to several activities and events in the Kingdom including economic, social, cultural, sport, health case, research and environment fields.

I - Donations:

The total cash and in kind donations which the company has provide in 2014 is JD (2,591) million for sharing in local community development and supporting the various activities. The following schedule demonstrates the details of such donations and the beneficiaries.

JD	Description
900,000	The Community Rehabilitation Program For The Southern Governorates/Vocational Training Corporation
617,834	Scholarships
323,408	Charity Packages Campaign
164,535	Support Religious , Cultural , Tourism, Social Activities, Environmental and Medical And Health Activities
100,000	Hashemite Fund For Human Development
90,200	Welfares Organization
90,116	Support Of Public institutes Unions
49,019	Support the Municipal
33,500	Supporting Sports Activities
33,380	Supporting Schools, Scientific Institutes , Jordan Universities, Educational center
188,815	Pockets of Poverty
2,590,807	Total

Donations paid by the company during 2010-2014

2014	2013	2012	2011	2010
2,590,807	4,315,485	2,284,786	3,993,703 *	1,039,543

* The allocation of $ 7 million in 2011 Spent the remaining balance in subsequent years.

J- Board of Directors:

Eng. Amer Al-Majali\ Chairman of the Board:

B.Sc. in Civil Engineering, UK.

Worked in the Manufacturing, Investments, and Contracting sectors.

Formerly: Chairman of the Board of Commissioners of Development and Duty Free Zones, Chairman of the Board of Directors of Jordan Ibda'a Company, Chairman of the Board of Directors of the Industrial Cities Company, Vice Chairman of the Board of Directors for the Duty Free Zones, General Manager for Industrial Estates Corporation also worked in planning and senior management and studies with Fluor Corporation in the United States of America.

Date of Appointment: 27/2/2013.

Date of Birth: 29/10/1950.

Representatives of Kamil Holdings Limited:

H.E. Muzahim Muhaisin

B.Sc. in Civil Engineering

Free lance Engineering Consultation

Formerly: Minister of Agriculture (2007–2009) Labor Minister (2001-2003) Director General Vice Chairman for Vocational Training Corporation, Secretary General Ministry of Communication and Post

Date of Appointment: 19/3/2015.

Date of Birth: 26/10/1948.

Mr. Junaidi Masri:

B.Sc in Computer & Management Sciences.

Acting General Manager Brunei Investment Agency (BIA).

Date of Appointment: 30/3/2006.

Date of Birth: 14/7/1963.

Eng. Talal Al-Saadi:

M.Sc. in Industrial Mineralogy, M.Sc. in Engineering Mineral Process Design.

General Manager/ Arab Mining Company.

Date of Appointment: 30/3/2006.

Date of Birth: 1/1/1943.

Representatives of Jordan Ministry of Finance:

H.E. Abdel Karim Malahmeh\ Deputy Chairman of the Board:

B.Sc. in Sociology, Bachelor in Law, Higher Diploma in Management.

Deputy Chairman Irbid Electricity Company PLC, Chairman of the Board of the Indo-Jordanian Chemicals Company (IJC).

Formerly: Minister for Parliamentary Affairs, Governor at the Ministry of Interior for several provinces, Chairman of the Board of the Electricity Distribution Company, Chairman of the Board Irbid Electricity Company.

Date of Appointment: 20/6/2012.

Date of Birth: 4/2/1952.

H.E. Dr. Eng. Munther Haddadin:
Ph.D. in Civil Engineering (Construction), MA in Civil Engineering, BA in Civil Engineering.
Chairman of the Board of the National Resources Investment & Development Corporation.
Formerly: Minister of Water and Irrigation (1997–1998), President of the Jordan Valley Authority (1982–1987).
Date of Appointment: 8/3/2012.
Date of Birth: 16/3/1940.

Representative Of Social Security Corporation:
Mr. Saeed Shanan:
MBA in Finance, B.Sc. in Accounting.
Head of Operations and Administrative Affairs Department in Social Security Corporation.
Date of Appointment: 15/12/2011.
Date of Birth: 21/10/1966.

Representative of the State of Kuwait:
Mr. Hamad Al-Omer:
B.Sc. in Business Administrator.
Deputy Director Manager: Kuwait Fund for Arab Economic Development.
Date of Appointment: 19/4/2008.
Date of Birth:13/1/1956.

Representatives of the Private Sector:
Jordan Kuwait Bank/ Mr. Haethum Buttikhi:
B.Sc. in International Policies & Relations.
Head of retail and Private Banking in Jordan Kuwait Bank.
Date of Appointment: 28/4/2012.
Date of Birth: 30/11/1977.

Mr. Khaled Quran:
MBA in Business Administration Accounting Major, B.Sc. in Accounting.
Chief Financial Officer for the MENA Region/Hikma Pharmaceuticals company.
Date of Appointment: 28/4/2012.
Date of Birth: 21/10/1966.

K-Board Meetings Allowances, Committees Attendance Allowance, Representations & Transportation Allowances and Annual Remuneration for the year 2014 in (JD):

Board of Director Member	Position	Salaries	Board Meetings Allowances	Committees Attendance Allowance	Representations & Transportations Allowances	Travel Perdiem	Annual Remuneration	Others
Representatives of Kamil Holdings Limited:								
Eng. Amer Al-Majali	Chairman	160,215	18,000	6,600	18,000	11,396	3,426	-
Mr. Junaidi Masri	Member	-	5,000	-	21,000	6,075	5,000	-
Eng. Talal Al-Saadi	Member	-	14,500	5,700	24,000	-	5,000	-
Representatives of Ministry of Finance/Jordan :								
H.E. Abdel Karim Malahmeh	Deputy Chairman	-	16,500	6,900	24,000	-	5,000*	2,400
H.E. Dr. Eng. Munther Haddadin	Member	-	18,000	10,200	24,000	3,500	5,000*	2,400
Representative of Social Security Corporation:								
Mr. Saeed Shanan	Member	-	18,000**	2,100**	24,000**	-	5,000**	2,100
Representative of The State of Kuwait:								
Mr. Hamad Al-Omer	Member	-	5,000***	300***	21,000***	6,075	5,000***	-
Representatives of the Private Sector:								
Mr. Haethum Buttikhi	Member	-	16,500	1,800	24,000	1,500	5,000	-
Mr. Khaled Quran	Member	-	17,500	1,500	24,000	-	5,000	-

The Chairman of the Board does not have any housing allowances but does use a company car.

The Members of Board of Directors have neither housing or car allowances.

(*) Paid to the Ministry of Finance

(**) Paid to the Social Security Corporation

(***) Paid to the Kuwait Investment Authority

L - Senior Management information:

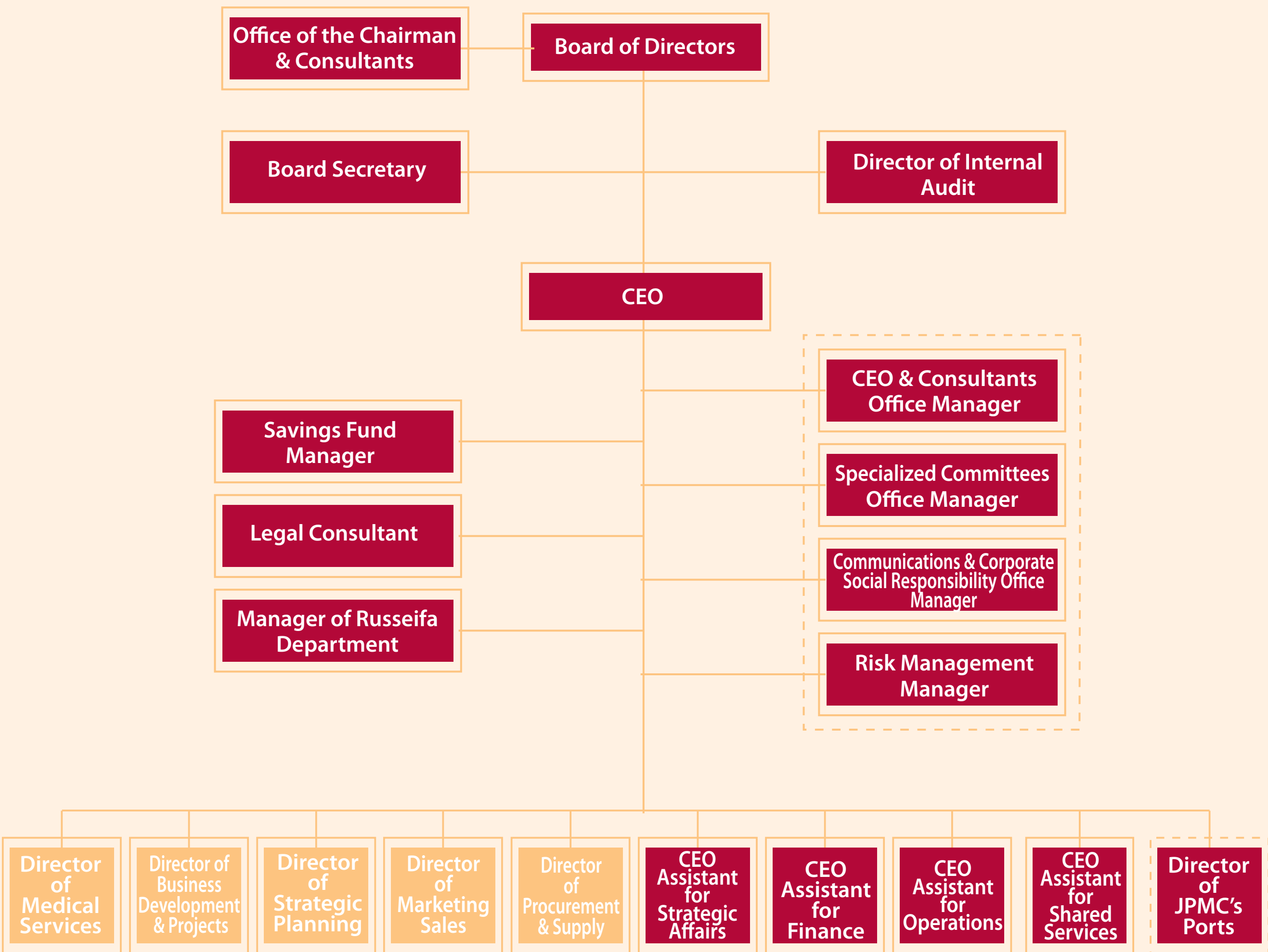
Name	Job Description	Nationality	Date of Appointment	Date of Work	Specialization	Educational Qualification
Dr. Shafik Ashkar	Chief Executive Officer	Jordanian	18/11/2013	18/11/2013	Economic	BHD
Eng. Najim Hummadi	Advisor to Chairman for Technical Affairs	Jordanian	16/4/2006 Untill 30/6/2014	30/6/2012	Chemical Engineering	B.Sc.
Eng. Mamdoh Jazi	CEO Assistant for Shared Services	Jordanian	16/8/1988	23/10/2013	Mining and Mines Engineering	B.Sc.
Mr. Mahmoud Jaber	CEO Assistant for Strategic Affairs Untill 30/6/2014 Advisor to CEO for IT and Training	Jordanian	1/7/2013	1/7/2013 1/7/2014	Business administration Accounting	MBA B.Sc.
Mr. Rafat Ghabayen	CEO Assistant for Finance	Jordanian	18/8/2013	18/8/2013	Business administration Accounting	MBA B.Sc.
Eng. Bassam Ekieli	CEO Assistant for Operation	Jordanian	8/3/1988	20/3/2014	Mechanical Engineering	B.Sc.
Eng. Abed Salameh	Advisor to CEO for Development and Projects	Jordanian	1/12/1986	20/3/2014	Chemical Engineering	B.Sc.
Ahmed M. Zu'bi	Legal Consultant	Jordanian	1/7/2007	1/7/2007	International Privete Law	LL.M
Mr. Khaled Alfanatseh	Advisor to Chairman for Labor Affairs	Jordanian	1/4/1995	9/7/2007	High School	-

M - Salaries and benefits paid to senior as of Management 2014:

(J.D)

Name	Job Description	Salaries	Travel Perdiem
Dr. Shafik Ashkar	Chief Executive Officer	134,863	47,334
Eng. Najim Hummadi	Advisor to Chairman for Technical Affairs	50,886	24,806
Eng. Mamdoh Jazi	CEO Assistant for Shared Services	55,697	--
Mr. Mahmoud Jaber	Advisor to CEO for IT and Training	56,543	--
Mr. Rafat Ghabayen	CEO Assistant for Finance	71,152	--
Eng. Bassam Ekieli	CEO Assistant for Operation	56,179	4,050
Eng. Abed Salameh	Advisor to CEO for Development and Projects	69,003	--
Mrs Lara Mubaydeen	Legal Consultant	43,391	13,061
Mr. Khaled Alfanatseh	Advisor to Chairman for Labor Affairs	69,382	25,819

N -Organization Structure



Financial position as of 31/12/2014:

1 - Company capital (75 million share / Dinar):

The company's declared, subscribed and paid capital of the company is 75 million shares at Par value of one Dinar per share, distributed as provided in the following schedule:

Shareholders and the percentage of their contribution to the comany's capetal .

Name of Shareholders	2014 Number of Shares	2014 Percentage %	2013 Number of Shares	2013 Percentage %
kamil Holdings Limited	27,750,000	37,000	27,750,000	37,000
Ministry of Finance / Jordan	19,245,396	25,661	19,245,396	25,661
Social Security Corporation	12,342,208	16,456	12,342,208	16,456
Government of the State of Kuwait	7,000,000	9,333	7,000,000	9,333
Jordan Islamic Bank	170,000	0,227	951,627	1,269
Arab Mining Company	629,065	0,839	500,000	0,667
Shareholders non-Jordanians	3,581,895	4,776	2,490,836	3,321
Other shareholders Company's	4,281,436	5,708	4,719,933	6,293
Total	75,000,000	100	75,000,000	100

2 - Property and Equipment : (JD 654,2 million at cost, JD 160,8 million after deducting accumulated depreciation)

Property and equipment were valued at JD 654,2 million, (JD 643,4 million in 2013); a JD 10,8 million increase from 2013 as a result of adding buildings ,constructions, machines and equipment, water and electricity networks, spare parts backup, valued at JD 13,5 million. Conversely, JD 2,7 million of machines and equipment, furniture and office equipments and spare parts backup were disposed.

3 - Accounts Receivable before deducting provision for doubtful debts (JD 131,2 million)

Accounts receivable balance reached JD 131,2 million. After deducting a provision for doubtful debts amounting JD 21 million, the net is JD 110,2 million, of which accounts receivable resulting from phosphate rock processing activities amounted to JD 81,5 million, and accounts receivable resulting from fertilizer manufacturing activity amounted to JD 15,9 million and accounts receivable resulting from subsidiary companies activities JD 12,8 million.The following table details shown below:

Description	As at December 31	
	2014	2013
	Amount (JD)	Amount (JD)
Trade Receivables	84,323,242	50,194,427
Due from Associated Companies	40,142,609	5,384,721
Other Receivables	6,697,822	6,586,370
Total	131,163,673	62,165,518
Less: Provision for doubtful debts	20,961,016	20,961,016
Net Accounts Receivable	110,202,657	41,204,502

A- Trade Receivables (JD 84,3 million):

Trade receivables amounted to JD 84,3 million, (JD 50,2 million in 2013), of which JD 56,9 million are phosphate rock sales receivables and JD 14,7 million are processed fertilizers sales and JD 12,7 million due from Subsidiary Companies. The receivables due and unpaid that accumulated between 1986 and 2002 amounted to JD 18,1 million, of which JD 15,7 million are due from Ex. Yugoslavia. As for the remaining balance of JD 66,2 million was paid during the first quarter of 2015.

B- Dues from Associated Companies (JD 40,1 million):

Receivables due from associated companies amounted to JD 40,1 million, of which JD 30 million is due from the Jordan India fertilizer company (JIFCO), JD 0.2 million is due from the Jordan Industrial Borts Company, JD 5,8 million due from Jordan Abiad Fertilizer Chemical Company (JAFCCO) and JD4,1 million due from Petro-Jordan Abadi /Indonesia .

4 - Inventory (JD 158,5 million)

Inventory was valued in 31/12/2014 JD 158,5 million (JD 194,8 million in 2013 Following are the details:

Description	As at December 31	
	2014	2013
A - finished products inventory	Amount (JD)	Amount (JD)
Finished Phosphate Inventory	19,378,582	34,533,436
Finished Fertilizers Inventory	14,608,899	30,960,859
Finished stock from subsidiaries	19,259,700	16,908,178
Total Inventory of Finished Products	53,247,181	82,402,473
B - Inventory in Process	Amount (JD)	Amount (JD)
Phosphate Inventory in Process	74,868,557	88,279,556
Fertilizers Inventory in Process	1,714,195	2,510,082
Subsidiary companies Inventory in Process	1,438,225	569,650
Total Inventory of Products in Process	78,020,977	91,359,288
(C) Raw Materials	27,271,542	21,028,993
Grand Total (A + B + C)	158,539,700	194,790,754

5 - Loans Payable (JD 72,2 million)

Loans payable balance reached JD 72,2 million. These are presented on the Company's financial position as long-term loans at JD 39,9 million, and short-term loans payable in 2015 at JD 32,3 million. It should be noted that the Company repaid JD 20,7 million in 2014 of which JD 17,9 million the installmental loan and JD 2,8 million are interest charges.

6 -Wages, Salaries and other Payroll Items (JD 115,7 million):

Wages, salaries and benefits extended to group employees in 2014 amounted to JD 115,7 million (JD 115,2 million in 2013) increase from 2013 amount 0,46%. The following table shows their breakdown :

Wages, Salaries and benefits extended to Company employees for the years 2014 - 2013 :

A - Wages, Salaries and benefits:

Description	Amount (JD)	
	2014	2013
Salaries and Allowances	70,468,858	71,380,398
Wages of Daily Paid Labour and Contractors	1,191,689	451,995
Industrial Apprenticeship Salaries	4,056	11,370
Other rewards	622,901	2,527,947
Total (A)	72,287,504	74,371,710

B - Company contribution in Benefits Extended to Employees:

Description	Amount (JD)	
	2014	2013
Saving Fund	2,623,551	2,761,286
Social Security	8,200,495	7,621,160
Employees Medical Expenses	3,357,171	3,493,495
Employees Families Medical expenses	3,277,074	3,424,775
The company Contribution in the post retirement health insurance fund	1,525,000	1,679,119
Employees Meal Subsidies	755,252	683,643
End of the Service Indemnity Fund	1,485,672	1,247,493
Paid end - of - Service Indemnity	2,279,723	756,822
Total (B)	23,503,938	21,667,793
Grand Total (A + B)	95,791,442	96,039,503

C - Wages, Salaries Extended to Subsidiary Companies Employees:

Description	Amount (JD)	
	2014	2013
Salaries and Allowances	15,911,055	15,162,092
Total (A + B + C)	111,702,497	111,201,595

D - Bonus of the End-of-Service Compensation extended to the Group employees:

Description	Amount (JD)	Amount (JD)
	2014	2013
Present Value of the end - 0f - service ponus compansation	3,986,935	3,954,454

7 - The financial position:

- Consolidated net sales revenues reached JD 738,4 million, of which JD 357,6 million in rock phosphate sales, JD 213,7 million in fertilizers sales, JD 154,3 million in Subsidiary companies sales and JD 12,8 million trading in raw material sales. (Compared to JD 574,4 million in 2013, JD 260,5 million in rock phosphate sales, JD 162 million in fertilizers sales, and JD 142,6 million subsidiary company sales and JD 9,3 million trading in raw material sales).

- Other non-operational revenues reached JD 17,6 million of which JD 13,4 million for the phosphate unit and JD 1,7 million for the fertilizers unit and JD 2,5 million subsidiary companies (Compared to JD 14,9 million in 2013 of which JD 11,4 million for the phosphate unit and JD 3,4 million for the fertilizers unit and JD 0,1 million subsidiary companies)

- Consolidated total expenses reached JD 727,5 million, of which JD 338,2 million for the phosphate unit, JD 233, 3 million for the fertilizers unit, JD 144,7 million for sales subsidiary companies and JD 11,3 million as cost of raw material for trading (compared to JD 580,2 million in 2013 of which JD 238,9 million for the phosphate unit, JD 185,2 million for the fertilizers unit, JD 147,9 million subsidiary company and JD 8,2 million as cost of raw material.

- Income tax allocations reached JD 7,6 million compared to JD 6,6 million in 2013.

- Net profits after deducting income tax reached JD 20,9 million in 2014 compared to JD 2,5 million in 2013.

- Total equity reached JD 784 million in 2014 (JD 762,3 million in 2013), with an increase 2,8% compared to the year 2013

8 - Some Information and Financial Indicators:

A - Details of Major Financial Indicators for the Years 2010-2014:

(Thousand JD)

Details	2014	2013	2012	2011	2010
Revenues/Sales	738,429	574,412	759,426	812,415	563,890
Other Revenues	17,635	14,931	9,192	29,162	25,391
Total Revenues	756,064	589,343	768,618	841,577	589,281
Net Profits	20,935	2,595	131,733	145,255	80,232
Interest on Loans	2,818	741	508	745	979
Net Fixed Assets	160,758	170,994	162,564	175,739	164,417
Current Assets	440,523	397,458	379,368	376,884	303,684
Total Assets	1,211,466	1,112,494	994,797	911,721	659,318
Shareholders Equity	783,952	762,281	778,056	676,988	537,688
Long-Term Loans	39,871	58,065	46,690	33,426	22,542
Current Liabilities	338,727	254,572	131,911	156,228	79,950
Financial Ratios:					
Debt / Equity Ratio	8:92	9:91	7:93	7:93	5:95
Debt Service Ratio (%)	2,2	1,7	9,18	15,9	10,2
Current Ratio (Time)	1,3	1,6	2,7	2,4	3,8
Earning Per Share / JD	0,264	0,020	1,763	1,944	1,07
Closing Price Share /JD	6,52	7,15	13,00	12,74	16,93

B - Profits realized, dividends distributed, net equity and issued securities prices for the years 2010-2014:

(Thousand JD)

Year	Profit	Distributed Dividends	Net Shareholders' Equity
2014	20,935	-	783,952
2013	2,595	-	762,281
2012	131,733	18,500	778,056
2011	145,255	33,750	676,988
2010	80,232	15,000	537,688

Year	Prices of issued Securities JD / share
2014	6,52
2013	7,15
2012	13,00
2011	12,74
2010	16,93

C - Transactions with Treasury and Public Corporation during the years 2014 and 2013:

(Thousand JD)

Description	Year	
	2014	2013
Ministry of Finance		
Mining Revenues Charges	21,994	5,998
Customs charges	531	1,071
Dividends paid	-	4,811
Incomes stamps fees	101	58
Lands and Survey Department	3,889	39
Income Tax and sales Tax	5,685	19,117
Income Tax, and Tax on Social Services Deducted from Employee Salaries	806	704
Company contribution in Social Security	8,207	6,795
Employee Contribution in Social Security	4,406	4,799
Aqaba Railway Corporation	10,108	8,875
Ports Authority	3,161	4,560
Public Security Directorate/Protection of Production Sites	577	858
Water Authority	8,856	6,526
Electricity Companies	16,969	20,298
Aqaba special Economic Zone Authority/Lease Lands & Income Tax	598	1,092
Military Retirees Economic and Social Corporation/Protection Charges	1,067	517
Natural Resources Authority/ Mining Fees	584	-
Total	**87,539**	**86,118**

D- Summary of Main Data on Company Position for the years 2010-2014:

Year	Total Assests JD thousand	Authorizes Capital JD thousand	Total Shareholders equity JD thousand	Net Income (JD thousand)	Production (Thousands tonnes)			Sales (Thousands tonnes)			Percentage of Dividends paid (%)	Number of Employees
					Phosphate	DAP Fertilizer	Phosphoric Acid	Phosphate	DAP fertilizer	Phosphoric Acid		
2014	1,211,466	75,000	783,952	20,935	7,144	590	497	7,301	646	234	-	3978
2013	1,112,494	75,000	762,281	2,595	5,399	494	444	5,097	483	219	-	4056
2012	994,797	75,000	778,056	131,733	6,383	551	447	6,188	532	182	25	4234
2011	911,721	75,000	676,988	145,255	7,594	706	484	7,441	663	215	45	3767
2010	659,318	75,000	537,688	80,232	6,529	732	480	6,506	760	141	20	3775

E - Housing Bank Loans:

On 22 December 2014, JPMC signed a loan agreement with the Housing Bank in the amount of USD 50 million for a period of six years including one year grace period at an interest rate of six months LIBOR + 3 % not less than 4%. The purpose of the loan agreement is to finance the operational activities of the company.

F- Risks :

The increase in fuel and raw material prices such as Ammonia, Sulphur and Aluminium hydroxide continue to impact the company, resulting in an increase in operational costs. in addition the number of employees is still more than actual needs.

G - Regulatory Affirmation:

No operations of any non-repetitive manner with material affect occurred within the main activity of the company during the fiscal year 2014.

H - Corporate Governance Guide:

The Company was compliance with all the articles of Corporate Governance Guide except of below:

Artical No.	Explain
Article No. (4, 7, 14, 16, 17) part'2' section "1": "Board of Directors Duties and Responsibilities".	Has not been completed to date

I- Any other issues:

According to the written request from Lawyers Mr. Walid Kurdi former Chairman of JPMC and on behalf of him to negotiate a settlement proposal to the verdict issued by the Amman Criminal Court, Jordan Phosphate Mines Company is still under study and analyzes this issue and the amount has not been agreed yet. However any settlement according to the Laws will be subject to the Attorney General and the Judicial Committee auditing and approval.

J - Declaration of the Board of Directors:

J/1- The Board of Directors hereby declares its responsibility for the preparation of the financial statements as an effective monitoring system in the Company.

J/2- The Board of Directors of Jordan Phosphate Mines Company Co. PLC. Herby declares that according to the best of their information and Knowledge there are no material matters that may affect the continuity of the Company's during 2015.

H.E. Dr. Eng. / Munther Haddadin

H.E. / Abdel Karim Malahmeh

Deputy Chairman of the Board

Eng. / Amer Al-Majali

Chairman of the Board

Mr. / Hamad Al-Omer

Eng. / Talal Al-Saadi

Mr. / Junaidi Masri

Mr. / Saeed Shanan

Mr. / Haethum Buttikhi

Mr. / Khaled Quran

The Chairman of the Board declares along with Chief Executive officer and CEO Assistant for Finance that all the information and data in the annual report 2014 are correct, accurate and complete.

Mr. / Rafat Ghabayen

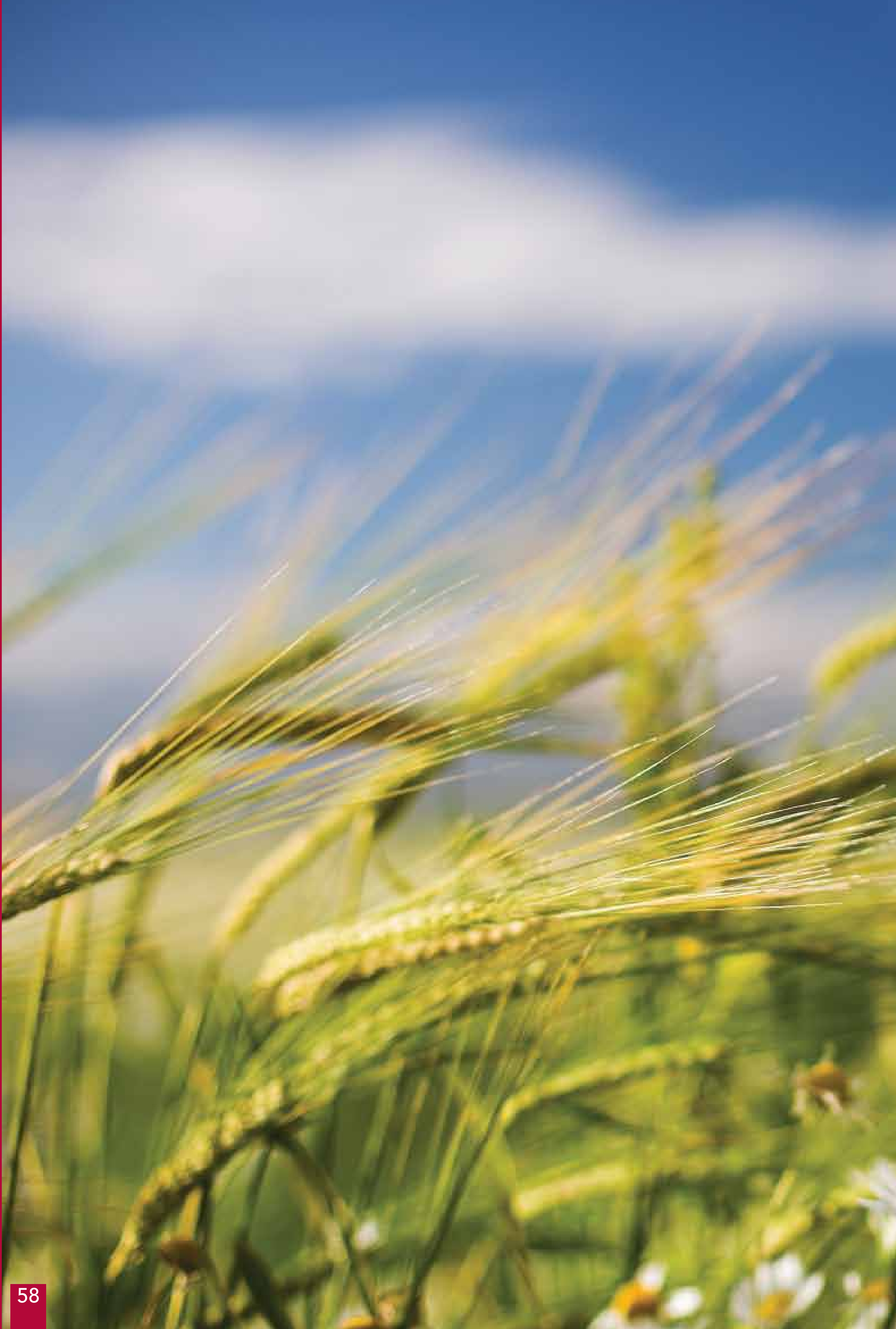
CEO Assistant for Finance

Dr. / Shafik Ashkar

Chief Executive Officer

Eng. / Amer Al-Majali

Chairman of the Board



Independent Auditors' Report

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Building a better working world

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90
Years in MENA

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JORDAN PHOSPHATE MINES COMPANY – PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN**

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JORDAN PHOSPHATE MINES COMPANY (PUBLIC SHAREHOLDING COMPANY)** (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as of 31 December 2014 and the consolidated statement of income, 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.

Management's 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' judgment, 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Regulatory Requirements

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

Amman – Jordan
12 March 2015

Ernst + Young

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2014

(In Thousands of Jordanian Dinars)

ASSETS	Notes	2014	2013
Non-current assets			
Property, plant and equipment	3	160,758	170,994
Projects in progress	4	137,347	261,631
Investments in associates and joint ventures	5	234,562	221,539
Intangible assets	6	180,787	21,804
Deferred tax assets	24	10,811	5,968
Employees' housing loans	7	6,199	5,022
Financial assets at fair value through other comprehensive income	8	543	650
Long term loans receivable	9	6,576	8,206
Production and development stripping cost	10	33,360	19,222
		770,943	715,036
Current assets			
Inventories, spare parts and supplies	11	249,896	272,824
Accounts receivable	12	110,203	41,205
Other current assets	13	18,428	44,221
Loans receivable	9	29,312	10,250
Financial assets at fair value through profit and loss		211	229
Short term investment	14	4,612	1,054
Cash on hand and at banks	14	27,861	27,675
		440,523	397,458
TOTAL ASSETS		1,211,466	1,112,494
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	15	75,000	75,000
Statutory reserve	15	75,000	75,000
Voluntary reserve	15	75,000	75,000
Special reserve	15	75,000	75,000
Fair value reserve		(136)	(29)
Retained earnings		473,765	453,147
Equity attributable to Company's shareholders		773,629	753,118
Non – controlling interests	41	10,323	9,163
Total Equity		783,952	762,281
Non-current liabilities			
Long-term loans	17	39,871	58,065
Compensation and end-of-service indemnity provision	18	36,275	35,525
Assets replacement obligations provision	6	11,259	-
Early retirement obligations	19	1,382	2,051
		88,787	95,641
Current liabilities			
Accounts payable	20	91,259	71,616
Accrued expenses	21	62,507	41,112
Other current liabilities	22	29,556	19,819
Due to banks	23	97,722	87,288
Employees incentives and retirees grants provision	35	24,895	16,641
Current portion of long-term loans	17	32,354	18,096
Income tax provision	24	434	-
		338,727	254,572
Total Liabilities		427,514	350,213
TOTAL EQUITY AND LIABILITIES		1,211,466	1,112,494

The attached notes 1 to 44 form an integral part of these consolidated financial statements

(In Thousands of Jordanian Dinars)

	Notes	2014	2013
Net Sales		738,429	574,412
Cost of sales	25	(562,843)	(471,140)
Gross profit		175,586	103,272
Selling and marketing expenses	26	(9,116)	(7,679)
New phosphate port terminal expenses	38	(11,408)	-
Aqaba port fees		(4,869)	(5,202)
Transportation expenses		(52,544)	(40,920)
Administrative expenses	27	(24,002)	(20,114)
Russiefah Mine expenses	28	(2,984)	(3,062)
Mining fees	29	(19,612)	(12,922)
Provision for slow-moving spare parts	11	(1,630)	(18)
Other provisions	35	(4,651)	(3,232)
Pension expense	19	(133)	(199)
Other income, net	30	5,452	6,298
Foreign currency exchange differences		89	30
Operating profit		50,178	16,252
Finance costs	31	(9,190)	(4,449)
Finance income	32	1,552	1,334
Group share of profit of associates and joint ventures	5	4,172	6,108
Board of Directors remuneration		(70)	(103)
(Loss) gain from revaluation of financial assets at fair value through profit and loss		(19)	33
Profit before employees' incentives provision and income tax		46,623	19,175
Employees' incentives provision	35	(26,000)	(12,451)
Profit before income tax		20,623	6,724
Income tax benefit (expense)	24	312	(4,129)
Profit for the year		20,935	2,595
Attributable to:			
Equity holders		19,775	1,474
Non – controlling interests	41	1,160	1,121
Profit for the year		20,935	2,595
		JD/Fils	JD/Fils
Basic and diluted earnings per share attributable to the Equity holders	33	0/264	0/020

The attached notes 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF COMPREHNSIVE INCOM FOR THE YEAR END OF 31 DECEMBER 2014
(In Thousands of Jordanian Dinars)

	Notes	2014	2013
Profit for the year		20,935	2,595
Add: Other comprehensive income not to be			
Reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets at fair value			
through other comprehensive income	8	(107)	99
Actuarial gain	18	843	281
Total comprehensive income for the year		21,671	2,975
Total comprehensive income attributable to:			
Equity holders		20,511	1,854
Non – controlling interests		1,160	1,121
Total comprehensive income for the year		21,671	2,975

The attached notes 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014
(In Thousands of Jordanian Dinars)

	Paid-in capital	Reserves			Fair value reserve	Retained earnings		Non - controlling interest	Total
		Statutory	Voluntary	Special		Unrealized	Realized**		
For the year ended 31 December 2014									
Balance at 1 January 2014	75,000	75,000	75,000	75,000	(29)	26,179	426,968	9,163	762,281
Total comprehensive income for the year	-	-	-	-	(107)	-	20,618	1,160	21,671
Balance at 31 December 2014	75,000	75,000	75,000	75,000	(136)	26,179	447,586	10,323	783,952
For the year ended 31 December 2013									
Balance at 1 January 2013	75,000	75,000	75,000	75,000	(128)	26,179	443,963	8,042	778,056
Total comprehensive income for the year	-	-	-	-	99	-	1,755	1,121	2,975
Dividends paid (Note 16)	-	-	-	-	-	-	(18,750)	-	(18,750)
Balance at 31 December 2013	75,000	75,000	75,000	75,000	(29)	26,179	426,968	9,163	762,281

* An amount of JD 26,179 thousands is restricted and represents the unrealized gain from the revaluation of investment and acquisition of Indo-Jordan Chemical Co. and Nippon Jordan Fertilizer Co. during 2010 and 2011.

** Included in retained earnings an amount of JD 10,811 thousands which represents deferred tax assets. An amount of JD 136 thousands from the retained earnings is restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income as of 31 December 2014.

The attached notes 1 to 44 form an integral part of these consolidated financial statements

(In Thousands of Jordanian Dinars)

	Notes	2014	2013
OPERATING ACTIVITIES			
Profit for the year before income tax		20,623	6,724
Adjustments for:			
Depreciation	3	21,990	20,319
Amortization of new phosphate port terminal	6	6,359	-
Amortization of production stripping costs	10	11,741	-
Employees compensation fund and end of service indemnity	18	32,137	15,683
Finance cost		8,410	4,263
Finance income		(1,552)	(1,334)
Mining fees		21,994	14,873
Group's share of profit of associates and joint ventures		(4,172)	(6,108)
Other non-cash items		1,961	1,015
Working capital changes:			
Accounts receivable		(68,998)	14,835
Employees' housing loans		(1,958)	(354)
Other current assets		23,954	27
Inventories, spare parts and supplies		21,298	(40,736)
Production stripping cost		(27,557)	(19,722)
Accounts payable		19,643	31,933
Accrued expenses		17,479	5,907
Other current liabilities		11,497	6,590
Employees' compensation and end-of-service indemnity paid		(22,849)	(20,633)
Mining fees paid		(18,000)	(5,998)
Early retirement obligations paid		(802)	(1,209)
Income tax paid	24	(2,257)	(15,937)
Net cash flows from operating activities		70,941	10,138
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and payments on projects in progress – net		(41,661)	(37,083)
Increase in loans receivable		(17,432)	(16,506)
Investment in associates and joint ventures		(7,925)	(51,953)
Dividends received from associate		-	4,420
Short term investment		(3,558)	13,725
Interest received		1,552	1,334
Net cash flows used in investing activities		(69,024)	(86,063)
FINANCING ACTIVITIES			
Loans proceeds		14,160	32,791
Repayments of loans		(17,901)	(15,555)
Dividends paid		(40)	(18,720)
Interest paid		(8,384)	(4,344)
Net cash flows used in financing activities		(12,165)	(5,828)
Net decrease in cash and cash equivalents		(10,248)	(81,753)
Cash and cash equivalents at 1 January		(59,613)	22,140
Cash and cash equivalents at 31 December	14	(69,861)	(59,613)

The attached notes 1 to 44 form an integral part of these consolidated financial statements

(1 GENERAL

Jordan Phosphate Mines Company was established in 1949, and became a public shareholding company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. All other business activities of the Company are located in Jordan. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abiad, Al-Hasa, Shidiya and to a lesser extent from Al-Russiefah Mine. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries (Note 2-2).

The head office of the Company is located in Shmeisani, Amman - Jordan.

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 12 March 2015 and they are subject to the approval of the Company's General Assembly.

(2-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company "JPMC" and the following subsidiaries:

– Indo-Jordan Chemicals Company Limited, "Indo-Jordan" (Fully owned 100%, registered in Jordan in the Free Zone Corporation).

– Ro'ya for Transportation Company Limited (Fully owned 100% registered in Jordan).

– Nippon Jordan Fertilizer Company Limited "Nippon" (70% Owned, registered in Jordan in the Free Zone Corporation).

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

– 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

– The ability to use its power over the investee to affect its returns

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following

– Contractual agreements with shareholders that have voting rights in the investee

–Rights resulting from other contractual arrangements

– The Group's current and future voting rights in the investee

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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 interest

– 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 the statement of profit or loss and other comprehensive income

– Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Investors with significant influence on the Group:

Kamil Holding Limited, The Jordanian Ministry of Finance and Jordanian Social Security Corporation own 37%, 26% and 16% of the Company's issued shares, respectively.

(2-3) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached.

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

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

The application of the amendments and interpretations did not have an impact on the financial position or performance of the Group.

(2-4) 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.

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 Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Group 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.

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

(2-5) USE OF ESTIMATES

The preparation of the consolidated 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 life of properties, plant and equipment

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Impairment of goodwill

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is value using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

No impairment of goodwill resulted from goodwill impairment test for 31 December 2014 and 2013.

Provision for slow moving spare parts

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

Stripping Cost in the Production Phase of Surface Mine

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalised as a stripping activity non-current asset that is amortized using units of production method.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialised professionals.

The capitalised stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

Provision for doubtful debts

The Group's management reviews the credit limit granted to its customers periodically. When customers do not abide to their obligations to pay, and after the additional grace period granted, and after taking appropriate legal action, a provision is booked against the receivable balance until collected or it will be written off.

Income tax provision

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 24).

Indemnity and end of service provisions

Indemnity and end of service costs are measured using the Projected Unit Credit Method that is calculated by an actuary. All actuarial assumptions are disclosed in (Note 18).

Early retirement obligations

Early retirement obligations are calculated through an actuarial study. Employee benefits are awarded based on the number of years of service. The associated obligations are determined based on the present value of the overall obligation at the date of the financial statements less the unrealized previous service cost. The Group's obligations arising from the early retirement plan are measured using the Projected Unit Credit Method. All associated assumptions are disclosed in (Note 19).

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost and accumulated depreciation for a sold or disposed of asset is derecognized and the gain or loss associated is booked in the consolidated statement of income.

Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

(In Thousands of Jordanian Dinars)

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (CONTINUED)

Type of property, plant and equipment	Depreciation rate %
Buildings	2 - 8
Roads and yards	25
Machinery and equipment	5 - 20
Water and electricity networks	5
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	15
Spare parts reserves	10
Software and programs	20

When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Investments in associates and joint ventures

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.

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.

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 associate and joint venture 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 not tested for impairment individually.

The consolidated statement of income 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 consolidated statement of other comprehensive income. 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 statement of income 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, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

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 statement of income.

Intangible assets

- New phosphate port terminal

This item represents the license to use and operate the new phosphate port terminal for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized over the period in which they are expected to be available for use by the Group and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidated statement of income starting on the opening date of the new phosphate port terminal until 28 February 2040.

- Asset replacement cost

The Company recognises and measures asset replacement obligation for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to other comprehensive income . If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term. 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 owners' 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 consolidated comprehensive income statement within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividends income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

Loans receivable

After initial measurement, loans receivable are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Production stripping costs

Costs paid for the removal of overburden in the stripping or the production stages are capitalised as non-current assets at cost and is amortized using the units of production method at each location when the following conditions are met:

– It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity.
– The entity can identify the amount and type of phosphate for which has been improved; and
– The cost relating to the striping activity associated with the component can be measured reliably

Inventories and spare parts

Inventories are valued at the lower of cost or net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	- Purchase cost using the weighted average cost method.
Finished goods and work in process	- Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using the weighted average cost method.
Spare parts and supplies	- Cost using the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Accounts receivable

Accounts receivable are stated at original invoice amount or the value of shipped goods less any provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount or part of it is no longer probable and bad debts are written off when there is no possibility of recovery.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less. If original maturity of deposits exceeds three months, they are classified as short–term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Long term loans

All term loans are initially recognized at net consideration received and interest is recognized using the effective interest rate method.

Interest on long term loans is recorded during the year when earned. Interest on long term loans for the purpose of financing projects in progress, is capitalized as a part of the project cost.

Employees' benefits

The Group provides defined benefit pension plans and end-of-service indemnity for all employees. The liability is valued by professionally qualified independent actuaries. The obligation and costs of pension benefits are determined using a Projected Unit Credit Method. The Projected Unit Credit Method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized as other comprehensive income item when it occurs. Gain or loss is realized from amendment or payment of the benefits when it occurs. 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.

Accounts payable and accruals

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

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.

Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually when goods are shipped and invoices are issued.

Interest income revenue is recognized as interest accrues using the effective interest rate method.

Dividends are recognized when the shareholder's right to receive payment is established.

Other revenues are recognized on an accrual basis.

Mining Fees

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments made under an operating lease are recognized as an expense over the lease term on a straight-line basis, in the consolidated statement of income.

Income tax

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

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.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement 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 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.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Group's economic conditions due to negligence.

The Group's management does not believe there were any indications of impairments of its financial assets during 2014 and 2013.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Fair value

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 42).

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories 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 recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

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 consolidated 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.

(In Thousands of Jordanian Dinars)

(3) PROPERTY, PLANT AND EQUIPMENT

2014	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
Cost:													
At 1 January 2014	1,299	127,040	12,608	408,842	35,679	5,411	932	1,330	3,585	12,204	32,618	1,913	643,461
Additions	-	32	-	2,222	-	334	24	15	65	673	4,501	-	7,866
Transfers from projects in progress (Note 4)	-	1,704	4	3,259	478	178	-	-	-	-	-	-	5,623
Disposals	-	-	-	(381)	-	(59)	(12)	(42)	(67)	(335)	(1,809)	-	(2,705)
At 31 December 2014	1,299	128,776	12,612	413,942	36,157	5,864	944	1,303	3,583	12,542	35,310	1,913	654,245
Accumulated Depreciation:													
At 1 January 2014	-	63,778	8,479	333,984	29,881	3,013	795	1,278	2,951	8,926	17,470	1,912	472,467
Depreciation for the year	-	5,193	932	10,912	1,263	308	19	18	202	936	2,207	-	21,990
Related to disposals	-	-	-	(377)	-	(44)	(12)	(42)	(35)	(335)	(125)	-	(970)
At 31 December 2014	-	68,971	9,411	344,519	31,144	3,277	802	1,254	3,118	9,527	19,552	1,912	493,487
Net book value													
At 31 December 2014	1,299	59,805	3,201	69,423	5,013	2,587	142	49	465	3,015	15,758	1	160,758

The estimated value of fully depreciated property, plant and equipment is JD 411,216,587 at 31 December 2014.

2013	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
Cost:													
At 1 January 2013	1,299	123,265	12,608	390,556	35,504	5,055	932	1,356	3,502	11,977	27,226	1,913	615,193
Additions	-	438	-	3,737	12	351	-	17	140	924	6,619	-	12,238
Transfers from projects in progress	-	3,337	-	14,586	163	71	-	-	-	-	-	-	18,157
Disposals	-	-	-	(37)	-	(66)	-	(43)	(57)	(697)	(1,227)	-	(2,127)
At 31 December 2013	1,299	127,040	12,608	408,842	35,679	5,411	932	1,330	3,585	12,204	32,618	1,913	643,461
Accumulated Depreciation:													
At 1 January 2013	-	58,657	7,545	324,009	28,635	2,788	775	1,283	2,732	8,367	16,211	1,627	452,629
Depreciation for the year	-	5,121	934	10,009	1,246	273	20	20	279	872	1,260	285	20,319
Related to disposals	-	-	-	(34)	-	(48)	-	(25)	(60)	(313)	(1)	-	(481)
At 31 December 2013	-	63,778	8,479	333,984	29,881	3,013	795	1,278	2,951	8,926	17,470	1,912	472,467
Net book value													
At 31 December 2013	1,299	63,262	4,129	74,858	5,798	2,398	137	52	634	3,278	15,148	1	170,994

The estimated value of fully depreciated property, plant and equipment is JD 397,057,249 at 31 December 2013.

(In Thousands of Jordanian Dinars)

(3) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation in the consolidated statement of income is as follows:

	2014	2013
Cost of sales	21,163	19,220
Administrative expenses	596	877
Selling and marketing expenses	44	43
Russiefah mine expenses	25	18
Other	162	161
	21,990	20,319

(4) PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January 2014	Additions	Transferred to property & equipment	Transferred to Intangible assets	Balance at 31 December 2014
New Phosphate Port Project (Note 6)	144,691	8,454	-	(153,145)	-
Aqaba Industrial Complex Projects	75,800	4,728	(477)	-	80,051
Shidiya Mine Projects	37,048	10,390	(864)	-	46,574
Indo-Jordan's Projects	2,691	4,214	(2,812)	-	4,093
Head Office, Hasa & Abiad mines	707	5,904	-	-	6,611
Nippon's Projects	694	794	(1,470)	-	18
	261,631	34,484	(5,623)	(153,145)	137,347

The estimated cost to complete the projects in progress as of 31 December 2014 is approximately JD 21,902,970 for JPMC related projects and JD 5,223,720 for Indo-Jordan related projects.

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

INVESTMENTS IN ASSOCIATES:

The below schedules summarizes financial information for the Group's investment in associates:

	Country of incorporation	Nature of activity	Ownership %	2014	2013
Manajim for Mining Development Co. "Manajim"	Jordan	Mining services	46	33,449	26,552
Jordan Abyad Fertilizer Co. "JAFCCO"	Jordan	Fertilizers production	27.38	15,231	17,275
Jordan India Fertilizer Co. "JIFCO"	Jordan	Phosphoric acid production	48	142,698	143,545
Arkan Company for Construction "Arkan"	Jordan	Mining contracting	46	16,243	11,923
				207,621	199,295

Movements on the investment in associates were as follows:

	2014	2013
At 1 January	199,295	148,953
Share of profit of associates	7,901	6,677
Increase in investments in JIFCO	-	32,625
Increase in investment in JAFCCO	425	-
Increase in investment in Arkan	-	11,040
At 31 December	207,621	199,295

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Group's share of the profits of associates:

	2014	2013
Group's share of income	7,901	6,677
Elimination of Group's share of associate's income related to transactions between the Group and associate	(1,677)	(500)
	6,224	6,177

The below schedules summarizes financial information for the Group's investment in associates:

	2014				
	Manajim for Mining Development	Jordan Abyad Fertilizers & Chemicals Co.	Jordan India Fertilizers Company	Arkan Company for Construction	Total
Group's share in net equity:					
Current assets	62,023	3,820	42,615	25,024	133,482
Non-current assets	38,698	101,878	579,332	14,154	734,062
Current liabilities	(36,097)	(24,885)	(70,751)	(3,802)	(135,535)
Non-current liabilities	-	(34,757)	(253,907)	-	(288,664)
Partners current account	-	(30,016)	-	-	(30,016)
Net equity	64,624	16,040	297,289	35,376	413,329
Percentage of ownership*	46%	27,38%	48%	46%	
Group's share in net equity	29,727	4,392	142,698	16,273	193,090
Adjustments due to change in ownership percentage	(4,078)	(548)	-	14	(4,612)
Group's net share in partner's current account	-	3,824	-	-	3,824
Imbedded goodwill	7,800	7,563	-	(44)	15,319
Net investment as at 31 December	33,449	15,231	142,698	16,243	207,621
Group's share from associates revenues and profits:					
Revenues	106,901	22,985	16,879	47,360	194,125
Cost of sales	(89,926)	(25,742)	(10,732)	(34,487)	(160,887)
Administrative, selling and distribution expenses	(497)	(1,995)	(7,911)	(2,819)	(13,222)
Interest income	132	-	-	-	132
Finance expenses	-	(4,178)	-	-	(4,178)
Other (expenses) revenues, net	(9)	(501)	-	2	(508)
Profit (loss) for the year before income tax	16,601	(9,431)	(1,764)	10,056	15,462
Income tax expense	(1,609)	-	-	(663)	(2,272)
Profit (loss) for the year	14,992	(9,431)	(1,764)	9,393	13,190
Percentage of ownership	46%	27.38%	48%	46%	
Group's share from current year income	6,896	(2,474)	(847)	4,321	7,896
Group's share from prior years income***	-	5	-	-	5
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	(1,677)	(1,677)
Group's share of associates' profit (loss)	6,896	(2,469)	(847)	2,644	6,224

(In Thousands of Jordanian Dinars)

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

	2013				
	Manajim for Mining Development	Jordan Abyad Fertilizers & Chemicals Co.	Jordan India Fertilizers Company	Arkan Company for Construction	Total
Group's share in net equity:					
Current assets	48,029	5,415	32,577	15,003	101,024
Non-current assets	40,217	102,170	513,724	14,922	671,033
Current liabilities	(38,615)	(35,645)	(18,309)	(3,939)	(96,508)
Non-current liabilities	-	(22,245)	(228,940)	-	(251,185)
Partners current account	-	(24,245)	-	-	(24,245)
Net equity	49,631	25,450	299,052	25,986	400,119
Percentage of ownership*	46%	25%	48%	46%	
Group's share in net equity	22,830	6,362	143,545	11,953	184,690
Adjustments due to change in ownership percentage	(4,078)	(474)	-	14	(4,538)
Group's net share in partner's current account	-	3,824	-	-	3,824
Imbedded goodwill	7,800	7,563	-	(44)	15,319
Net investment as at 31 December	26,552	17,275	143,545	11,923	199,295
Group's share from associates revenues and profits:					
Revenues	125,371	19,119	-	27,218	171,708
Cost of sales	(101,728)	(17,475)	-	(25,389)	(144,592)
Administrative, selling and distribution expenses	(399)	(13,334)	(1,615)	(664)	(16,012)
Interest income	676	-	-	-	676
Finance expenses	-	(4,574)	-	-	(4,574)
Capital increase expenses ****	-	-	(418)	-	(418)
Other (expenses) revenues, net	(19)	816	82	87	966
Profit (loss) for the year before income tax	23,901	(15,448)	(1,951)	1,252	7,754
Income tax expense	(1,940)	-	-	(175)	(2,115)
Profit (loss) for the year	21,961	(15,448)	(1,951)	1,077	5,639
Percentage of ownership	46%	25%	48%	46%	
Group's share from current year income	10,102	(3,862)	(937)	495	5,798
Group's share from prior years income***	-	879	-	-	879
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	(500)	(500)
Group's share of associates' profit (loss)	10,102	(2,983)	(937)	(5)	6,177

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

* The Group increased its investment in Jordan Abyad Fertilizers and Chemicals Company from 25% to 27.38% effective on 30 June 2014.

** During 2013, Arkan Company for Construction increased its capital by JD 24,000,000 to become JD 25,000,000. JPMC's share of the capital increase is JD 11,040,000 of which an amount of JD 7,590,000 was paid and the remaining JD 3,450,000 is recorded as amount due to associates (Note 20).

*** Prior year adjustments represent differences between draft financial statements and final audited financial statements of Jordan Abyad Fertilizers and Chemicals Company.

**** This item is presented in the statement of changes in equity and not in the statement of income.

JOINT VENTURES:

The below schedule presents the Group's investment in joint ventures noting that these companies have not yet commenced operations:

	Country of incorporation	Nature of activity	Ownership %	2014	2013
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	19,228	21,948
Jordan Industrial Ports Company	Jordan	Shipping services	50	7,713	296
				26,941	22,244

The movement on the investment in joint ventures is as follows:

	2014	2013
At 1 January	22,244	14,525
Group's share of loss for the year	(2,052)	(69)
Increase in investment in Indonesian Project – Petro Jordan Abadi Company	-	7,788
Increase in investment in Industrial Ports Company	7,500	-
Elimination of Group's share of associate's income related to transactions between the Group and joint venture	(751)	-
At 31 December	26,941	22,244

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The below schedules summarizes financial information for the Group's major joint ventures:

	2014		
	Indonesian project Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
Group's share in net equity:			
Current assets	19,533	14,900	34,433
Non-current assets	141,983	802	142,785
Current liabilities	(32,327)	(389)	(32,716)
Non-current liabilities	(89,232)	-	(89,232)
Net equity	39,957	15,313	55,270
Percentage of ownership	50%	50%	
Group's share in net equity	19,979	7,656	27,635
Group's share from prior years income**	-	57	57
Elimination of group's share of associate's income related to transactions between the Group and joint ventures	(751)	-	(751)
Group's share in net equity	19,228	7,713	26,941

	2013		
	Indonesian project Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
Group's share in net equity:			
Current assets	14,818	254	15,072
Non-current assets	113,317	749	114,066
Current liabilities	(5,371)	(397)	(5,768)
Non-current liabilities	(78,868)	-	(78,868)
Net equity	43,896	606	44,502
Percentage of ownership	50%	50%	
Group's share in net equity	21,948	303	22,251
Group's share from prior years income**	-	(7)	(7)
Elimination of group's share of associate's income related to transactions between the Group and joint ventures	-	-	-
Group's share in net equity	21,948	296	22,244

* During 2014, Jordan Industrial Ports Company increased its paid-in capital by JD 15,000,000 to become JD 16,000,000. JPMC's share of the capital increase is JD 7,500,000.

** Prior year adjustments represent differences between draft financial statements and final audited financial statements of Jordan Industrial Ports Company.

The estimated cost to renovate the industrial port of Aqaba as of 31 December 2014 is amounted to JD 142,000,000, where JPMC share is

JD 71,000,000.

(6) INTANGIBLE ASSETS

The details of this item is as follows:

	2014	2013
Fertilizers unit goodwill*	21,804	21,804
New phosphate port**	158,983	-
	180,787	21,804

(In Thousands of Jordanian Dinars)

(6) INTANGIBLE ASSETS (CONTINUED)

*FERTILIZERS UNIT GOODWILL:

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") regarding the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities at the date of acquisition in 1996.

Impairment test of goodwill

The recoverable amount of the Fertilizers Unit has been determined based on the value in use calculation using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 6.5%. The projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. Based on the impairment test of goodwill results, the recoverable amount were determined higher than the book value. Therefore, no impairment loss was recorded.

Key assumptions used:

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales:

The quantities sold during 2014 were used to build up the projected 10 years future sales.

Projected costs:

Except for raw material prices, the actual levels of costs in 2014 were used to build up the projected 10 years cost.

Discount rate:

The discount rate used reflects the management's estimate of the risks specific to the fertilizer unit and to the industry to determine the weighted average cost of capital which represent the discount rate used of 6.5% (2013: 6.5%).

Raw materials and selling prices:

Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

Sensitivity to changes in assumptions:

With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**NEW PHOSPHATE PORT:

During 2014, the Company capitalized the new phosphate port project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Company started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2014 amounted to JD 6,359,315 was recorded within new phosphate port terminal expenses (Note 38).

Movement on new phosphate port is as follows.	2014
At 1 January	-
Transferred from projects in progress (Note 4)	153,145
Asset replacement obligation provision***	12,197
Amortization for the year	(6,359)
At 31 December	158,983

(In Thousands of Jordanian Dinars)

(6) INTANGIBLE ASSETS (CONTINUED)

NEW PHOSPHATE PORT (CONTINUED)

*** This amount represents the asset replacement obligation provision when the license to use and operate the new port expires. The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5% (similar to the interest rate on government bonds). The balance of asset replacement obligation provision is JD 12,197,877 as of 31 December 2014. The maturities of the asset replacement obligation provision are as follows:

	2014
Long term asset replacement obligation provision	11,259
Current portion of asset replacement obligation provision (Note 21)	938
Total	12,197

(7) EMPLOYEES' HOUSING LOANS

	2014	2013
At 1 January	5,022	4,852
Net movement during the year	1,945	1,410
Present value discount	(768)	(1,240)
At 31 December	6,199	5,022

The Group grants its classified employees, who have been in service with the Group for not less than seven years, interest-free housing loans at a maximum amount of JD 30,000 per employee. The loans are repayable in monthly installments, deducted from the employees' monthly salaries over a period not to exceed 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate of 6.5%, which approximates the interest rate for similar commercial loans, and subsequently measured at amortized cost using the effective interest rate method.

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2014	2013
Quoted shares	265	372
Unquoted shares*	278	278
	543	650

*Unquoted financial assets at fair value through other comprehensive income are recorded at cost, the Group's management believes that book values of these assets do not materially vary from their fair value as of 31 December 2014.

The Group's ownership percentage in some of these investments exceeds 20% of investees' net assets, and are not classified as investments in associates due to a board decision. Therefore, these investments are classified as financial assets at fair value through other comprehensive income.

(9)LOANS RECEIVABLE

The balance represents loans granted to associated Companies of the Group (Jordan Abyad Fertilizers and Chemicals Company and Manajim for Mining Improvements and Jordan India Fertilizers Company). Long-term loans receivable are subject to annual interest rates of 6% and 8.25%.

(In Thousands of Jordanian Dinars)

(9)LOANS RECEIVABLE (CONTINUED)

		2014		2013	
		Loan payments		Loan payments	
	Currency	Due within one year	long-term	Due within one year	Long-term
Jordan India Fertilizers Company	USD	16,312	-	-	-
Jordan Abyad Fertilizers and Chemicals Company	USD	-	2,436	-	2,436
Jordan Abyad Fertilizers and Chemicals Company	JD	-	4,140	-	2,520
Manajim for Mining Improvements	JD	13,000	-	9,750	3,250
Aqaba Railroad Company	JD	-	-	500	-
		29,312	6,576	10,250	8,206

(10) PRODUCTION AND DEVELOPMENT STRIPPING COSTS

Movement on the production stripping cost is as follows:

	2014	2013
At 1 January	19,222	-
Additions for the year	28,056	19,722
Amortization for the year	(11,741)	-
Elimination of Group's share of associate's income related to transactions between the Group and associates	(2,177)	(500)
At 31 December	33,360	19,222

(11) INVENTORIES, SPARE PARTS AND SUPPLIES

	2014	2013
Finished goods	53,247	82,403
Work in process (Note 36)	78,021	91,359
Raw materials	27,272	21,029
Inventory held by contractors	16,257	6,595
Spare parts and supplies	94,762	91,650
	269,559	293,036
Provision for slow moving spare parts*	(19,663)	(20,212)
	249,896	272,824

* Movement in the provision for slow-moving spare parts was as follows:

	2014	2013
At 1 January	20,212	20,194
Provision for the year	1,630	18
Released from provision (Note 30)	(2,179)	-
At 31 December	19,663	20,212

(In Thousands of Jordanian Dinars)

(12) ACCOUNTS RECEIVABLE

	2014	2013
Trade receivables	84,324	50,195
Due from associated companies (Note 40)	40,142	5,385
Other	6,698	6,586
	131,164	62,166
Allowance for doubtful debts*	(20,961)	(20,961)
	110,203	41,205

Movement on the allowance for doubtful debts is as follows:

	2014	2013
At 1 January	20,961	23,261
Released from provision	-	(2,300)
At 31 December	20,961	20,961

*The balance of allowance for doubtful debts is JD 20,961,016 as of 31 December 2014 and 2013.

The Group's policy with regard to trade receivables and related parties receivables is a collection period that does not exceed 90 days.

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

	Neither past due nor impaired		
	Less than 90 days	90 – 180 days	Total
2014	110,203	-	110,203
2013	36,103	5,102	41,205

The management of the Group expects unimpaired receivables, on the basis of past experience to be fully recoverable. The majority of the Group's sales are made through letter of credits.

(13) OTHER CURRENT ASSETS

	2014	2013
Payments on letters of credit	9,005	21,075
Advance payments on sales tax	4,997	5,226
Prepaid expenses	3,634	9,976
Prepaid income tax (Note 24)	-	7,094
Accrued interest revenue	787	547
Others	5	303
	18,428	44,221

(14) CASH ON HAND AND AT BANKS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following amounts which appears in the consolidated statement of financial position:

	2014	2013
Cash at banks*	27,822	27,637
Cash on hand	39	38
	27,861	27,675
Less: Bank overdrafts (Note 23)	(97,722)	(87,288)
	(69,861)	(59,613)

(In Thousands of Jordanian Dinars)

(14) CASH ON HAND AND AT BANKS (CONTINUED)

Cash at banks include current accounts in United States Dollars bearing annual average interest rate of maximum 0.1% for the years ended 31 December 2014 and 2013.

Cash at banks include short-term deposits accounts in Jordanian Dinars bearing annual interest rate average between 4.25% and 5% (2013: Between 3.5% and 5%).

Short term investments balance for an amount of JD 4,612,037 (2013: JD 1,053,593), represents bank deposits with maturity dates of more than three months and less than one year bearing annual interest rates range between 4.5% and 5% (2013: 3.9% and 6.0%).

(15) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Group's authorized, subscribed and issued capital amounted to JD 75,000,000 comprises of 75,000,000 shares at par value of JD 1 per share.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

Voluntary reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

Special reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

(16) DIVIDENDS DISTRIBUTION

In its ordinary meeting held on 27 April 2013, the General Assembly approved the distribution of cash dividends for the year 2012 of JD 0.25 per share totaling JD 18,750,000.

(17) LOANS

		2014		2013	
	Currency	Current portion of long-term loans	long-term	Current portion of long-term loans	Long-term
International Finance Corporation	USD	11,680	34,986	11,680	46,666
Arab Bank	USD	6,514	4,885	4,885	11,399
European Investment Bank	EUR	-	-	1,531	-
Arab Banking Corporation					
revolving loan	USD	7,080	-	-	-
Arab Bank revolving loan	USD	7,080	-	-	-
		32,354	39,871	18,096	58,065

• International Finance Corporation (IFC) Loan

On 26 March 2010, Group signed a loan agreement with the International Finance Corporation (IFC) in the amount of USD 110 million for a period of nine years including two years grace period and payable in 14 equal semi-annually installments amounting to JD 5,840,107 for each installment at an interest rate of six months LIBOR +3.5%. The loan is divided into two parts: loan (A) in the amount of USD 50 million and loan (B) in the amount of USD 60 million. The purpose of the loan agreement is to finance the construction and operation of new rock phosphate terminal in the southern industrial zone in the port of Aqaba on (Building Operating and Transfer) BOT basis. The new terminal total cost was JD 153,144,330. The first installment for both loans (A) and (B) was paid on 15 June 2012, and the last installment for both loans (A) and (B) will be due on 15 December 2018.

• Arab Bank Loan

On 8 December 2013, the Group signed a loan agreement with the Arab Bank to finance the remaining portion of the Group's share of the project of Jordan Indian Fertilizers Company (JIFCO) in the amount of USD 23 million bearing an interest rate of 1 month (6 months LIBOR + 2% with a minimum interest rate of 3%). The loan is payable in 10 equal quarterly installments of USD 2.3 million with the first installment is payable in June 2014 and the last installment will be due in September 2016.

(In Thousands of Jordanian Dinars)

(17) LOANS (CONTINUED)

• European Investment Bank Loan

The Group was granted a loan on 10 May 1999 from the European Investment Bank for EUR 60,000,000 to finance Shidiya II project. The loan comprised two parts and is subject to an interest rate to be determined based on the average interest rate on such loans at withdrawal date. The loan is for a period of 15 years with 4 years grace period. The loan is repayable in 22 semi-annual installments. The agreement for the first part has been signed for an amount of EUR 30 Million and the second part agreement for the remaining amount has been signed on 25 May 2000 for an amount of EUR 30 Million. During 2003, the Group has requested to cancel the undrawn part of the loan and the European Investment Bank approved the request. This loan is guaranteed by the Jordanian Government. The first installment was due during October 2003, and the last installment was paid during April 2014.

• Arab Banking Corporation Revolving Loan

On 22 May 2014, the Group signed a revolving loan agreement with Arab Banking Corporation with a ceiling of USD 10 Million to finance the working capital, at an annual interest of one month LIBOR +1.5%. The loan was fully utilized during 2014 and should be fully paid within maximum 13 months from the utilization date.

• Arab Bank Revolving Loan

On 3 July 2014, the Group signed a revolving loan agreement with Arab Bank with a ceiling of USD 10 Million to finance to finance letters of credit, at an annual interest of one month LIBOR +2%. The loan was fully utilized during 2014 and should be fully paid within 1 month from the utilization date and / or the collection date of the letter of credit from customers, whichever is earlier.

Loans repayments schedule:

The aggregate amounts of annual principal maturities of long-term loan are as follows:

Year	Amount in JD' 000
2016	16,565
2017	11,680
Thereafter	11,626
	39,871

Certain loan agreements contain covenants relating to financial ratios and others relating to additional borrowings. The loan agreements give the lender the right to ask for full repayment of the loans in case of non-compliance with the stated covenants.The loan agreement with the International Finance Corporation stipulates that the Group do not enter into any agreement or arrangement to lease any property or equipment of any kind, except the Land Lease and then only to the extent the aggregate lease payments do not exceed the equivalent of US 10,000,000 (equivalent to JD 7,080,000) in any Financial Year. Furthermore, the agreement stipulates that the Group does not enter into any Derivative Transaction or assume the obligations of any party to any Derivative Transaction. The agreement also stipulates that the JPMC should maintain a debt service ratio of not less than 1.5 times, a current ratio of not less than 1.5 times and liabilities to tangible net worth ratio is not more than 2 times.

The loan agreement with the European Investment Bank stipulates that the Group should obtain the Bank's approval for all borrowings equal to or over US 10,000,000, and maintain certain debt service ratio and current ratio

The Group did not comply with some of the loans covenants where the current ratio was 1.3 times as of 31 December 2014. However, on 12 June 2014, the Group obtained a one year waiver letter from the IFC for the period from 31 March 2014 until 31 March 2015 for a temporarily changes of the current ratio to become not less than 1.2 times instead of 1.5 times. The Group obtained another 9 month waiver letter from the IFC for the period from 1 May 2015 until 31 December 2015 for a temporarily changes of the current ratio to be not less than 1.2 times instead of 1.5 times.

(In Thousands of Jordanian Dinars)

(18) COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS

The movement on the end-of-service indemnity provision is as follow:

	2014						
	Compensation Fund*	Employee End-of-Service Indemnity**	Engineers Specialty Allowances***	End of Service Bonus Compensation****	Six months Bonus compensation	Total	2013
At 1 January							
Provision during the year	2,683	65	18	30,471	2,288	35,525	35,079
Transfers to employees	2,028	18	-	3,987	664	6,697	5,076
incentives provision	-	-	-	(2,630)	-	(2,630)	(2,707)
Payments during the year	(378)	(9)	-	(1,784)	(303)	(2,474)	(1,642)
Actuarial gain	-	-	-	(843)	-	(843)	(281)
At 31 December	4,333	74	18	29,201	2,649	36,275	35,525

* Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). The fund contributions were divided between the employee and the employer. Effective 1 August 1999, the employer's share was amended to become JD 310 and the employee share JD 140 as the total entitlement became JD 450 annually. The fund balance as of 31 December 2014 represents the accumulated funds that have vested to some employees since 1 July 2012 after deducting the amounts paid to the employees during the past years, the Company's contributions are recognized as an expense when incurred, under administrative expenses.

** The employees' end-of-service provision was, until 30 April 1980, computed in accordance with the Jordanian Labor Law. Effective 1 May 1980, the provision became subject to the newly-enacted Social Security Law. As a result, the indemnity accrues to employees on a pro-rata basis during the employment period based on the employee's current salary in accordance with the Labor Law No. (8) effective 16 June 1996. The provisions under the old and new schemes are payable upon termination or resignation of the employee.

*** The reserve for engineers' specialty allowance was computed based on a Cassation Court decision issued in favor of a former employee of the Company for which the Company had to pay the specialty allowance as part of employees' indemnity. The engineers' specialty allowances were calculated in 1999 based on a court decision to include certain allowances in the end of service calculation.

**** The Company calculated the provision for employees' end-of-service bonus based on

JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July, 2011 and 28 July 2011 which set the end of service bonus basis.

End-of-service bonus is earned based on years of service. The Company determined its liability for defined end of service bonus as the present value of the obligation at the date of the consolidated financial statements. The obligation resulting from the end-of-service bonus compensation plan is determined using the projected unit credit method and it is computed by an actuarial expert.

Details of employees end-of-service indemnity expense as presented on the consolidated statement of income is as follows:

	2014	2013
Interest cost	1,918	1,961
Cost of current service	2,069	2,023
Reversed employees incentives provision	(2,630)	(1,234)
	1,357	2,750

Principal actuarial assumptions used to determine end-of-service bonus compensation:

	2014	2013
Discount rate*	6.5%	6.5%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	3%	3%
From the age of 35 to 49 years	2%	2%
Age 50 years and over	0%	0%

(In Thousands of Jordanian Dinars)

(18) COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS (CONTINUED)

* The 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 with an average interest rate of 6.5%.

The following schedule shows the sensitivity in the principal actuarial assumption changes used to determine end-of-service bonus compensation as of 31 December 2014 and 2013:

	Discount rate		Mortality rate		Resignation rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
-2014	+1	2,462	+20	(79)	+1	(1,174)
	-1	(2,832)	-20	79	-1	1,265
	+1	2,592	+20	(83)	+1	(1,228)
-2013	-1	(2,981)	-20	83	-1	1,319

(19) EARLY RETIREMENT OBLIGATIONS

During its meeting held on 9 February 2000, the Company's Board of Directors approved the incentives and guidelines and early retirement plan, which include the following benefits to those employees who choose to benefit from the plan:

1- Medical insurance coverage for the employee after retirement.

2- Payment of the difference between the gross salary being paid by the Company and the retirement salary granted by the Social Security Corporation up to the period when the employee becomes entitled to the elderly age retirement salary as per article (44) of the Social Security Law applicable at that date.

3- Six-month salary bonus.

4- A one-month salary bonus for each year between the early retirement date and the date on which an employee becomes entitled to the elderly age retirement salary as per the Social Security Law.

5- A 50% contribution toward the cost of purchasing additional years, up to a maximum of 5 years, for the purpose of maximizing the social security benefits.

Benefits are dependent upon the years of service. The Company determined its liability for defined benefit plan as the present value of the obligation at the date of the consolidated financial statements minus past service cost.

The obligation resulting from the early retirement plan is determined using the projected unit credit method.

The Company's Board of Directors resolved to cancel the incentive and early retirement plan effective 31 December 2001.

The following table reconciles the funded status of the defined benefit plan (early retirement plan) to the amount recognized in the statement of financial position:

	2014	2013
Present value of unfunded obligation	2,051	3,061
Curtailments and settlements	(669)	(1,010)
Liability recognized in the consolidated statement of financial position	1,382	2,051

The movements in the liability recognized in the consolidated statement of financial position were as follows:

	2014	2013
At 1 January	2,051	3,061
Early retirement expense	133	199
Payments of bonuses and salary difference to retirees	(802)	(1,209)
Net liability at 31 December	1,382	2,051

Principal actuarial assumptions used to determine pension obligations as of 31 December were as follows:

	2014	2013
Discount rate*	6.5%	6.5%
Inflation rate of health care costs	7%	7%

*The 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 with an average interest rate of 6.5%.

(In Thousands of Jordanian Dinars)

(20) ACCOUNTS PAYABLE

	2014	2013
Due to associates (Note 40)	50,845	34,205
Due to contractors	5,814	6,460
Due to foreign suppliers	17,053	17,770
Due to local suppliers	5,043	8,300
Others	12,504	4,881
	91,259	71,616

(21) ACCRUED EXPENSES

	2014	2013
Mining fees	13,710	9,716
Inventory held by contractors	16,257	6,595
Accrued contractors expense	7,894	4,707
Accrued consulting expense	-	1,568
Asset replacement obligation provision (Note 6)	938	-
Accrued production bonus	400	2,088
Accrued rent	5,049	3,630
Interest expense	206	181
Sales agents' commissions	468	412
Freight and transportation fees	3,488	454
Delayed loading expense	1,281	1,241
Sales rebates	665	278
Port fees	2,808	1,468
Fuel, electricity and water expenses	2,538	1,881
Provision for contribution in local society growth	-	1,536
Accrued health insurance	773	1,203
Accrued agriculture service fees	1,287	348
Others	4,745	3,806
	62,507	41,112

(22)OTHER CURRENT LIABILITIES

	2014	2013
Deposits and other provisions	19,964	11,784
Contractor retention	3,475	2,217
Cash received under letters of guarantees	2,357	2,357
Other	3,760	3,461
	29,556	19,819

(23) DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks with a ceiling of JD 46,500,000 as of 31 December 2014 (2013: JD 46,500,000) for the JD accounts, and USD 60,500,000 as of 31 December 2014 (2013: USD 55,500,000) for the USD accounts. The Group had an agreement with a local bank to exceed the ceiling of the USD overdraft facility by USD 10,000,000 guaranteed by the export letters of credit received by the Company. Average interest rates on those overdrafts facilities ranged between 7.5% and 8.875% in 2014 (2013: between 7.5% and 8.75%) for the JD accounts, and LIBOR plus 1% to 2% for the USD accounts with a maximum of 4.875%.

(In Thousands of Jordanian Dinars)

(24) INCOME TAX

Consolidated statement of income -

Income tax (benefit) expense consists of the following:

	2014	2013
Current year income tax	4,531	3,184
Amount released from deferred tax assets	3,098	3,406
Deferred tax assets	(7,941)	(2,461)
	(312)	4,129

(A) Income tax payable

Movement in the provision for income tax was as follows:

	2014	2013
At 1 January	(7,094)	5,659
Income tax expense for the year	4,531	3,184
Reclassifications*	5,254	-
Income tax paid	(2,257)	(15,937)
At 31 December (Note 13)	434	(7,094)

* This item represents the amounts that have been reclassified to advance payments on sales tax, due to the fact that the Income and Sales Tax Department did not accept deducting these amounts against income tax provision.

(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax is as follows:

	2014					
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Total
Accounting profit	25,150	(16,789)	7,562	4,746	(46)	20,623
Non-taxable profits	(26,822)	(5,691)	(7,562)	(4,746)	-	(44,821)
Non-deductible expenses	33,336	8,720	-	-	449	42,505
Taxable income	31,664	(13,760)	-	-	403	18,307
Provision for income tax	4,480	-	-	-	51	4,531
Effective income tax rate	17.8%					21.9%
Enacted income tax rate	14٪	5٪	-	-	14٪	-

	2013					
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Total
Accounting profit	30,810	(18,782)	(9,859)	4,606	(51)	6,724
Non-taxable profits	(26,873)	(7,695)	9,859	(4,606)	-	(29,315)
Non-deductible expenses	19,025	4,533	-	-	264	23,822
Taxable income	22,962	(21,944)	-	-	213	1,231
Provision for income tax	3,154	-	-	-	30	3,184
Effective income tax rate	10.2%					47.4%
Enacted income tax rate	14٪	5٪	-	-	14٪	-

*No income tax is calculated on Indo-Jordan's and Nippon Jordan's results because both companies are registered in the free zone which is exempted from the income tax at 100%.

(In Thousands of Jordanian Dinars)

(24) INCOME TAX (CONTINUED)

(C) Deferred tax assets

Movement in the provision for income tax was as follows:

	2014	2013
At 1 January	5,968	6,913
Additions during the year*	7,941	2,461
Released during the year	(3,098)	(3,406)
At 31 December	10,811	5,968

* According to the new income tax law issued on 31 December 2014 and effective on

1 January 2015, the Company calculated the deferred tax assets for the Phosphate Unit for the year ended 31 December 2014 using a tax rate of 24% which had a total effect on the deferred tax assets amounting to JD 4,217,000.

Phosphate Unit-

The Company submitted its' tax declarations for the Phosphate Unit for the years 2013 and 2012. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit up to the date of the consolidated financial statements. The Company reached a final settlement with the income tax department for the Phosphate Unit up to 2011.

Fertilizer Unit-

The Company submitted its' tax declarations for the Fertilizers Unit for the years 2013 and 2012. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records of the Fertilizers Unit up to the date of the consolidated financial statements. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority have reviewed the records of the Fertilizer Unit for the year 2011 and did not issue its' final report up to the date of the consolidated financial statements. The Company reached a final settlement with the income tax department / Aqaba Special Economic Zone Authority for the fertilizers Unit up to 2010.

(25) COST OF SALES

	2014	2013
Finished goods at 1 January	82,403	72,845
Production costs (Note 36)	533,687	480,698
Finished goods at 31 December	(53,247)	(82,403)
	562,843	471,140

Included in the Fertilizer Unit's production costs are amounts of JD 2,382,098 and JD 1,950,820 for 2014 and 2013 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 29).

(26) SELLING AND MARKETING EXPENSES

	2014	2013
Sales commissions	2,801	1,879
Export department	1,435	2,150
Packaging materials	295	599
Income tax on marine freight	414	235
Delayed loading expenses	81	200
Bank charges on letters of credit	839	759
Governmental fees on agriculture services	938	374
Other sales and marketing expenses	2,313	1,483
	9,116	7,679

(In Thousands of Jordanian Dinars)

(27) ADMINISTRATIVE EXPENSES

	2014	2013
Salaries and wages	8,741	8,690
End-of-service benefits and compensation fund contributions	3,793	2,077
Paid vacations and end-of-service benefits	42	74
Employees saving fund contributions	359	317
Post retirement health insurance contributions	1,525	1,679
Employees' health insurance fund contributions	351	351
Employer's social security contributions	920	828
Medical expenses	479	476
Travel and per diems	815	479
Depreciation	596	877
Post and telephone	133	171
Subscriptions and exhibitions	353	156
Legal expenses and lawyer fees	755	297
Rent	104	117
Advertising	132	79
Stationery	106	108
Utilities	219	164
Hospitality	196	87
Oil and lubricants	161	147
Maintenance and spare parts	354	224
Scientific research and development	717	572
Computer software	112	230
Fees, taxes and stamps	1,506	251
Insurance fees	80	72
Others	1,453	1,591
	24,002	20,114

Administrative expenses are allocated except for the end - of - service benefits compensation fund contribution between Phosphate Unit and Fertilizer Unit at the percentages of 75% and 25%, respectively, according to the board decision based on certain standards representing each unit share of revenues, cost of sale, fixed assets at cost, total assets, long-term loans, current liabilities, which was determined by the Ministry of Finance, Ministry of Industry & Trade, Jordan Investment Institution and Jordan Phosphate Mines Co. These standards were applied for each unit.

(28) RUSSIEFAH MINE EXPENSES

	2014	2013
Wages and salaries	1,055	1,275
Employer's social security contributions	226	142
Employees Saving Fund contributions	45	52
Employees Health Insurance Fund contributions	79	85
Medical expenses	65	77
Scientific research and development	1,290	1,277
Depreciation	25	18
Others	199	136
	2,984	3,062

(29) MINING FEES

The Group is subject to mining fees on each ton of phosphate rocks exported, sold locally or used in the Group's projects.

Effective 6 March 2013 and as mandated by the council of ministers, mining fees law was amended to increase mining fees to 5% of gross revenue or JD 1.42 per ton of phosphate, whichever is higher.

(In Thousands of Jordanian Dinars)

(29) MINING FEES (CONTINUED)

Mining fees incurred for the years 2014 and 2013 are as follows:

	2014	2013
Mining fees on exported and locally sold Phosphate	19,612	12,922
Mining fees on Phosphate used by the Fertilizers Unit (Note 25)	2,382	1,951
	21,994	14,873

(30) OTHER INCOME, NET

	2014	2013
Net income from sales of supplies	1,655	96
Early vessels revenue	255	301
Dividends income	232	245
Reversed bad debt provision (Note 12)	-	2,300
Reversed slow moving provision (Note 11)	2,179	-
Excess provisions released	-	2,336
Settlement of insurance claims	512	34
Income from training	-	502
Others	619	484
	5,452	6,298

(31) FINANCE COSTS

	2014	2013
Interest on loans	2,818	741
Bank interest	5,592	3,522
Others	780	186
	9,190	4,449

(32) FINANCE INCOME

	2014	2013
Interest income on banks' current accounts and deposits	1,317	1,119
Interest on loans receivable	235	215
	1,552	1,334

(33) EARNINGS PER SHARE

	2014	2013
Profit for the year attributable to Company's shareholders (thousand JD's)	19,775	1,474
Weighted average number of shares during the year (thousand Shares)	75,000	75,000
	JD/Fils	JD/Fils
Basic earnings per share*	0/264	0/020

* The diluted earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

(34) SEGMENT INFORMATION

The operating segments are organized and managed separately according to the nature of the products and service provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate in the local and international market as well as to associated companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers and Phosphoric Acid and Aluminum Fluoride to be sold to the international and local markets as well as the associated companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemicals by-products and sells to international and associated companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products and sells to international and associated companies

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as selling them in the local and international market as well as the associated companies.

(In Thousands of Jordanian Dinars)

(34) SEGMENT INFORMATION (CONTINUED)

Following is a summary of the financial data by business segment:

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Others	Trading in Raw Materials	Eliminations	Total
31 December 2014								
Revenues								
External sales	357,551	213,716	72,070	82,287	-	12,805	-	738,429
Inter-segment sales	82,328	12,098	34,273	-	-	-	(128,699)	-
Total Sales	439,879	225,814	106,343	82,287		12,805	(128,699)	738,429
Cost of sales	(201,683)	(215,995)	(58,550)	(75,307)	-	(11,308)	-	(562,843)
Gross profit	238,196	9,819	47,793	6,980	-	1,497	(128,699)	175,586
Segment results -								
Profit before tax, finance costs, interest income and exchange difference	33,048	(17,939)	7,853	3,759	(46)	1,497	-	28,172
Finance (costs) income and exchange difference	(7,926)	(319)	(291)	987	-	-	-	(7,549)
Profit before tax	25,122	(18,258)	7,562	4,746	(46)	1,497	-	20,623
Profit for the year	25,369	(18,142)	7,562	4,746	(97)	1,497	-	20,935
Share of profit of associates and joint ventures	4,172	-	-	-	-	-	-	4,172
Non-controlling interest	-	-	-	1,160	-	-	-	1,160
Other segment information -								
Capital expenditures	28,355	8,107	4,150	1,006	43	-	-	41,661
Depreciation	5,688	6,829	8,389	932	152	-	-	21,990

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Others	Trading in Raw Materials	Eliminations	Total
31 December 2013								
Revenues								
External sales	260,554	161,962	81,981	60,572	-	9,343	-	574,412
Inter-segment sales	75,101	13,202	10,748	-	-	-	(99,051)	-
Total Sales	335,655	175,164	92,729	60,572	-	9,343	(99,051)	574,412
Cost of sales	(150,175)	(173,593)	(85,106)	(54,030)	-	(8,236)	-	(471,140)
Gross profit	185,480	1,571	7,623	6,542	-	1,107	(99,051)	103,272
Segment results -								
Profit before tax, finance costs, interest income and exchange difference	34,507	(19,695)	(10,170)	4,111	51)	1,107	-	9,809
Finance (costs) income and exchange difference	(3,691)	(200)	311	495	-	-	-	(3,085)
Profit before tax	30,816	(19,895)	(9,859)	4,606	(51)	1,107	-	6,724
Profit for the year	26,874	(20,052)	(9,859)	4,606	(81)	1,107	-	2,595
Share of profit of associates and joint ventures	6,108	-	-	-	-	-	-	6,108
Non-controlling interest	-	-	-	1,121	-	-	-	1,121
Other segment information -								
Capital expenditures	27,781	3,096	5,571	672	(37)	-	-	37,083
Depreciation	4,855	5,952	8,433	928	151	-	-	20,319

(In Thousands of Jordanian Dinars)

(34) SEGMENT INFORMATION (CONTINUED)

	Phosphate	Fertilizers	Indo Jordan	Nippon	Others	Total
Assets and Liabilities as at 31 December 2014						
Assets	836,177	225,597	110,334	38,429	929	1,211,466
Liabilities	360,461	55,687	9,804	1,198	364	427,514
Investment in associates and joint ventures	234,562	-	-	-	-	234,562
Assets and Liabilities as at 31 December 2013						
Assets	718,747	252,530	106,148	34,074	995	1,112,494
Liabilities	288,092	49,315	11,442	1,148	216	350,213
Investment in associates and joint ventures	221,539	-	-	-	-	221,539

Geographical segments:
Following is a summary of sales by geographical areas:

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Raw Materials	Total
2014 -						
Asia	293,383	139,761	72,070	56,216	-	561,430
Australia	6,227	-	-	1,685	-	7,912
Europe	14,623	30,318	-	24,386	-	69,327
Africa	-	42,994	-	-	-	42,994
Associated companies, Jordan	43,318	-	-	-	-	43,318
Other	-	643	-	-	12,805	13,448
	357,551	213,716	72,070	82,287	12,805	738,429
2013 -						
Asia	247,122	64,225	77,786	60,572	-	449,705
North America	-	-	4,195	-	-	4,195
Europe	11,834	66,765	-	-	-	78,599
Africa	-	30,446	-	-	-	30,446
Associated companies, Jordan	1,598	-	-	-	-	1,598
Other	-	526	-	-	9,343	9,869
	260,554	161,962	81,981	60,572	9,343	574,412

The Group operates in the Hashemite Kingdom of Jordan, accordingly all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company which is located in Indonesia.

(In Thousands of Jordanian Dinars)

(35) OTHER PROVISIONS

The details of other provisions included in the consolidated statement of income are as follows:

	2014	2013
Employees' incentives provision*	26,000	12,451
End of Service Bonus Compensation provision (Note 18)	3,987	2,750
Bonus compensation – six months for subsidiaries (Note 18)	664	482
	30,651	15,683

The details of Employees incentives and retirees grants provision included in the consolidated statement of financial position are as follows:

	2014	2013
Employees' incentives provision*	24,310	16,051
Employees' grants provision**	585	590
	24,895	16,641

* The employees' incentive provision for the years ended 31 December 2014 and 2013 was calculated based on the Labor Agreement and the Company's Board of Directors approval to take a provision for (Early Retirement Incentive Plan for the year 2011). The Labor agreement states that in any year the Company incurs net loses, no employees will be approved for early retirement during that year; therefore, the provision for 2014 was calculated for an amount of JD 26,000,000 and for the year 2013 up to the net income for the year which amounted to JD 12,451,000.

The employees incentives provision for the year 2012 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

1- Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.

2- Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).

3- Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.

4- Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company but not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid for in advance.

Whereby eligibility to the Plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

Movement on the employees' bonus provision is as follows:

	2014	2013
At 1 January	16,051	19,836
Provision for the year	26,000	12,451
Transferred from end of service indemnity provision (Note 18)	2,630	2,707
Paid during the year	(20,371)	(18,943)
At 31 December	24,310	16,051

(In Thousands of Jordanian Dinars)

(35)OTHER PROVISIONS (CONTINUED)

** On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 each.

On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

((50% x salary subject to social security x years of service) + (25% x salary subject to social security x remaining years from the termination date until the age of seniority)).

Movement on the employees' grants provision is as follows:

	2014	2013
At 1 January	590	637
Paid during the year	(5)	(47)
At 31 December	585	590

(36) PRODUCTION COSTS

	2014	2013
Work in progress beginning balance	91,359	59,554
Add:		
Mining contractors	142,469	156,469
Raw materials	158,774	130,698
Raw materials purchases	11,308	8,237
Salaries and other benefits	85,689	87,800
Utilities	29,891	27,520
Fuel and oil	22,996	28,352
Spare parts and consumables	23,789	29,645
Depreciation	21,163	19,220
Others	24,270	24,562
Less: Work in progress Ending balance	(78,021)	(91,359)
	533,687	480,698

(37) SALARIES AND EMPLOYEES BENEFITS

	2014	2013
Salaries and allowances	84,865	86,432
Present value of end of service bonus compensation	3,987	3,984
End-of-service and indemnity fund	1,609	1,347
Social security	9,411	8,710
Saving fund	3,109	3,234
Employees medical expenses	3,636	3,963
Employees families health insurance	3,455	3,569
The Company's share in the health insurance fund / retirees	1,649	1,713
Employees meal subsidy	1,025	994
Paid end-of-service indemnity	2,943	1,239
	115,689	115,185

This item does not include Employees' incentives provision (Note 35) amounting to JD 26,000,000 as of 31 December 2014 (2013: JD 12,451,000).

(38) NEW PHOSPHATE PORT TERMINAL EXPENSES

	2014	2013
Salaries, wages and other benefits	2,563	-
Water and electricity	1,135	-
Amortization (Note 6)	6,359	-
Property and equipment insurance	735	-
Rent	511	-
Others	105	-
	11,408	-

(In Thousands of Jordanian Dinars)

(39) COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

As of 31 December 2014, the outstanding letters of credit and letters of guarantee were JD 36,768,086 and JD 2,657,057 respectively (2013: JD 63,116,993 and JD 7,044,923 respectively).

The Group has guaranteed 25% (Group's share of investment) of the syndicated loans and credit facilities given to Jordan Abyad Fertilizers and Chemicals Company, managed by Jordan Ahli Bank, amounting to JD 11,776,879 as of 31 December 2013. On 30 July 2013, Jordan Ahli Bank withdrew USD 3,440,871 from the Groups account which represents the Group's share of the syndicated loan installment, the credit facilities granted and the accrued interest on Jordan Abyad Fertilizers and Chemicals Company due on 30 June 2013.

Operating Leases

During 2008, the Group had renewed the agreement with Aqaba Development Company by entering into an operating lease agreement for an area of 3,043 thousand square meters for a period of forty nine years with an annual lease of JD 570,194.

Litigation

The Group is a defendant in a number of lawsuits in the ordinary course of business of approximately JD 140,000. The management of the Group believes that these lawsuits will not have a material effect on the financial statements.

During 1999, the Group withdrew the cash received under letters of guarantee that were issued by the German KHD Company in favor of the Group due to KHD's noncompliance with the terms and conditions of the contract agreement. KHD is the prime contractor of the Company's beneficiation and flotation plant project in the Shidiya.

During January 2000, KHD initiated a lawsuit in a Jordanian court against the Group's withdrawal of the amount of the letters of guarantee and during February 2000, the Group filed a counter suit. Further, during March 2000, KHD started an arbitration procedure to be heard by the International Chamber of Commerce. The Jordanian Supreme Court had decided that KHD had waived its right to arbitration in the International Chamber of Commerce and, accordingly, Jordanian Courts are the relevant legal jurisdiction to hear the lawsuit and the case is still pending.

During October 2004, KHD filed a lawsuit against the Group, claiming amounts under the contract signed between the two parties in respect of the beneficiation and flotation plant project at Shidiya mine.

The total amount of claims relating to lawsuits relating to KHD is JD 12,563,560. The Group filed a counter-claim that has reached JD 27,659,429 representing the cost incurred by the Group in fixing the errors made by KHD during the construction of the project.

(40) RELATED PARTY TRANSACTIONS

Related parties represent balances with associated companies, major shareholders, directors and key management of the Group and the companies that they are major shareholders in.

The Group entered into transactions with the associates, related parties and the Hashemite Kingdome of Jordan government in its normal course of business with pricing, policies and term.

The following is a summary of related parties transactions for the years ended 31 December 2014 and 2013:

	Related party			Total	
	Associated Companies and Joint Ventures	Government of Jordan*	Others**	2014	2013
Consolidated statement of financial position items:					
Accounts receivable	40,142	-	24,457	64,599	5,385
Accounts payable	50,854	-	848	51,702	36,278
Debit loans	35,888	-	-	35,888	17,956
Accrued expenses					3,145
Off consolidated statement of financial position items:					
Guaranteed loans	11,777	-	-	11,777	15,365
Consolidated statement of income items:					
Sales	43,318	-	-	43,318	36,777
Purchases	157,347	-	10,759	168,106	174,323
Mining fees	-	21,994	-	21,994	14,873
Port fees	-	4,869	-	4,869	5,202
Other income	12,580	-	660	13,240	11,745
Land lease	-	4,751	-	4,751	4,310

(In Thousands of Jordanian Dinars)

(40) RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions have been entered into with related parties:

* The Group purchases goods and services from companies /institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies / institutions amounted to JD 88,009,680 and JD 86,117,538 for the years ended 31 December 2014 and 2013 respectively.

** Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

Compensation of the key management personnel was as follows:

	2014	2013
Benefits (Salaries, wages, and other benefits) of senior executive management	607	620

End-of-service indemnity paid to key management personnel for the year 2014 amounted to JD 69,175 (2013: JD 397,100).

Main transactions with the Government of Jordan:

The nature of the main transactions with related parties was as follows:

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- Certain loans are guaranteed by the Government of Jordan or obtained through the Government from International lenders and at favorable interest rates in some cases.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the Industrial Complex is built on.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the New Phosphate Port is built on (Note 6).

(41) MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries in which non-controlling interest is material is as follows:

			Non-controlling interest	
Company name	Country of incorporation	Nature of activity	2014	2013
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	30%	30%

Summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

Accumulated balances of material non-controlling interest	2014	2013
Nippon Jordan Fertilizers Company Limited	10,323	9,163
Profit attributable to material non-controlling interest	2014	2013
Nippon Jordan Fertilizers Company Limited	1,160	1,121

A. Summarized statement of financial position

	Nippon Jordan Fertilizers Company Limited	
	2014	2013
Current assets	29,645	25,103
Non-current assets	8,862	8,774
Current liabilities	(3,462)	(2,566)
Non-current liabilities	(742)	(875)
Difference between book and market value at acquisition	107	107
Total equity	34,410	30,543
Non-controlling interest in equity	10,323	9,163

(In Thousands of Jordanian Dinars)

(41) MATERIAL PARTLY-OWNED SUBSIDIARIES (CONTINUED)

B. Summarized statement of profit and loss

	Nippon Jordan Fertilizers Company Limited	
	2014	2013
Sales revenue	82,287	60,572
Cost of sales	(76,187)	(54,842)
Gross profit	6,100	5,730
Sales and marketing expenses	(1,694)	(1,073)
Administrative expenses	(1,632)	(1,582)
Operating profit	2,774	3,075
Interest revenue	1,019	548
Finance cost	(23)	(38)
Other revenue	95	152
Net income for the year	3,865	3,737
Other comprehensive income	-	-
Total comprehensive income	3,865	3,737
Total comprehensive income attributable to non-controlling interest	1,160	1,121

C. Summarized statement of cash flow

	2014	2013
Operating activities	(4,314)	4,169
Investing activities	(1,006)	(541)
Financing activities	1,077	662
Net (decrease) increase in cash and cash equivalents	(4,243)	4,290

(42) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash in hand and at banks, trade receivables, debt loans and selected other current assets as well as employee housing loans, financial liabilities include due to banks, accounts payable and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

– 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.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Level 3	Total
2014 -				
Financial assets				
Financial assets at fair value through other comprehensive income	265	-	-	265
Financial assets of fair value through profit and loss	211	-	-	211
2013 -				
Financial assets				
Financial assets at fair value through other comprehensive income	372	-	-	372
Financial assets of fair value through profit and loss	229	-	-	229

(43) RISK MANAGEMENT

A) Interest rate risk -

Credit risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

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

The following table summaries the sensitivity analysis for the changes in the interest rates over the profit and loss for the Group as of 31 December computed on the Group's assets and liabilities bearing a variable interest rate, with all other variables held constant, on the consolidated statement of income:

Currency	Increase in interest rates Basis points	Effect on profit JD'(000)
2014 -	100	(501)
JOD	100	(846)
USD	100	42
Euro	100	1
GBP		
2013 -		
JOD	100	(391)
USD	100	(1,066)
Euro	100	(14)

The effect of decreases in interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

B) Equity price risk

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit and loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant.

	Change in Index	Effect on Profit	Effect on Equity
2014 -	%	JD ('000)	JD ('000)
Index			
Amman Stock Exchange	5	11	13
2013 -			
Index			
Amman Stock Exchange	5	12	19

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

C) Credit risk -

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

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest

6 customers account for 91% of outstanding accounts receivable at 31 December 2014 (2013: largest 4 customers 93%).

D) Liquidity risk -

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group limits its liquidity risk by ensuring bank facilities are available.

(In Thousands of Jordanian Dinars)

(43) RISK MANAGEMENT (CONTINUED)

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2014 and 2013, based on contractual payment dates and current market interest rates.

As of 31 December 2014	Less than 3 months	3 to 12 months	1 to 5 years	Total
Due to banks	2,138	104,135	-	106,273
Accounts payable	91,259	-	-	91,259
Term loans	2,317	30,958	41,344	74,619
Total	**95,714**	**135,093**	**41,344**	**272,151**
-	Less than	3 to 12	1 to 5	
As of 31 December 2013	3 months	months	years	Total
Due to banks	1,909	93,016	-	94,925
Accounts payable	68,166	-	-	68,166
Term loans	-	18,812	60,226	79,038
Total	**70,075**	**111,828**	**60,226**	**242,129**

E) Currency risk -

Most of the Group's transactions are in Jordanian Dinars and US Dollars and Euro. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD). Accordingly, the Group is not exposed to significant currency risk in relation to the US Dollar.

The table below indicates the analysis which calculates the effect of a reasonable possible movement of the JD currency rate against the foreign currencies, with all other variables held constant, on the consolidated statement of income.

	Increase in currencies rate to the JD %	Effect on profit before tax JOD('000)
2014 -		
Currency		
Euro	1	42
2013 -		
Currency		
Euro	1	(14)

The effect of decreases in currency rates of 1% is expected to be equal and opposite to the effect of the increases shown above.

(44) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013. Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve and retained earnings, and is measured at

JD 773,764,982 as at 31 December 2014 (2013: JD 753,147,677).

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