

الإشارة : IBFM/FD/876/2007

التاريخ : ٢٠٠٧/١٥/٣١

السادة / بورصة عمان المحترمين  
عمان - الأردن

٢٢ - IBFM - 31/10/2007

تحية طيبة وبعد،،،

نرفق لكم طيه البيانات المالية المرحلية المختصرة (غير المدقق) كما في  
٢٠٠٧/٩/٣٠ للشركة العالمية للوساطة والأسواق المالية.

وتفضلوا بقبول فائق الاحترام،،،

مكرم خليل العظمي

المدير العام

نسخة : هيئة الأوراق المالية

بورصة عمان
الدائرة الإدارية
الديوان
٣١ تموز ٢٠٠٧
الرقم المتسلسل ٤٤٤٤
رقم الملف ٣١٤٤٤
الجهة المختصة

**المهنيون العرب**  
مستشارون ومحاسبون قانونيون  
أعضاء في جرائنت ثورنتون

## تقرير حول مراجعة البيانات المالية المرحلية المختصرة

السادة رئيس وأعضاء مجلس الإدارة  
الشركة العالمية للوساطة والأسواق المالية  
شركة مساهمة عامة محدودة  
عمان - المملكة الأردنية الهاشمية

### مقدمة

لقد قمنا بمراجعة البيانات المالية المرحلية المختصرة المرفقة للشركة العالمية للوساطة والأسواق المالية المساهمة العامة كما في ٣٠ أيلول ٢٠٠٧ والتي تتكون من الميزانية العامة المرحلية كما في ٣٠ أيلول ٢٠٠٧ وكلا من بيان الدخل وبيان التغيرات في حقوق الملكية وبيان التدفقات النقدية المرحلية للتسعة أشهر المنتهية في ذلك التاريخ، إن إعداد وعرض البيانات المالية المرحلية المختصرة وفقاً للمعيار الدولي للتقارير المالية (٣٤) الخاص بالبيانات المالية المرحلية هي من مسؤولية مجلس إدارة الشركة، وإن مسؤوليتنا هي إصدار تقريراً حولها استناداً إلى إجراءات المراجعة.

### نطاق المراجعة

لقد تم قيامنا بإجراءات المراجعة وفقاً للمعيار الدولي الخاص بعمليات المراجعة (٢٤١٠). تقتصر إجراءات المراجعة على الاستفسار من المسؤولين في الشركة عن الأمور المالية والمحاسبية والقيام بإجراءات تحليلية حول البيانات المالية المرحلية. إن إجراءات المراجعة تقل بشكل جوهري عن إجراءات التدقيق التي يتم القيام بها وفقاً لمعايير التدقيق الدولية، وحيث أن إجراءات المراجعة لا تمكننا من اكتشاف جميع الأمور الجوهرية التي قد يتم الكشف عنها عند تدقيق البيانات المالية، فإننا لا نبدي رأي تدقيق حول البيانات المالية المرحلية المرفقة.

### النتيجة

استناداً إلى إجراءات المراجعة التي قمنا بها، لم يتبين لنا أية أمور جوهرية تجعلنا نعتقد بأن البيانات المالية المرحلية المختصرة المرفقة غير معتمدة وفقاً للمعيار الدولي للتقارير المالية (٣٤) الخاص بالبيانات المالية المرحلية.

### فقرة توضيحية

لم يتم إظهار أرقام المقارنة لعام ٢٠٠٦، حيث أن البيانات المالية المرفقة هي أول بيانات مالية ربعية تصدر عن الشركة بعد إدراجها في السوق الأول.

**المهنيون العرب**

فهد حمودة

(إجازة رقم ٨٢٢)



مستشارون ومحاسبون قانونيون

عمان في ١٠ تشرين الأول ٢٠٠٧

الشركة العالمية للوساطة والأسواق المالية  
شركة مساهمة عامة محدودة  
الميزانية العامة كما في ٣٠ أيلول ٢٠٠٧  
(بالدينار الأردني)

كانون الأول ٢٠٠٦	٣٠ أيلول ٢٠٠٧	الموجودات
		<b>موجودات متداولة</b>
١,٦٩٦,٨٧٢	١٩١,٢٣١	نقد وشيكات في الصندوق ولدى البنوك
٦,٨٧٨,٨١٣	٧,٧٦٧,٤٥٥	موجودات مالية للمتاجرة
١٠,٧٦٣,١٣٥	١١,٧٣٦,١٠٠	ذمم عملاء الوساطة، بالصافي
٣١٥,٨٦١	٢٠١,٣٤٣	ذمم وسطاء ماليين
١٠,٦٨٣,٥٠٠	١٠,٣٢٤,١١٣	ذمم عملاء تمويل على الهامش
٣٧٠,٩٩٨	٧٨١,٧٠٥	أرصدة مدينة أخرى
٣٠,٧٠٩,١٧٩	٣١,٠٠١,٩٤٧	<b>مجموع الموجودات المتداولة</b>
٤,٦٧٩,٠٥٠	٤,٥٧٩,٨٥٠	موجودات مالية متوفرة للبيع
٢,٤٧٣,٨٨٧	٢,٤٧٣,٨٨٧	إستثمارات عقارية
٤٩٥,٩٥٩	٤٦٣,٦٤٥	موجودات ثابتة، بالصافي
١٤٣,٣٣٣	١١٣,٣٣٣	رخصة مزاولة أعمال الوساطة، بالصافي
٣٨,٥٠١,٤٠٨	٣٨,٦٣٢,٦٦٢	<b>مجموع الموجودات</b>
		<b>المطلوبات وحقوق الملكية</b>
		<b>مطلوبات متداولة</b>
٣,٣٩٢,٢١٣	٣,٦٠٢,٥٣١	بنوك دائنة
٤,١٥٠,٠٠٠	٤,٩٦٠,٠٠٠	قرض قصير الأجل
١,٣٤٨,٢٣١	١,٣٧٥,٢٢٠	ذمم عملاء وساطة
١٤٩,٥٢٧	١٩,٧٨٩	ذمم وسطاء ماليين
١,٣٦٦,٣٥٦	٧٧,٩٦٤	ذمم عملاء تمويل على الهامش
٧٤٦,٦٠٧	٢٨٦,٤٠٠	ذمم دائنة وأرصدة دائنة أخرى
١١,١٥٢,٩٣٤	١٠,٣٢١,٩٠٤	<b>مجموع المطلوبات المتداولة</b>
٥,٠٧٧,٠٠٠	٤,٨٧٠,٠٠٠	قرض طويل الأجل
١٦,٢٢٩,٩٣٤	١٥,١٩١,٩٠٤	<b>مجموع المطلوبات</b>
		<b>حقوق الملكية</b>
١٩,٩٠١,٩٧٩	٢١,٢٩٥,١١٧	رأس المال المكتتب به والمدفوع (سهم/دينار)
٢٤٨,٤٤٥	٢٤٨,٤٤٥	إحتياطي إجباري
١٦٥,٨٥٧	١٦٥,٨٥٧	إحتياطي إختياري
٥٣٠,٣٠٠	٤٣١,١٠٠	التغير المتراكم في القيمة العادلة للموجودات المالية
١,٤٢٤,٨٩٣	١,٣٠٠,٢٣٩	أرباح مرحلة
٢٢,٢٧١,٤٧٤	٢٣,٤٤٠,٧٥٨	<b>مجموع حقوق الملكية</b>
٣٨,٥٠١,٤٠٨	٣٨,٦٣٢,٦٦٢	<b>مجموع المطلوبات وحقوق الملكية</b>

تقرأ هذه البيانات المالية مع تقرير المراجعة المرفق

الشركة العالمية للوساطة والأسواق المالية  
شركة مساهمة عامة محدودة  
بيان الدخل للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧

(بالدينار الأردني)

للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧	للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧	للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧
٤٠٠,٦٨٢	١,٢٤٥,٤٣٥	صافي عمولات الوساطة
٤٧١,٠٥٨	١,٤٤٩,٥٧٠	فوائد تمويل العملاء
٦٢,٣٩٥	٤١٩,٤٣٩	أرباح تقييم موجودات مالية للمتاجرة
١٢,٨٧٩	٢٣٢,٦٦٧	توزيعات أرباح مقبوضة
٩٩,٦٢٥	٢٢١,٩٧٧	إيرادات أخرى
( ١٤٨,٧٢١ )	( ١٢٧,١٠٠ )	صافي نتائج بيع أوراق مالية
( ٢٢٧,٢٧٦ )	( ٧٩٥,٢٣٦ )	مصاريف إدارية وعمومية
( ٢٠٠,٠٠٠ )	( ٢٠٠,٠٠٠ )	مخصص ندم مشكوك في تحصيلها
( ٣١٢,٦٤٤ )	( ٩٠٩,١٧٨ )	فوائد وعمولات بنكية
( ١٩,٧٩٤ )	( ٥٨,٤٨١ )	استهلاك موجودات ثابتة
( ١٠,٠٠٠ )	( ٣٠,٠٠٠ )	إطفاء رخصة مزاولة أعمال الوساطة
١٢٨,٢٠٤	١,٤٤٩,٠٩٣	ربح الفترة قبل الضريبة
—	( ١٨٠,٦٠٩ )	مخصص ضريبة دخل الفترة
١٢٨,٢٠٤	١,٢٦٨,٤٨٤	ربح الفترة
٠,٠٠٦	٠,٠٦٠	حصة السهم من ربح الفترة
٢١,٢٩٥,١٧٧	٢١,٢٩٥,١١٧	المعدل المرجح لعدد الأسهم المتداولة

تقرأ هذه البيانات المالية مع تقرير المراجعة المرفق

الشركة العالمية للرساطة والأسواق المالية  
شركة مساهمة عامة محدودة  
بيان التغيرات في حقوق المساهمين للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧  
(بالدينار الأردني)

المجموع	التغير المتراكم في القيمة العادلة للموجودات المالية	أرباح مرحلة	إحتياطيات		رأس المال المدفوع	
			اختياري	إجباري		
٢٢,٢٧١,٤٧٤	٥٣٠,٣٠٠	١,٤٤٤,٨٩٣	١٦٥,٨٥٧	٢٤٨,٤٤٥	١٩,٩٠١,٩٧٩	الرصيد كما في ٢٠٠٧/١/١
—	—	(١,٣٩٣,١٣٨)	—	—	١,٣٩٣,١٣٨	توزيعات أرباح (أسهم مجانية ٥٧%)
١,٢٦٨,٤٨٤	—	١,٢٦٨,٤٨٤	—	—	—	ربح الفترة
( ٩٩,٢٠٠ )	( ٩٩,٢٠٠ )	—	—	—	—	التغير في القيمة العادلة للموجودات المالية
٢٣,٤٤٠,٧٥٨	٤٣١,١٠٠	١,٣٠٠,٢٣٩	١٦٥,٨٥٧	٢٤٨,٤٤٥	٢١,٢٩٥,١١٧	الرصيد كما في ٢٠٠٧/٩/٣٠

تقرأ هذه البيانات المالية مع تقرير المراجعة المرفق

الشركة العالمية للوساطة والأسواق المالية  
شركة مساهمة عامة محدودة  
بيان التدفقات النقدية للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٠٧

(بالدينار الأردني)

٣٠ أيلول ٢٠٠٧	
١,٢٦٨,٤٨٤	التدفقات النقدية من عمليات التشغيل
٨٨,٤٨١	ربح الفترة
( ٤١٩,٤٣٩ )	استهلاكات واطفاءات
٢٠٠,٠٠٠	أرباح تقييم موجودات مالية للمتاجرة
	مخصص ذمم مشكوك في تحصيلها
( ٤٦٩,٢٠٣ )	التغير في رأس المال العامل
( ١,١٧٢,٩٦٥ )	موجودات مالية للمتاجرة
١١٤,٥١٨	ذمم عملاء الوساطة
( ٤١٠,٧٠٧ )	ذمم وسطاء ماليين مدينة
٣٥٩,٣٨٧	أرصدة مدينة أخرى
( ٤٦٠,٢٠٧ )	ذمم عملاء تمويل على الهامش
٢٦,٩٨٩	ذمم دائنة وأرصدة دائنة أخرى
( ١,٢٨٨,٣٩٢ )	ذمم عملاء وساطة دائنة
( ١٢٩,٧٣٨ )	ذمم عملاء تمويل على الهامش دائنة
( ٢,٢٩٢,٧٩٢ )	ذمم وسطاء ماليين دائنة
	صافي التدفقات النقدية من عمليات التشغيل
( ٢٦,١٦٧ )	التدفقات النقدية من عمليات الاستثمار
	موجودات ثابتة
٢١٠,٣١٨	التدفقات النقدية من عمليات التمويل
٦٠٣,٠٠٠	بنوك دائنة
٨١٣,٣١٨	قروض بنكية
	مجموع التدفقات النقدية من عمليات التمويل
( ١,٥٠٥,٦٤١ )	التغير في النقد
١,٦٩٦,٨٧٢	النقد في بداية الفترة
١٩١,٢٣١	النقد في نهاية الفترة

تقرأ هذه البيانات المالية مع تقرير المراجعة المرفق

**ARAB POTASH COMPANY**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2007**

**TO THE CHAIRMAN AND MEMBERS OF  
THE BOARD OF DIRECTORS OF  
ARAB POTASH COMPANY  
AMMAN – JORDAN**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated balance sheet of **ARAB POTASH COMPANY** (a public shareholding company) as at 30 September 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.


### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman-Jordan  
29 October 2007





**ARAB POTASH COMPANY**  
**INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2007**

	NOTES	30 SEPTEMBER 2007 (Unaudited) JD "000"	31 DECEMBER 2006 (Audited) JD "000"
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment		105,655	98,393
Projects in progress		73,287	36,138
Strategic spare parts		19,018	18,275
Loan granted to Jordan Bromine Company		4,254	4,254
Investments in associates		33,434	33,575
Available-for-sale investments		885	885
Deferred tax assets		2,064	2,190
Other assets		15,062	13,653
		<u>253,659</u>	<u>207,363</u>
<b>Current assets</b>			
Accounts receivable		69,513	61,190
Inventories		18,865	6,934
Spare parts		15,730	16,298
Other assets		35,521	16,562
Cash and short-term deposits		118,512	92,074
		<u>258,141</u>	<u>193,058</u>
<b>Total Assets</b>		<u>511,800</u>	<u>400,421</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital		83,318	83,318
Statutory reserve		50,464	50,464
Voluntary reserve		80,699	80,699
Cumulative change in fair value		147	147
Retained earnings		143,728	53,089
<b>Total equity</b>		<u>358,356</u>	<u>267,717</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		59,435	38,503
Contingent liability reserve	10	4,716	27,526
Other reserves		6,553	6,802
		<u>70,704</u>	<u>72,831</u>
<b>Current liabilities</b>			
Due to bank		172	172
Interest-bearing loans and borrowings		11,267	10,232
Trade and other payables		33,588	16,610
Other liabilities		37,713	32,859
		<u>82,740</u>	<u>59,873</u>
<b>Total liabilities</b>		<u>153,444</u>	<u>132,704</u>
<b>Total Equity and Liabilities</b>		<u>511,800</u>	<u>400,421</u>

The attached notes 1 to 11 form part of these interim consolidated financial statements

**ARAB POTASH COMPANY**  
**INTERIM CONSOLIDATED INCOME STATEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

		Three months ended		Nine months ended	
	Notes	30 September 2007	30 September 2006	30 September 2007	30 September 2006
		JD "000"	JD "000"	JD "000"	JD "000"
Sales, net	5	64,476	64,683	205,302	148,527
Cost of sales		<u>31,602</u>	<u>34,907</u>	<u>107,810</u>	<u>78,929</u>
<b>Gross profit</b>	4	32,874	29,776	97,492	69,598
Less:					
Selling and distribution expenses		3,365	3,201	10,486	6,294
Administrative expenses		1,353	2,455	5,416	7,679
Royalty to the Government of Jordan		<u>3,224</u>	<u>3,911</u>	<u>10,188</u>	<u>8,768</u>
<b>Profit from operations</b>		24,932	20,209	71,402	46,857
Finance revenue		2,128	1,287	5,852	4,528
Finance cost		( 858)	( 517)	( 2,765)	( 1,722)
Other income		214	422	2,126	1,961
Other expenses		( 976)	( 505)	( 2,404)	( 3,178)
Net foreign currency exchange differences		<u>( 539)</u>	<u>-</u>	<u>54</u>	<u>-</u>
<b>Profit before gain (losses) from associates and tax</b>		24,901	20,896	74,265	48,446
Share of profit of associates	6	1,847	1,561	6,060	3,772
Gain (losses) from Jordan Magnesia Company	8	( 1,028)	(1,294)	22,564	( 5,896)
Loss from revaluation for Islamic Development Bank loan for Jordan Magnesia Company	8	( 635)	( 153)	( 667)	( 869)
Excess from acquisition of Arab Fertilizers And Chemicals Industries (KEMPACO)	9	-	-	8,747	-
Reversal of provision	10	-	-	22,200	-
Losses from Arab Fertilizers And Chemical Industries (KEMPACO)		<u>-</u>	<u>(1,945)</u>	<u>-</u>	<u>( 8,785)</u>
<b>Profit before tax</b>		25,085	19,065	133,169	36,668
Income tax expense	7	<u>( 3,261)</u>	<u>( 3,335)</u>	<u>( 13,369)</u>	<u>( 7,602)</u>
<b>Profit for the period</b>		<u>21,824</u>	<u>15,730</u>	<u>119,800</u>	<u>29,066</u>
<b>Earnings per share</b>					
Basic and diluted, for profit for the period		<u>JD 0.263</u>	<u>JD 0.189</u>	<u>JD 1.438</u>	<u>JD 0.349</u>

The attached notes 1 to 11 form part of these interim consolidated financial statements

**ARAB POTASH COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Issued capital	Statutory reserve	Voluntary Reserve	Cumulative change in fair value	Retained earnings	Total equity
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
<b>At 1 January 2007</b>	83,318	50,464	80,699	147	53,089	267,717
Profit for the period	-	-	-	-	119,800	119,800
Paid dividends	-	-	-	-	(29,161)	(29,161)
<b>At 30 September 2007 (Unaudited)</b>	<u>83,318</u>	<u>50,464</u>	<u>80,699</u>	<u>147</u>	<u>143,728</u>	<u>358,356</u>

<b>At 1 January 2006</b>	<u>83,318</u>	<u>50,464</u>	<u>80,699</u>	<u>260</u>	<u>43,111</u>	<u>257,852</u>
Change in fair value	-	-	-	( 103)	-	(103)
Total income and expense for the period recognised directly in equity	-	-	-	( 103)	-	( 103)
Profit for the period	-	-	-	-	29,066	29,066
Total income and expense for the period	-	-	-	( 103)	29,066	28,963
Paid dividends	-	-	-	-	(29,161)	(29,161)
<b>At 30 September 2006 (Unaudited)</b>	<u>83,318</u>	<u>50,464</u>	<u>80,699</u>	<u>157</u>	<u>43,016</u>	<u>257,654</u>

The attached notes 1 to 11 form part of these interim consolidated financial statements

**ARAB POTASH COMPANY**  
**INTERIM CONSOLIDATED CASH FLOWS STATEMENT**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

	Notes	For the nine months ended 30 September	
		2007	2006
		(Unaudited)	
		JD "000"	JD "000"
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before tax		133,169	36,668
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		18,103	17,230
Finance revenue		( 5,852)	( 4,528)
Finance cost		2,765	1,722
Gain from investments in associates	6	( 6,060)	( 3,772)
Losses from Arab Fertilizers & Chemical Industries (KEMPACO)		-	8,785
(Gain)/ losses from Jordan Magnesia Company	8	(22,564)	5,896
Loss from revaluation of Islamic Development Bank loan for Jordan Magnesia Company	8	667	869
Excess from the acquisition of Arab Fertilizers And Chemical Industries (KEMPACO)	9	(8,747)	-
Reversal of provision	10	(22,200)	-
Working capital adjustments:			
(Increase)/decrease in trade receivables		( 8,323)	6,617
Decrease/(increase) in Inventories		1,087	( 6,135)
(Increase)/decrease in spare parts		( 175)	161
Increase in other assets		( 18,959)	( 14,722)
Increase in trade and other payables		12,090	7,167
Decrease in other liabilities		( 1,194)	(24,344)
Income tax paid		(10,000)	(12,681)
<b>Net cash flows from operating activities</b>		<b><u>63,807</u></b>	<b><u>18,933</u></b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment		( 10,665)	( 6,396)
Payments on projects in progress		( 37,149)	( 19,790)
Dividends received from associates		6,201	354
Loans granted to Arab Fertilizers & Chemical Industries (KEMPACO)		-	( 4,285)
Interest received		4,781	4,329
Amounts received from Kemira Agro	9	8,862	-
Compensation proceeds from Jordan Magnesia Company	8	29,069	-
Other assets		( 1,411)	( 821)
<b>Net cash flows used in investing activities</b>		<b><u>( 312)</u></b>	<b><u>(26,609)</u></b>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayment of loans		( 10,257)	( 8,856)
Loans		2,879	-
Interest paid		( 2,765)	( 3,093)
Paid dividends		( 29,161)	(29,161)
Amount transferred to restricted cash at banks		( 1,398)	-
<b>Net cash flows used in financing activities</b>		<b><u>( 40,702)</u></b>	<b><u>( 41,110)</u></b>
<b>Net increase/(decrease) in cash</b>		<b>22,793</b>	<b>( 48,786)</b>
Cash available at Arab Fertilizers & Chemical Industries (KEMPACO) on the date of acquisition	9	3,645	-
Cash and cash equivalents at 1 January		<u>92,074</u>	<u>136,828</u>
<b>Cash and cash equivalents at 30 September</b>		<b><u>118,512</u></b>	<b><u>88,042</u></b>

The attached notes 1 to 11 form part of these interim consolidated financial statements

**ARAB POTASH COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2007**

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**1. GENERAL**

The Arab Potash Company "APC", "the Company", a public shareholding company, was founded and registered on July 7, 1956. During 1958, the Company was granted a concession from the Government of Jordan to exploit the minerals and salts of the Dead Sea brine. The concession expires after 100 years from the grant date, after which, the Company's factories and installations become the property of the Government of Jordan.

Currently, the Company produces and markets potash, salt, potassium nitrate, di calcium phosphate, mixed salts and mud and trades them in the local and international markets.

**2. ACCOUNTING POLICIES**

The interim condensed consolidated financial statements for the nine months ended 30 September 2007 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2006.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as of 31 December 2006.

Results for the nine months ended 30 September 2007 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2007.

**3. LEGAL RESERVES**

No appropriations for legal reserves were taken in accordance with the Companies' Law since these financial statements are interim condensed financial statements.

#### 4. SEGMENT INFORMATION

The company is comprised of the following operating segments:

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

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

	Three months ended 30 September 2007				Three months ended 30 September 2006			
	Arab Potash Co.	Numeira Co.	KEMPACO*	Total	Arab Potash Co.	Numeira Co.	KEMPACO*	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	60,525	87	3,864	64,476	64,521	162	-	64,683
Inter-company sales	2,587	-	-	2,587	-	-	-	-
Total Sales	<u>63,112</u>	<u>87</u>	<u>3,864</u>	<u>67,063</u>	<u>64,521</u>	<u>162</u>	<u>-</u>	<u>64,683</u>
Segment Gross Profit	<u>32,712</u>	<u>20</u>	<u>142</u>	<u>32,874</u>	<u>29,753</u>	<u>23</u>	<u>-</u>	<u>29,776</u>

	Nine months ended 30 September 2007				Nine months ended 30 September 2006			
	Arab Potash Co.	Numeira Co.	KEMPACO*	Total	Arab Potash Co.	Numeira Co.	KEMPACO*	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Sales to external customers	179,689	278	25,335	205,302	147,974	553	-	148,527
Inter-company sales	5,953	-	-	5,953	-	-	-	-
Total sales	<u>185,642</u>	<u>278</u>	<u>25,335</u>	<u>211,255</u>	<u>147,974</u>	<u>553</u>	<u>-</u>	<u>148,527</u>
Segment Gross Profit	<u>92,697</u>	<u>66</u>	<u>4,729</u>	<u>97,492</u>	<u>69,484</u>	<u>114</u>	<u>-</u>	<u>70,000</u>

	As of 30 September 2006				As of 31 December 2006			
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Total Assets	<u>431,632</u>	<u>2,046</u>	<u>78,122</u>	<u>511,800</u>	<u>399,261</u>	<u>1,160</u>	<u>-</u>	<u>400,421</u>
Total Liabilities	<u>117,848</u>	<u>176</u>	<u>35,420</u>	<u>153,444</u>	<u>132,558</u>	<u>146</u>	<u>-</u>	<u>132,704</u>

\* As outlined in note (9) Arab Fertilizers and Chemicals Industries (KEMPACO) results are for the period from 1 February to 30 September 2007.

## 5. INDUSTRY SEGMENT BY GEOGRAPHICAL AREA

Following is a summary of sales by company and customer's geographical location for the nine months ended 30 September 2007 and 2006:

	Nine months ended 30 September 2007				Nine months ended 30 September 2006			
	Arab Potash Co.	Numeira Co.	KEMAPCO*	Total	Arab Potash Co.	Numeira Co.	KEMAPCO*	Total
	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"	JD "000"
Far East	59,772	-	8	59,780	65,391	1	-	65,392
China & India	75,991	-	58	76,049	21,104	-	-	21,104
Europe	13,539	98	19,064	32,701	19,275	85	-	19,360
South America	100	6	-	106	20	11	-	31
Middle East	19,805	174	740	20,719	28,334	456	-	28,790
Africa	10,482	-	5,465	15,947	13,850	-	-	13,850
Total	179,689	278	25,335	205,302	147,974	553	-	148,527

\* As outlined in note (9) Arab Fertilizers and Chemicals Industries (KEMPACO) results are for the period from 1 February to 30 September 2007.

## 6. SHARE OF PROFIT OF ASSOCIATES

This item represents gain (loss) from investments in associates as follows:

	30 September 2007 JD "000"	30 September 2006 JD "000"
Jordan Bromine Company	5,836	3,590
Jordan Investment and South Development Company	-	( 9)
Nippon Jordan Fertilizer Company	149	127
Jordan International Chartering Company	75	64
	<u>6,060</u>	<u>3,772</u>

## 7. INCOME TAX

The provision for income tax has been calculated in accordance with the Income Tax Law number (57) of 1985 and its subsequent amendments.

The Company has obtained income tax clearance from the Income Tax Department up to the end of year 2003.

The Income Tax Department reviewed the Company's records for 2004 and 2005 and estimated the income tax in excess of the taken provision by an amount of JD 4,581,000. This subject has not been settled and the Company will appeal the decision of the Income Tax Department before the concerned court.

In addition, the Income Tax Department issued claims against the Company to pay taxes amounting to JD 3,749,000 on dividends paid to the shareholders of the Company in previous years. This subject has not been settled and the Company has appealed the decision of the Income Tax Department before the concerned court.

The Income Tax Department has reviewed the Company's records for the year ended 31 December 2006, but has not issued the final tax resolution up to the date of the accompanying interim consolidated financial statements.

#### **8. LOSSES FROM JORDAN MAGNESIA COMPANY**

Based on the technical, financial and marketing study prepared for the Jordan Magnesia Company's (JORMAG) project, the Arab Potash Company's management resolved to record losses representing the commitments to be settled by Arab Potash Company in case JORMAG ceases to exist in addition to fully provide against its investment. The total losses that the Arab Potash Company might incur were estimated in 2005 to be JD 87,606,000. In 2006, the estimated losses were increased by an amount of JD 8,092,000 which represented the amounts paid by the Company to JORMAG during the year. In addition, the estimated losses were increased in 2006 by an amount of JD 1,379,000 which represented the loss from revaluation of the Islamic Development Bank loan that was granted to JORMAG. This made the total estimated losses from JORMAG to increase during 2006 to an amount of JD 97,077,000.

As of 30 September 2007, the estimated losses have been increased by an amount of JD 5,383,000. In addition, Islamic Development Bank loan has been revaluated, which increased the provision by an amount of JD 667,000. The total provision as of 30 September 2007 has reached an amount of JD 102,460,000.

Jordan Magnesia Company (JORMAG) was engaged in ICC Arbitration proceedings with the contractor concerning the plant of JORMAG. The contractor filed claims with total amount of US \$ 102,000,000, while JORMAG's counterclaims exceeded the contractor's claims. In March 2007, the contractor reinitiated negotiations with JORMAG, and the two parties reached a settlement agreement which was signed in April 2007. According to the settlement agreement, the contractor paid JORMAG in May 2007 an amount of US \$ 41,000,000 (JD 29,069,000) as a final settlement compensation.

The amount of JD 4,716,000 in the interim consolidated balance sheet represents the extra amount committed by Arab Potash Company and not included in the liabilities of JORMAG (Note 10).



## 9. ACQUISITION OF ARAB FERTILIZERS AND CHEMICALS INDUSTRIES (KEMAPCO)

On 1 February 2007, the Company acquired 50% of the issued shares of Arab Fertilizers and Chemicals Industries (KEMAPCO) thereby becoming the sole shareholder of KEMAPCO. Under the terms of the Share Transfer and Settlement Agreement, the Company paid the amount of JD 1 to Kemira Agro for these shares and received with KEMAPCO a total amount of US \$ 12,500,000 (JD 8,862,000) from Kemira Agro.

The Company accounted for the purchase under the purchase method of accounting which resulted in excess from the acquisition amounting to JD 8,747,000. According to this acquisition, the financial statements of KEMAPCO have been consolidated with the financial statements of the Company starting from 1 February 2007.

The fair value of the identifiable assets and liabilities of KEMAPCO as at the date of acquisition were:

	Fair Value	Book Value
	JD "000"	JD "000"
Cash and bank balances	3,645	3,645
Other current assets	16,021	16,021
Restricted cash	1,957	1,957
Other non-current assets	14,700	62,849
	<u>36,323</u>	<u>84,472</u>
Current liabilities	12,397	12,397
Non-current liabilities	24,041	24,041
	<u>36,438</u>	<u>36,438</u>
Net assets	( 115)	<u>48,034</u>
Cash received from Kemira Agro	<u>8,862</u>	
Excess of the Company's interest in the net fair value of KEMAPCO's net assets over cost	<u>8,747</u>	

## 10. CONTINGENT LIABILITY RESERVE

This item consists of the following:

	30 September 2007 JD "000"	31 December 2006 JD "000"
Reserve for Jordan Magnesia Company losses (Note 8)	4,716	5,326
Reserve for Arab Fertilizers & Chemicals Industries (KEMPACO) losses* (Note 9)	<u>-</u>	<u>22,200</u>
	<u>4,716</u>	<u>27,526</u>

- \* According to the Share Transfer and Settlement Agreement, and due to the settlement of most of KEMAPCO's liabilities by Kemira Agro, and in addition to the fact that KEMAPCO has become wholly owned by Arab Potash Company and is expected to have the ability to repay its remaining liabilities, there is no more need for the contingent liability reserve for KEMAPCO's losses. Therefore, the total amount of the reserve of JD 22,200,000 has been reversed.

## 11. LITIGATION

As of 30 September 2007, the Company was named as plaintiff and defendant in the following:

- The Company was named as plaintiff in the following lawsuits:
  1. Lawsuit against ATA Company, the contractor of Dikes 19 whereby APC is claiming JD 37,477,000. An arbitration agreement was signed between the parties on 10 April 2001. The Arbitration Committee issued a majority ruling on 30 September 2003 where it has rejected APC's claim and awarded ATA Company a sum of JD 5,907,000 for the counter claim it had filed against APC before the same arbitration panel. APC has appealed the Arbitration Committee ruling on 29 October 2003. The Court of Appeal accepted APC's appeal whereby the Arbitration decision and the Arbitration Clause in the Contract were cancelled. ATA took the case to the Cassation Court, and the Cassation Court issued its decision upholding the Court of Appeal decision. APC has decided to file a lawsuit accordingly.
  2. Lawsuit raised on 22 March 2001 against Middle East Insurance Company, the insurer of Dikes 19 and 20 during construction (issuance of CAR insurance Policy), whereby APC is claiming JD 27,518,000. The lawsuit is under process as of the date of the accompanying interim consolidated financial statements.
  3. Lawsuit against ATA Company, the contractor of Dike 18. ATA filed for the dismissal of the case on the grounds that there is an arbitration clause in the Construction Contract. The First Instance Court accepted ATA's request. APC appealed the ruling for which a refusal decision was issued on 14 July 2004. APC took the case to the Cassation Court and the said court upheld the Court of Appeal decision. The case is in the process of forming the Arbitration Panel as of the date of the accompanying interim consolidated financial statements.
- The Company was named as defendant in a lawsuit raised by Al Jaafar Contracting Company, the contractor of Dike 20. The Company is exposed to contingent liability amounting to JD 2,222,000. APC raised a counter claim with Al Jaafar Contracting Company on 28 September 2004 due to the damage of the said Dike with an amount of JD 6,000,000. The lawsuit is still ongoing as of the date of the accompanying interim consolidated financial statements.

According to the Company's management, there is no need to provide for any additional amounts regarding the above lawsuits.