Aramex PJSC and its subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2011

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ARAMEX PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aramex PJSC and its subsidiaries ("the Group") as at 30 September 2011, comprising the interim consolidated statement of financial position as at 30 September 2011 and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended and the related interim consolidated statements of 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 the 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.

Ernst & Young

Signed by
Joseph Alexander Murphy
Partner
Registration no. 492

26 October 2011
Dubai, United Arab Emirates

Aramex PJSC AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011 (Unaudited)

	Notes	**30 September 2011 AED'000 (Unaudited)**	31 December 2010 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	**391,583**	332,144
Goodwill		**872,856**	863,199
Other intangible assets		**14,988**	8,927
Available-for-sale investments		**2,879**	3,988
Investments in joint ventures		**18,326**	19,165
Investment in an associate	6	**1,402**	-
Deferred tax assets		**1,378**	2,530
Other non-current assets		**583**	39
		1,303,995	1,229,992
Current assets			
Accounts receivable, net		**492,618**	404,028
Other current assets		**121,143**	97,699
Bank balances and cash	7	**431,888**	554,739
		1,045,649	1,056,466
TOTAL ASSETS		**2,349,644**	2,286,458
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,464,100**	1,464,100
Statutory reserve		**62,274**	62,274
Foreign currency translation reserve		**(11,783)**	(6,335)
Fair value reserve		**159**	1,268
Reserve arising from acquisition of non-controlling interests		**(15,278)**	(12,397)
Retained earnings		**315,052**	272,089
Equity attributable to equity holders of the Parent		**1,814,524**	1,780,999
Non-controlling interests		**22,804**	24,577
Total equity		**1,837,328**	1,805,576
Non-current liabilities			
Interest-bearing loans and borrowings		**4,197**	6,503
Employees' end of service benefits		**76,654**	66,958
Other non - current liabilities		**2,922**	-
Deferred tax liabilities		**1,811**	1,295
		85,584	74,756
Current liabilities			
Accounts payable		**128,040**	129,148
Bank overdrafts	7	**11,530**	6,863
Interest-bearing loans and borrowings		**4,151**	6,715
Other current liabilities		**283,011**	263,400
		426,732	406,126
Total liabilities		**512,316**	480,882
TOTAL EQUITY AND LIABILITIES		**2,349,644**	2,286,458

A. Mazrui

Abdullah Al Mazrui
(Chairman)

Fadi Ghandour
(Founder & CEO)

Emad Shishtawi
(Senior Vice President Finance)

The attached notes from 1 to 12 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and nine months ended 30 September 2011 (Unaudited)

		Three months ended 30 September		*Nine months ended 30 September*	
		2011	*2010*	***2011***	*2010*
	Note	***AED'000***	*AED'000*	***AED'000***	*AED'000*
Rendering of services		**651,063**	545,142	**1,894,084**	1,632,444
Cost of services		**(315,616)**	(253,395)	**(897,636)**	(752,510)
Gross profit		**335,447**	291,747	**996,448**	879,934
Share of results of joint ventures		**(78)**	27	**(487)**	74
Share of loss of an associate		**(69)**	-	**(69)**	-
Selling and marketing expenses		**(30,177)**	(26,813)	**(91,639)**	(80,661)
Administrative expenses		**(118,866)**	(104,124)	**(349,220)**	(306,125)
Operating expenses		**(128,023)**	(111,324)	**(371,494)**	(327,910)
Other (expense) income		**(321)**	1,722	**1,536**	2,220
Operating profit		**57,913**	51,235	**185,075**	167,532
Finance income		**1,539**	4,110	**6,831**	12,441
Finance expense		**(253)**	(97)	**(639)**	(384)
Profit before tax		**59,199**	55,248	**191,267**	179,589
Income tax		**(4,580)**	(4,230)	**(13,362)**	(11,552)
Profit for the period		**54,619**	51,018	**177,905**	168,037
Attributable to:					
Equity holders of the Parent		**48,036**	46,711	**154,371**	149,121
Non-controlling interests		**6,583**	4,307	**23,534**	18,916
		54,619	51,018	**177,905**	168,037
Earnings per share attributable to the equity holders of the Parent:					
		AED	*AED*	***AED***	*AED*
Basic and diluted earnings per share	8	**0.033**	0.032	**0.105**	0.102

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2011 (Unaudited)

	Three months ended 30 September		*Nine months ended 30 September*	
	2011 AED'000	*2010 AED'000*	***2011 AED'000***	*2010 AED'000*
Profit for the period	**54,619**	51,018	**177,905**	168,037
Other comprehensive (expense) income, net of tax:				
Exchange differences on translation of foreign operations	**(3,723)**	3,128	**(5,855)**	(466)
Net (loss) gain on available - for- sale financial assets	**(211)**	846	**(1,109)**	(343)
Other comprehensive (expense) income for the period, net of tax	**(3,934)**	3,974	**(6,964)**	(809)
Total comprehensive income for the period	**50,685**	54,992	**170,941**	167,228
Total comprehensive income attributable to:				
Equity holders of the Parent	**44,029**	50,389	**147,814**	148,194
Non-controlling interests	**6,656**	4,603	**23,127**	19,034
	50,685	54,992	**170,941**	167,228

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2011 (Unaudited)

	Attributable to equity holders of the Parent								
	Share capital AED'000	*Statutory reserve AED'000*	*Foreign currency translation reserve AED'000*	*Fair value reserve AED'000*	*Reserve arising from acquisition of non-controlling interests AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
At 1 January 2011	1,464,100	62,274	(6,335)	1,268	(12,397)	272,089	1,780,999	24,577	1,805,576
Total comprehensive (expense) income for the period	-	-	(5,448)	(1,109)	-	154,371	147,814	23,127	170,941
Acquisition of non–controlling interests (note 3)	-	-	-	-	(2,881)	-	(2,881)	(1,134)	(4,015)
Directors' fees paid	-	-	-	-	-	(1,600)	(1,600)	-	(1,600)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(14,805)	(14,805)
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	-	2,072	2,072
Non-controlling interests	-	-	-	-	-	-	-	(11,033)	(11,033)
Cash dividends paid to shareholders (note 4)	-	-	-	-	-	(109,808)	(109,808)	-	(109,808)
At 30 September 2011	**1,464,100**	**62,274**	**(11,783)**	**159**	**(15,278)**	**315,052**	**1,814,524**	**22,804**	**1,837,328**

The attached notes from 1 to 12 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2011 (Unaudited)

	Attributable to equity holders of the Parent								
	Share capital AED'000	*Statutory reserve AED'000*	*Foreign currency translation reserve AED'000*	*Fair value reserve AED'000*	*Reserve arising from acquisition of non-controlling interests AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
At 1 January 2010	1,331,000	40,923	(2,561)	2,245	-	224,048	1,595,655	28,143	1,623,798
Total comprehensive (expense) income for the period	-	-	(584)	(343)	-	149,121	148,194	19,034	167,228
Issue of share capital (note 4)	133,100	-	-	-	-	(133,100)	-	-	-
Directors' fees paid	-	-	-	-	-	(1,600)	(1,600)	-	(1,600)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(20,262)	(20,262)
Non-controlling interests	-	-	-	-	-	-	-	(2,717)	(2,717)
At 30 September 2010	1,464,100	40,923	(3,145)	1,902	-	238,469	1,742,249	24,198	1,766,447

The attached notes from 1 to 12 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2011 (Unaudited)

	Notes	*Nine months ended 30 September* 2011 AED'000	2010 AED'000
OPERATING ACTIVITIES			
Profit before tax		**191,267**	179,589
Adjustments for:			
Depreciation		**41,401**	37,267
Amortization of other intangible assets		**1,795**	771
Loss (gain) on disposal of property, plant and equipment		**164**	(125)
Provision for employees' end of service benefits		**14,090**	9,471
Provision for doubtful accounts, net		**7,543**	6,565
Net finance income		**(6,192)**	(12,057)
Share of results of joint ventures		**487**	(74)
Share of loss of an associate		**69**	-
Working capital adjustments:			
Accounts receivable		**(95,448)**	(61,335)
Accounts payable		**(1,649)**	(4,301)
Other current assets		**(23,445)**	(19,347)
Other current liabilities		**18,718**	12,881
Cash from operations		**148,800**	149,305
Employees' end of service benefits paid		**(4,175)**	(4,047)
Income tax paid		**(10,800)**	(6,242)
Net cash from operating activities		**133,825**	139,016
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(102,575)**	(84,304)
Proceeds from sale of property, plant and equipment		**1,246**	1,586
Interest received		**6,831**	12,441
Acquisition of subsidiaries, net of cash acquired	3	**(9,939)**	-
Acquisition of non – controlling interests	3	**(3,456)**	-
Other non–current assets		**(545)**	(16,655)
Margin deposits		**(2,438)**	(2,691)
Intangible assets		**(2,884)**	(1,824)
Investments in joint ventures	6	**-**	(3,087)
Investment in an associate		**(1,471)**	-
Net cash used in investing activities		**(115,231)**	(94,534)
FINANCING ACTIVITIES			
Interest paid		**(639)**	(384)
Repayment of loans and borrowings		**(4,870)**	(7,077)
Dividends paid to non-controlling interests		**(14,805)**	(20,262)
Non-controlling interests		**(11,033)**	(2,717)
Directors' fees paid		**(1,600)**	(1,600)
Dividends paid to shareholders		**(109,808)**	-
Net cash used in financing activities		**(142,755)**	(32,040)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(124,161)**	12,442
Net foreign exchange difference		**(5,795)**	1,044
Cash and cash equivalents at 1 January	7	**536,542**	485,090
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	**406,586**	498,576

The attached notes from 1 to 12 form part of these interim condensed consolidated financial statements

1 ACTIVITIES

Aramex PJSC ("the Parent Company") is a Public Joint Stock Company registered in the Emirate of Dubai, United Arab Emirates on 15 February 2005 under United Arab Emirates Federal Law No. 8 of 1984 (as amended). The condensed consolidated financial statements of the Company as at 30 September 2011 comprise the Parent Company and its subsidiaries (collectively referred to as "the Group" and individually as "Group entities").

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The principal activities of the Group are to invest in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company's registered office is Business Center Towers, 2302A, Media City (TECOM), Sheikh Zayed Road, Dubai, United Arab Emirates.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 27 October 2011.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the nine months ended 30 September 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010. In addition, results for the nine months ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

Changes in accounting policies
The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010, except for the following new and amended IFRS and IFRIC interpretation effects as of 1 January 2011:

IAS 24 Related Party Disclosures (Amendment)

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new IFRIC interpretations and amendments to IFRS did not have an impact on the financial statements of the Group.

Accounting policies
The accounting policies that have been consistently adopted by the Group relating to investments and bank balances and short term deposits are as follows:

Available-for-sale financial assets
Available-for-sale financial assets are initially measured at fair value. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised as other comprehensive income in the fair value reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other income, or determined to be impaired, at which time the cumulative loss is recognized in the income statement in other expense and removed from the fair value reserve.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Available-for-sale financial assets (continued)
Impairment losses on equity instruments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in the fair value reserve.

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

3 BUSINESS COMBINATION AND ACQUISITION OF NON –CONTROLLING INTERESTS

2011

During the nine months ended 30 September 2011, the Group acquired controlling stakes in two companies specialising in freight forwording, based in Africa.

The Group has elected to measure the non-controlling interests in the acquirees at the proportionate share of the acquirees' identifiable net assets.

The fair values of the identifiable assets and liabilities of the acquired entities, as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair value recognised on acquisition AED'000	*Carrying value AED'000*
Assets		
Property and equipment	250	250
Trade and other receivables	1,053	1,053
Intangible assets	2,039	-
Bank balances and cash	344	344
	3,686	1,647
Liabilities		
Trade and other payables	(896)	(896)
Employees' end of service benefits	(92)	(92)
	(988)	(988)
Total identifiable net assets at fair value	2,698	
Non-controlling interests	(2,072)	
Goodwill arising on acquisition	9,657	
Purchase consideration transferred	10,283	

	AED'000
Cash flow on acquisition:	
Net cash acquired with the subsidiaries	344
Cash paid	(10,283)
Net cash flow on acquisition	(9,939)

3 BUSINESS COMBINATION AND ACQUISITION OF NON –CONTROLLING INTERESTS (continued)

The initial accounting for this business combination is provisional, as the fair values to be assigned to the acquiree's identifiable assets and liabilities could not be determined with certainty by the end of the period in which the combination was effected.

The goodwill of AED 9.7 million comprises of the value of expected synergies arising from the acquisition. Goodwill was allocated to International Express, Domestic Express and Freight Forwarding.

From the date of acquisition, the acquired companies have contributed AED 7,137 thousand of revenue and AED 295 thousand to the net profit before tax of the Group.

Transaction costs of AED 220 thousand have been expensed and included in administrative expenses.

Acquisition of additional interest in Aramex International GmbH – Germany
On 31 August 2011, the Group acquired an additional 49% interest of the voting shares of Aramex International GmbH - Germany increasing its ownership interest to 100%. A consideration of AED 690 thousand was paid to the non-controlling interest shareholders. The carrying value of the net assets of Aramex International GmbH Germany at the acquisition date was AED 904 thousand, and the carrying value of the additional interest acquired was measured at AED 443 thousand. The difference of approximately AED 248 thousand between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Acquisition of additional interest in Aramex International Services Co. LTD – Sudan
On 1 June 2011, the Group acquired an additional 20% interest of the voting shares of Aramex International Services Co. LTD - Sudan, increasing its ownership interest to 80%. A consideration of AED 1.47 million was paid to the non-controlling interest shareholders. The carrying value of the net assets of Aramex International Services Co. LTD - Sudan at the acquisition date was a deficit of AED 1.21 million, and the carrying value of the additional interest acquired was measured at a deficit of AED 242 thousand. The difference of AED 1.71 million between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Acquisition of additional interest in Info-fort Amman
On 1 June 2011 the Group acquired an additional 33% interest of the voting shares of Info-fort Amman, increasing its ownership interest to 83%. A consideration of AED 1.3 million was paid to the non-controlling interest shareholders. The carrying value of the net assets of Info-fort Amman at the acquisition date was AED 2.8 million, and the carrying value of the additional interest acquired was AED 933 thousand. The difference of AED 363 thousand between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Capital increase of Aramex Ghana
On 1 June 2011, Aramex Ghana increased its capital by AED 2.96 million. The total amount was paid by Aramex Group, increasing the Group's ownership interest to 75%. The difference of AED 560 thousand between the amount paid and the interest acquired has been recognized within equity as a reserve arising from acquisition of non – controlling interests.

4 DIVIDENDS

The General Assembly approved in its meeting held on 30 May 2011 a cash dividend for 2010 of 7.5% of the Company's share capital.

During the year ended 31 December 2010, the Company's share capital was increased by the issue of bonus shares of AED 133.1 million, being 10% of the share capital of the Company as approved by the shareholders in the Company's Annual General Meeting held on 18 April 2010.

5 PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2011, the Group acquired property, plant and equipment with a cost of AED 102.6 million (nine months ended 30 September 2010: AED 84.3 million).

6 INVESTMENT IN AN ASSOCIATE

During September 2011, the Group acquired 49% interest in Pacific Transit TBS Company located in Tunisia.

7 CASH AND CASH EQUIVALENTS

	30 September 2011 AED'000	*31 December 2010 AED'000*
Cash and short term deposits	**431,888**	554,739
Less: Cash margin	**(13,772)**	(11,334)
Less: Bank overdrafts	**(11,530)**	(6,863)
	406,586	536,542

Included within bank balances and cash are amounts totaling AED 184,969 thousand (31 December 2010: AED 197,975 thousand) held at foreign banks abroad.

8 EARNINGS PER SHARE

	Three months ended 30 September		*Nine months ended 30 September*	
	2011	*2010*	***2011***	*2010*
Profit attributable to shareholders of the Parent (AED'000)	**48,036**	46,711	**154,371**	149,121
Weighted average number of shares during the period (shares)	**1,464.1 million**	1,464.1 million	**1,464.1 million**	1,464.1 million
Basic and diluted earnings per share (AED)	0.033	0.032	**0.105**	0.102

9 SEGMENT INFORMATION

For management purposes, the Group is organized into five operating segments:

- International express: includes delivery of small packages across the globe to both, retail and wholesale customers.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break bulk services.
- Domestic express: includes express delivery of small parcels and pick up and deliver shipments within the country.

9 SEGMENT INFORMATION (continued)

Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value added services.

- Other operations: includes catalogue shipping services, document storage, airline ticketing and travel, visa services and publication and distribution.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices between operating segments are on an arm's - length basis in a manner similar to transactions with third parties.

The following table presents revenue and profit information regarding the Group's operating segment for the nine months ended 30 September 2011 and 2010, respectively.

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Eliminations AED'000*	*Total AED'000*
Nine months ended 30 September 2011							
Revenue							
Third party	**611,775**	**797,677**	**270,343**	**80,400**	**133,889**	**-**	**1,894,084**
Inter-segment	**273,449**	**131,407**	**12,629**	**1,518**	**3,335**	**(422,338)**	**-**
Total revenue	**885,224**	**929,084**	**282,972**	**81,918**	**137,224**	**(422,338)**	**1,894,084**
Gross profit	**398,276**	**220,890**	**207,729**	**65,313**	**104,240**	**-**	**996,448**
Nine months ended 30 September 2010							
Revenue							
Third party	504,270	682,659	247,178	76,279	122,058	-	1,632,444
Inter-segment	225,973	131,672	11,324	1,318	3,334	(373,621)	-
Total revenue	730,243	814,331	258,502	77,597	125,392	(373,621)	1,632,444
Gross profit	337,485	194,400	192,184	60,804	95,061	-	879,934

Transactions between stations are priced at agreed upon rates. All material intra - group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segment and accordingly such information is not presented.

9 SEGMENT INFORMATION (continued)

Geographical Information

The business segments are managed on a worldwide basis, but operate in four principal geographical areas, Middle East and Africa, Europe, North America and Asia. In presenting information on the geographical segments, segment revenue is based on the geographical location of customers. Segments assets are based on the location of the assets.

Revenue, assets and liabilities by geographical segment are as follows:

	Nine months ended 30 September	
	2011 AED'000	*2010 AED'000*
Revenues		
Middle East and Africa	**1,303,497**	1,162,821
Europe	**371,136**	298,759
North America	**35,637**	31,953
Asia	**183,814**	138,911
	1,894,084	1,632,444

	30 September 2011 AED'000	*31 December 2010 AED'000*
Assets		
Middle East and Africa	**2,094,209**	2,072,099
Europe	**132,010**	109,432
North America	**24,698**	23,621
Asia	**98,727**	81,306
	2,349,644	2,286,458

	30 September 2011 AED'000	*31 December 2010 AED'000*
Non – current assets*		
Middle East and Africa	**379,458**	323,467
Europe	**24,847**	18,034
North America	**10,028**	7,320
Asia	**11,966**	11,415
	426,299	360,236

	30 September 2011 AED'000	*31 December 2010 AED'000*
Liabilities		
Middle East and Africa	**355,906**	347,228
Europe	**104,140**	86,680
North America	**14,170**	14,968
Asia	**38,100**	32,006
	512,316	480,882

*Non- current assets for this purpose consist of property, plant and equipment, other intangible assets and investments in joint ventures and associates. Goodwill is allocated to business segments.

10 COMMITMENTS AND CONTINGENCIES

	30 September 2011 AED'000	*31 December 2010 AED'000*
Letters of guarantee	**59,731**	51,143

Capital commitments
As at 30 September 2011, the Group has capital commitments of AED 38.6 million (31 December 2010: AED 81.74 million) towards the purchase/construction of property, plant and equipment.

11 RELATED PARTY TRANSACTIONS

Certain related parties (directors, officers of the Group and companies which they control or over which they exert significant influence) were suppliers of the Company and its subsidiaries in the ordinary course of business. Such transactions were made on substantially the same terms as with unrelated parties.

Transactions with related parties included in the consolidated statement of income are as follows:

	Related party			*Total*	
	Officers AED'000	*Companies controlled by the directors AED'000*	*Directors AED'000*	***30 September 2011 AED'000***	*30 September 2010 AED'000*
Rent expense	**204**	**1,185**	**4,249**	**5,638**	5,621

Key management compensation
Compensation of the key management personnel, including executive officers, comprises the following:

	30 September 2011 AED'000	*30 September 2010 AED'000*
Salaries and other short term benefits	**17,279**	15,931
End of service benefits	**315**	130

12 SEASONALITY OF OPERATIONS

The Group's business is seasonal in nature. Historically, the Group experienced a decrease in demand for its services in the post-winter holiday and summer vacation seasons. The Group traditionally experiences its highest volumes towards the latter half of the year. The seasonality of the Group's revenue may cause a variation in its quarterly operating results. However, local Middle East and Islamic holidays vary from year to year and, as a result, the Group's seasonality may shift over time.