ARAMEX PJSC AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2013

ERNST & YOUNG

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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 31 March 2013, comprising the interim consolidated statement of financial position as at 31 March 2013 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory information. 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.

Signed by
Ashraf Abu-Sharkh
Partner
Registration no. 690

30 April 2013
Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2013 (Unaudited)

	Notes	*31 March 2013 AED'000 (Unaudited)*	*31 December 2012 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**559,933**	569,876
Goodwill		**999,152**	999,152
Other intangible assets		**25,980**	26,906
Investments in joint ventures		**49,837**	53,764
Investment in an associate		**774**	936
Deferred tax assets		**2,638**	2,824
Other non-current assets		**6,805**	9,205
		1,645,119	1,662,663
Current assets			
Accounts receivable		**595,924**	583,467
Other current assets		**148,789**	135,363
Bank balances and cash	5	**534,818**	333,673
		1,279,531	1,052,503
TOTAL ASSETS		**2,924,650**	2,715,166
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,464,100**	1,464,100
Statutory reserve		**121,886**	121,886
Foreign currency translation reserve		**(56,853)**	(34,643)
Reserve arising from acquisition of non-controlling interests		**(16,011)**	(16,011)
Cash-flow hedge reserve	7	**(2,568)**	(2,960)
Retained earnings		**550,636**	481,271
Equity attributable to equity holders of the Parent		**2,061,190**	2,013,643
Non-controlling interests		**35,061**	32,428
Total equity		**2,096,251**	2,046,071
Non-current liabilities			
Interest-bearing loans and borrowings	7	**160,191**	12,366
Employees' end of service benefits		**92,744**	91,166
Other non-current liabilities		**420**	572
Deferred tax liabilities		**1,281**	1,314
		254,636	105,418
Current liabilities			
Accounts payable		**154,767**	156,193
Bank overdrafts	5	**14,886**	11,329
Interest-bearing loans and borrowings	7	**52,674**	15,704
Other current liabilities		**351,436**	380,451
		573,763	563,677
Total liabilities		**828,399**	669,095
TOTAL EQUITY AND LIABILITIES		**2,924,650**	2,715,166

A. Mazrui

Abdullah Al Mazrui (Chairman) | Hussein Hachem (Chief Executive Officer) | Bashar Obeid (Chief Financial Officer)

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2013 (Unaudited)

	Note	*Three months ended 31 March* **2013** **AED'000**	*2012* *AED'000*
Continuing operations			
Rendering of services		**810,023**	744,831
Cost of services		**(367,843)**	(338,475)
Gross profit		**442,180**	406,356
Share of results of joint ventures		**(727)**	(2)
Share of results of an associate		**(162)**	(45)
Selling and marketing expenses		**(38,227)**	(37,264)
Administrative expenses		**(152,981)**	(148,023)
Operating expenses		**(162,764)**	(146,982)
Other income		**304**	529
Operating profit		**87,623**	74,569
Finance income		**1,403**	893
Finance expense		**(1,916)**	(285)
Gain from sale of available-for-sale financial assets		**-**	280
Profit from continuing operations before tax		**87,110**	75,457
Income tax		**(8,357)**	(6,013)
Profit for the period from continuing operations		**78,753**	69,444
Discontinued operations			
Loss after tax from discontinued operations		**-**	(159)
Profit for the period		**78,753**	69,285
Attributable to:			
Equity holders of the Parent			
Profit for the period from continuing operations		**69,365**	61,014
Loss for the period from discontinued operations		**-**	(119)
		69,365	60,895
Non–controlling interests			
Profit for the period from continuing operations		**9,388**	8,430
Loss for the period from discontinued operations		**-**	(40)
		9,388	8,390
		78,753	69,285
Earnings per share attributable to the equity holders of the Parent	6		
Basic and diluted earnings per share		**AED 0.047**	AED 0.042
Basic and diluted earnings per share from continuing operations		**AED 0.047**	AED 0.042

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2013 (Unaudited)

		Three months ended 31 March	
	Note	***2013 AED'000***	*2012 AED'000*
Profit for the period		**78,753**	69,285
Other comprehensive income, net of tax:			
Items that would be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(22,244)**	3,287
Gain (loss) on cash flow hedge	7	**53**	(40)
Cash flow hedge expense recycled to the consolidated statement of income	7	**339**	-
Net gain on available-for-sale financial assets		**-**	782
Gain realized on sale of available-for-sale financial assets transferred to interim consolidated statement of income		**-**	(280)
Net other comprehensive income that would be reclassified to profit or loss in subsequent periods		**(21,852)**	3,749
Other comprehensive income for the period, net of tax		**(21,852)**	3,749
Total comprehensive income for the period		**56,901**	73,034
Total comprehensive income attributable to:			
Equity holders of the Parent		**47,547**	64,329
Non-controlling interests		**9,354**	8,705
		56,901	73,034

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2013 (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*	*Cash flow hedge 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*
Three month period ended 31 March 2013										
At 1 January 2013	**1,464,100**	**121,886**	**(34,643)**	-	**(2,960)**	**(16,011)**	**481,271**	**2,013,643**	**32,428**	**2,046,071**
Total comprehensive income for the period	-	-	**(22,210)**	-	**392**	-	**69,365**	**47,547**	**9,354**	**56,901**
Dividends of subsidiaries	-	-	-	-	-	-	-	-	**(6,611)**	**(6,611)**
Non-controlling interests	-	-	-	-	-	-	-	-	**(110)**	**(110)**
At 31 March 2013	**1,464,100**	**121,886**	**(56,853)**	-	**(2,568)**	**(16,011)**	**550,636**	**2,061,190**	**35,061**	**2,096,251**
Three month period ended 31 March 2012										
At 1 January 2012	1,464,100	87,312	(17,703)	(502)	-	(15,278)	347,181	1,865,110	30,972	1,896,082
Total comprehensive income for the period	-	-	2,972	502	(40)	-	60,895	64,329	8,705	73,034
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(7,415)	(7,415)
Non-controlling interests	-	-	-	-	-	-	-	-	1,609	1,609
At 31 March 2012	1,464,100	87,312	(14,731)	-	(40)	(15,278)	408,076	1,929,439	33,871	1,963,310

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2013 (Unaudited)

		Three months ended 31 March	
	Note	***2013 AED'000***	*2012 AED'000*
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**87,110**	75,457
Loss before tax from discontinued operations		**-**	(159)
Profit before tax		**87,110**	75,298
Adjustment for:			
Depreciation of property, plant and equipment		**19,029**	17,524
Amortization of other intangible assets		**926**	849
Loss (gain) on disposal of property, plant and equipment		**4**	(314)
Provision for employees' end of service benefits		**4,500**	4,598
Provision for doubtful accounts, net		**618**	2,725
Net finance expense (income)		**513**	(608)
Gain from sale of available-for-sale financial assets		**-**	(280)
Share of results of joint ventures		**727**	2
Share of results of an associate		**162**	45
		113,589	99,839
Working capital adjustments:			
Accounts receivable		**(13,076)**	(31,434)
Accounts payable		**(1,427)**	(6,987)
Other current assets		**(13,384)**	(15,616)
Other current liabilities		**(31,685)**	5,566
Cash from operations		**54,017**	51,368
Employees' end of service benefits paid		**(2,742)**	(1,417)
Income tax paid		**(5,725)**	(5,904)
Net cash flows from operating activities		**45,550**	44,047
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(20,669)**	(22,793)
Proceeds from sale of property, plant and equipment		**207**	1,264
Proceed from sale of available-for-sale financial assets		**-**	3,000
Interest received		**1,403**	893
Other non–current assets		**21**	(4,842)
Margin deposits		**(4,841)**	622
Intangible assets		**-**	71
Net cash flows used in investing activities		**(23,879)**	(21,785)
FINANCING ACTIVITIES			
Interest paid		**(1,916)**	(285)
Proceeds from loans and borrowings		**187,035**	-
Repayments of loans and borrowings		**(2,238)**	(1,202)
Dividends paid to non-controlling interests		**(6,611)**	(7,415)
Non-controlling interests		**(110)**	1,609
Net cash flows from (used in) financing activities		**176,160**	(7,293)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**197,831**	14,969
Net foreign exchange difference		**(5,084)**	1,370
Cash and cash equivalents at 1 January	5	**309,507**	280,879
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	**502,254**	297,218

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 31 March 2013 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 30 April 2013.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the three months ended 31 March 2013 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 2012. In addition, results for the three months ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

Changes in accounting policies
The accounting policies adopted 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 2012, except for the following new and amended IFRS effects as of 1 January 2013:

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

IAS 19 Employee Benefits (Revised 2011) (IAS 19R)

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

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

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

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 DIVIDENDS

The General Assembly approved in its meeting held on 16 April 2013 a cash dividend for 2012 of 10% of the Company's share capital.

The General Assembly approved in its meeting held on 11 April 2012 a cash dividend for 2011 of 5% of the Company's share capital.

4 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2013, the Group acquired property and equipment with a cost of AED 20.7 million (three months ended 31 March 2012: AED 22.8 million).

5 CASH AND CASH EQUIVALENTS

	31 March 2013 AED'000	*31 December 2012 AED'000*
Cash and short term deposits	**534,818**	333,673
Less: Cash margin	**(17,678)**	(12,837)
Less: Bank overdrafts	**(14,886)**	(11,329)
	502,254	309,507

Included within cash and short term deposits are amounts totaling AED 163,268 thousand (31 December 2012: AED 175,789 thousand) held at foreign banks abroad.

6 EARNINGS PER SHARE

	Three months ended 31 March	
	2013	*2012*
Profit attributable to shareholders of the Parent (AED'000)	**69,365**	60,895
Weighted average number of shares during the period (shares)	**1,464 million**	1,464 million
Basic and diluted earnings per share (AED)	**0.047**	0.042

7 LOANS AND BORROWINGS

During January 2012, the Group entered into a loan agreement with Arab Bank for an amount of USD 50 million. The loan bears interest at USD three month LIBOR plus 225 basis points per annum. The Group had drawn down the loan during January 2013. The purpose of the loan is to finance expected acquisition costs. The loan is repayable in 20 consecutive equal quarterly installments of USD 2.5 million each, commencing after withdrawal of the full loan amount.

Derivative financial instruments - interest rate swaps

The Group's loan with Arab Bank is in the form of variable interest rate loan. To mitigate its exposure to fluctuations in market interest rates, the Group entered into interest rate swap contracts that effectively fix the interest rate on 100% of its available facilities with Arab Bank. Under the terms of these contracts, the Group pays a pre-determined fixed rate (1.19%) of interest on a notional principal balance equal to amounts expected to be drawn down and receives from the counter-party a floating rate of interest on the same notional principal balance equals to USD three month LIBOR.

7 LOANS AND BORROWINGS (continued)

For the purpose of hedge accounting, the Group's interest rate swap contracts are classified as cash flow hedges, as the Group is hedging exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

As of 31 March 2013, the cash flow hedges were assessed to be highly effective and an unrealized gain of AED 53 thousand was included in other comprehensive income, while an expense of AED 339 thousand was reclassified from other comprehensive income to the interim consolidated statement of income. The negative fair value of the interest rate swap deals amounting to AED 2,907 thousand was recorded as a liability in the interim consolidated statement of financial position.

8 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.

- 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 three months ended 31 March 2013 and 2012, 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*
Three months ended 31 March 2013							
Revenue							
Third party	257,167	295,773	162,562	40,610	53,911	-	810,023
Inter-segment	114,834	64,193	1,295	955	1,418	(182,695)	-
Total revenue	372,001	359,966	163,857	41,565	55,329	(182,695)	810,023
Gross profit	174,405	80,876	110,759	32,134	44,006	-	442,180

8 SEGMENT INFORMATION (continued)

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Eliminations AED'000*	*Total AED'000*
Three months ended 31 March 2012							
Revenue							
Third party	244,122	275,581	142,434	32,184	50,510	-	744,831
Inter-segment	106,510	46,999	3,819	898	1,189	(159,415)	-
Total revenue	350,632	322,580	146,253	33,082	51,699	(159,415)	744,831
Gross profit	158,360	75,529	105,572	27,601	39,294	-	406,356

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 segments and accordingly such information is not presented.

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:

	Three months ended 31 March	
	2013 AED'000	*2012 AED'000*
Revenues		
Middle East and Africa	**598,258**	536,084
Europe	**128,143**	127,098
North America	**16,489**	14,812
Asia	**67,133**	66,837
	810,023	744,831

	31 March 2013 AED'000	*31 December 2012 AED'000*
Assets		
Middle East and Africa	**2,442,086**	2,215,614
Europe	**347,149**	352,716
North America	**22,664**	28,926
Asia	**112,751**	117,910
	2,924,650	2,715,166

8 SEGMENT INFORMATION (continued)

	31 March 2013 AED'000	*31 December 2012 AED'000*
Non-current assets*		
Middle East and Africa	**544,335**	553,591
Europe	**68,161**	72,109
North America	**7,743**	8,269
Asia	**16,285**	17,513
	636,524	651,482

	31 March 2013 AED'000	*31 December 2012 AED'000*
Liabilities		
Middle East and Africa	**657,405**	492,304
Europe	**113,596**	113,214
North America	**12,164**	13,084
Asia	**45,234**	50,493
	828,399	669,095

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

9 COMMITMENTS AND CONTINGENCIES

	31 March 2013 AED'000	*31 December 2012 AED'000*
Letters of guarantee	**75,169**	66,875

Capital commitments
As at 31 March 2013, the Group has capital commitments of AED 17.58 million (31 December 2012: AED 16.2 million) towards purchase/construction of property, plant and equipment.

Claims against the Group
The Group is a defendant in a number of lawsuits amounting to AED 10,242 thousand representing legal actions and claims related to its ordinary course of business. The management and their legal advisors believe that the provision recorded of AED 3,853 thousand as of 31 March 2013 is sufficient to meet the obligation that may arise from the lawsuits.

10 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*	***31 March 2013 AED'000***	*31 March 2012 AED'000*
Rent expense	**59**	**371**	**430**	1,793

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

	31 March 2013 AED'000	*31 March 2012 AED'000*
Salaries and other short term benefits	**2,322**	3,137
End of service benefits	**41**	44

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2013 and 2012, as well as balances with related parties as at 31 March 2013 and 31 December 2012:

		Sales to related parties AED'000	*Cost from related parties AED'000*	*Amounts owed by related parties* AED'000*	*Amounts owed to related parties* AED'000*	*Loans** AED'000*
Associate:						
Aramex Tunisia Limited	**2013**	**8**	**-**	**-**	**618**	**-**
	2012	-	-	-	363	-
Joint ventures in which the Parent is a venturer:	**2013**	**48**	**777**	**1,806**	**935**	**6,751**
	2012	-	-	2,757	9,914	-

* The amounts are classified as trade receivables and trade payables, respectively.

** This amount represents a non-interest bearing loan granted to Aramex Logistics LLC – Oman.

11 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.