

ARAMEX PJSC AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 SEPTEMBER 2015

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

Introduction

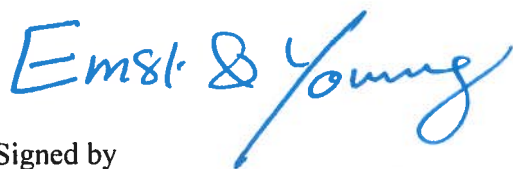
We have reviewed the accompanying interim condensed consolidated financial statements of Aramex PJSC and its subsidiaries ("the Group") as at 30 September 2015, comprising the interim consolidated statement of financial position as at 30 September 2015 and the related interim consolidated statements 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 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

27 October 2015

Dubai, United Arab Emirates

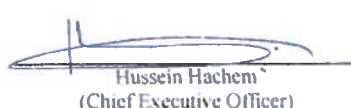
Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015 (Unaudited)

	Notes	30 September 2015 AED '000 (Unaudited)	31 December 2014 AED '000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	669,803	530,616
Goodwill		1,097,340	1,087,646
Other intangible assets		50,914	32,839
Investments in joint ventures and associates		45,938	47,548
Deferred tax assets		2,809	3,365
Other non-current assets		2,989	6,801
		<u>1,869,793</u>	<u>1,708,815</u>
Current assets			
Accounts receivable, net		805,501	686,677
Other current assets		175,230	191,766
Bank balances and cash	6	326,060	619,991
		<u>1,306,791</u>	<u>1,498,434</u>
TOTAL ASSETS		<u>3,176,584</u>	<u>3,207,249</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		1,464,100	1,464,100
Statutory reserve		170,632	170,632
Foreign currency translation reserve		(187,900)	(151,421)
Reserve arising from acquisition of non-controlling interests		(28,119)	(28,268)
Cash-flow hedge reserve		-	2,056
Retained earnings		753,183	708,001
		<u>2,171,896</u>	<u>2,165,100</u>
Equity attributable to equity holders of the Parent		2,171,896	2,165,100
Non-controlling interests		28,692	24,476
Total equity		<u>2,200,588</u>	<u>2,189,576</u>
Non-current liabilities			
Interest-bearing loans and borrowings		92,260	97,286
Employees' end of service benefits		126,705	117,717
Employees' benefit liability		15,249	8,336
Deferred tax liabilities		2,270	2,093
		<u>236,484</u>	<u>225,432</u>
Current liabilities			
Accounts payable		177,505	178,587
Bank overdrafts	6	37,652	12,922
Interest-bearing loans and borrowings		34,162	53,939
Other current liabilities		490,193	546,793
		<u>739,512</u>	<u>792,241</u>
Total liabilities		<u>975,996</u>	<u>1,017,673</u>
TOTAL EQUITY AND LIABILITIES		<u>3,176,584</u>	<u>3,207,249</u>


Abdullah Al Mazrui
(Chairman)


Hussein Hachem
(Chief Executive Officer)


Bashar Obeid
(Chief Financial Officer)

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three and nine months ended 30 September 2015 (Unaudited)

		<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>Note</i>	<i>2015 AED'000</i>	<i>2014 AED'000</i>	<i>2015 AED'000</i>	<i>2014 AED'000</i>
Continuing operations					
Rendering of services		937,476	920,875	2,833,471	2,686,372
Cost of services		(409,944)	(422,760)	(1,238,941)	(1,214,270)
Gross profit		527,532	498,115	1,594,530	1,472,102
Share of results of joint ventures and associates		(1,158)	(1,294)	(2,784)	(2,298)
Selling and marketing expenses		(47,504)	(45,235)	(142,803)	(132,600)
Administrative expenses		(195,408)	(180,605)	(562,741)	(516,551)
Operating expenses		(194,884)	(189,685)	(574,388)	(546,770)
Other income		663	1,668	3,439	3,141
Operating profit		89,241	82,964	315,253	277,024
Finance income		1,264	1,843	4,716	5,145
Finance expense		(2,436)	(1,644)	(6,313)	(5,254)
Profit before tax from continuing operations		88,069	83,163	313,656	276,915
Income tax expense		(9,495)	(9,307)	(34,531)	(26,026)
Profit for the period from continuing operations		78,574	73,856	279,125	250,889
Discontinued operations					
Loss after tax for the period from discontinued operations		-	(12)	(520)	(577)
Profit for the period		78,574	73,844	278,605	250,312
Attributable to:					
<i>Equity holders of the Parent</i>					
Profit for the period from continuing operations		74,566	69,487	254,127	229,365
Loss for the period from discontinued operations		-	(6)	(381)	(336)
		74,566	69,481	253,746	229,029
<i>Non-controlling interests</i>					
Profit for the period from continuing operations		4,008	4,369	24,998	21,524
Loss for the period from discontinued operations		-	(6)	(139)	(241)
		4,008	4,363	24,859	21,283
		78,574	73,844	278,605	250,312
Earnings per share attributable to equity holders of the Parent	7	AED	AED	AED	AED
Basic and diluted earnings per share		0.051	0.047	0.173	0.156

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2015 (Unaudited)

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2015 AED'000</i>	<i>2014 AED'000</i>	<i>2015 AED'000</i>	<i>2014 AED'000</i>
Profit for the period	78,574	73,844	278,605	250,312
Other comprehensive income, net of tax:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(16,195)	(12,696)	(37,137)	(16,302)
Foreign currency gain from disposal of a subsidiary	-	-	-	242
(Loss) gain on cash flow hedge	(3,300)	551	(3,256)	736
Cash flow hedge expense recycled to consolidated income statement	699	318	1,200	1,013
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(18,796)	(11,827)	(39,193)	(14,311)
Other comprehensive income for the period, net of tax	(18,796)	(11,827)	(39,193)	(14,311)
Total comprehensive income for the period	59,778	62,017	239,412	236,001
Attributable to:				
Equity holders of the Parent	56,135	57,719	215,211	214,835
Non-controlling interests	3,643	4,298	24,201	21,166
	59,778	62,017	239,412	236,001

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015 (Unaudited)

	Attributable to equity holders of the Parent						
	Share capital AED '000	Statutory reserve AED '000	Foreign currency translation reserve AED '000	Reserve arising from acquisition of non-controlling interests AED '000	Cash flow hedge reserve AED '000	Retained earnings AED '000	Non-controlling interests AED '000
							Total AED '000
Nine month period ended 30 September 2015							
At 1 January 2015	1,464,100	170,632	(151,421)	(28,268)	2,056	708,001	2,165,100
Total comprehensive income for the period	-	-	(36,479)	-	(2,056)	253,746	215,211
Directors' fees paid	-	-	-	-	-	(3,590)	(3,590)
Dividends of subsidiaries	-	-	-	-	-	-	-
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	-
Acquisition of non-controlling interest (note 3)	-	-	-	149	-	-	149
Non-controlling interests	-	-	-	-	-	-	-
Dividends paid to shareholders (note 4)	-	-	-	-	-	(204,974)	(204,974)
At 30 September 2015	1,464,100	170,632	(187,900)	(28,119)	-	753,183	2,171,896
							2,200,588
Nine month period ended 30 September 2014							
At 1 January 2014	1,464,100	145,254	(90,579)	(15,763)	10	586,953	2,089,975
Total comprehensive income for the period	-	-	(15,943)	-	1,749	229,029	214,835
Directors' fees paid	-	-	-	-	-	(3,600)	(3,600)
Dividends of subsidiaries	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-
Acquisition of non-controlling interest (note 3)	-	-	-	(12,505)	-	-	(12,505)
Dividends paid to shareholders (note 4)	-	-	-	-	-	(168,372)	(168,372)
At 30 September 2014	1,464,100	145,254	(106,522)	(28,268)	1,759	644,010	2,120,333
							32,172
							2,152,505

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2015 (Unaudited)

		<i>Nine months ended 30 September</i>	
	<i>Notes</i>	<i>2015 AED'000</i>	<i>2014 AED'000</i>
OPERATING ACTIVITIES			
Profit before tax from continuing operations		313,656	276,915
Loss before tax from discontinued operations		(520)	(583)
Profit before tax		313,136	276,332
Adjustment for:			
Depreciation of property, plant and equipment		60,474	57,440
Amortization of other intangible assets		4,173	2,661
Loss on disposal of property, plant and equipment		290	177
Provision for employees' end of service benefits		17,655	18,884
Provision for doubtful accounts, net		13,592	2,324
Net finance expense		1,597	109
Share-based payment expense		6,914	6,032
Share of results of joint ventures and associates		2,784	2,298
Gain on re-measurement of the previously existing interest in an associate		(873)	-
Loss on disposal of discontinued operations		520	583
Write off of property, plant and equipment		-	26,473
		420,262	393,313
Working capital changes:			
Accounts receivable		(119,996)	(87,208)
Accounts payable		(6,235)	(17,250)
Other current assets		22,191	(54,550)
Other current liabilities		(72,122)	87,405
Cash from operations		244,100	321,710
Employees' end of service benefits paid		(8,077)	(7,857)
Income tax paid		(26,701)	(24,391)
Net cash flows from operating activities		209,322	289,462
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(216,112)	(55,118)
Proceeds from sale of property, plant and equipment		1,646	1,752
Interest received		4,716	5,145
Proceeds from sale of a subsidiary, net of cash	9	(133)	(193)
Acquisition of non-controlling interests		(137)	(14,250)
Other non-current assets		-	4
Margin deposits		517	(839)
Investments in a joint venture and an associate		(1,052)	(2,833)
Acquisition of a subsidiary, net of cash acquired	3	(33,666)	(79,663)
Net cash flows used in investing activities		(244,221)	(145,995)
FINANCING ACTIVITIES			
Interest paid		(6,313)	(5,254)
Proceeds from loans and borrowings		91,815	-
Repayment of loans and borrowings		(118,132)	(25,293)
Dividends paid to non-controlling interests		(22,524)	(24,683)
Non-controlling interests		167	564
Directors' fees paid		(3,590)	(3,600)
Dividends paid to shareholders		(204,974)	(168,372)
Net cash flows used in financing activities		(263,551)	(226,638)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(298,450)	(83,171)
Net foreign exchange difference		(19,694)	(6,998)
Cash and cash equivalents at 1 January	6	595,096	645,444
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	6	276,952	555,275

The attached notes from 1 to 13 form part of these interim condensed consolidated financial statements

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

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 2015 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 authorised for issue by the Board of Directors on 27 October 2015.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the nine months ended 30 September 2015 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 2014. In addition, results for the nine months ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

Changes in accounting policies

The accounting policies used in the preparation of the interim consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2014.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

Business Combinations

1. Acquisition of C.B.K Soft Yazilim Elektronik (Turkey)

In April 2015, the Group acquired 51% of the voting shares of C.B.K Soft Yazilim Donanim Elektronik , an unlisted company based in Turkey and specializing in information technology services, software sales and marketing, in addition to maintenance services. The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of C.B.K Soft Yazilim Donanim Elektronik for the six months period from the acquisition date.

The fair values of the identifiable assets and liabilities C.B.K Soft Yazilim Donanim Elektronik, as at the date of acquisition were:

	<i>Fair value recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Assets		
Property, plant and equipment	123	123
Trade and other receivables	4,602	4,602
Bank balances and cash	723	723
Intangible assets	10,699	-
	<u>16,147</u>	<u>5,448</u>
Liabilities		
Trade and other payables	(860)	(860)
Employees end of service benefits	(70)	(70)
	<u>(930)</u>	<u>(930)</u>
Total identifiable net assets at fair value	<u>15,217</u>	<u>4,518</u>
Goodwill arising on acquisition	18,188	
Non-controlling interests	(2,213)	
	<u>31,192</u>	
Purchase consideration transferred	<u>31,192</u>	
Analysis of cash flow on acquisition:		
Net cash acquired with the subsidiary		723
Cash paid		<u>(31,192)</u>
Net cash outflow (included in cash flows used in investing activities in the statement of cash flows)		<u>(30,469)</u>

The goodwill of AED 18 million recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of C.B.K Soft Yazilim Donanim Elektronik with those of the Group.

From the date of acquisition, the acquired Company has contributed AED 5.7 million of revenue and AED 1.3 million to the net profit before tax of the Group. If the acquisition had taken place at the beginning of the period, revenue from continuing operations would have been AED 2,836 million and the profit from continuing operation for the period would have been AED 254 million.

Transaction costs of AED 1,082 thousand have been expensed and included in administrative expenses in the statement of income and part of operating cash flows in the statement of cash flows.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Business Combinations (continued)

2. Acquisition of Aramex Tunisia Limited (Tunisia)

In April 2015, the Group increased its investment in its associate (Aramex Tunisia Limited), an unlisted Company based in Tunisia and specializing in the business of freight forwarding with an amount of AED 4.388 million increasing its interest in Aramex Tunisia from 49% to 75%, thereby obtaining control. The Group recognized a gain of AED 873 thousands as a result of measuring at fair value its 49% equity interest before the business combination, the gain is included in other income in the consolidated statement of income. The interim condensed consolidated financial statements include the results of Aramex Tunisia Limited for the five months period from the acquisition date. The acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets and liabilities Aramex Tunisia Limited, as at the date of acquisition were:

	<i>Fair value recognised on acquisition AED'000</i>	<i>Carrying value AED'000</i>
Assets		
Property, plant and equipment	1,976	1,976
Trade and other receivables	16,134	16,134
Bank balances and cash	318	318
	<u>18,428</u>	<u>18,428</u>
Liabilities		
Trade and other payables	(16,649)	(16,649)
Total identifiable net assets at fair value	<u>1,779</u>	<u>1,779</u>
Goodwill arising on acquisition	3,054	
Non-controlling interests	(445)	
	<u>4,388</u>	
Purchase consideration transferred	<u><u>4,388</u></u>	
Analysis of cash flow on acquisition:		
Net cash acquired with the subsidiary		318
Cash paid		(3,515)
Net cash outflow (included in cash flows from investing activities in the statement of cash flows)		<u><u>(3,197)</u></u>

The goodwill of AED 3 million recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Aramex Tunisia Limited with those of the Group.

From the date of acquisition, the acquired Company has contributed AED 8.2 million of revenue and AED 0.4 million of net loss before tax for the Group. If the acquisition had taken place at the beginning of the period, revenue from continuing operations would have been AED 2,837 million and the profit from continuing operation for the period would have been AED 254 million.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Acquisition of Non-Controlling Interest

Aramex Malta Limited

On 1 July 2015, the Group acquired an additional 40% interest in the voting shares of Aramex Malta Limited, increasing its ownership interest to 100%. Cash consideration of AED 137 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Aramex Malta Limited at the acquisition date was AED 715 thousand, and the carrying value of the additional interest acquired was AED 286 thousand.

Following is a schedule of additional interest acquired in Aramex Malta:

	<i>AED'000</i>
Cash consideration paid to non-controlling shareholders	137
Carrying value of the additional interest in Aramex Malta	(286)
Difference recognized as a reserve from acquisition of non-controlling interests	(149)

4 DIVIDENDS

The General Assembly approved in its meeting held on 19 April 2015 a cash dividend for 2014 of 14% of the Company's share capital.

The General Assembly approved in its meeting held on 16 April 2014 a cash dividend for 2013 of 11.5% of the Company's share capital.

5 PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2015, the Group acquired property and equipment with a cost of AED 216 million (nine months ended 30 September 2014: AED 55 million).

6 CASH AND CASH EQUIVALENTS

	<i>30 September 2015 AED'000</i>	<i>31 December 2014 AED'000</i>
Cash and short term deposits	326,060	619,991
Less: cash margin	(11,456)	(11,973)
Less: bank overdrafts	(37,652)	(12,922)
	276,952	595,096

Included within cash and short term deposits are amounts totaling AED 259,230 thousand (31 December 2014: AED 272,114 thousand) held at foreign banks abroad.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

7 EARNINGS PER SHARE

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Profit attributable to shareholders of Parent (AED'000)	74,566	69,481	253,746	229,029
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)	0.051	0.047	0.173	0.156

8 LOANS AND BORROWINGS

During 2015, the Group entered into a 5 year club facility agreement with HSBC, Citi Bank, Barclays, Commercial Bank of Dubai and National Bank of Abu Dhabi for a total amount of USD 150 million. The facility comprises of a term loan of USD 75 million and a revolving credit facility of USD 75 million. The term loan is repayable in 18 consecutive equal quarterly installments of USD 4.17 million each, commencing during the first quarter 2016 and the revolving credit facility will be utilized and repaid over the 5 year period as needed. The purpose of this facility is to refinance the existing debt, support capital expenditures and finance potential acquisitions. The Group had drawn down an amount of USD 25 million in August 2015 to repay and settle the outstanding Arab Bank loan in full.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

9 DISCONTINUED OPERATION

Disposal of Aramex Kazakhstan LLP

On 30 April 2015, the Group disposed of 41% of its interest in Aramex Kazakhstan LLP. The cash flows generated by the sale of the discontinued operation during 2015 have been considered in the statement of cash flows as part of the investing activities.

The results of Aramex Kazakhstan LLP for the period are as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2015 AED '000 Up to date of disposal (Unaudited)</i>	<i>2014 AED '000 (Unaudited)</i>
Revenue	1,516	4,341
Cost of services	(792)	(2,536)
Gross profit	724	1,805
Less: Overheads	(998)	(2,417)
Operating loss	(274)	(612)
Less: other (expense) income	(9)	114
Loss before tax	(283)	(498)
Income tax expense	-	6
Loss after tax for the period from the discontinued operations	(283)	(492)
Loss on disposal of the discontinued operations	(237)	-
Total loss	(520)	(492)
Cash flow on sale:		
Consideration received	-	
Cash included as cash and cash equivalents at 30 April 2015 in the statement of cash flows	(133)	
Net cash outflow	(133)	

The net cash flows incurred by Aramex Kazakhstan LLP are as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2015 AED '000 (Unaudited)</i>	<i>2014 AED '000 (Unaudited)</i>
Operating	(157)	183
Investing	37	84
Net cash (outflows) inflows	(120)	267

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015 (Unaudited)

10 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 nine months ended 30 September 2015 and 2014, respectively.

	<i>International express AED'000</i>	<i>Freight forwarding AED'000</i>	<i>Domestic express AED'000</i>	<i>Logistics AED'000</i>	<i>Others AED'000</i>	<i>Elimination AED'000</i>	<i>Total AED'000</i>
Nine months ended 30 September 2015							
Revenue							
Third party	1,004,842	904,878	600,193	153,508	170,050	-	2,833,471
Inter-segment	441,745	182,398	676	3,464	5,897	(634,180)	-
Total revenue	1,446,587	1,087,276	600,869	156,972	175,947	(634,180)	2,833,471
Gross profit	688,841	243,474	395,515	121,899	144,801	-	1,594,530
Nine months ended 30 September 2014							
Revenue							
Third party	893,468	930,789	551,384	144,434	166,297	-	2,686,372
Inter-segment	396,776	181,740	666	3,436	5,921	(588,539)	-
Total revenue	1,290,244	1,112,529	552,050	147,870	172,218	(588,539)	2,686,372
Gross profit	590,674	248,502	375,978	114,399	142,549	-	1,472,102

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.

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10 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, Asia and others. 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:

	<i>For the nine months ended 30 September</i>	
	<i>2015</i>	<i>2014</i>
	<i>AED'000</i>	<i>AED'000</i>
Revenues		
Middle East and Africa	2,052,849	1,942,103
Europe	404,141	436,192
North America	78,337	46,308
Asia and others	298,144	261,769
	<u>2,833,471</u>	<u>2,686,372</u>
	<i>30 September 2015</i>	<i>31 December 2014</i>
	<i>AED'000</i>	<i>AED'000</i>
Assets		
Middle East and Africa	2,466,478	2,514,175
Europe	410,817	413,129
North America	40,607	30,615
Asia and others	258,682	249,330
	<u>3,176,584</u>	<u>3,207,249</u>
Non- current assets*		
Middle East and Africa	670,717	519,443
Europe	64,357	58,789
North America	4,831	5,323
Asia and others	26,750	27,448
	<u>766,655</u>	<u>611,003</u>
Liabilities		
Middle East and Africa	793,444	802,297
Europe	105,590	113,579
North America	18,996	14,758
Asia and others	57,966	87,039
	<u>975,996</u>	<u>1,017,673</u>

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

11 COMMITMENTS AND CONTINGENCIES

	<i>30 September 2015 AED'000</i>	<i>31 December 2014 AED'000</i>
Letters of guarantee	<u>98,456</u>	<u>92,004</u>

Claims against the Group

The Group is a defendant in a number of lawsuits amounting to AED 20,260 thousand (31 December 2014: AED 20,260 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 5,469 thousand as of 30 September 2015 (31 December 2014: AED 5,469 thousand) is sufficient to meet the obligation that may arise from the lawsuits.

12 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:

	<i>Related party</i>	<i>Total</i>	
	<i>Companies controlled by the directors AED'000</i>	<i>30 September 2015 AED'000</i>	<i>30 September 2014 AED'000</i>
Rent expense	<u>1,042</u>	<u>1,042</u>	<u>1,042</u>

Key management compensation

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

	<i>30 September 2015 AED'000</i>	<i>30 September 2014 AED'000</i>
Salaries and other short term benefits	9,193	8,333
End of service benefits	503	124

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12 RELATED PARTY TRANSACTIONS (continued)

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2015 and 2014, as well as balances with related parties as at 30 September 2015 and 31 December 2014:

		<i>Sales to related parties AED '000</i>	<i>Cost from related parties AED '000</i>	<i>Amounts owed by related parties* AED '000</i>	<i>Amounts owed to related parties** AED '000</i>	<i>Loans*** AED '000</i>
Associates:						
	2015	515	945	11	1,059	-
	2014	340	10	318	1,555	-
Joint ventures in which the Parent is a venturer:						
	2015	655	14,222	3,844	7,375	2,941
	2014	206	7,192	4,050	6,745	6,751

* These amounts are classified as trade receivables and other current assets.

** These amounts are classified as trade payables.

*** This amount represents a long term loan granted to Aramex Logistics LLC – Oman, to build a warehouse. The loan is unsecured and interest free.

13 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.