

ARAMEX PJSC AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 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 June 2015, comprising the interim consolidated statement of financial position as at 30 June 2015 and the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods then ended and the related interim consolidated statements of changes in equity and cash flows for the six-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

26 July 2015

Dubai, United Arab Emirates

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 (Unaudited)

	Notes	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	608,891	530,616
Goodwill		1,097,340	1,087,646
Other intangible assets		52,425	32,839
Investments in joint ventures and associates		46,575	47,548
Deferred tax assets		2,919	3,365
Other non-current assets		4,174	6,801
		<u>1,812,324</u>	<u>1,708,815</u>
Current assets			
Accounts receivable, net		765,469	686,677
Other current assets		183,643	191,766
Bank balances and cash	6	336,491	619,991
		<u>1,285,603</u>	<u>1,498,434</u>
TOTAL ASSETS		<u><u>3,097,927</u></u>	<u><u>3,207,249</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		1,464,100	1,464,100
Statutory reserve		170,632	170,632
Foreign currency translation reserve		(172,069)	(151,421)
Reserve arising from acquisition of non-controlling interests		(28,268)	(28,268)
Cash-flow hedge reserve		2,601	2,056
Retained earnings		678,618	708,001
Equity attributable to equity holders of the Parent		<u>2,115,614</u>	<u>2,165,100</u>
Non-controlling interests		30,039	24,476
Total equity		<u>2,145,653</u>	<u>2,189,576</u>
Non-current liabilities			
Interest-bearing loans and borrowings		79,852	97,286
Employees' end of service benefits		123,700	117,717
Employees' benefit liability		12,948	8,336
Deferred tax liabilities		2,119	2,093
		<u>218,619</u>	<u>225,432</u>
Current liabilities			
Accounts payable		179,692	178,587
Bank overdrafts	6	16,874	12,922
Interest-bearing loans and borrowings		53,961	53,939
Other current liabilities		483,128	546,793
		<u>733,655</u>	<u>792,241</u>
Total liabilities		<u>952,274</u>	<u>1,017,673</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,097,927</u></u>	<u><u>3,207,249</u></u>


Abdullah Al Mazmuri
(Chairman)


Hussein Hachem
(Chief Executive Officer)


Bashar Obeid
(Chief Financial Officer)

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three and six months ended 30 June 2015 (Unaudited)

	Note	Three months ended 30 June		Six months ended 30 June	
		2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Continuing operations					
Rendering of services		966,692	915,056	1,895,995	1,765,498
Cost of services		(419,480)	(410,790)	(828,996)	(791,511)
Gross profit		547,212	504,266	1,066,999	973,987
Share of results of joint ventures and associates		(883)	(479)	(1,626)	(1,004)
Selling and marketing expenses		(48,347)	(45,701)	(95,299)	(87,365)
Administrative expenses		(190,392)	(178,585)	(367,333)	(335,938)
Operating expenses		(192,555)	(180,570)	(379,503)	(357,094)
Other income		1,156	614	2,776	1,473
Operating profit		116,191	99,545	226,014	194,059
Finance income		1,437	1,555	3,452	3,303
Finance expense		(2,072)	(1,823)	(3,877)	(3,610)
Profit before tax from continuing operations		115,556	99,277	225,589	193,752
Income tax expense		(12,308)	(9,070)	(25,036)	(16,719)
Profit for the period from continuing operations		103,248	90,207	200,553	177,033
Discontinued operations					
loss after tax for the period from discontinued operations		(265)	(132)	(520)	(564)
Profit for the period		102,983	90,075	200,033	176,469
Attributable to:					
<i>Equity holders of the Parent</i>					
Profit for the period from continuing operations		92,798	80,883	179,564	159,877
Loss for the period from discontinued operations		(251)	(68)	(383)	(329)
		92,547	80,815	179,181	159,548
<i>Non-controlling interests</i>					
Profit for the period from continuing operations		10,450	9,324	20,989	17,156
Loss for the period from discontinued operations		(14)	(64)	(137)	(235)
		10,436	9,260	20,852	16,921
		102,983	90,075	200,033	176,469
Earnings per share attributable to equity holders of the Parent					
	7	AED	AED	AED	AED
Basic and diluted earnings per share		0.063	0.055	0.122	0.109

The attached notes from 1 to 12 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 six months ended 30 June 2015 (Unaudited)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2015</i> <i>AED'000</i>	<i>2014</i> <i>AED'000</i>	<i>2015</i> <i>AED'000</i>	<i>2014</i> <i>AED'000</i>
Profit for the period	102,983	90,075	200,033	176,469
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	7,090	(2,712)	(20,942)	(3,607)
Foreign currency gain from disposal of a subsidiary	-	-	-	242
Gain (loss) on cash flow hedge	159	(22)	44	185
Cash flow hedge expense recycled to consolidated income statement	238	338	501	695
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	7,487	(2,396)	(20,397)	(2,485)
Other comprehensive income for the period, net of tax	7,487	(2,396)	(20,397)	(2,485)
Total comprehensive income for the period	110,470	87,679	179,636	173,984
Attributable to:				
Equity holders of the Parent	100,158	78,527	159,078	157,116
Non-controlling interests	10,312	9,152	20,558	16,868
	110,470	87,679	179,636	173,984

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 (Unaudited)

	Attributable to equity holders of the Parent							Total AED '000
	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	
Six month period ended 30 June 2015								
At 1 January 2015	1,464,100	170,632	(151,421)	(28,268)	2,056	708,001	24,476	2,189,576
Total comprehensive income for the period	-	-	(20,648)	-	545	179,181	20,558	179,636
Directors' fees paid	-	-	-	-	-	(3,590)	-	(3,590)
Dividends of subsidiaries	-	-	-	-	-	-	(17,847)	(17,847)
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	2,658	2,658
Non-controlling interests	-	-	-	-	-	-	194	194
Dividends paid to shareholders (note 4)	-	-	-	-	-	(204,974)	-	(204,974)
At 30 June 2015	1,464,100	170,632	(172,069)	(28,268)	2,601	678,618	30,039	2,145,653
Six month period ended 30 June 2014								
At 1 January 2014	1,464,100	145,254	(90,579)	(15,763)	10	586,953	36,870	2,126,845
Total comprehensive income for the period	-	-	(3,312)	-	880	159,548	16,868	173,984
Directors' fees paid	-	-	-	-	-	(3,600)	-	(3,600)
Dividends of subsidiaries	-	-	-	-	-	-	(24,004)	(24,004)
Acquisition of non-controlling interest (note 3)	-	-	-	(8,540)	-	-	(2,038)	(10,578)
Dividends paid to shareholders (note 4)	-	-	-	-	-	(168,372)	-	(168,372)
At 30 June 2014	1,464,100	145,254	(93,891)	(24,303)	890	574,529	27,696	2,094,275

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015 (Unaudited)

		<i>Six months ended 30 June</i>	
	<i>Notes</i>	2015 AED'000	2014 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		225,589	193,752
Loss before tax from discontinued operations		(520)	(570)
Profit before tax		225,069	193,182
Adjustment for:			
Depreciation of property, plant and equipment		39,832	37,826
Amortization of other intangible assets		2,661	1,680
Loss (gain) on disposal of property, plant and equipment		450	(3)
Provision for employees' end of service benefits		11,847	13,391
Provision for doubtful accounts, net		3,496	2,324
Net finance expense		425	307
Share-based payment expense		4,610	3,729
Share of results of joint ventures and associates		1,626	1,004
Gain on re-measurement of the previously exiting interest in an associate		(873)	-
Loss on disposal of the discontinued operations		520	570
		<u>289,663</u>	<u>254,010</u>
Working capital changes:			
Accounts receivable		(69,867)	(73,307)
Accounts payable		(4,049)	13
Other current assets		13,778	(23,415)
Other current liabilities		(73,821)	39,396
Cash from operations		155,704	196,697
Employees' end of service benefits paid		(5,552)	(5,079)
Income tax paid		(22,831)	(17,609)
Net cash flows from operating activities		<u>127,321</u>	<u>174,009</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(128,900)	(37,240)
Proceeds from sale of property, plant and equipment		1,307	1,215
Interest received		3,452	3,303
Proceeds from sale of a subsidiary, net of cash	8	(133)	(193)
Acquisition of non-controlling interests		-	(10,578)
Other non-current assets		-	3
Margin deposits		103	(309)
Investment in an associate		(498)	-
Acquisition of subsidiaries, net of cash acquired	3	(33,666)	(79,663)
Net cash flows used in investing activities		<u>(158,335)</u>	<u>(123,462)</u>
FINANCING ACTIVITIES			
Interest paid		(3,877)	(3,610)
Repayment of loans and borrowings		(18,927)	(15,795)
Dividends paid to non-controlling interests		(17,847)	(24,004)
Non-controlling interests		194	-
Directors' fees paid		(3,590)	(3,600)
Dividends paid to shareholders		(204,974)	(168,372)
Net cash flows used in financing activities		<u>(249,021)</u>	<u>(215,381)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(280,035)	(164,834)
Net foreign exchange difference		(7,314)	454
Cash and cash equivalents at 1 January	6	595,096	645,444
CASH AND CASH EQUIVALENTS AT 30 JUNE	6	<u>307,747</u>	<u>481,064</u>

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

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 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 June 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 July 2015.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 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 six months ended 30 June 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 June 2015 (Unaudited)

3 BUSINESS COMBINATION

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 three 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)	
Purchase consideration transferred	<u><u>31,192</u></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><u>(30,469)</u></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 2 million of revenue and AED 0.2 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 1,906 million and the profit from continuing operation for the period would have been AED 204 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 June 2015 (Unaudited)

3 BUSINESS COMBINATION (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 two 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)	
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 1 million of revenue and AED 0.1 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 1,900 million and the profit from continuing operation for the period would have been AED 199 million.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

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 six months ended 30 June 2015, the Group acquired property and equipment with a cost of AED 129 million (six months ended 30 June 2014: AED 37 million).

6 CASH AND CASH EQUIVALENTS

	<i>30 June 2015 AED'000</i>	<i>31 December 2014 AED'000</i>
Cash and short term deposits	336,491	619,991
Less: cash margin	(11,870)	(11,973)
Less: bank overdrafts	(16,874)	(12,922)
	<u>307,747</u>	<u>595,096</u>

Included within cash and short term deposits are amounts totaling AED 232,355 thousand (31 December 2014: AED 272,114 thousand) held at foreign banks abroad.

7 EARNINGS PER SHARE

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Profit attributable to shareholders of Parent (AED'000)	<u>92,547</u>	<u>80,815</u>	<u>179,181</u>	<u>159,548</u>
Weighted average number of shares during the period (shares)	<u>1,464.1 million</u>	<u>1,464.1 million</u>	<u>1,464.1 million</u>	<u>1,464.1 million</u>
Basic and diluted earnings per share (AED)	<u>0.063</u>	<u>0.055</u>	<u>0.122</u>	<u>0.109</u>

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

8 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 six months ended 30 June</i>	
	<i>2015</i> <i>AED '000</i> <i>Up to date</i> <i>of disposal</i> <i>(Unaudited)</i>	<i>2014</i> <i>AED '000</i> <i>(Unaudited)</i>
Revenue	1,516	2,888
Cost of services	(792)	(1,689)
Gross profit	724	1,199
Less: Overheads	(998)	(1,788)
Operating loss	(274)	(589)
Less: other (expense) income	(9)	104
Loss before tax	(283)	(485)
Income tax expense	-	6
Loss after tax for the period from the discontinued operations	(283)	(479)
Loss on disposal of the discontinued operations	(237)	-
Total	(520)	(479)
Cash inflow 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 Limited are as follows:

	<i>For the six months ended 30 June</i>	
	<i>2015</i> <i>AED '000</i> <i>(Unaudited)</i>	<i>2014</i> <i>AED '000</i> <i>(Unaudited)</i>
Operating	(157)	(77)
Investing	37	56
Net cash outflows	(120)	(21)

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

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.
- 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 six months ended 30 June 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>
Six months ended 30 June 2015							
Revenue							
Third party	671,384	608,982	401,504	102,778	111,347	-	1,895,995
Inter-segment	292,768	121,590	365	2,273	3,819	(420,815)	-
Total revenue	964,152	730,572	401,869	105,051	115,166	(420,815)	1,895,995
Gross profit	457,045	165,004	268,470	81,896	94,584	-	1,066,999
Six months ended 30 June 2014							
Revenue							
Third party	593,533	615,188	355,202	92,291	109,284	-	1,765,498
Inter-segment	262,265	122,382	-	2,215	4,118	(390,980)	-
Total revenue	855,798	737,570	355,202	94,506	113,402	(390,980)	1,765,498
Gross profit	392,219	166,600	249,005	72,425	93,738	-	973,987

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.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

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, 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>Six months ended 30 June</i>	
	<i>2015</i> <i>AED'000</i>	<i>2014</i> <i>AED'000</i>
Revenues		
Middle East and Africa	1,378,396	1,296,957
Europe	269,406	280,045
North America	51,455	28,627
Asia and others	196,738	159,869
	<u>1,895,995</u>	<u>1,765,498</u>
	<i>30 June</i> <i>2015</i> <i>AED'000</i>	<i>31 December</i> <i>2014</i> <i>AED'000</i>
Assets		
Middle East and Africa	2,402,433	2,514,175
Europe	397,687	413,129
North America	41,400	30,615
Asia and others	256,407	249,330
	<u>3,097,927</u>	<u>3,207,249</u>
Non- current assets*		
Middle East and Africa	621,026	519,443
Europe	54,392	58,789
North America	4,889	5,323
Asia and others	27,584	27,448
	<u>707,891</u>	<u>611,003</u>
Liabilities		
Middle East and Africa	762,621	802,297
Europe	108,993	113,579
North America	18,756	14,758
Asia and others	61,904	87,039
	<u>952,274</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.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

10 COMMITMENTS AND CONTINGENCIES

	<i>30 June 2015 AED'000</i>	<i>31 December 2014 AED'000</i>
Letters of guarantee	<u>95,597</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 June 2015 (31 December 2014: AED 5,469 thousand) is sufficient to meet the obligation that may arise from the lawsuits.

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:

	<i>Related party</i>	<i>Total</i>	
	<i>Companies controlled by the directors AED'000</i>	<i>30 June 2015 AED'000</i>	<i>30 June 2014 AED'000</i>
Rent expense	<u>694</u>	<u>694</u>	<u>812</u>

Key management compensation

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

	<i>30 June 2015 AED'000</i>	<i>30 June 2014 AED'000</i>
Salaries and other short term benefits	6,096	5,554
End of service benefits	454	83

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015 (Unaudited)

11 RELATED PARTY TRANSACTIONS (continued)

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2015 and 2014, as well as balances with related parties as at 30 June 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	195	227	82	520	-
	2014	221	10	318	1,555	-
Joint ventures in which the Parent is a venturer:						
	2015	153	8,746	4,948	7,387	4,125
	2014	140	4,337	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.

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.