Aramex PJSC and its Subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2013

ERNST & YOUNG

P.O. Box 9267
28th Floor - Al Attar Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates
Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
www.ey.com/mena

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 2013, comprising the interim consolidated statement of financial position as at 30 September 2013 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

29 October 2013
Dubai, United Arab Emirates

90
Years in MENA

A member firm of Ernst & Young Global Limited

Aramex PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013 (Unaudited)

	Notes	*30 September 2013 AED'000 (Unaudited)*	*31 December 2012 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**544,071**	569,876
Goodwill		**999,152**	999,152
Other intangible assets		**24,377**	26,906
Investments in joint ventures		**47,106**	53,764
Investment in an associate		**434**	936
Deferred tax assets		**2,251**	2,824
Other non-current assets		**10,835**	9,205
		1,628,226	1,662,663
Current assets			
Accounts receivable, net		**625,592**	583,467
Other current assets		**145,750**	135,363
Bank balances and cash	5	**531,321**	333,673
		1,302,663	1,052,503
TOTAL ASSETS		**2,930,889**	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		**(63,904)**	(34,643)
Cash-flow hedge reserve	7	**(668)**	(2,960)
Reserve arising from acquisition of non-controlling interests		**(15,763)**	(16,011)
Retained earnings		**533,894**	481,271
Equity attributable to equity holders of the Parent		**2,039,545**	2,013,643
Non-controlling interests		**32,660**	32,428
Total equity		**2,072,205**	2,046,071
Non-current liabilities			
Interest-bearing loans and borrowings	7	**139,112**	12,366
Employees' end of service benefits		**98,815**	91,166
Other non-current liabilities		**-**	572
Deferred tax liabilities		**1,453**	1,314
		239,380	105,418
Current liabilities			
Accounts payable		**164,065**	156,193
Bank overdrafts	5	**1,977**	11,329
Interest-bearing loans and borrowings	7	**50,838**	15,704
Other current liabilities		**402,424**	380,451
		619,304	563,677
Total liabilities		**858,684**	669,095
TOTAL EQUITY AND LIABILITIES		**2,930,889**	2,715,166

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

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 2013 (Unaudited)

	Notes	*Three months ended 30 September*		*Nine months ended 30 September*	
		2013 AED'000	*2012 AED'000*	***2013 AED'000***	*2012 AED'000*
Continuing operations					
Rendering of services		**826,790**	757,721	**2,474,508**	2,263,885
Cost of services		**(388,654)**	(354,580)	**(1,137,298)**	(1,041,765)
Gross profit		**438,136**	403,141	**1,337,210**	1,222,120
Share of results of joint ventures		**(1,348)**	(295)	**(2,920)**	(440)
Share of results of an associate		**(159)**	(71)	**(502)**	(133)
Selling and marketing expenses		**(38,543)**	(36,171)	**(116,277)**	(110,105)
Administrative expenses		**(157,622)**	(149,778)	**(470,213)**	(445,851)
Operating expenses		**(169,024)**	(153,848)	**(495,871)**	(448,508)
Other income		**3,109**	2,236	**4,284**	3,544
Operating profit		**74,549**	65,214	**255,711**	220,627
Finance income		**1,601**	399	**4,393**	2,033
Finance expense		**(2,208)**	(1,253)	**(6,470)**	(2,049)
Gain from sale of available-for-sale financial assets		**-**	-	**-**	280
Profit from continuing operations before tax		**73,942**	64,360	**253,634**	220,891
Income tax		**(6,607)**	(7,213)	**(24,130)**	(21,328)
Profit for the period from continuing operations		**67,335**	57,147	**229,504**	199,563
Discontinued operations					
Profit after tax from discontinued operations	8	**24**	344	**186**	1,184
Profit for the period		**67,359**	57,491	**229,690**	200,747
Attributable to:					
Equity holders of the Parent					
Profit for the period from continuing operations		**59,868**	52,721	**201,408**	177,552
Profit for the period from discontinued operations		**14**	407	**123**	826
		59,882	53,128	**201,531**	178,378
Non-controlling interests					
Profit for the period from continuing operations		**7,467**	4,426	**28,096**	22,010
Profit (loss) for the period from discontinued operations		**10**	(63)	**63**	359
		7,477	4,363	**28,159**	22,369
		67,359	57,491	**229,690**	200,747
Earnings per share attributable to the equity holders of the Parent	6				
		AED	AED	**AED**	AED
Basic and diluted earnings per share		**0.04**	0.04	**0.14**	0.12
Basic and diluted earnings per share from continuing operations		**0.04**	0.04	**0.14**	0.12

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2013 (Unaudited)

	Notes	*Three months ended 30 September*		*Nine months ended 30 September*	
		2013 AED'000	*2012 AED'000*	***2013 AED'000***	*2012 AED'000*
Profit for the period		**67,359**	57,491	**229,690**	200,747
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		**1,065**	2,710	**(29,493)**	(5,402)
(Loss) gain on cash flow hedge	7	**(225)**	(1,257)	**1,157**	(2,989)
Cash flow hedge expense recycled to the consolidated statement of income	7	**392**	-	**1,135**	-
Gain on available-for-sale financial assets		-	-	-	782
Gain realized on sale of available-for-sale financial assets transferred to the interim consolidated statement of income		-	-	-	(280)
Net other comprehensive income that would be reclassified to profit or loss in subsequent periods		**1,232**	1,453	**(27,201)**	(7,889)
Other comprehensive income for the period, net of tax		**1,232**	1,453	**(27,201)**	(7,889)
Total comprehensive income for the period		**68,591**	58,944	**202,489**	192,858
Total comprehensive income attributable to:					
Equity holders of the Parent		**61,208**	54,393	**174,562**	170,083
Non-controlling interests		**7,383**	4,551	**27,927**	22,775
		68,591	58,944	**202,489**	192,858

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 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*
Nine month period ended 30 September 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	-	-	(29,261)	-	2,292	-	201,531	174,562	27,927	202,489
Directors' fees paid	-	-	-	-	-	-	(2,250)	(2,250)	-	(2,250)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(28,422)	(28,422)
Non-controlling interests	-	-	-	-	-	-	-	-	727	727
Dividends paid to shareholders (note 3)	-	-	-	-	-	-	(146,410)	(146,410)	-	(146,410)
Disposal of a subsidiary	-	-	-	-	-	248	(248)	-	-	-
At 30 September 2013	**1,464,100**	**121,886**	**(63,904)**	**-**	**(668)**	**(15,763)**	**533,894**	**2,039,545**	**32,660**	**2,072,205**
Nine month period ended 30 September 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	-	-	(5,808)	502	(2,989)	-	178,378	170,083	22,775	192,858
Acquisition of non – controlling interests	-	-	-	-	-	(733)	-	(733)	(185)	(918)
Directors' fees paid	-	-	-	-	-	-	(2,250)	(2,250)	-	(2,250)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(21,177)	(21,177)
Non-controlling interests	-	-	-	-	-	-	-	-	932	932
Dividends paid to shareholders (note 3)	-	-	-	-	-	-	(73,205)	(73,205)	-	(73,205)
At 30 September 2012	1,464,100	87,312	(23,511)	-	(2,989)	(16,011)	450,104	1,959,005	33,317	1,992,322

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 2013 (Unaudited)

	Notes	Nine months ended 30 September 2013 AED '000	Nine months ended 30 September 2012 AED '000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**253,634**	220,891
Profit before tax from discontinued operations		**220**	1,213
Profit before tax		**253,854**	222,104
Adjustments for:			
Depreciation of property, plant and equipment		**57,481**	51,038
Amortization of other intangible assets		**2,529**	2,574
Gain on disposal of property, plant and equipment		**(37)**	(663)
Provision for employees' end of service benefits		**16,450**	14,575
Provision for doubtful accounts, net		**5,633**	12,580
Net finance expense		**2,077**	16
Gain from sale of available-for-sale financial assets		**-**	(280)
Share of results of joint ventures		**2,920**	440
Share of results of an associate		**502**	133
Gain on disposal of the discontinued operations		**-**	(771)
Working capital changes:			
Accounts receivable		**(50,813)**	(70,259)
Accounts payable		**9,772**	129
Other current assets		**(11,911)**	(8,217)
Other current liabilities		**20,323**	32,489
Cash from operations		**308,780**	255,888
Employees' end of service benefits paid		**(7,977)**	(6,173)
Income tax paid		**(18,867)**	(18,247)
Net cash flows from operating activities		**281,936**	231,468
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(48,594)**	(129,281)
Proceeds from sale of property, plant and equipment		**2,178**	3,560
Proceeds from sale of available-for-sale financial assets		**-**	3,000
Interest received		**4,393**	2,033
Proceeds from sale of a subsidiary, net of cash	8	**460**	176
Acquisition of non-controlling interest		**-**	(918)
Other non–current assets		**(4,008)**	24
Margin deposits		**826**	785
Intangible assets		**-**	(353)
Investments in a joint venture		**-**	(37,734)
Net cash flows used in investing activities		**(44,745)**	(158,708)
FINANCING ACTIVITIES			
Interest paid		**(6,470)**	(2,049)
Proceeds from loans and borrowings		**187,034**	616
Repayment of loans and borrowings		**(25,153)**	-
Dividends of subsidiaries		**(28,422)**	(21,177)
Non-controlling interests		**727**	932
Directors' fees paid		**(2,250)**	(2,250)
Dividends paid to shareholders		**(146,410)**	(73,205)
Net cash flows used in financing activities		**(20,944)**	(97,133)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**216,247**	(24,373)
Net foreign exchange difference		**(8,420)**	(8,136)
Cash and cash equivalents at 1 January	5	**309,507**	280,879
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	**517,334**	248,370

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 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 authorised for issue by the Board of Directors on 29 October 2013.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the nine months ended 30 September 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 nine months ended 30 September 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 effective 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 had an effect on the presentation of items of the comprehensive income but did not have an impact on the financial position or performance of the Group.

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 nine months ended 30 September 2013, the Group acquired property and equipment with a cost of AED 48.6 million (nine months ended 30 September 2012: AED 129.3 million).

5 CASH AND CASH EQUIVALENTS

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.

	30 September 2013 AED'000	*31 December 2012 AED'000*
Cash and short term deposits	**531,321**	333,673
Less: cash margin	**(12,010)**	(12,837)
Less: bank overdrafts	**(1,977)**	(11,329)
	517,334	309,507

Included within cash and short term deposits are amounts totaling AED 156,386 thousand (31 December 2012: AED 175,789 thousand) held at foreign banks abroad.

6 EARNINGS PER SHARE

	Three months ended 30 September		*Nine months ended 30 September*	
	2013	*2012*	*2013*	*2012*
Profit attributable to shareholders of the Parent (AED'000)	**59,882**	53,128	**201,531**	178,378
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)	**0.04**	0.04	**0.14**	0.12

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)

Derivative financial instruments - interest rate swaps (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 30 September 2013, the cash flow hedges were assessed to be highly effective and an unrealized gain of AED 1,157 thousand was included in other comprehensive income. While an expense of AED 1,135 thousand was reclassified from other comprehensive income to the interim consolidated statement of income. The negative fair value of the interest rate swap deal amounted to AED 1,803 thousand was recorded as a liability in the interim consolidated statement of financial position.

8 DISCONTINUED OPERATIONS

Disposal of Aramex International GMBH (Germany)
On 30 April 2013, the Group disposed of 100% of its interest in Aramex International GMBH (Germany) for AED 931 thousand in cash and an amount of AED 80 thousand as a receivable. The cash flows generated by the sale of the discontinued operation during 2013 have been considered in the statement of cash flows as part of the investing activities.

The results of Aramex International GMBH (Germany) for the period are as follows:

	Nine months ended 30 September	
	2013 ***AED '000***	*2012* *AED '000*
Revenue	**6,634**	14,729
Cost of services	**(5,204)**	(11,235)
Gross profit	**1,430**	3,494
Less: Overheads	**(1,442)**	(3,326)
Operating (loss) income	**(12)**	168
Other income	**41**	(311)
Profit (loss) from a discontinued operation	**29**	(143)
Cash inflow on sale:		
Consideration received	**931**	
Cash included as cash and cash equivalents at 30 April 2013 in the statement of cash flows	**(351)**	
Net cash inflow	**580**	

8 DISCONTINUED OPERATIONS (continued)

The net cash flows incurred by Aramex International GMBH (Germany) are as follows:

	Nine months ended 30 September	
	2013 AED '000	*2012 AED '000*
Operating	**299**	(1,789)
Net cash outflow	**299**	(1,789)

Disposal of Aramex International Damascus (Syria)

On 31 July 2013, the Group disposed of 100% of its interest in Aramex International Damascus (Syria).

The results of Aramex International Damascus (Syria) for the period are as follows:

	Nine months ended 30 September	
	2013 AED '000	*2012 AED '000*
Revenue	**2,415**	12,636
Cost of services	**(1,023)**	(7,337)
Gross profit	**1,392**	5,299
Less: Overheads	**(1,664)**	(3,964)
Operating (loss) income	**(272)**	1,335
Other income	**463**	164
Profit before tax from the discontinued operation	**191**	1,499
Income tax expense	**(34)**	(29)
Profit after tax for the period from the discontinued operation	**157**	**1,470**
Cash outflow on sale:		
Consideration received	-	
Cash included as cash and cash equivalents at 31 July 2013 in the statement of cash flows	**(121)**	
Net cash outflow	**(121)**	

8 DISCONTINUED OPERATION (continued)

The net cash flows incurred by Aramex International Damascus (Syria) are as follows:

	Nine months ended 30 September	
	2013 AED '000	*2012 AED '000*
Operating	**(1,428)**	1
Net cash inflow	**(1,428)**	1

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 nine months ended 30 September 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*
Nine months ended 30 September 2013							
Revenue							
Third party	**771,800**	**930,969**	**483,365**	**124,679**	**163,695**	**-**	**2,474,508**
Inter-segment	**345,479**	**207,503**	**665**	**3,120**	**4,546**	**(561,313)**	**-**
Total revenue	**1,117,279**	**1,138,472**	**484,030**	**127,799**	**168,241**	**(561,313)**	**2,474,508**
Gross profit	**519,469**	**249,686**	**335,681**	**99,251**	**133,123**	**-**	**1,337,210**

9 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*
Nine months ended 30 September 2012							
Revenue							
Third party	712,067	867,447	435,849	97,883	150,639	-	2,263,885
Inter-segment	319,271	156,726	11,368	2,978	3,422	(493,765)	-
Total revenue	1,031,338	1,024,173	447,217	100,861	154,061	(493,765)	2,263,885
Gross profit	472,603	229,160	318,202	81,830	120,325	-	1,222,120

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.

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	
	2013 AED'000	*2012 AED'000*
Revenues		
Middle East and Africa	**1,852,830**	1,645,185
Europe	**385,748**	365,775
North America	**40,680**	47,922
Asia	**195,250**	205,003
	2,474,508	2,263,885

	30 September 2013 AED'000	*31 December 2012 AED'000*
Assets		
Middle East and Africa	**2,456,148**	2,215,614
Europe	**346,170**	352,716
North America	**21,919**	28,926
Asia	**106,652**	117,910
	2,930,889	2,715,166

9 SEGMENT INFORMATION (continued)

Geographical Information (continued)

	30 September 2013 AED'000	*31 December 2012 AED'000*
Non- current assets*		
Middle East and Africa	**528,766**	553,591
Europe	**69,118**	72,109
North America	**6,885**	8,269
Asia	**11,219**	17,513
	615,988	651,482

	30 September 2013 AED'000	*31 December 2012 AED'000*
Liabilities		
Middle East and Africa	**698,919**	492,304
Europe	**106,035**	113,214
North America	**13,036**	13,084
Asia	**40,694**	50,493
	858,684	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.

10 COMMITMENTS AND CONTINGENCIES

	30 September 2013 AED'000	*31 December 2012 AED'000*
Letters of guarantee	**76,452**	66,875

Capital commitments
As at 30 September 2013, the Group has capital commitments of AED 10.8 million (31 December 2012: AED 16.2 million) towards the 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 30 September 2013 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:

	Related party		*Total*	
	Officers AED'000	*Companies controlled by the directors AED'000*	***30 September 2013 AED'000***	*30 September 2012 AED'000*
Rent expense	176	1,114	**1,290**	1,215

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

	Nine months ended 30 September	
	2013 AED'000	*2012 AED'000*
Salaries and other short term benefits	**6,959**	9,969
End of service benefits	**305**	290

The following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2013 and 2012, as well as balances with related parties as at 30 September 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**	**66**	-	-	**512**	-
	2012	14	-	-	363	-
Joint ventures in which the Parent is a venturer:	**2013**	**162**	**2,843**	**1,174**	**1,204**	**6,751**
	2012	-	231	2,757	9,928	-

* 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.

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.