Aramex PJSC and its subsidiaries

Condensed consolidated
interim financial information
31 March 2007

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Independent auditors' review report to the Board of Directors of Aramex PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Aramex PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2007, and the related condensed consolidated interim statements of income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of the condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 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 condensed consolidated interim financial information as at 31 March 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

0 3 MAY 2007

KPMG
Vijendranath Malhotra
(Registration No. B 48)
Dubai, United Arab Emirates

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Aramex PJSC and its subsidiaries

Condensed consolidated interim income statement (un-audited)

for the three month period ended 31 March 2007

	Note	Three month period ended 31 March 2007 AED'000	Three month period ended 31 March 2006 AED'000
Revenue	*4*	**399,606**	238,687
Cost of services		**(211,672)**	(123,126)
Gross profit		**187,934**	115,561
Other operating expenses		**(58,385)**	(35,325)
Selling expenses		**(17,391)**	(12,845)
General and administrative expenses		**(76,273)**	(44,632)
Other income, net		**656**	122
Profit from operations		**36,541**	22,881
Finance income		**1,931**	2,620
Finance expense		**(823)**	(160)
Net finance income		**1,108**	2,460
Profit before income tax		**37,649**	25,341
Income tax expense		**(2,158)**	(1,010)
Profit for the period		**35,491**	24,331
Attributable to:			
Shareholders of the Company		**29,973**	21,139
Minority interest		**5,518**	3,192
Profit for the period		**35,491**	24,331
Basic earnings per share (AED)	*15*	**0.030**	0.021

The notes on pages 6 to 15 form part of this condensed consolidated interim financial information.

The independent auditors' review report is set out on page 1.

Aramex PJSC and its subsidiaries

Condensed consolidated interim balance sheet

as at 31 March 2007

	Note	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Assets				
Property, plant and equipment	5	129,344	128,143	82,015
Goodwill	6	803,731	803,731	659,161
Other intangible assets		4,140	3,613	3,839
Available for sale investments	7	6,050	2,720	-
Other non-current assets		8,253	8,449	5,059
Deferred tax assets		3,311	3,213	2,706
Total non-current assets		954,829	949,869	752,780
Cash in hand and at bank	8	218,144	222,562	329,058
Trade receivables	9	278,520	261,655	160,761
Other current assets		96,962	78,330	34,820
Total current assets		593,626	562,547	524,639
Total assets		1,548,455	1,512,416	1,277,419
Equity				
Share capital	11	1,000,000	1,000,000	1,000,000
Currency translation adjustment		1,348	1,785	(303)
Statutory reserve		1,978	1,978	1,199
Retained earnings		73,606	43,633	71,127
Proposed bonus shares	12	100,000	100,000	-
Proposed directors' fees	12	800	800	-
Cumulative changes in fair value of available for sale investments	7	2,879	-	-
Total equity attributable to shareholders of the Company		1,180,611	1,148,196	1,072,023
Minority interest		13,891	19,287	18,578
Total equity		1,194,502	1,167,483	1,090,601
Liabilities				
Loans and borrowings – non current		11,174	13,379	3,149
Other long term liabilities	10	10,345	10,224	-
Employee end of service benefits		32,480	30,849	24,892
Deferred tax liabilities		157	34	36
Total non-current liabilities		54,156	54,486	28,077
Bank overdrafts	8	25,606	27,435	-
Loans and borrowings – current		8,469	8,306	5,507
Trade payables		116,273	117,538	71,836
Other current liabilities		149,449	137,168	81,398
Current liabilities		299,797	290,447	158,741
Total liabilities		353,953	344,933	186,818
Total equity and liabilities		1,548,455	1,512,416	1,277,419

The notes on pages 6 to 15 form part of this condensed consolidated interim financial information.

The Board of Directors approved this condensed consolidated interim financial information on 03 MAY 2007

A-Mazrui		
Abdullah Al Mazrui	Fadi Ghandour	Emad Shishtawi
Chairman	(Director, President & CEO)	(Vice President Finance)

The independent auditors' review report is set out on page 1.

Aramex PJSC and its subsidiaries

Condensed consolidated interim statement of cash flows (un-audited)

for the three month period ended 31 March 2007

	Note	Three month period ended 31 March 2007 AED'000	Three month period ended 31 March 2006 AED'000
Cash flows from operating activities			
Profit for the period before income tax		37,649	25,341
Adjustments for:			
Depreciation		7,803	4,814
Amortisation/write off of intangible assets		216	183
Provision for doubtful debts -net		214	283
Provision for employee end of service benefits		1,948	1,742
Net finance (income)/expense		(1,108)	(2,460)
Loss on sale of property, plant and equipment		54	10
Operating profit before working capital changes		46,776	29,913
Change in trade receivables		(17,079)	(9,078)
Change in other current assets		(18,632)	(4,968)
Change in trade payables		(1,265)	(1,677)
Change in other current liabilities		10,558	13,333
Employee end of service benefits paid		(354)	(907)
Cash generated by operations		20,004	26,616
Income tax paid		(408)	(483)
Net cash from operating activities		19,596	26,133
Cash flows from investing activities			
Acquisition of property, plant and equipment		(9,509)	(8,685)
Proceeds from sales of property, plant and equipment		520	181
Acquisition of subsidiary, net of cash acquired		-	(30,426)
Acquisition of available for sale investments		(451)	-
Acquisition of intangible assets		(743)	-
Change in other non current assets		(225)	520
Change in margin deposits		(886)	(3,787)
Interest income		1,931	2,620
Net cash used in investing activities		(9,363)	(39,577)
Cash flows from financing activities			
Interest paid		(702)	(160)
Net movement in bank borrowings		(2,042)	(1,583)
Dividends paid to minority shareholders		(11,607)	-
Net other movements in minority interest		693	33
Net cash used in financing activities		(13,658)	(1,710)
Net decrease in cash and cash equivalents		(3,425)	(15,154)
Cash and cash equivalents at beginning of the period	8	190,447	340,360
Effect of exchange rate changes on cash held		(52)	65
Cash and cash equivalents at end of the period	8	186,970	325,271

The notes on pages 6 to 15 form part of this condensed consolidated interim financial information.

The independent auditors review report is set out on page 1.

Aramex PJSC and its subsidiaries

Condensed consolidated interim statement of changes in equity (un-audited)

for the three month period ended 31 March 2007

	Share capital		Currency translation adjustments	Statutory reserve	Retained earnings	Proposed dividends	Proposed directors' fees	Cumulative changes in fair value of available for sale investments	Total shareholders' equity	Minority interest	Total equity
	Number	Amount AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at 1 January 2006	1,000,000,000	1,000,000	(618)	1,199	49,988	-	-	-	1,050,569	15,353	1,065,922
Profit for the period	-	-	-	-	21,139	-	-	-	21,139	3,192	24,331
Translation adjustment	-	-	315	-	-	-	-	-	315	(26)	289
Net other movements during the period	-	-	-	-	-	-	-	-	-	59	59
Balance at 31 March 2006	1,000,000,000	1,000,000	(303)	1,199	71,127	-	-	-	1,072,023	18,578	1,090,601
Balance at 1 January 2007	1,000,000,000	1,000,000	1,785	1,978	43,633	100,000	800	-	1,148,196	19,287	1,167,483
Profit for the period	-	-	-	-	29,973	-	-	-	29,973	5,518	35,491
Translation adjustment	-	-	(437)	-	-	-	-	-	(437)	-	(437)
Unrealized gain on fair valuation of available for sale investments	-	-	-	-	-	-	-	2,879	2,879	-	2,879
Dividends paid during the period	-	-	-	-	-	-	-	-	-	(11,607)	(11,607)
Net other movements during the period	-	-	-	-	-	-	-	-	-	693	693
Balance at 31 March 2007	**1,000,000,000**	**1,000,000**	**1,348**	**1,978**	**73,606**	**100,000**	**800**	**2,879**	**1,180,611**	**13,891**	**1,194,502**

No allocation of profit has been made to the statutory reserve for the three month period ended 31 March 2007 as it would be effected at the year-end.

The notes on pages 6 to 15 form part of this condensed consolidated interim financial information.

Aramex PJSC and its subsidiaries

Notes

(forming part of the condensed consolidated interim financial information)

1 Legal status and principal activities

Aramex PJSC ("the Company") is a Public Joint Stock Company registered in the Emirate of Dubai, UAE on 15 February 2005 under UAE Federal law No 8 of 1984 (as amended). The condensed consolidated interim financial information of the Company as at 31 March 2007 comprise the Company and its subsidiaries (collectively referred to as "the Group").

The principal activities of the Company is 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 Company's registered office is, Office No 5, Abdul Rahman Al Zaroani real estate, Plot 121-221, Dubai Airport, Deira, Dubai, United Arab Emirates.

On 22 June 2005, the Company acquired 100% shareholding in Aramex International Limited ("AIL") from Aramex Holding Limited ("AHL"), a related party incorporated under the laws of Bermuda.

AIL provides transportation solutions including express delivery and freight forwarding services mainly to/from countries in the Middle East. For the purpose of the express business, AIL utilizes its main stations (hubs) in Dubai and London. AIL's operations are managed through a regional office, which was registered in Jordan on 15 March 1988 under the name of AIL (the Regional Office) pursuant to the foreign companies law No. (58) of 1985. The operations of the Regional Office are facilitated by the hubs of the Aramex network.

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

During the previous year, the Company has changed its name from Arab International Logistics (ARAMEX) Co. (PJSC) to Aramex PJSC.

2 Basis of preparation and significant accounting policies

This condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The condensed consolidated interim financial information of the Group, presented in UAE Dirhams ("AED") rounded to the nearest thousand, have been prepared under the historical cost convention except for available for sale investments, which are measured at fair value.

This condensed consolidated interim financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the latest audited consolidated financial statements of the Group for the year ended 31 December 2006.

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those applied in the consolidated financial statements of the Group for the year ended 31 December 2006.

Subsidiaries

During the three month period ended 31 March 2007 the following subsidiaries have been incorporated and their results and financial position are consolidated in this condensed consolidated interim financial information.

Subsidiary	Effective ownership
Aramex Perishables LLC	51%
Aramex Canada Inc.	100%

Notes *(continued)*

2 Basis of preparation and significant accounting policies (continued)

Subsidiaries (continued)

Apart from the subsidiaries mentioned above, which have been consolidated in this financial information from their date of incorporation, this condensed consolidated interim financial information includes the Group's share in the operating results and the financial position of all the subsidiaries, which were included in the latest audited consolidated financial statements of the Group for the year ended 31 December 2006.

3 Accounting estimates and judgments

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2006.

4 Revenue

	Three month period ended 31 March 2007 AED'000 Un-audited	Three month period ended 31 March 2006 AED'000 Un-audited
International express*	**111,448**	97,516
Freight forwarding*	**180,581**	79,420
Domestic express*	**52,595**	35,181
Publications and distributions*	**8,882**	7,802
Shop 'n' ship	**9,724**	5,788
Documents storage	**6,744**	3,622
Logistics revenue	**21,992**	2,649
Others**	**7,640**	6,709
	399,606	238,687

* Amount includes value added tax/ postal levy where not shown separately on the face of invoice.

** Amounts represent revenues from other special services which the Group renders, including airline ticketing and travel, and visa services. All related costs are reflected in cost of services.

Notes *(continued)*

5 Property, plant and equipment

Acquisitions and disposals

During the three month period ended 31 March 2007, the Group acquired assets with a cost of AED 9.5 million *(31 December 2006: AED 55.28 million and 31 March 2006: AED 8.69 million)*.

Assets with a carrying amount of AED 0.58 million *(31 December 2006: AED 17.04 million and 31 March 2006: 0.19 million)* were disposed of during the three month period ended 31 March 2007, resulting in a loss of AED 0.05 million *(31 December 2006: gain of AED 0.54 million and 31 March 2006: loss of AED 0.01 million)*, which has been included under other income/ (expenses), net.

6 Goodwill

The movement in the goodwill account is as follows:

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Opening balance	**803,731**	628,343	628,343
- On acquisition of Freight Professionals	-	31,067	30,818
- On acquisition of Two Way Freight & Logistics Group Limited	-	123,295	-
- On acquisition of Docman Limited	-	15,168	-
Acquisition of minority interest:			
- On additional acquisition in Armak	-	3,673	-
- On additional acquisition in Arab Clearance	-	983	-
- Adjustment to Priority Air Freight Ltd.	-	1,202	-
Closing balance	**803,731**	803,731	659,161

Annual impairment testing for goodwill has been carried out by management at 31 December 2006. The management have not seen any indications, since the date of its last financial year, which would indicate impairment in the carrying value of goodwill. Also refer note 3.

7 Available for sale investments

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Opening balance	**2,720**	-	-
Purchases during the period/ year	**451**	2,720	-
Cumulative changes in fair value during the period/ year	**2,879**	-	-
Closing balance	**6,050**	2,720	-

Out of the above, investments amounting to AED 5.59 million represents founder shares in a company listed on the Dubai Financial Market.

8 Cash in hand and at bank

Cash in hand and at bank includes restricted cash amounting to AED 5.57 million as of 31 March 2007 *(31 December 2006: AED 4.60 million and 31 March 2006: 3.79 million)*. This amount represents margin against bank guarantees. Cash and cash equivalents comprise the following:

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Cash in hand and at banks	**218,144**	222,562	329,058
Less: Restricted cash, margin deposits	**(5,568)**	(4,680)	(3,787)
Less: Overdrafts	**(25,606)**	(27,435)	-
	186,970	190,447	325,271

9 Trade receivables

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Trade receivables	**297,980**	283,094	177,560
Less: Provision for doubtful accounts	**(19,460)**	(21,439)	(16,799)
Closing balance	**278,520**	261,655	160,761

Geographic concentrations of trade receivables are as follows:

	31 March 2007 % Un-audited	31 December 2006 % Audited	31 March 2006 % Un-audited
Middle East and North Africa	**67**	62	84
Europe	**25**	31	7
North America	**2**	1	2
Asia	**6**	6	7

Management believes that all receivables, net of related provisions, will be collected in due course.

Notes *(continued)*

9 Trade receivables (continued)

Movement in the provision for doubtful account is as follows:

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Opening balance	**21,439**	16,685	16,685
Balance acquired on acquisition of subsidiaries	**-**	3,640	-
Provisions made during the period	**380**	3,524	283
Write back during the period	**(166)**	(1,296)	-
Write-offs during the period	**(2,193)**	(1,114)	(169)
Closing balance	**19,460**	21,439	16,799

10 Other long term liabilities

Other long term liabilities represent the present value of the deferred and contingent consideration payable to the former shareholders of a subsidiary, acquired by the Group in the previous year.

11 Share capital

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Authorised, issued and paid up			
1,000,000,000 shares of AED 1 each	**1,000,000**	1,000,000	1,000,000

Of the total shares, 450 million shares were issued to the founder shareholders on 15 February 2005 and the remaining 550 million shares were issued on 31 March 2005.

12 Proposed appropriations

(a) Proposed issue of bonus shares

The Directors of the Company in their meeting to approve the 2006 annual financial statements of the Company, proposed the distribution of cash dividend of AED 0.10 per share amounting to AED 100 million. However, subsequently, in the Company's Annual General Meeting held on 16 April 2007, the shareholders approved the issue of bonus shares to the extent of 10% of the share capital of the Company. Therefore the cash dividend is no longer payable.

(b) Proposed director fees

Proposed directors fees of AED 0.8 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2006.

13 Related party transactions

During 1996, AIL leased the premises currently occupied by the AIL's corporate office in Amman, Jordan, from ARAM, an investment company controlled by the CEO's family at an annual rental of AED 0.7 million (JD 0.14 million). The lease is open-ended and is renewed annually. Management believes that the terms of the lease are at least as favourable to the Company as those available from unaffiliated third parties.

AIL entered into an alliance called Global Distribution Alliance ("GDA") in December 2003. GDA is a global alliance among thirty two leading independent express companies that functions as a worldwide delivery network for its members in which AIL is one of the founding members. AIL and GDA maintain normal business relations. At 31 March 2007, AED 0.31 million was due from AIL to GDA and has been included under other current liabilities. Aramex Beirut premises are rented from the station manager and her relatives for an amount equivalent to AED 0.13 million for the year 2007. Management believes that the terms of the rental are at least as favourable to the Group as those available from unaffiliated third parties.

One of the subsidiary leases its premises from one of its directors at an annual rental of AED 3.4 million.

During the ordinary course of its operations, the Group carries out transactions, which are within the principal activities of the Group, with other entities that fall within the definition of a related party as per International Accounting Standard ("IAS") 24. The terms of these transactions are not significantly different from those with other third parties. On account of the small value and the high volume of such individual transactions, the Group does not have a process in place to separately record and disclose such transactions. Management believes that such non disclosure does not affect the assessment of the Group's operations by the users of the financial statements.

Details of other significant related party transactions are as under:

	Three month period ended 31 March 2007 AED'000 Un-audited	Three month period ended 31 March 2006 AED'000 Un-audited
Compensation paid/payable to key management personnel for the period		
- Short term benefits	**3,518**	3,141
- End of service benefits	**56**	51

14 Contingent liabilities and commitments

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Letters of guarantee	**30,986**	29,715	24,553

As at 31 March 2007 the Group has capital commitments of AED 26.8 million *(31 December 2006: AED 26.4 million and 31 March 2006: Nil)* towards purchase/construction of property, plant and equipment.

15 Earnings per share

The calculation of basic earnings per share for the three month period ended 31 March 2007 is based on the profit attributable to the shareholders of the Company of AED 29.97 million *(three month period ended 31 March 2006: AED 21.14 million)* and a weighted average number of ordinary shares outstanding during the three month period ended 31 March 2007 of 1,000 million *(three month period ended 31 March 2006: 1,000 million shares)*.

16 Information about segments

Segment information is presented in respect of the Group's business and geographical segment. The primary format, business segments, is based on the way senior management organizes operations within the Group for decision making purposes, internal reporting structure and performance assessment.

***Business segments*:**

The Group operates predominantly in a single industry as a courier and cargo freight forwarder and comprises of the following main business 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, customs clearance and break bulk services.

Domestic express: includes express delivery of small parcels and pick up and deliver shipments from city to city within the country.

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

Other operation: includes catalogue shipping services, document storage, shop 'n' ship commercial services, airline ticketing and travel, logistics revenue, and visa services. All related costs are reflected in cost of services.

Notes *(continued)*

16 Information about segments (continued)

(in AED'000)

	International express	Freight forwarding	Domestic Express	Logistics	Others	Elimination	Consolidated
Three month period ended 31 March 2007							
External sales	111,448	180,581	52,595	21,992	32,990	-	399,606
Inter-segment sales	50,161	30,650	-	314	7,767	(88,892)	-
Segment sales	161,609	211,231	52,595	22,306	40,757	(88,892)	399,606
Gross profit	60,775	50,416	40,907	15,229	20,607	-	187,934

	International express	Freight forwarding	Domestic Express	Logistics	Others	Elimination	Consolidated
Three month period ended 31 March 2006							
External sales	97,516	79,420	35,181	2,649	23,921	-	238,687
Inter-segment sales	44,800	19,908	2	-	5,461	(70,171)	-
Segment sales	142,316	99,328	35,183	2,649	29,382	(70,171)	238,687
Gross profit	51,304	21,640	27,534	2,199	12,884	-	115,561

Transactions between stations are priced at agreed upon rates. All material intra-group transactions have been eliminated in consolidation.

The Group does not segregate assets and liabilities by business segment and accordingly such information is not available.

Geographical segments

The business segments are managed on a world-wide basis, but operate in four principal geographical areas, Middle East and North 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.

	Three month period ended 31 March 2007 AED'000 Un-audited	Three month period ended 31 March 2006 AED'000 Un-audited
Revenue		
Middle East and North Africa	**261,624**	199,350
Europe	**107,850**	13,992
North America	**4,983**	4,470
Asia	**25,149**	20,875
	399,606	238,687

Notes *(continued)*

16 Information about segments (continued)

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Assets			
Middle East and North Africa	**1,392,757**	1,352,113	1,224,670
Europe	**115,125**	122,830	20,908
North America	**9,413**	8,158	7,714
Asia	**31,160**	29,315	24,127
	1,548,455	1,512,416	1,277,419

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Long lived assets *			
Middle East and North Africa	**102,412**	100,242	74,360
Europe	**21,400**	22,618	2,680
North America	**1,945**	1,827	1,682
Asia	**3,587**	3,456	3,293
	129,344	128,143	82,015

* Long lived assets comprise property, plant and equipment.

	31 March 2007 AED'000 Un-audited	31 December 2006 AED'000 Audited	31 March 2006 AED'000 Un-audited
Liabilities			
Middle East and North Africa	**222,271**	205,583	156,249
Europe	**110,752**	120,602	13,272
North America	**6,805**	5,914	7,206
Asia	**14,125**	12,834	10,091
	353,953	344,933	186,818

17 Seasonality of operations

The Group's business is seasonal in nature. Historically, the Group experiences 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 later 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, as a result, the Group's seasonality may shift over time.

18 Financial instruments

Financial assets of the Group include available for sale investments, trade receivables, other current and non current assets, cash in hand and at bank and related party balances. Financial liabilities include, trade payables, other current and non current liabilities and loans and borrowings from banks.

a) Fair value

The fair values of the financial instruments of the Group are not materially different from their carrying amounts.

b) Interest rate risks

The Group's deposits and borrowings with banks carry interest at agreed rates.

c) Credit risks

The Group has no concentration of credit risk with any single counterparty or group of counterparties having similar characteristics. The Group has procedures in place to ensure that sales are made to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit.

d) Currency risks

Most of the Group's transactions are in US Dollars, a currency to which the UAE Dirham is pegged. However, the group is exposed to foreign currency risk with respect to sales and purchases that are denominated in a currency other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily Pound Sterling (GBP) and Euros (EUR). As a result, the Group's operations are subject to various risks associated with currency fluctuation. There can be no assurance that such risks will not have an adverse effect on the Group. Exchange gains or loss resulting from these currencies has been accounted for in the income statement.