ARAMEX PJSC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2009

ERNST & YOUNG

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aramex PJSC and its subsidiaries ("the Group") as at 30 September 2009, comprising of the interim consolidated statement of financial position as at 30 September 2009, 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 notes. 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.

The consolidated financial statements of the Group as at 31 December 2008 were audited by another auditor whose report dated 26 February 2009 expressed an unqualified opinion on those statements. The interim condensed consolidated financial statements for the nine months ended 30 September 2008 were reviewed by another auditor whose report dated 30 October 2008 expressed an unqualified conclusion on those statements.

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.

Ernst & Young

Signed by
Edward B. Quinlan
Partner
Registration no. 93

26 October 2009

Dubai, United Arab Emirates

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009 (Unaudited)

	Notes	*30 September 2009 AED'000 (Unaudited)*	*31 December 2008 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	231,970	240,367
Goodwill		853,427	805,443
Other intangible assets		5,730	2,776
Other non-current assets		7,921	4,350
Available-for-sale financial assets		6,286	3,301
Deferred tax assets		983	964
		1,106,317	1,057,201
Current assets			
Accounts receivable, net		362,150	346,270
Other current assets		110,944	98,009
Cash and short term deposits	6	423,547	343,827
		896,641	788,106
Total assets		**2,002,958**	1,845,307
EQUITY AND LIABILITIES			
Equity			
Share capital		1,331,000	1,210,000
Statutory reserve		25,698	25,698
Foreign currency translation reserve		(3,167)	(6,126)
Fair value reserve		3,566	581
Retained earnings		189,743	177,386
Attributable to equity holders of the parent		1,546,840	1,407,539
Non-controlling interests		22,554	28,956
Total equity		1,569,394	1,436,495
Non-current liabilities			
Interest-bearing loans and borrowings		1,913	15,767
Employees' end of service benefits		58,008	52,010
Deferred tax liabilities		921	597
		60,842	68,374
Current liabilities			
Accounts payable		122,747	113,175
Bank overdrafts	6	9,656	14,300
Interest-bearing loans and borrowings		5,146	11,698
Other current liabilities		235,173	201,265
		372,722	340,438
Total liabilities		433,564	408,812
Total equity and liabilities		**2,002,958**	1,845,307

Abdullah Al Mazrui	Fadi Ghandour	Emad Shishtawi
(Chairman)	(Founder & CEO)	(Senior Vice President Finance)

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

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months and the nine months ended 30 September 2009 (Unaudited)

	Note	*Three months ended 30 September*		*Nine months ended 30 September*	
		2009 AED'000	*2008 AED'000*	***2009 AED'000***	*2008 AED'000*
Rendering of services		**487,619**	545,731	**1,436,023**	1,579,494
Cost of services		**(216,073)**	(275,995)	**(617,466)**	(800,771)
Gross profit		**271,546**	269,736	**818,557**	778,723
Selling and marketing expenses		**(23,817)**	(23,947)	**(74,631)**	(75,743)
Administrative expenses		**(99,330)**	(103,913)	**(286,397)**	(297,247)
Other operating expenses		**(104,649)**	(98,361)	**(306,158)**	(272,631)
Other income (expenses), net		**683**	(1,440)	**1,385**	(262)
Operating profit		**44,433**	42,075	**152,756**	132,840
Finance income		**3,927**	967	**10,144**	2,441
Finance expense		**(158)**	(650)	**(880)**	(1,966)
Profit before tax		**48,202**	42,392	**162,020**	133,315
Income tax		**(3,150)**	(2,850)	**(10,707)**	(6,994)
Profit for the period		**45,052**	39,542	**151,313**	126,321
Attributable to:					
Equity holders of the parent		**41,699**	33,892	**134,757**	108,527
Non-controlling interests		**3,353**	5,650	**16,556**	17,794
		45,052	39,542	**151,313**	126,321
		AED	*AED*	*AED*	*AED*
Basic and diluted earnings per share	7	**0.031**	0.025	**0.101**	0.082

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

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and the nine months ended 30 September 2009 (Unaudited)

	Three months ended 30 September		*Nine months ended 30 September*	
	2009 AED'000	*2008 AED'000*	***2009 AED'000***	*2008 AED'000*
Profit for the period	**45,052**	39,542	**151,313**	**126,321**
Other comprehensive income (expense), net of tax:				
Currency translation adjustment on foreign operations	**1,231**	(3,406)	**3,084**	(3,714)
Net movement in fair value reserve	**1,980**	(4,304)	**2,985**	(7,901)
Other comprehensive income (expense) for the period, net of tax	**3,211**	(7,710)	**6,069**	(11,615)
Total comprehensive income for the period	**48,263**	31,832	**157,382**	114,706
Total comprehensive income attributable to:				
Equity holders of the parent	**44,850**	26,095	**140,701**	96,723
Non-controlling interests	**3,413**	5,737	**16,681**	17,983
	48,263	31,832	**157,382**	114,706

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2009 (Unaudited)

	Attributable to equity holders of the parent							
	Paid in capital AED'000	*Statutory reserve AED'000*	*Foreign currency translation reserve AED'000*	*Fair value reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Nine-month period ended 30 September 2009								
At 31 December 2008	**1,210,000**	**25,698**	**(6,126)**	**581**	**177,386**	**1,407,539**	**28,956**	**1,436,495**
Total comprehensive income for the period	-	-	**2,959**	**2,985**	**134,757**	**140,701**	**16,681**	**157,382**
Issue of share capital (note 4)	**121,000**	-	-	-	**(121,000)**	-	-	-
Directors' fees paid	-	-	-	-	**(1,400)**	**(1,400)**	-	**(1,400)**
Dividends of subsidiaries	-	-	-	-	-	-	**(23,493)**	**(23,493)**
Non-controlling interests	-	-	-	-	-	-	**410**	**410**
At 30 September 2009	**1,331,000**	**25,698**	**(3,167)**	**3,566**	**189,743**	**1,546,840**	**22,554**	**1,569,394**
Nine-month period ended 30 September 2008								
At 31 December 2007	1,100,000	13,699	3,694	14,320	153,464	1,285,177	25,444	1,310,621
Total comprehensive income for the period	-	-	(3,902)	(7,902)	108,527	96,723	17,983	114,706
Issue of share capital (note 4)	110,000	-	-	-	(110,000)	-	-	-
Directors' fees paid	-	-	-	-	(1,400)	(1,400)	-	(1,400)
Dividends of subsidiaries	-	-	-	-	-	-	(19,934)	(19,934)
Non-controlling interests	-	-	-	-	-	-	(3,439)	(3,439)
At 30 September 2008	1,210,000	13,699	(208)	6,418	150,591	1,380,500	20,054	1,400,554

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

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2009 (Unaudited)

	Notes	*Nine months ended 30 September*	
		2009	*2008*
		AED'000	*AED'000*
OPERATING ACTIVITIES			
Profit before tax		**162,020**	133,315
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation		**34,586**	32,592
Amortization		**655**	589
Loss on disposal of property, plant and equipment		**206**	527
Provision for employees' end of service benefits		**9,551**	11,628
Provision for doubtful accounts		**7,174**	5,887
Finance income		**(10,144)**	(2,441)
Finance expense		**880**	1,966
Gain on sale of available-for-sale financial assets		**-**	(512)
Working capital adjustments:			
Accounts receivable		**(16,944)**	(71,392)
Accounts payable		**5,881**	(14,101)
Other current assets		**(10,013)**	(10,475)
Employees' end of service benefits paid		**(4,198)**	(1,857)
Other current liabilities		**(813)**	44,276
Income tax paid		**(8,298)**	(4,791)
Net cash flows from operating activities		**170,543**	125,211
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(25,655)**	(80,413)
Proceeds from sale of property, plant and equipment		**1,610**	1,529
Interest received		**10,144**	2,441
Acquisition of a subsidiary, net of cash acquired	3	**(25,982)**	-
Other non–current assets		**(3,571)**	616
Margin deposits		**(782)**	(1,463)
Proceeds from sale of available-for-sale financial assets		**-**	512
Net cash flows used in investing activities		**(44,236)**	(76,778)
FINANCING ACTIVITIES			
Interest paid		**(880)**	(1,966)
Repayment of loans and borrowings		**(20,406)**	(3,689)
Dividends paid to non-controlling interests		**(23,493)**	(19,934)
Non-controlling interests		**410**	(3,439)
Directors' fees paid		**(1,400)**	(1,400)
Net cash flows used in financing activities		**(45,769)**	(30,428)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**80,538**	18,005
Net foreign exchange difference		**3,044**	(2,493)
Cash and cash equivalents at 1 January	6	**322,728**	212,602
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	6	**406,310**	228,114

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

1 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 financial statements of the Company as at 30 September 2009 comprise the Company and its subsidiaries (collectively referred to as "the Group" and individually as "Group entities").

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

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

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 26 October 2009.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the nine months ended 30 September 2009 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 2008. In addition, results for the nine months ended 30 September 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

Significant accounting policies
The accounting policies used 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 2008 except as noted below.

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 'Presentation of Financial Statements' (Revised):
The revised standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in equity) to be presented in the statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in a performance statement (consolidated statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. The Group has elected to present two statements.

IFRS 8 'Operating Segments':
The new standard which replaced IAS 14 'Segment Reporting' requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14.

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Accounting policies (continued)

Available-for-sale financial assets:
Available-for-sale financial assets are initially measured at fair value. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously recorded in equity is recognised in the statement of income.

The Group assesses at each balance sheet date whether there is objective evidence that an investment or group of investments is impaired. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of income, is removed from equity and recognised in the statement of income. Impairment losses on equity instruments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in equity.

Cash and short term deposits:
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits with original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short- term deposits as defined above, net of outstanding bank overdrafts and cash margin.

3 BUSINESS COMBINATIONS

Acquisition of Metrofile Middle East L.L.C in 2009
On 21 January 2009, the Group acquired 100% of the voting shares of Metrofile Middle East L.L.C, a company specialising in archiving services, based in the United Arab Emirates.

The fair value of the identifiable assets and liabilities of Metrofile Middle East L.L.C, as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair value recognised on acquisition AED'000	*Carrying value AED'000*
Property and equipment	2,348	2,348
Trade and other receivables	9,034	9,035
Intangible assets	3,609	-
	14,991	11,383
Trade and other payables	(6,307)	(6,307)
Employees' end of service benefits	(686)	(686)
Bank overdrafts	(524)	(524)
	(7,517)	(7,517)
Net assets	7,474	3,866
Goodwill arising on acquisition	47,984	
Consideration	55,458	

3 BUSINESS COMBINATIONS (continued)

	AED'000
Cash flow on acquisition:	
Net cash acquired with the subsidiary	(524)
Cash paid	(25,458)
Net cash outflow	(25,982)

The initial accounting for this business combination is provisional, as the fair values to be assigned to the acquiree's identifiable assets and liabilities could not be determined with certainty by the end of the period in which the combination was effected. An adjustment has been made in this period to the provisional fair values and carrying values of trade and other receivables reducing them from AED 9,479 thousand to AED 9,034 thousand and the property and equipment reducing them from AED 5,176 thousand to AED 2,348 thousand and adjusting goodwill accordingly.

4 DIVIDENDS

The Company's share capital was increased by the issue of bonus shares of AED 121 million, being 10% of the share capital of the Company as of 31 December 2008 as approved by the shareholders in the Company's annual General Meeting held on 15 April 2009.

During the period ended 30 September 2008, the Company's share capital was increased by the issue of bonus shares of AED 110 million, being 10% of the share capital of the Company as of 31 December 2007 as approved by the shareholders in the Company's annual General Meeting held on 12 April 2008.

5 PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30 September 2009, the Group acquired property, plant and equipment with a cost of AED 25.7 million (nine months ended 30 September 2008: AED 80.4 million).

6 CASH AND CASH EQUIVALENTS

	30 September 2009 AED'000	*31 December 2008 AED'000*
Cash and short term deposits	**423,547**	343,827
Less: Cash margin	**(7,581)**	(6,799)
Less: Bank overdrafts	**(9,656)**	(14,300)
	406,310	322,728

Included within cash and short term deposits are amounts totaling AED 130,058 thousand (31 December 2008: AED 138,009 thousand) held at foreign banks.

7 EARNINGS PER SHARE

	Three months ended 30 September		*Nine months ended 30 September*	
	2009	*2008*	***2009***	*2008*
Profit attributable to shareholders of the parent (AED'000)	**41,699**	33,892	**134,757**	108,527
Weighted average number of shares during the period (shares)	**1,331 million**	1,331 million	**1,331 million**	1,331 million
Basic and diluted earnings per share (AED)	**0.031**	0.025	**0.101**	0.082

Earnings per share for the current and prior periods have been adjusted for bonus shares issued (note 4).

8 SEGMENT INFORMATION

For management purposes, the Group is organized into five operating segments.

- International express: includes delivery of small packages across the globe to both retail and wholesale customers.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break bulk services.
- Domestic express: includes express delivery of small parcels and pick up and deliver shipments within the country.
- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value added services.
- Other operations: includes catalogue shipping services, document storage, airline ticketing and travel, and visa services.

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 segments for the nine months ended 30 September 2009 and 2008, respectively.

8 SEGMENT INFORMATION (continued)

Nine months ended 30 September 2009

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Adjustment and eliminations AED'000*	*Total AED'000*
Revenue							
Third party	461,984	550,855	223,092	92,714	107,378	-	1,436,023
Inter-segment	218,505	119,468	10,265	2,716	3,616	(354,570)	-
Total revenue	680,489	670,323	233,357	95,430	110,994	(354,570)	1,436,023
Results							
Segment gross profit	**312,588**	**177,333**	**175,712**	**73,440**	**79,484**	**-**	**818,557**

Nine months ended 30 September 2008

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Adjustment and eliminations AED'000*	*Total AED'000*
Revenue							
Third party	459,889	700,426	222,166	99,754	97,259	-	1,579,494
Inter-segment	211,726	119,251	42	8,245	5,146	(344,410)	-
Total revenue	671,615	819,677	222,208	107,999	102,405	(344,410)	1,579,494
Results							
Segment gross profit	271,348	195,534	170,514	78,904	62,423	-	778,723

Geographical Information

Revenue, assets and liabilities by geographical segment are as follows:

	Nine months ended 30 September	
	2009 AED'000	*2008 AED'000*
Revenue		
Middle East and North Africa	**1,077,445**	1,103,957
Europe	**250,750**	333,081
North America	**18,989**	32,764
Asia	**88,839**	109,692
Total	**1,436,023**	1,579,494

8 SEGMENT INFORMATION (continued)

Geographical Information (continued)

	30 September 2009 AED'000	*31 December 2008 AED'000*
Assets		
Middle East and North Africa	**1,864,874**	1,700,558
Europe	**90,174**	87,594
North America	**8,017**	11,822
Asia	**39,893**	45,333
Total	**2,002,958**	1,845,307

	30 September 2009 AED'000	*31 December 2008 AED'000*
Property, plant and equipment		
Middle East and North Africa	**210,113**	217,267
Europe	**16,531**	15,842
North America	**1,351**	1,462
Asia	**3,975**	5,796
Total	**231,970**	240,367

	30 September 2009 AED'000	*31 December 2008 AED'000*
Liabilities		
Middle East and North Africa	**329,882**	296,069
Europe	**76,682**	82,115
North America	**9,126**	10,093
Asia	**17,874**	20,535
Total	**433,564**	408,812

Available-for-sale financial assets are quoted on the Dubai Financial Market.

9 COMMITMENTS AND CONTINGENCIES

	30 September 2009 AED'000	*31 December 2008 AED'000*
Letters of guarantee	**45,157**	39,353

10 RELATED PARTY TRANSACTIONS

Certain related parties (directors, officers of the Group and companies which they control or over which they exert significant influence) were suppliers of the Company and its subsidiaries in the ordinary course of business. Such transactions were made on substantially the same terms as with unrelated parties.

	Related party			*Total*	
	Officers AED'000	*Companies controlled by the directors AED'000*	*Directors AED'000*	***30 September 2009 AED'000***	*30 September 2008 AED'000*
Income statement items:					
Rent expense	**165**	**1,185**	**3,840**	**5,190**	2,555

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

	30 September 2009 AED'000	*30 September 2008 AED'000*
Salaries and other short term benefits	**13,808**	11,967
End of service benefits	**114**	114

11 SEASONALITY OF OPERATIONS

The Group's business is seasonal in nature. Historically, the Group experienced a decrease in demand for its services in the post-winter holiday and summer vacation seasons. The Group traditionally experiences its highest volumes towards the latter half of the year. The seasonality of the Group's revenue may cause a variation in its quarterly operating results. However, local Middle East and Islamic holidays vary from year to year, and, as a result, the Group's seasonality may shift over time.