

**ARAMEX PJSC AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2017**

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

### Introduction

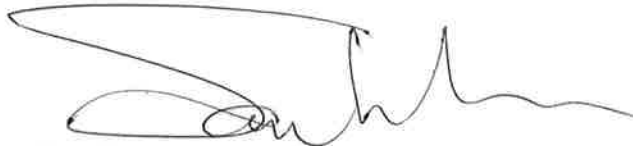
We have reviewed the accompanying interim condensed consolidated financial statements of Aramex PJSC and its subsidiaries (“the Group”) as at 31 March 2017, comprising the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-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

30 April 2017  
Dubai, United Arab Emirates

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017 (Unaudited)

	Notes	31 March 2017 AED'000 (Unaudited)	31 December 2016 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	846,372	840,272
Goodwill		1,084,004	1,084,004
Other intangible assets		225,390	226,558
Investments in joint ventures and associates		138,519	135,789
Available for sale financial assets		29,825	26,066
Deferred tax assets		11,258	3,477
Other non-current assets		3,006	2,884
		<u>2,338,374</u>	<u>2,319,050</u>
<b>Current assets</b>			
Accounts receivable, net		813,373	754,420
Other current assets		234,183	199,390
Bank balances and cash	7	696,039	701,296
		<u>1,743,595</u>	<u>1,655,106</u>
<b>TOTAL ASSETS</b>		<u>4,081,969</u>	<u>3,974,156</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	1,464,100	1,464,100
Statutory reserve		227,198	227,198
Foreign currency translation reserve		(353,863)	(350,627)
Reserve arising from acquisition of non-controlling interests	3	(36,762)	(33,037)
Retained earnings		812,738	957,783
<b>Equity attributable to equity holders of the Parent</b>		<u>2,113,411</u>	<u>2,265,417</u>
Non-controlling interests		7,246	9,085
<b>Total equity</b>		<u>2,120,657</u>	<u>2,274,502</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		348,285	361,762
Employees' end of service benefits		141,724	138,797
Employees' benefit liability	6	52,829	74,988
Deferred tax liabilities		1,912	2,239
		<u>544,750</u>	<u>577,786</u>
<b>Current liabilities</b>			
Accounts payable		248,148	232,358
Bank overdrafts	7, 9	116,260	57,453
Interest-bearing loans and borrowings		214,263	211,881
Other current liabilities		837,891	620,176
		<u>1,416,562</u>	<u>1,121,868</u>
<b>Total liabilities</b>		<u>1,961,312</u>	<u>1,699,654</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,081,969</u>	<u>3,974,156</u>



Abdullah Al Mazroui  
(Chairman)



Hussein Hachem  
(Director and Chief Executive Officer)



Bashar Obeid  
(Chief Financial Officer)

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2017 (Unaudited)

		<i>Three months ended 31 March</i>	
		<b>2017</b>	<b>2016</b>
		<b>AED'000</b>	<b>AED'000</b>
	<i>Note</i>		
<b>Continuing operations</b>			
Rendering of services		1,105,932	1,029,340
Cost of services		(494,217)	(446,805)
<b>Gross profit</b>		<b>611,715</b>	<b>582,535</b>
Share of results of joint ventures and associates		(2,447)	(668)
Selling and marketing expenses		(52,863)	(49,306)
Administrative expenses		(244,232)	(222,411)
Operating expenses		(198,935)	(196,546)
Other income		2,010	3,298
<b>Operating profit</b>		<b>115,248</b>	<b>116,902</b>
Finance income		1,768	2,508
Finance expense		(5,781)	(5,407)
<b>Profit before tax from continuing operations</b>		<b>111,235</b>	<b>114,003</b>
Income tax expense		(16,620)	(11,523)
<b>Profit for the period from continuing operations</b>		<b>94,615</b>	<b>102,480</b>
<b>Discontinued operations</b>			
Profit after tax for the period from discontinued operations		-	1,291
<b>Profit for the period</b>		<b>94,615</b>	<b>103,771</b>
<b>Attributable to:</b>			
<i>Equity holders of the Parent</i>			
Profit for the period from continuing operations		91,759	95,579
Profit for the period from discontinued operations		-	1,291
		<b>91,759</b>	<b>96,870</b>
<i>Non-controlling interests</i>			
Profit for the period from continuing operations		2,856	6,901
Profit for the period from discontinued operations		-	-
		<b>2,856</b>	<b>6,901</b>
		<b>94,615</b>	<b>103,771</b>
<b>Earnings per share attributable to equity holders of the Parent</b>			
Basic and diluted earnings per share	8	<b>AED 0.063</b>	<b>AED 0.066</b>

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2017 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2017 AED'000</i>	<i>2016 AED'000</i>
<b>Profit for the period</b>	<b>94,615</b>	<b>103,771</b>
<b>Other comprehensive income, net of tax:</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(4,006)	(32,522)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(4,006)</b>	<b>(32,522)</b>
<b>Total comprehensive income for the period</b>	<b>90,609</b>	<b>71,249</b>
<b>Attributable to:</b>		
Equity holders of the Parent	88,523	65,781
Non-controlling interests	2,086	5,468
	<b>90,609</b>	<b>71,249</b>

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2017 (Unaudited)

	Attributable to equity holders of the Parent						Non-controlling interests AED '000	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	Retained earnings AED '000	Total AED '000		
<b>Three month period ended 31 March 2017</b>								
At 1 January 2017	1,464,100	227,198	(350,627)	(33,037)	957,783	2,265,417	9,085	2,274,502
Total comprehensive income for the period	-	-	(3,236)	-	91,759	88,523	2,086	90,609
Director fees paid	-	-	-	-	(2,548)	(2,548)	-	(2,548)
Dividends of subsidiaries	-	-	-	-	-	-	(4,710)	(4,710)
Non-controlling interests	-	-	-	-	-	-	1,393	1,393
Acquisition of non-controlling interest (Note 3)	-	-	-	(3,725)	-	(3,725)	(608)	(4,333)
Dividends to shareholders (note 4)	-	-	-	-	(234,256)	(234,256)	-	(234,256)
<b>At 31 March 2017</b>	<b>1,464,100</b>	<b>227,198</b>	<b>(353,863)</b>	<b>(36,762)</b>	<b>812,738</b>	<b>2,113,411</b>	<b>7,246</b>	<b>2,120,657</b>
<b>Three month period ended 31 March 2016</b>								
At 1 January 2016	1,464,100	195,663	(255,821)	(28,119)	785,708	2,161,531	38,264	2,199,795
Total comprehensive income for the period	-	-	(31,089)	-	96,870	65,781	5,468	71,249
Dividends of subsidiaries	-	-	-	-	-	-	(24,844)	(24,844)
Non-controlling interests	-	-	-	-	-	-	51	51
Acquisition of a subsidiary	-	-	-	-	-	-	13,882	13,882
<b>At 31 March 2016</b>	<b>1,464,100</b>	<b>195,663</b>	<b>(286,910)</b>	<b>(28,119)</b>	<b>882,578</b>	<b>2,227,312</b>	<b>32,821</b>	<b>2,260,133</b>

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

Aramex PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017 (Unaudited)

		<i>Three months ended 31 March</i>	
		<b>2017</b>	<b>2016</b>
		<b>AED'000</b>	<b>AED'000</b>
	<i>Notes</i>		
<b>OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		111,235	114,003
Profit before tax from discontinued operations		-	1,841
<b>Profit before tax</b>		<b>111,235</b>	<b>115,844</b>
<b>Adjustment for:</b>			
Depreciation of property, plant and equipment		25,689	23,738
Amortization of other intangible assets		1,169	1,906
Gain on disposal of property, plant and equipment		(305)	(4,095)
Provision for employees' end of service benefits		5,961	6,048
Provision for doubtful accounts, net		1,370	656
Net finance expense		4,013	2,899
Share-based payment expense		19,034	5,716
Share of results of joint ventures and associates		2,447	668
		<b>170,613</b>	<b>153,380</b>
Working capital adjustments:			
Accounts receivable		(60,323)	(2,520)
Accounts payable		15,790	(1,598)
Other current assets		(34,793)	(34,010)
Other current liabilities		(36,539)	(39,198)
Cash from operations		54,748	76,054
Employees' end of service benefits paid		(3,214)	(1,944)
Employees' benefit plan paid		(41,193)	-
Income tax paid		(4,732)	(15,792)
<b>Net cash flows from operating activities</b>		<b>5,609</b>	<b>58,318</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	5	(30,263)	(54,336)
Proceeds from sale of property, plant and equipment		1,281	4,288
Interest received		1,768	2,508
Margin deposits		(217)	(166)
Investment in an associate and joint venture		(617)	(9,000)
Other non-current assets		(122)	(2,081)
Acquisition of subsidiaries, net of cash acquired		-	(289,094)
Acquisition of non-controlling interest	3	(4,333)	-
Available for sale investments		(3,759)	-
<b>Net cash flows used in investing activities</b>		<b>(36,262)</b>	<b>(347,881)</b>
<b>FINANCING ACTIVITIES</b>			
Interest paid		(5,781)	(5,407)
Proceeds from loans and borrowings		7,377	328,712
Repayments of loans and borrowings		(18,472)	(20,271)
Dividends paid to non-controlling interests		(4,710)	(24,844)
Non-controlling interests		1,393	51
Director's fees paid		(2,548)	-
<b>Net cash flows (used in) from financing activities</b>		<b>(22,741)</b>	<b>278,241</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(53,394)</b>	<b>(11,322)</b>
Net foreign exchange difference		(10,887)	(22,743)
Cash and cash equivalents at 1 January	7	639,474	662,246
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>7</b>	<b>575,193</b>	<b>628,181</b>

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

## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (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 UAE Federal Law No 2 of 2015. The condensed consolidated financial statements of the Company as at 31 March 2017 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 authorized for issue by the Board of Directors on 30 April 2017.

#### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

##### **Basis of preparation**

The interim condensed consolidated financial statements for the three months ended 31 March 2017 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 2016. In addition, results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

##### **Changes in accounting policies**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

##### **Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

##### **Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.



## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 3 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTEREST

##### *Acquisition of Non-Controlling Interest*

2017

##### **Acquisition of additional interest in Aramex International for Services Co. Ltd. - Sudan**

In February 2017, the Group acquired an additional 20% interest of the voting shares of Aramex International for Services Co. Ltd. – located in Sudan, increasing its ownership interest to 100%. Cash consideration of AED 4,333 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Aramex International for Services Co. Ltd. at the acquisition date was AED 3,041 thousand, and the carrying value of the additional interest acquired was AED 608 thousand. The difference of AED 3,725 thousand between the consideration paid and the carrying value of the additional interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Following is a schedule of additional interest acquired in Aramex International for Services Co. Ltd. - Sudan:

	<i>AED'000</i>
Cash consideration paid to non-controlling shareholders	<b>4,333</b>
Less: carrying value of the additional interest in Aramex International Ltd.	<b>(608)</b>
	<hr/>
Difference recognized as a reserve from acquisition of non-controlling interest	<b>3,725</b>
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## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 3 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTEREST (Continued)

2016

##### Acquisition of Fastway Limited (New Zealand)

###### Information on prior acquisition

In February 2016, the Group acquired 100% of the voting shares of Fastway Limited, an unlisted company based in New Zealand and specializing in domestic business.

###### Assets acquired and liabilities assumed

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

	<i>fair value recognized on acquisition AED'000</i>	<i>Carrying value AED'000</i>
<b>Assets</b>		
Property, plant and equipment	22,056	22,056
Trade and other receivables	32,458	32,458
Bank balances and cash	31,395	31,395
Deferred tax and other non-current assets	9,489	9,489
Intangible assets	178,091	-
	<u>273,489</u>	<u>95,398</u>
<b>Liabilities</b>		
Trade and other payables	(75,959)	(75,959)
Deferred tax liability	(1,911)	-
	<u>(77,870)</u>	<u>(75,959)</u>
<b>Total identifiable net assets</b>	<u>195,619</u>	<u>19,439</u>
Goodwill arising on acquisition	126,457	
	<u>322,076</u>	
<b>Purchase consideration transferred</b>	<u>322,076</u>	
<b>Analysis of cash flow on acquisition:</b>		
Net cash acquired with the subsidiary		31,395
Cash paid		<u>(322,076)</u>
<b>Net cash outflow (included in cash flows used in investing activities in the statement of cash flows)</b>		<u>(290,681)</u>

The net assets recognized in the 31 December financial statements were based on provisional assessment of their fair value. The valuation had not been completed by the date the 2016 financial statements were approved for issue by the Board of Directors.

During 2017, the valuation was completed and there were no changes on the fair value on the net assets recognized

#### 4 DIVIDENDS

The General Assembly approved in its meeting held on 21 March 2017 a cash dividend for 2016 of 16% of the Company's share capital.

The General Assembly approved in its meeting held on 24 April 2016 a cash dividend for 2015 of 15% of the Company's share capital.

## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 5 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2017, the Group acquired property and equipment with a cost of AED 30 million (three months ended 31 March 2016: AED 54 million).

#### 6 EMPLOYEES' BENEFIT LIABILITY

In February 2014, a total 37,000,000 phantom shares were granted to senior executives under a long term incentive plan. The exercise price of the options of AED 3 was equal to the market price of Aramex shares on the date of grant. The fair value at grant date was estimated using the binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contracted life of each option granted is six years. The awards will be settled in cash.

In 2015, the plan was modified but the number of phantom shares subject to the plan remained the same. The new plan has non-market vesting conditions and variable exercise prices depending on the Group's performance. According to the modified plan, the value of exercise price will be based on achieved certain performance targets for the Group over the remaining three year period of the plan contractual life.

The Group expects that the earnings target will be achieved for the remaining life of the plan and hence each option will have an exercise price of zero. During the period ended 31 March 2017, a number of employees exercised their share rights which were paid in cash.

Movements on provision for employees' end of service benefits were as follows:

	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
At 1 January	74,988	63,825
Employees benefit plan expense	19,034	47,627
Paid during the period / year	(41,193)	(36,464)
	<u>52,829</u>	<u>74,988</u>

Employees' benefit liability was re-measured at fair value at an amount of AED 52.8 million as of 31 March 2017 (AED 74.9 million as of 31 December 2016).

#### 7 CASH AND CASH EQUIVALENTS

	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
Cash and short term deposits	696,039	701,296
Less: cash margin	(4,586)	(4,369)
Less: bank overdrafts (note 9)	(116,260)	(57,453)
	<u>575,193</u>	<u>639,474</u>

Included within cash and short term deposits are amounts totaling AED 393,523 thousand (31 December 2016: AED 409,302 thousand) held at foreign banks abroad and amounts totaling approximately AED 51,408 thousand of cash on delivery collected by the Group on behalf of customers, the same balance was recorded as trade payable in the consolidated statement of financial position (31 December 2016: AED 69,779 thousand).

## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 8 EARNINGS PER SHARE

	<i>Three months ended 31 March</i>	
	<i>2017</i>	<i>2016</i>
Profit attributable to shareholders of the Parent (AED'000)	<b>91,759</b>	96,870
Weighted average number of shares during the period (shares)	<b>1,464 million</b>	1,464 million
Basic and diluted earnings per share (AED)	<b>0.063</b>	0.066

#### 9 BANK OVERDRAFTS

The Group maintains overdrafts and lines of credit with various banks. Aramex Tunisia has outstanding overdrafts from Citi Bank of AED 679 thousand as at 31 March 2017 (2016: AED 456 thousand).

Aramex Algeria SARL has outstanding overdrafts from Citi Bank of AED 1,566 thousand as at 31 March 2017 (2016: AED 1,908).

Aramex International LLC has outstanding overdrafts from HSBC of AED 55,089 thousand and an outstanding overdraft from Citi Bank of AED 14,846 as at 31 March 2017 (2016: AED 55,089 thousand).

Aramex Special Logistics has outstanding overdrafts from Citi Bank of AED 44,080 thousand as at 31 March 2017 (2016: AED Nil).

#### 10 SEGMENT INFORMATION

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

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

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices between operating segments are on an arm's - length basis in a manner similar to transactions with third parties.

## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 10 SEGMENT INFORMATION (Continued)

The following table presents revenue and profit information regarding the Group's operating segment for the three months ended 31 March 2017 and 2016, 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>Eliminations AED'000</i>	<i>Total AED'000</i>
<i>Three months ended 31 March 2017</i>							
<b>Revenue</b>							
Third party	456,835	275,701	242,994	62,435	67,967	-	1,105,932
Inter-segment	184,026	54,573	826	1,721	3,700	(244,846)	-
<b>Total revenue</b>	<b>640,861</b>	<b>330,274</b>	<b>243,820</b>	<b>64,156</b>	<b>71,667</b>	<b>(244,846)</b>	<b>1,105,932</b>
<b>Gross profit</b>	<b>304,395</b>	<b>77,960</b>	<b>125,065</b>	<b>48,194</b>	<b>56,101</b>	<b>-</b>	<b>611,715</b>

	<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>Eliminations AED'000</i>	<i>Total AED'000</i>
<i>Three months ended 31 March 2016</i>							
<b>Revenue</b>							
Third party	379,126	282,797	231,927	67,580	67,910	-	1,029,340
Inter-segment	164,977	56,119	563	1,079	3,121	(225,859)	-
<b>Total revenue</b>	<b>544,103</b>	<b>338,916</b>	<b>232,490</b>	<b>68,659</b>	<b>71,031</b>	<b>(225,859)</b>	<b>1,029,340</b>
<b>Gross profit</b>	<b>261,310</b>	<b>80,549</b>	<b>131,352</b>	<b>51,485</b>	<b>57,839</b>	<b>-</b>	<b>582,535</b>

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 segments 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, 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.

Aramex PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

10 SEGMENT INFORMATION (Continued)

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

	<i>Three months ended 31 March</i>	
	<i>2017 AED'000</i>	<i>2016 AED'000</i>
<b>Revenues</b>		
Middle East and Africa	679,557	706,317
Europe	135,733	133,222
North America	30,845	27,745
Asia and others	259,797	162,056
	<u>1,105,932</u>	<u>1,029,340</u>
	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
<b>Assets</b>		
Middle East and Africa	2,823,786	2,752,965
Europe	391,848	385,532
North America	44,040	48,868
Asia and others	822,295	786,791
	<u>4,081,969</u>	<u>3,974,156</u>
	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
<b>Non- current assets*</b>		
Middle East and Africa	809,056	797,457
Europe	63,161	63,782
North America	3,701	3,959
Asia and others	364,188	363,487
	<u>1,240,106</u>	<u>1,228,685</u>
	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
<b>Liabilities</b>		
Middle East and Africa	1,403,847	1,172,115
Europe	82,966	81,484
North America	12,050	17,382
Asia and others	462,449	428,673
	<u>1,961,312</u>	<u>1,699,654</u>

\* Non-current assets for this purpose consist of property, plant and equipment, other intangible assets, available for sale financial assets and 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 31 March 2017 (Unaudited)

#### 11 COMMITMENTS AND CONTINGENCIES

	<i>31 March 2017 AED'000</i>	<i>31 December 2016 AED'000</i>
Letters of guarantee	<u>97,205</u>	<u>100,414</u>

As at 31 March 2017, the Group has capital commitments of AED 35.9 million (2016: AED 91.4 million) towards purchase / construction of property, plant and equipment, including the installation of the new ERP system (SAP).

#### Claims against the Group

The Group is a defendant in a number of lawsuits amounting to AED 17,377 thousand (31 December 2016: AED 17,377 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 6,090 thousand as of 31 March 2017 (31 December 2016: AED 6,090 thousand) is sufficient to meet the obligation that may arise from the lawsuits.

#### 12 RELATED PARTY TRANSACTIONS

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

Transactions with related parties included in the consolidated statement of income are as follows:

	<i>Companies controlled by the directors</i>	
	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>
Rent expense	<u>347</u>	<u>347</u>

#### Key management compensation

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

	<i>31 March 2017 AED'000</i>	<i>31 March 2016 AED'000</i>
Salaries and other short term benefits	3,585	3,118
End of service benefits	48	48
	<u>3,633</u>	<u>3,166</u>

## Aramex PJSC and its subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Unaudited)

#### 12 RELATED PARTY TRANSACTIONS (Continued)

The following table provides the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2017 and 2016, as well as balances with related parties as at 31 March 2017 and 31 December 2016:

		<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>
<b>Associates</b>	<b>2017</b>	<b>81</b>	<b>209</b>	<b>116</b>	<b>30</b>
	<b>2016</b>	<b>89</b>	<b>105</b>	<b>84</b>	<b>2</b>
<b>Joint ventures in which the Parent is a venturer:</b>	<b>2017</b>	<b>480</b>	<b>5,166</b>	<b>2,718</b>	<b>5,259</b>
	<b>2016</b>	<b>1,044</b>	<b>6,126</b>	<b>2,819</b>	<b>8,757</b>

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

\*\* These amounts are classified as trade payables.

#### 13 SEASONALITY OF OPERATIONS

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