ARAMEX PJSC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2009

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/me

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 2009, comprising of the interim consolidated statement of financial position as at 31 March 2009 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 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 three months ended 31 March 2008 were reviewed by another auditor whose report dated 30 April 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

11 May 2009
Dubai, United Arab Emirates

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2009 (Unaudited)

	Notes	*31 March 2009 AED'000 (Unaudited)*	*31 December 2008 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	238,831	240,367
Goodwill		850,154	805,443
Other intangible assets		6,166	2,776
Other non-current assets		4,152	4,350
Available-for-sale financial assets		3,248	3,301
Deferred tax assets		945	964
		1,103,496	1,057,201
Current assets			
Accounts receivable, net		332,520	346,270
Other current assets		109,083	98,009
Cash and short term deposits	6	342,788	343,827
		784,391	788,106
Total assets		1,887,887	1,845,307
EQUITY AND LIABILITIES			
Equity			
Share capital		1,210,000	1,210,000
Statutory reserve		25,698	25,698
Foreign currency translation reserve		(8,456)	(6,126)
Fair value reserve		528	581
Retained earnings		220,491	177,386
Attributable to equity holders of the parent		1,448,261	1,407,539
Non-controlling interests		13,422	28,956
Total equity		1,461,683	1,436,495
Non-current liabilities			
Interest-bearing loans and borrowings		11,119	15,767
Employees' end of service benefits		54,783	52,010
Deferred tax liabilities		624	597
		66,526	68,374
Current liabilities			
Accounts payable		133,382	113,175
Bank overdrafts	6	10,799	14,300
Interest-bearing loans and borrowings		11,019	11,698
Other current liabilities		204,478	201,265
		359,678	340,438
Total liabilities		426,204	408,812
Total equity and liabilities		1,887,887	1,845,307

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

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2009 (Unaudited)

	Note	Three months ended 31 March 2009 AED'000	Three months ended 31 March 2008 AED'000
Rendering of services		**463,420**	494,457
Cost of services		**(198,712)**	(254,200)
Gross profit		**264,708**	240,257
Selling and marketing expenses		**(25,652)**	(24,757)
Administrative expenses		**(90,997)**	(92,830)
Other operating expenses		**(99,242)**	(80,769)
Other income, net		**566**	947
Operating profit		**49,383**	42,848
Finance income		**2,902**	1,050
Finance expense		**(438)**	(668)
Profit before tax		**51,847**	43,230
Income tax		**(2,451)**	(1,135)
Profit for the period		**49,396**	42,095
Attributable to:			
Equity holders of the parent		**43,105**	36,211
Non-controlling interests		**6,291**	5,884
		49,396	42,095
		AED	*AED*
Basic and diluted earnings per share	7	**0.036**	0.030

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2009 (Unaudited)

	Three months ended 31 March	
	2009 AED'000	*2008 AED'000*
Profit for the period	**49,396**	42,095
Other comprehensive income (expense), net of tax:		
Currency translation adjustment on foreign operations	**(2,366)**	(365)
Net movement in fair value reserve	**(53)**	(3,571)
Other comprehensive income (expense) for the period, net of tax	**(2,419)**	(3,936)
Total comprehensive income for the period	**46,977**	38,159
Total comprehensive income attributable to:		
Equity holders of the parent	**40,722**	32,409
Non-controlling interests	**6,255**	5,750
	46,977	38,159

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2009 (Unaudited)

	Attributable to equity holders of the parent							
	Paid in capital AED000	*Statutory reserve AED000*	*Foreign currency translation reserve AED000*	*Fair value reserve AED000*	*Retained earnings AED000*	*Total AED000*	*Non-controlling interests AED000*	*Total equity AED000*
Three month period ended 31 March 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	-	-	(2,330)	(53)	43,105	40,722	6,255	46,977
Dividends paid to non-controlling interests	-	-	-	-	-	-	(22,024)	(22,024)
Non-controlling interests	-	-	-	-	-	-	235	235
At 31 March 2009	**1,210,000**	**25,698**	**(8,456)**	**528**	**220,491**	**1,448,261**	**13,422**	**1,461,683**
Three month period ended 31 March 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	-	-	(231)	(3,571)	36,211	32,409	5,750	38,159
Dividends paid to non-controlling interests	-	-	-	-	-	-	(8,954)	(8,954)
Non-controlling interests	-	-	-	-	-	-	906	906
At 31 March 2008	1,100,000	13,699	3,463	10,749	189,675	1,317,586	23,146	1,340,732

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2009 (Unaudited)

	Notes	Three months ended 31 March 2009 AED'000	Three months ended 31 March 2008 AED'000
OPERATING ACTIVITIES			
Profit before tax		**51,847**	43,230
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		**11,160**	10,270
Amortization		**219**	216
Loss (gain) on disposal of property, plant and equipment		**100**	(103)
Provision for employees' end of service benefits		**3,641**	3,152
Provision for doubtful accounts		**972**	785
Finance income		**(2,902)**	(1,051)
Finance expense		**438**	668
Gain on sale of available-for-sale financial assets		**-**	(512)
Working capital adjustments:			
Accounts receivable		**19,333**	(24,360)
Accounts payable		**16,516**	(10,339)
Other current assets		**(8,150)**	(10,776)
Employees' end of service benefits paid		**(1,205)**	(527)
Other current liabilities		**(30,546)**	23,696
Income tax (paid) refunded		**(1,265)**	509
Net cash flows from operating activities		**60,158**	34,858
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(6,710)**	(24,043)
Proceeds from sale of property, plant and equipment		**96**	1,176
Interest received		**2,902**	1,051
Acquisition of a subsidiary, net of cash acquired	3	**(25,982)**	-
Other non–current assets		**198**	404
Margin deposits		**272**	(1,271)
Proceeds from sale of available-for-sale financial assets		**-**	512
Net cash flows used in investing activities		**(29,224)**	(22,171)
FINANCING ACTIVITIES			
Interest paid		**(438)**	(668)
Repayment of loans and borrowings		**(5,327)**	3,732
Dividends paid to non-controlling interests		**(22,024)**	(8,954)
Non-controlling interests		**199**	772
Net cash flows used in financing activities		**(27,590)**	(5,118)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**3,344**	7,569
Net foreign exchange difference		**(610)**	(987)
Cash and cash equivalents at 1 January	6	**322,728**	212,602
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	**325,462**	219,184

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 31 March 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 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.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 11 May 2009.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the three months ended 31 March 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 three months ended 31 March 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

Changes in 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 recognized 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.

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	5,176	5,176
Trade and other receivables	9,479	9,479
Intangible assets	3,609	-
	18,264	14,655
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	10,747	7,138
Goodwill arising on acquisition	44,711	
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.

4 PROPOSED DIVIDENDS

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

During the year ended 31 December 2008, the Company's share capital was increased by the issue of bonus shares of AED 110 million to the extent of 10% of the share capital of the Company as approved by the shareholders in the Company's annual General Meeting held on 2 April 2008.

5 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2009, the Group acquired property and equipment with a cost of AED 6.7 million (three months ended 31 March 2008: AED 24 million).

6 CASH AND CASH EQUIVALENTS

	31 March 2009 AED'000	*31 December 2008 AED'000*
Cash and short term deposits	**342,788**	343,827
Less: Cash margin	**(6,527)**	(6,799)
Less: Bank overdrafts	**(10,799)**	(14,300)
	325,462	322,728

Included within cash and short term deposits are amounts totaling AED 126,473 thousand (31 December 2008: AED 138,009 thousand) held at foreign banks.

7 EARNINGS PER SHARE

	31 March 2009	*31 March 2008*
Profit attributable to shareholders of the parent (AED'000)	**43,105**	36,211
Weighted average number of shares during the period (shares)	**1,210,000**	1,210,000
Basic and diluted earnings per share (AED)	**0.036**	0.030

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 segment for the three months ended 31 March 2009 and 2008, respectively.

	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*
Three months ended 31 March 2009							
Revenue							
Third party	151,261	174,538	75,710	29,905	32,006	-	463,420
Inter-segment	75,119	37,733	2,963	911	1,388	(118,114)	-
Total revenue	226,380	212,271	78,673	30,816	33,394	(118,114)	463,420
Results							
Segment gross profit	**99,994**	**57,158**	**59,660**	**24,308**	**23,588**	-	**264,708**
Three months ended 31 March 2008							
Revenue							
Third party	145,304	218,753	68,994	30,675	30,731	-	494,457
Inter segment	67,103	33,720	9	3,029	1,555	(105,416)	-
Total revenue	212,407	252,473	69,003	33,704	32,286	(105,416)	494,457
Results							
Segment gross profit	86,053	58,936	52,602	24,071	18,595	-	240,257

8 SEGMENT INFORMATION (continued)

Geographical Information

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

	Middle East and North Africa AED'000	*Europe AED'000*	*North America AED'000*	*Asia AED'000*	*Total AED'000*
Revenues					
For the three months ended 31 March 2009					
Rendering of services	346,895	80,217	5,927	30,381	463,420
For the three months ended 31 March 2008					
Rendering of services	342,788	106,541	10,522	34,606	494,457
Assets and Liabilities					
At 31 March 2009					
Assets	1,759,770	78,517	9,136	40,464	1,887,887
Property, plant and equipment	217,974	15,618	1,551	3,688	238,831
Liabilities	328,999	71,140	8,463	17,602	426,204
At 31 December 2008					
Assets	1,700,558	87,594	11,822	45,333	1,845,307
Property, plant and equipment	217,267	15,842	1,462	5,796	240,367
Liabilities	296,069	82,115	10,093	20,535	408,812

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

9 COMMITMENTS AND CONTINGENCIES

	31 March 2009 AED'000	*31 December 2008 AED'000*
Letters of guarantee	38,980	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*	*Others AED'000*	***31 March 2009 AED'000***	*31 March 2008 AED'000*
Income statement items:						
Rent expense	55	395	1,280	-	**1,730**	1,278

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

	31 March 2009 AED'000	*31 March 2008 AED'000*
Salaries and other short term benefits	**4,359**	3,784
End of service benefits	**38**	38

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, as a result, the Group's seasonality may shift over time.