ARAMEX PJSC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2010

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 31 March 2010, comprising of the interim consolidated statement of financial position as at 31 March 2010 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.

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

29 April 2010
Dubai, United Arab Emirates

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010 (Unaudited)

	Notes	*31 March 2010 AED'000 (Unaudited)*	*31 December 2009 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**248,052**	246,917
Goodwill		**853,427**	853,427
Other intangible assets		**5,709**	5,730
Other non-current assets		**10**	18
Available-for-sale investments		**5,018**	4,965
Investments in joint ventures		**7,909**	7,772
Deferred tax assets		**1,630**	1,476
		1,121,755	1,120,305
Current assets			
Accounts receivable		**372,060**	349,060
Other current assets		**96,051**	86,995
Bank balances and cash	5	**500,174**	501,862
		968,285	937,917
Total assets		**2,090,040**	2,058,222
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,331,000**	1,331,000
Statutory reserve		**40,923**	40,923
Foreign currency translation reserve		**(2,966)**	(2,561)
Fair value reserve		**2,385**	2,245
Retained earnings		**271,553**	224,048
Equity attributable to equity holders of the parent		**1,642,895**	1,595,655
Non-controlling interests		**16,145**	28,143
Total equity		**1,659,040**	1,623,798
Non-current liabilities			
Interest-bearing loans and borrowings		**4,337**	6,463
Employees' end of service benefits		**61,453**	59,618
Deferred tax liabilities		**1,142**	1,037
		66,932	67,118
Current liabilities			
Accounts payable		**118,330**	118,435
Bank overdrafts	5	**7,994**	8,951
Interest-bearing loans and borrowings		**6,960**	7,482
Other current liabilities		**230,784**	232,438
		364,068	367,306
Total liabilities		**431,000**	434,424
Total equity and liabilities		**2,090,040**	2,058,222

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

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2010 (Unaudited)

	Note	*Three months ended 31 March*	
		2010	*2009*
		AED'000	*AED'000*
Rendering of services		**529,893**	463,420
Cost of services		**(241,316)**	(198,712)
Gross profit		**288,577**	264,708
Share of results of joint ventures		**18**	-
Selling and marketing expenses		**(26,301)**	(25,652)
Administrative expenses		**(101,235)**	(90,997)
Operating expenses		**(106,875)**	(99,242)
Other income		**265**	566
Operating profit		**54,449**	49,383
Finance income		**3,911**	2,902
Finance expense		**(157)**	(438)
Profit before tax		**58,203**	51,847
Income tax		**(3,319)**	(2,451)
Profit for the period		**54,884**	49,396
Attributable to:			
Equity holders of the parent		**47,505**	43,105
Non-controlling interests		**7,379**	6,291
		54,884	49,396
Earnings per share attributable to the equity holders of the parent:		***AED***	*AED*
Basic and diluted earnings per share	6	**0.036**	0.032

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2010 (Unaudited)

	Three months ended 31 March	
	2010 AED'000	*2009 AED'000*
Profit for the period	**54,884**	49,396
Other comprehensive income, net of tax:		
Exchange differences on translation of foreign operations	**(491)**	(2,366)
Net gain (loss) on available-for-sale financial assets	**140**	(53)
Other comprehensive income for the period, net of tax	**(351)**	(2,419)
Total comprehensive income for the period	**54,533**	46,977
Total comprehensive income attributable to:		
Equity holders of the parent	**47,240**	40,722
Non-controlling interests	**7,293**	6,255
	54,533	46,977

Aramex PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2010 (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 AED'000*
Three month period ended 31 March 2010								
At 1 January 2010	**1,331,000**	**40,923**	**(2,561)**	**2,245**	**224,048**	**1,595,655**	**28,143**	**1,623,798**
Total comprehensive income for the period	**-**	**-**	**(405)**	**140**	**47,505**	**47,240**	**7,293**	**54,533**
Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(19,190)**	**(19,190)**
Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(101)**	**(101)**
At 31 March 2010	**1,331,000**	**40,923**	**(2,966)**	**2,385**	**271,553**	**1,642,895**	**16,145**	**1,659,040**
Three month period ended 31 March 2009								
At 1 January 2009	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

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2010 (Unaudited)

	Notes	Three months ended 31 March 2010 AED'000	Three months ended 31 March 2009 AED'000
OPERATING ACTIVITIES			
Profit before tax		**58,203**	51,847
Adjustment for:			
Depreciation		**12,105**	11,160
Amortization		**241**	219
Loss on disposal of property, plant and equipment		**50**	100
Provision for employees' end of service benefits		**3,085**	3,641
Provision for doubtful accounts, net		**628**	972
Net finance income		**(3,754)**	(2,464)
Share of results of joint ventures		**(18)**	-
		70,540	65,475
Working capital changes:			
Accounts receivable		**(23,628)**	19,333
Accounts payable		**(105)**	16,516
Other current assets		**(9,055)**	(8,150)
Other current liabilities		**(3,864)**	(30,546)
Cash from operations		**33,888**	62,628
Employees' end of service benefits paid		**(1,306)**	(1,205)
Income tax paid		**(1,158)**	(1,265)
Net cash from operating activities		**31,424**	60,158
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(14,725)**	(6,710)
Proceeds from sale of property, plant and equipment		**395**	96
Interest received		**3,911**	2,902
Acquisition of a subsidiary, net of cash acquired		**-**	(25,982)
Other non–current assets		**8**	198
Margin deposits		**(334)**	272
Intangible assets		**(220)**	-
Investments in joint ventures		**(32)**	-
Net cash used in investing activities		**(10,997)**	(29,224)
FINANCING ACTIVITIES			
Interest paid		**(157)**	(438)
Repayment of loans and borrowings		**(2,648)**	(5,327)
Dividends paid to non-controlling interests		**(19,190)**	(22,024)
Non-controlling interests		**(101)**	199
Net cash used in financing activities		**(22,096)**	(27,590)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(1,669)**	3,344
Net foreign exchange difference		**604**	(610)
Cash and cash equivalents at 1 January	5	**485,090**	322,728
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	**484,025**	325,462

The attached notes from 1 to 10 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 2010 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 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 Parent company 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 29 April 2010.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the three months ended 31 March 2010 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 2009. In addition, results for the three months ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

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 2009.

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:

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 as other comprehensive income in the fair value reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognized in the income statement in finance costs and removed from the fair value reserve.

Impairment losses on equity instruments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in the fair value reserve.

Cash and short term deposits
Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand, bank balances 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 in hand, bank balances and short- term deposits as defined above, net of outstanding bank overdrafts and cash margin.

3 PROPOSED DIVIDENDS

Subsequent to period end, the Company's share capital was increased by the issue of bonus shares of AED 133.1 million, being 10% of the share capital of the Company as at 31 December 2009, as approved by the shareholders in the Company's annual General Meeting held on 18 April 2010.

During the year ended 31 December 2009, 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 at 31 December 2008 as approved by the shareholders in the Company's annual General Meeting held on 15 April 2009.

4 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2010, the Group acquired property and equipment with a cost of AED 14.7 million (three months ended 31 March 2009: AED 6.7 million).

5 CASH AND CASH EQUIVALENTS

	31 March 2010 AED'000	*31 December 2009 AED'000*
Bank balances and cash	**500,174**	501,862
Less: Cash margin	**(8,155)**	(7,821)
Less: Bank overdrafts	**(7,994)**	(8,951)
	484,025	485,090

Included within bank balances and cash are amounts totaling AED 147,569 thousand (31 December 2009: AED 165,279 thousand) held at foreign banks abroad.

6 EARNINGS PER SHARE

	31 March 2010	*31 March 2009*
Profit attributable to shareholders of the parent (AED'000)	47,505	43,105
Weighted average number of shares during the period (shares)	1,331 million	1,331 million
Basic and diluted earnings per share (AED)	0.036	0.032

7 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.

7 SEGMENT INFORMATION (continued)

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

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

- Other operations: includes catalogue shipping services, document storage, airline ticketing and travel, visa services and publication and distribution.

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

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

The following table presents revenue and profit information regarding the Group's operating segment for the three months ended 31 March 2010 and 2009, respectively.

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Elimination AED'000*	*Total AED'000*
Three months ended 31 March 2010							
Revenue							
Third party	**164,425**	**216,382**	**82,976**	**27,191**	**38,919**	**-**	**529,893**
Inter-segment	**74,371**	**42,522**	**3,770**	**1,194**	**1,363**	**(123,220)**	**-**
Total revenue	**238,796**	**258,904**	**86,746**	**28,385**	**40,282**	**(123,220)**	**529,893**
Gross profit	**110,650**	**62,100**	**64,215**	**21,747**	**29,865**	**-**	**288,577**
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
Gross profit	99,994	57,158	59,660	24,308	23,588	-	264,708

Transactions between stations are priced at agreed upon rates. All material intra - group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segment and accordingly such information is not presented.

Geographical Information

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

7 SEGMENT INFORMATION (continued)

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

	2010 AED'000	*2009 AED'000*
Revenues		
Middle East and North Africa	**379,720**	346,895
Europe	**96,392**	80,217
North America	**9,454**	5,927
Asia	**44,327**	30,381
	529,893	463,420

	2010 AED'000	*2009 AED'000*
Assets		
Middle East and North Africa	**1,935,039**	1,902,897
Europe	**97,855**	101,123
North America	**11,010**	10,745
Asia	**46,136**	43,457
	2,090,040	2,058,222

	2010 AED'000	*2009 AED'000*
Property, plant and equipment		
Middle East and North Africa	**227,529**	225,603
Europe	**15,399**	16,173
North America	**1,300**	1,242
Asia	**3,824**	3,899
	248,052	246,917

	2010 AED'000	*2009 AED'000*
Liabilities		
Middle East and North Africa	**319,658**	320,528
Europe	**79,628**	83,948
North America	**9,474**	9,984
Asia	**22,240**	19,964
	431,000	434,424

8 COMMITMENTS AND CONTINGENCIES

	31 March 2010 AED'000	*31 December 2009 AED'000*
Letters of guarantee	**46,303**	45,653

Capital commitments
As at 31 March 2010, the Group has capital commitments of AED 77.50 million (2009: AED 43.95 million) towards the purchase/construction of property, plant and equipment.

9 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*	*31 March 2010 AED'000*	*31 March 2009 AED'000*
Income statement items:					
Rent expense	62	395	1,491	**1,948**	1,730

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

	31 March 2010 AED'000	*31 March 2009 AED'000*
Salaries and other short term benefits	**5,380**	4,359
End of service benefits	**38**	38

10 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.