ARAMEX PJSC AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2012

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 2012, comprising the interim consolidated statement of financial position as at 31 March 2012 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 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
Ashraf Abu-Sharkh
Partner
Registration no. 690

26 April 2012
Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012 (Unaudited)

	Notes	*31 March 2012 AED'000 (Unaudited)*	*31 December 2011 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**451,194**	445,360
Goodwill		**1,010,109**	1,010,109
Other intangible assets		**29,508**	30,357
Available-for-sale financial assets		**-**	2,219
Investments in joint ventures		**18,091**	18,108
Investment in an associate		**1,226**	1,271
Deferred tax assets		**1,837**	2,555
Other non-current assets		**4,914**	72
		1,516,879	1,510,051
Current assets			
Accounts receivable, net		**528,380**	499,671
Other current assets		**184,628**	169,048
Bank balances and cash	5	**328,892**	314,011
		1,041,900	982,730
TOTAL ASSETS		**2,558,779**	2,492,781
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,464,100**	1,464,100
Statutory reserve		**87,312**	87,312
Foreign currency translation reserve		**(14,731)**	(17,703)
Fair value reserve		**-**	(502)
Cash flow hedge reserve	7	**(40)**	-
Reserve arising from acquisition of non-controlling interests		**(15,278)**	(15,278)
Retained earnings		**408,076**	347,181
Equity attributable to equity holders of the Parent		**1,929,439**	1,865,110
Non-controlling interests		**33,871**	30,972
Total equity		**1,963,310**	1,896,082
Non-current liabilities			
Interest-bearing loans and borrowings		**8,649**	9,637
Employees' end of service benefits		**82,465**	79,660
Other non-current liabilities		**1,256**	1,200
Deferred tax liabilities		**1,260**	1,117
		93,630	91,614
Current liabilities			
Accounts payable		**156,234**	163,222
Bank overdrafts	5	**18,608**	19,445
Interest-bearing loans and borrowings		**11,787**	12,001
Other current liabilities		**315,210**	310,417
		501,839	505,085
Total liabilities		**595,469**	596,699
TOTAL EQUITY AND LIABILITIES		**2,558,779**	2,492,781

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2012 (Unaudited)

	Note	Three months ended 31 March 2012 AED'000	Three months ended 31 March 2011 AED'000
Rendering of services		**745,878**	594,676
Cost of services		**(338,990)**	(276,991)
Gross profit		**406,888**	317,685
Share of results of joint ventures		**(2)**	(394)
Share of results of an associate		**(45)**	-
Selling and marketing expenses		**(37,351)**	(29,700)
Administrative expenses		**(148,506)**	(111,557)
Operating expenses		**(147,106)**	(117,852)
Other income		**532**	839
Operating profit		**74,410**	59,021
Finance income		**893**	3,078
Finance expense		**(285)**	(46)
Gain from sale of available-for-sale financial assets		**280**	-
Profit before tax		**75,298**	62,053
Income tax		**(6,013)**	(4,063)
Profit for the period		**69,285**	57,990
Attributable to:			
Equity holders of the Parent		**60,895**	49,824
Non-controlling interests		**8,390**	8,166
		69,285	57,990
Earnings per share attributable to the equity holders of the Parent			
Basic and diluted earnings per share	6	**AED 0.042**	AED 0.034

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2012 (Unaudited)

	Note	*Three months ended 31 March*	
		2012 AED'000	*2011 AED'000*
Profit for the period		**69,285**	57,990
Other comprehensive income (expense), net of tax:			
Exchange differences on translation of foreign operations		**3,287**	(1,213)
Net gain (loss) on available-for-sale financial assets		**782**	(528)
Gain realized on sale of available -for-sale financial assets transferred to statement of income		**(280)**	-
Net movement on cash flow hedge	7	**(40)**	-
Other comprehensive income (expense) for the period, net of tax		**3,749**	(1,741)
Total comprehensive income for the period		**73,034**	56,249
Total comprehensive income attributable to:			
Equity holders of the Parent		**64,329**	48,505
Non-controlling interests		**8,705**	7,744
		73,034	56,249

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2012 (Unaudited)

	Attributable to equity holders of the Parent									
	Share capital AED'000	*Statutory reserve AED'000*	*Foreign currency translation reserve AED'000*	*Fair value reserve AED'000*	*Cash flow hedge reserve AED'000*	*Reserve arising from acquisition of non-controlling interests AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total AED'000*
Three month period ended 31 March 2012										
At 1 January 2012	**1,464,100**	**87,312**	**(17,703)**	**(502)**	**-**	**(15,278)**	**347,181**	**1,865,110**	**30,972**	**1,896,082**
Total comprehensive income for the period	**-**	**-**	**2,972**	**502**	**(40)**	**-**	**60,895**	**64,329**	**8,705**	**73,034**
Dividends of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,415)**	**(7,415)**
Non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,609**	**1,609**
At 31 March 2012	**1,464,100**	**87,312**	**(14,731)**	**-**	**(40)**	**(15,278)**	**408,076**	**1,929,439**	**33,871**	**1,963,310**
Three month period ended 31 March 2011										
At 1 January 2011	1,464,100	62,274	(6,335)	1,268	-	(12,397)	272,089	1,780,999	24,577	1,805,576
Total comprehensive income for the period	-	-	(791)	(528)	-	-	49,824	48,505	7,744	56,249
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(14,718)	(14,718)
Non-controlling interests	-	-	-	-	-	-	-	-	2,506	2,506
At 31 March 2011	1,464,100	62,274	(7,126)	740	-	(12,397)	321,913	1,829,504	20,109	1,849,613

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 2012 (Unaudited)

	Note	Three months ended 31 March 2012 AED'000	Three months ended 31 March 2011 AED'000
OPERATING ACTIVITIES			
Profit before tax		**75,298**	62,053
Adjustment for:			
Depreciation of property, plant and equipment		**17,524**	13,392
Amortization of other intangible assets		**849**	523
(Gain) loss on disposal of property, plant and equipment		**(314)**	164
Provision for employees' end of service benefits		**4,598**	3,436
Provision for doubtful accounts, net		**2,725**	632
Net finance income		**(608)**	(3,032)
Gain from sale of available-for-sale financial assets		**(280)**	-
Share of results of joint ventures		**2**	394
Share of results of an associate		**45**	-
		99,839	77,562
Working capital adjustments:			
Accounts receivable		**(31,434)**	(38,965)
Accounts payable		**(6,987)**	3,994
Other current assets		**(15,616)**	(22,648)
Other current liabilities		**5,566**	477
Cash from operations		**51,368**	20,420
Employees' end of service benefits paid		**(1,417)**	(1,828)
Income tax paid		**(5,904)**	(4,851)
Net cash flows from operating activities		**44,047**	13,741
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(22,793)**	(36,321)
Proceeds from sale of property, plant and equipment		**1,264**	383
Proceed from sale of available-for-sale financial assets		**3,000**	-
Interest received		**893**	3,078
Acquisition of subsidiaries, net of cash acquired		**-**	(9,939)
Other non–current assets		**(4,842)**	(655)
Margin deposits		**622**	(958)
Intangible assets		**71**	(3,035)
Net cash flows used in investing activities		**(21,785)**	(47,447)
FINANCING ACTIVITIES			
Interest paid		**(285)**	(46)
Repayment of loans and borrowings		**(1,202)**	(2,738)
Dividends paid to non-controlling interests		**(7,415)**	(14,718)
Non-controlling interests		**1,609**	449
Net cash flows used in financing activities		**(7,293)**	(17,053)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**14,969**	(50,759)
Net foreign exchange difference		**1,370**	(1,229)
Cash and cash equivalents at 1 January	5	**280,879**	536,542
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	**297,218**	484,554

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

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 United Arab Emirates Federal Law No 8 of 1984 (as amended). The condensed consolidated financial statements of the Company as at 31 March 2012 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 26 April 2012.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the three months ended 31 March 2012 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 2011. In addition, results for the three months ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Changes in accounting policies
The accounting policies adopted 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 2011, except for the following amended IFRS effects as of 1 January 2012:

IAS 12 *Income Taxes – Recovery of Underlying Assets.*

IFRS 7 *Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements*

The adoption of the new amendments to IFRS did not have an impact on the financial statements of the Group.

Accounting policies
The accounting policies adopted by the Group relating to bank balances and short term deposits and derivative financial instruments are as follows:

Cash and short term deposits
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts and cash margin.

Derivative financial instruments
Initial recognition and subsequent measurement

The Group uses derivative financial instruments (interest rate swaps) to hedge its interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently premeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the statement of comprehensive income.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Accounting policies (continued)

***Derivative financial instruments* (continued)**

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, the Group's interest rate swaps are classified as cash flow hedges, as the Group is hedging exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while any ineffective portion is recognized immediately in the statement of income.

Amounts taken to equity are transferred to the statement of income when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognized.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

Current versus non-current classification
Derivative instruments that are not a designated and effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

3 DIVIDENDS

The General Assembly approved in its meeting held on 11 April 2012 a cash dividend for 2011 of 5% of the Company's share capital.

The General Assembly approved in its meeting held on 30 May 2011 a cash dividend for 2010 of 7.5% of the Company's share capital.

4 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2012, the Group acquired property and equipment with a cost of AED 22.8 million (three months ended 31 March 2011: AED 36.3 million).

5 CASH AND CASH EQUIVALENTS

	31 March 2012 AED'000	*31 December 2011 AED'000*
Cash and short term deposits	**328,892**	314,011
Less: Cash margin	**(13,066)**	(13,687)
Less: Bank overdrafts	**(18,608)**	(19,445)
	297,218	280,879

Included within cash and short term deposits are amounts totaling AED 166,711 thousand (31 December 2011: AED 163,335 thousand) held at foreign banks abroad.

6 EARNINGS PER SHARE

	Three months ended 31 March	
	2012	*2011*
Profit attributable to shareholders of the Parent (AED'000)	**60,895**	49,824
Weighted average number of shares during the period (shares)	**1,464 million**	1,464 million
Basic and diluted earnings per share (AED)	**0.042**	0.034

7 DERIVATIVE FINANCIAL INSTRUMENTS

On 31 January 2012, The Group entered into a loan agreement with Arab Bank for an amount of USD 50 million. The loan bears interest at USD three month LIBOR plus 225 basis points per annum and will be paid on quarterly basis. The Group has an availability withdrawal period to draw down the loan up to January 2013. The purpose of the loan is to finance expected acquisition costs.

To mitigate its exposure to fluctuations in market interest rates, the Group entered into interest rate swap contracts that effectively fix the interest rate on 100% of its available facilities with the Arab Bank. Under the terms of these contracts, the Company pays a pre-determined fixed rate (1.19%) of interest on a notional principal balance equal to amounts expected to be drawn down and receives from the counter-party a floating rate of interest on the same notional principal balance equals to USD three month LIBOR.

For the purpose of hedge accounting, the Group's interest rate swap contracts were classified as cash flow hedges, as the Group is hedging its exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

As of 31 March 2012, the cash flow hedges were assessed to be highly effective and an unrealized loss of AED 40 thousand was included in other comprehensive income, and the corresponding negative fair value of the interest rate swap deal was recorded as a liability in the statement of financial position.

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, 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 2012 and 2011, 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 2012							
Revenue							
Third party	**245,119**	**275,581**	**142,434**	**32,184**	**50,560**	**-**	**745,878**
Inter-segment	**106,510**	**46,999**	**3,819**	**898**	**1,189**	**(159,415)**	**-**
Total revenue	**351,629**	**322,580**	**146,253**	**33,082**	**51,749**	**(159,415)**	**745,878**
Gross profit	**158,892**	**75,529**	**105,572**	**27,601**	**39,294**	**-**	**406,888**
Three months ended 31 March 2011							
Revenue							
Third party	193,317	246,014	87,551	25,393	42,401	-	594,676
Inter-segment	87,730	42,726	3,967	221	1,033	(135,677)	-
Total revenue	281,047	288,740	91,518	25,614	43,434	(135,677)	594,676
Gross profit	126,495	69,005	68,916	20,493	32,776	-	317,685

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.

8 SEGMENT INFORMATION (continued)

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 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.

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

	Three months ended 31 March	
	2012 AED'000	*2011 AED'000*
Revenues		
Middle East and Africa	**536,084**	411,503
Europe	**127,098**	116,238
North America	**14,812**	12,442
Asia	**67,884**	54,493
	745,878	594,676

	31 March 2012 AED'000	*31 December 2011 AED'000*
Assets		
Middle East and Africa	**2,114,702**	2,071,639
Europe	**315,242**	296,697
North America	**23,809**	24,993
Asia	**105,026**	99,452
	2,558,779	2,492,781

	31 March 2012 AED'000	*31 December 2011 AED'000*
Non-current assets*		
Middle East and Africa	**451,381**	448,014
Europe	**25,873**	24,877
North America	**9,264**	9,677
Asia	**13,501**	12,528
	500,019	495,096

	31 March 2012 AED'000	*31 December 2011 AED'000*
Liabilities		
Middle East and Africa	**427,882**	432,887
Europe	**111,318**	111,526
North America	**15,411**	15,050
Asia	**40,858**	37,236
	595,469	596,699

* Non-current assets for this purpose consist of property, plant and equipment, other intangible assets, investments in joint ventures and investment in an associate. Goodwill is allocated to business segments.

9 COMMITMENTS AND CONTINGENCIES

	31 March 2012 AED'000	*31 December 2011 AED'000*
Letters of guarantee	**63,906**	60,822

Capital commitments
As at 31 March 2012, the Group has capital commitments of AED 9.97 million (31 December 2011: AED 9.04 million) towards purchase/construction of property, plant and equipment.

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.

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

	Related party			*Total*	
	Officers AED'000	*Companies controlled by the directors AED'000*	*Directors AED'000*	***31 March 2012 AED'000***	*31 March 2011 AED'000*
Rent expense	**46**	**359**	**1,388**	**1,793**	1,931

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

	31 March 2012 AED'000	*31 March 2011 AED'000*
Salaries and other short term benefits	**3,137**	2,852
End of service benefits	**44**	35

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.