ARAMEX PJSC AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2011

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 2011, comprising the interim consolidated statement of financial position as at 31 March 2011 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 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
Joseph Alexander Murphy
Partner
Registration No:492

26 April 2011
Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011 (Unaudited)

	Notes	*31 March 2011 AED'000 (Unaudited)*	*31 December 2010 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**355,012**	332,144
Goodwill		**872,932**	863,199
Other intangible assets		**16,444**	8,927
Available-for-sale investments		**3,460**	3,988
Investments in joint ventures		**18,488**	19,165
Deferred tax assets		**2,295**	2,530
Other non-current assets		**694**	39
		1,269,325	1,229,992
Current assets			
Accounts receivable, net		**443,051**	404,028
Other current assets		**120,345**	97,699
Bank balances and cash	6	**507,785**	554,739
		1,071,181	1,056,466
TOTAL ASSETS		**2,340,506**	2,286,458
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,464,100**	1,464,100
Statutory reserve		**62,274**	62,274
Foreign currency translation reserve		**(7,126)**	(6,335)
Fair value reserve		**740**	1,268
Reserve arising from acquisition of non-controlling interests		**(12,397)**	(12,397)
Retained earnings		**321,913**	272,089
Equity attributable to equity holders of the Parent		**1,829,504**	1,780,999
Non-controlling interests		**20,109**	24,577
Total equity		**1,849,613**	1,805,576
Non-current liabilities			
Interest- bearing loans and borrowings		**3,873**	6,503
Employees' end of service benefits		**68,576**	66,958
Deferred tax liabilities		**1,471**	1,295
Other non-current liabilities		**2,955**	-
		76,875	74,756
Current liabilities			
Accounts payable		**133,778**	129,148
Bank overdrafts	6	**10,940**	6,863
Interest-bearing loans and borrowings		**6,607**	6,715
Other current liabilities		**262,693**	263,400
		414,018	406,126
Total liabilities		**490,893**	480,882
TOTAL EQUITY AND LIABILITIES		**2,340,506**	2,286,458

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 2011 (Unaudited)

	Note	Three months ended 31 March 2011 AED'000	Three months ended 31 March 2010 AED'000
Rendering of services		**594,676**	529,893
Cost of services		**(276,991)**	(241,316)
Gross profit		**317,685**	288,577
Share of results of joint ventures		**(394)**	18
Selling and marketing expenses		**(29,700)**	(26,301)
Administrative expenses		**(111,557)**	(101,235)
Operating expenses		**(117,852)**	(106,875)
Other income		**839**	265
Operating profit		**59,021**	54,449
Finance income		**3,078**	3,911
Finance expense		**(46)**	(157)
Profit before tax		**62,053**	58,203
Income tax		**(4,063)**	(3,319)
Profit for the period		**57,990**	54,884
Attributable to:			
Equity holders of the Parent		**49,824**	47,505
Non-controlling interests		**8,166**	7,379
		57,990	54,884
Earnings per share attributable to the equity holders of the Parent			
Basic and diluted earnings per share	7	**AED 0.034**	AED 0.032

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 2011 (Unaudited)

	Three months ended 31 March	
	2011 AED'000	*2010 AED'000*
Profit for the period	**57,990**	54,884
Other comprehensive income (expense), net of tax:		
Exchange differences on translation of foreign operations	**(1,213)**	(491)
Net (loss) gain on available-for-sale financial assets	**(528)**	140
Other comprehensive expense for the period, net of tax	**(1,741)**	(351)
Total comprehensive income for the period	**56,249**	54,533
Total comprehensive income attributable to:		
Equity holders of the Parent	**48,505**	47,240
Non-controlling interests	**7,744**	7,293
	56,249	54,533

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2011 (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*	*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 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**
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 of subsidiaries	-	-	-	-	-	-	-	(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

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 2011 (Unaudited)

	Note	Three months ended 31 March 2011 AED'000	Three months ended 31 March 2010 AED'000
OPERATING ACTIVITIES			
Profit before tax		**62,053**	58,203
Adjustment for:			
Depreciation		**13,392**	12,105
Amortization		**523**	241
Loss on disposal of property, plant and equipment		**164**	50
Provision for employees' end of service benefits		**3,436**	3,085
Provision for doubtful accounts		**632**	628
Net finance income		**(3,032)**	(3,754)
Share of results of joint ventures		**394**	(18)
		77,562	70,540
Working capital changes:			
Accounts receivable		**(38,965)**	(23,628)
Accounts payable		**3,994**	(105)
Other current assets		**(22,648)**	(9,055)
Other current liabilities		**477**	(3,864)
Cash from operations		**20,420**	33,888
Employees' end of service benefits paid		**(1,828)**	(1,306)
Income tax paid		**(4,851)**	(1,158)
Net cash from operating activities		**13,741**	31,424
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(36,321)**	(14,725)
Proceeds from sale of property, plant and equipment		**383**	395
Interest received		**3,078**	3,911
Acquisition of subsidiaries, net of cash acquired	3	**(9,939)**	-
Other non–current assets		**(655)**	8
Margin deposits		**(958)**	(334)
Intangible assets		**(3,035)**	(220)
Investment in joint ventures		**-**	(32)
Net cash used in investing activities		**(47,447)**	(10,997)
FINANCING ACTIVITIES			
Interest paid		**(46)**	(157)
Repayment of loans and borrowings		**(2,738)**	(2,648)
Dividends paid to non-controlling interests		**(14,718)**	(19,190)
Non-controlling interests		**449**	(101)
Net cash used in financing activities		**(17,053)**	(22,096)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(50,759)**	(1,669)
Net foreign exchange difference		**(1,229)**	604
Cash and cash equivalents at 1 January	6	**536,542**	485,090
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	**484,554**	484,025

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 UAE Federal Law No 8 of 1984 (as amended). The condensed consolidated financial statements of the Company as at 31 March 2011 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 on 26 April 2011.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the three months ended 31 March 2011 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 2010. In addition, results for the three months ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

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 2010, except for the following amended IFRS and IFRIC interpretation effects as of 1 January 2011:

IAS 24 *Related Party Disclosures (Amendment)*

IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues (Amendment)*

IFRIC 14 *Prepayments of a minimum funding requirement (Amendment)*

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

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

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 income, or determined to be impaired, at which time the cumulative loss is recognised in the consolidated income statement in finance expense and removed from the fair value reserve.

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

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.

3 BUSINESS COMBINATION

2011

During the three months ended 31 March 2011, the Group acquired a controlling stake in two companies specialising in freight forwarding, based in Africa.

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets.

The fair values of the identifiable assets and liabilities of the acquired entities, 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*
Assets		
Property and equipment	250	250
Trade and other receivables	1,002	1,002
Intangible assets	2,049	-
Bank balances and cash	344	344
	3,645	1,596
Liabilities		
Trade and other payables	(947)	(947)
Term Loan	(91)	(91)
	(1,038)	(1,038)
Total identifiable net assets at fair value	2,607	
Non-controlling interests	(2,057)	
Goodwill arising on acquisition	9,733	
Purchase consideration transferred	10,283	

	AED'000
Cash flow on acquisition:	
Net cash acquired with the subsidiaries	344
Cash paid	(10,283)
Net cash flow on acquisition	(9,939)

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.

The goodwill of AED 9.7 million comprises the value of expected synergies arising from the acquisition. Goodwill was allocated to International Express, Domestic Express, Freight Forwarding.

From the date of acquisition, the acquired companies have contributed AED 2,123 thousand of revenue and AED 133 thousand to the net profit before tax of the Group.

Transaction costs of AED 220 thousand have been expensed and included in administrative expenses.

4 DIVIDENDS

The Board of Directors will propose a cash dividend for 2010 of 7.5% of the Company's share capital which is subject to the approval of the General Assembly.

During the year ended 31 December 2010 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 approved by the shareholders in the Company's Annual General Meeting held on 18 April 2010.

5 PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2011, the Group acquired property and equipment with a cost of AED 36.3 million (three months ended 31 March 2010: AED 14.7 million).

6 CASH AND CASH EQUIVALENTS

	31 March 2011 AED'000	*31 December 2010 AED'000*
Cash and short term deposits	**507,785**	554,739
Less: cash margin	**(12,291)**	(11,334)
Less: bank overdrafts	**(10,940)**	(6,863)
	484,554	536,542

Included within cash and short term deposits are amounts totaling AED 168,918 thousand (31 December 2010: AED 197,975 thousand) held at foreign banks abroad.

7 EARNINGS PER SHARE

	31 March 2011	*31 March 2010*
Profit attributable to shareholders of the Parent (AED'000)	**49,824**	47,505
Weighted average number of shares during the period (shares)	**1,464 million**	1,464 million
Basic and diluted earnings per share (AED)	**0.034**	0.032

The weighted average number of shares for the period ended 31 March 2010 has been adjusted for bonus shares issued in 2010 (note 4).

8 SEGMENT INFORMATION

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

- International express: includes delivery of small packages across the globe to both retail and wholesale customers.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break bulk services.
- Domestic express: includes express delivery of small parcels and pick up and deliver shipments within the country.

8 SEGMENT INFORMATION (continued)

- 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 2011 and 2010, 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 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**
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

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 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.

8 SEGMENT INFORMATION (continued)

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

	Three months ended 31 March	
	2011 AED'000	*2010 AED'000*
Revenues		
Middle East and Africa	**411,503**	379,720
Europe	**116,238**	96,392
North America	**12,442**	9,454
Asia	**54,493**	44,327
	594,676	529,893

	31 March 2011 AED'000	*31 December 2010 AED'000*
Assets		
Middle East and Africa	**2,091,451**	2,072,099
Europe	**137,175**	109,432
North America	**24,618**	23,621
Asia	**87,262**	81,306
	2,340,506	2,286,458

	31 March 2011 AED'000	*31 December 2010 AED'000*
Non-current assets*		
Middle East and Africa	**342,614**	323,467
Europe	**24,807**	18,034
North America	**10,131**	7,320
Asia	**12,392**	11,415
	389,944	360,236

	31 March 2011 AED'000	*31 December 2010 AED'000*
Liabilities		
Middle East and Africa	**341,327**	347,228
Europe	**102,769**	86,680
North America	**14,168**	14,968
Asia	**32,629**	32,006
	490,893	480,882

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

9 COMMITMENTS AND CONTINGENCIES

	31 March 2011 AED'000	*31 December 2010 AED'000*
Letters of guarantee	**56,523**	51,143

Capital commitments
As at 31 March 2011, the Group has capital commitments of AED 50.69 million (31 December 2010: AED 77.5 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 2011 AED'000***	*31 March 2010 AED'000*
Rent expense	**68**	**395**	**1,468**	**1,931**	1,948

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

	31 March 2011 AED'000	*31 March 2010 AED'000*
Salaries and other short term benefits	**4,853**	5,380
End of service benefits	**54**	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 and, as a result, the Group's seasonality may shift over time.