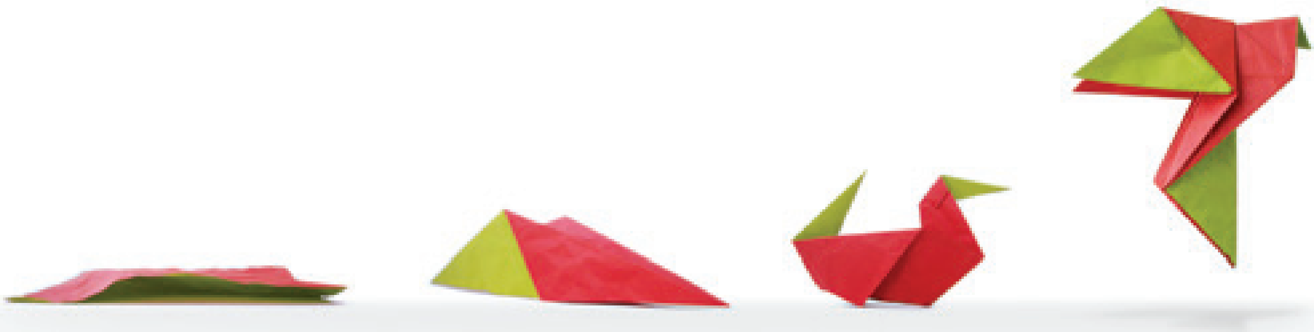

ANNUAL REPORT 2011

aramex
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MISSION

To be recognized as one of the top five global logistics and express transportation service providers.

PURPOSE

To enable and facilitate regional and global trade and commerce responsibly.

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ABDULLAH AL MAZRUI
Chairman

FADI GHANDOUR
Founder and CEO

LETTER FROM THE CEO

Dear Stakeholder,

We are pleased to present you with Aramex's 2011 Annual Integrated Report. This report highlights the interdependent relationship between Aramex's sustainable business practices and overall performance, showcasing its active commitment to all its stakeholders.

We look upon this report as a management tool of a sort: beyond its obvious utility in helping us measure our financial performance as well as gauge our social and environmental impact, it allows us to assess the extent to which innovation and creativity drive our various services.

And, indeed, on all these fronts, 2011 has been a good year for Aramex.

Financially, we have continued our upward trajectory: robust growth in key services across all markets yielded a 16% increase in revenues, reaching AED 2,576 million; our net profits, at AED 211.5 million, registered a relatively healthy climb of 4%, in spite of large investments in Greenfield operations in new markets, rising fuel prices and political instability in some Arab locales; and we maintained a healthy balance sheet, with a cash balance of AED 314 million.

Moreover, our expansions in Africa and Asia have proceeded according to plan. In North Africa, our Tunisian and Algerian networks are finally full-fledged. Similarly, in East African Kenya, Tanzania and Uganda, where we have launched full operations as well. In West Africa, our presence in Ghana has been appreciably upgraded, and we are currently looking to set up in Nigeria and the Ivory Coast. But the highlight of 2011 has been in South Africa, the largest economy on the continent. Through the acquisition of Berco Express, we welcomed 900 talented people to the Aramex family and established a strategic foothold in the southern region.

We have also maintained our momentum in Asia. Building on our previous acquisitions and partnerships in Turkey, Malaysia and Bangladesh, we have concluded a joint venture with SinoAir in China and started operations in Kazakhstan, in central Asia, a critical gateway that connects East and West through the historic Silk Road.

Equally, on the operational front, we have invested in new technologies and improved efficiencies, reducing costs where optimal. We have also kept pace with the fast evolving needs of our e-commerce customers, developing storefront technology, scaling up warehousing and delivery and investing in online customer service support to retailers.

But perhaps the most rewarding moment of 2011 was the employee opinion survey, whose results were truly outstanding. Aramex employees gave their company an impressive 80% overall rating, exceeding those achieved by global high performing companies by 11%. This is a clear endorsement of our business model, our strategic investment in our cadre and, most importantly, our corporate culture, which empowers and insists on a motivating work environment. We are certain that it is our people's passion and dedication that are driving our success as a company, and it is our corporate values that stand at the heart of our competitive advantage.

We have thus further enhanced frontline training, providing our team with the essential skills and tools to conduct their work efficiently. We have also upgraded our existing Customer Relations Management by deploying the Reach System, rolling it out across key countries in our network, covering over 60,000 customer records. This system supports a comprehensive customer management approach and provides our team members with a holistic view of customers' interactions with Aramex.

These achievements are matched by Aramex strides in the social sphere. We have increased our involvement in the communities we operate in, partnering with Ruwwad for Development, a private sector led community empowerment organization that engages disadvantaged communities through youth activism, civic engagement and education, in Jordan, Egypt and Palestine.

We have also joined hands with the General Presidency of Youth Welfare and the Professional League Commission in Saudi Arabia to develop special needs facilities at football stadiums in Riyadh, Jeddah and Dammam. Through this initiative, Aramex started installing state-of-the-art accessibility facilities for those with special needs, allowing them to attend the games.

Aramex is also very proud to have published its first carbon footprint report as part of our ongoing efforts to benchmark our performance, reduce our carbon footprint and find innovative ways to adopt more environmentally friendly policies.

This integrated report is prepared in accordance with International Financial Reporting Standards (IFRS) and the Global Reporting Initiative (GRI), and it reaffirms our commitment to the United Nations Global Compact (UNGC). Following an independent audit, Aramex, for the fifth year running, received an A+ rating from GRI.

Over the course of 2012, we will pursue more expansions in South East Asia, Central Asia and Africa. Needless to say, our key investments shall remain in our people and our customers. We expect many challenges, from increasingly difficult business conditions to instability in the Middle East region. But, often, with challenges come opportunities, and Aramex will be ready for both, working very hard to deliver on every promise to its stakeholders.

A. Mazrui

ABDULLAH AL MAZRUI
Chairman

FADI GHANDOUR
Founder and CEO

ARAMEX OVERVIEW

As a leading global provider of comprehensive logistics and transportation solutions, Aramex enables and facilitates trade and commerce for over 60,000 customers around the world through responsible business practices. Established in 1982, our company rapidly evolved into a global brand recognized for its customized services and innovative multi-product offering, and became the first company from the Arab world to trade on the NASDAQ in 1997.

After five years of successful trading, the company moved into private ownership through a leveraged management buyout with Dubai-based Abraaj Capital. Today, Aramex is a publicly traded company on the Dubai Financial Market (DFM: ARMX), employing more than 9,500 direct employees and around 1600 indirect employees in over 59 countries across the GCC, Levant, Africa, Asia, Europe and North America, and leads a strong alliance network of more than 40 companies further enhancing its global presence.

Acting responsibly towards all stakeholders — our customers, business partners, shareholders, people, communities, and the environment — has been our strategic approach since the early days of the company. For Aramex, sustainability is a strategic decision; it is embedded in our business model and reflected in all our practices.

ABOUT THIS REPORT

Since releasing our first sustainability report in 2007, we have consistently reported on our commitments and progress as a company, and have implemented a variety of innovative policies, procedures, and initiatives delivering on our sustainability commitment to stakeholders.

Our financial statements are maintained in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), and are reported in line with the regulatory requirements of the Securities and Commodities Authority (SCA) of the United Arab Emirates.

This is the second year in which we have issued an integrated report. This edition also features our carbon footprint report, released for the first time last year, and therefore presents our readers with a truly holistic review of our company's performance.

This report complies with the regulations of the UAE and the Global Reporting Initiative (GRI), is self-declared as GRI Level A, and maintains a rating of A+ following independent assurance. It also covers the ten principles of the United Nations Global Compact.

In sharing this report, we hope to foster ongoing dialogue with our stakeholders on our performance, progress, and ongoing commitments.

OUR PERFORMANCE

Consolidated Income Statement
(In Thousands in UAE Dirhams)
(Year ended Decemeber 31)

	2007	2008	2009	2010	2011
Revenues					
International express	519,085	610,343	626,588	689,111	836,638
Freight forwarding	823,993	912,599	758,790	924,101	1,073,301
Domestic express	224,988	295,665	302,302	331,153	373,120
Logistics	106,766	132,654	124,485	103,764	110,760
Publications and distribution	35,952	35,955	31,745	30,035	28,318
Others	73,004	92,738	116,877	133,832	154,062
Total Revenues	1,783,788	2,079,954	1,960,786	2,211,996	2,576,199
Shipping costs	948,133	1,041,971	852,745	1,021,830	1,221,261
Gross profit	835,654	1,037,983	1,108,041	1,190,166	1,354,938
Share of profits (losses) from JV's	0	0	130	(256)	(554)
Share of profits (losses) from an associate					(200)
Operating expenses	268,548	364,961	412,798	444,596	508,987
Selling, general and administrative expenses	424,095	497,797	489,334	519,087	593,542
Operating income	143,011	175,225	206,039	226,227	251,655
Interest income	8,070	5,375	14,204	16,283	7,360
Interest expense	(4,131)	(3,442)	(1,830)	(1,166)	(1,756)
Gain (loss) on sale of fixed assets	(298)	(853)	(259)	(458)	(8)
Exchange gain (loss)	3,442	1,771	(1,090)	1,264	228
Other income (loss)	422	1,869	1,100	2,362	2,278
Income before income taxes	150,516	179,945	218,163	244,512	259,757
Provision for income taxes	(9,450)	(10,573)	(11,441)	(14,935)	(17,799)
Non-controlling interests	(19,515)	(22,051)	(22,435)	(25,485)	(30,420)
Net Income	121,551	147,321	184,287	204,092	211,538

Consolidated Balance Sheet Data
(In Thousands of UAE Dirhams)
(Year ended December 31)

	2007	2008	2009	2010	2011
BALANCE SHEET DATA:					
Working capital	344,452	447,668	570,611	650,340	477,645
Total assets	1,674,836	1,845,307	2,058,222	2,286,458	2,492,781
Total liabilities & Non-controlling interests	389,661	437,768	462,566	505,459	627,671
Total shareholders equity	1,285,175	1,407,539	1,595,656	1,780,999	1,865,110

Geographical Breakdown of Revenues
(In Millions of UAE Dirhams)

YEAR 2011

DESCRIPTION	INTERNATIONAL EXPRESS 32%		FREIGHT FORWARDING 42%		DOMESTIC & OTHERS 26%		TOTAL COMPANY 100%	
Middle East	859.6	71.0%	739.3	59.0%	543.0	78.7%	2,141.8	67.9%
Europe	108.6	9.0%	391.3	31.2%	91.1	13.2%	591.0	18.7%
North America	83.3	6.9%	44.9	3.6%	3.5	0.5%	131.7	4.2%
Asia & Indian Sub Continent	158.9	13.1%	77.2	6.2%	52.6	7.6%	288.7	9.2%
Elimination	(373.7)		(179.4)		(23.9)		(577.1)	
TOTAL	**836.6**	**100%**	**1,073.3**	**100%**	**666.3**	**100.0%**	**2,576.2**	**100%**

YEAR 2010

DESCRIPTION	INTERNATIONAL EXPRESS 31%		FREIGHT FORWARDING 42%		DOMESTIC & OTHERS 27%		TOTAL COMPANY 100%	
Middle East	755.6	75.5%	655.4	59.6%	484.7	78.2%	1,895.7	69.7%
Europe	83.5	8.3%	300.8	27.4%	97.2	15.7%	481.4	17.7%
North America	59.3	5.9%	43.5	4.0%	1.5	0.2%	104.3	3.8%
Asia & Indian Sub Continent	102.8	10.3%	99.8	9.1%	36.1	5.8%	238.7	8.8%
Elimination	(312.0)		(175.4)		(20.7)		(508.1)	
TOTAL	**689.1**	**100%**	**924.1**	**100%**	**598.8**	**100.0%**	**2,212.0**	**100%**

RESULTS OF OPERATIONS
THE FOLLOWING TABLE SETS FORTH-FOR THE PERIOD INDICATED- THE PERCENTAGES OF TOTAL REVENUES REPRESENTED BY CERTAIN ITEMS IN THE COMPANY'S CONSOLIDATED STATEMENT OF INCOME

	2007 %	2008 %	2009 %	2010 %	2011 %
REVENUES					
International express	29.1	29.3	32.0	31.2	32.5
Freight forwarding	46.2	43.9	38.7	41.8	41.7
Domestic express	12.6	14.2	15.4	15.0	14.5
Logistics	6.0	6.4	6.3	4.7	4.3
Publications and distribution	2.0	1.7	1.6	1.4	1.1
Others	4.1	4.5	6.0	6.1	6.0
Total Revenues	100.0	100.0	100.0	100.0	100.0
Shipping costs	53.2	50.1	43.5	46.2	47.4
Gross profit	46.8	49.9	56.5	53.8	52.6
Operating expenses	15.1	17.5	21.1	20.1	19.8
Selling, general and administrative expenses	23.8	23.9	25.0	23.5	23.0
Operating income	8.0	8.4	10.5	10.2	9.8
Income before income taxes	8.4	8.7	11.1	11.1	10.1
Provision for income taxes	0.5	0.5	0.6	0.7	0.7
Non-controlling interests	1.1	1.1	1.1	1.2	1.2
Net Income	6.8	7.1	9.4	9.2	8.2

Key Non-Financial Information

	2009	2010	2011
% of Pre-Tax Profits for Corporate Activism	2.50%	2.60%	2.33%
OUR PEOPLE			
Number Of Employees	8101	8675	9500
% Of Increase in Employment	6%	7%	10%
% of Female Employees From Total Aramex Employees	11%	11%	12%
% of Females in Management	25%	25%	17%
# of Locally Hired Management	277	338	344
Average Training hour per employee	17	21	20
HEALTH AND SAFETY PERFORMANCE INDEX			
Summary			
Fatalities	0	2	0
Accidents per Million Shipments	20	14.3	12.3
Percentage change in accidents per Million Shipments	-28%	-21%	-14%
Lost Time Injuries per Million Shipments	1.1	2.6	6.7
Lost Time Injuries Frequency Rate	0.51	0.41	0.33

SUSTAINABILITY AS STRATEGIC INVESTMENT

Our commitment to sustainability is a reflection of our long-term management approach, which aims to create shared values for all stakeholders, and stems from our conviction that sustainable business practices and overall performance are intertwined

We are keen to encourage inclusive and transparent dialogue regarding our performance, commitments, and plans for sustainable growth. Hence, our sustainability performance is presented in an integrated annual report for the second time this year, combining financial and non-financial results, and affirming our commitment to a holistic management approach.

Being embedded in our daily operations, sustainability directs every decision we make on all levels in the company; our agile business model enables us to swiftly respond to forces of change, while the company's federal, decentralized structure empowers our people to be responsive to evolving customer needs. Furthermore, being a local entity in areas where we operate creates local job opportunities and enables us to address some of the challenges of the local communities in which we operate.

Our corporate activism model is built on strategic partnerships in order to ensure long-term viability and impact. We have prioritized our efforts over the following areas of focus: community development by focusing on youth empowerment, education and entrepreneurship, in addition to sports, the environment and emergency relief.

To facilitate knowledge sharing about our sustainability initiatives, we are utilizing our dedicated web portal www.aramex.org as an interactive platform and a virtual space where stakeholders can engage in discussions regarding latest sustainability trends and case studies. Additionally, we are utilizing online social media channels to engage our stakeholders in an effort to enhance our communication tools and to increase awareness of corporate activism.

Environmental responsibility is at the core of our strategy, and we have been keen to monitor and reduce our impact on the environment by deploying various systems and technologies. We strive to reduce our resources consumption while adhering to international standards for environmental protection, as well as best practices for health, safety and security.

OUR SERVICES

International Express Delivery

We provide global door-to-door shipping solutions for time-sensitive documents and packages to customers in various industries, including banks, trading,

pharmaceutical, manufacturing and regional distribution companies. Our express services offer a range of options that allow customers to balance cost and speed, and include features such as real-time online tracking updates, automatic delivery notifications, proof of delivery, and a wide range of import, export, and customs clearance services.

During 2011, we continued the institutionalization of the use of environment-friendly biodegradable pouches for all express shipments across our entire network. In addition, we continued our use of biodegradable plastic windows in our recycled cardboard envelopes, electronic invoicing, and online pick-up requests, as detailed in our previous sustainability reports.

Freight Forwarding

Our freight services cover air, land, and ocean transportation, providing cost-effective delivery for heavier packages with less time-sensitive delivery requirements compared to express shipments. Our comprehensive menu of freight services range from port-to- port to door-to-door delivery, and include customs clearance, advanced online tracking, temperature-controlled haulage, third-party shipping, regional distribution, chartered aircraft or vessel services, and exhibition handling.

Land freight, a less costly and more environment-friendly alternative to air freight, is increasingly in demand by our customers. Today we have one of the most extensive and advanced land freight networks in the Middle East, Ireland, and the United Kingdom. We have also focused on expanding our ground transportation reach in the GCC and Levant regions to cater to rising demand for efficient interregional delivery services.

Domestic Express Delivery

Our Domestic Express service provides door-to-door delivery of urgent packages within a country or city. The service can be customized to meet customers' specific needs, with options including same-day or next-business-day deliveries, package collection, return service, and cash on delivery.

During 2011 we introduced Aramex Developers Solutions Center, where we provide our customers with state-of-the-art APIs (Application Programming Interface) and e-tools that allow seamless integration with our various applications – whether a desktop application, an ERP (Enterprise Resource Planning) solution, a website, or a web service – from tracking a shipment to requesting a pickup. This integration allows customers to automate operations, reduce costs, and minimize errors.

We continue to promote our technology tools to customers to enable them to use shipping labels instead of conventional waybills, thereby reducing paper consumption considerably. Furthermore, our fleet complies with our responsible procurement policy, which ensures that car engines are a minimum of Euro 4 emissions standard, and promotes the adoption of alternative energy technologies, such as battery-operated scooters, hybrid vehicles, and bikes.

Integrated Logistics, Warehousing, and Supply Chain Management

Our end-to-end logistics solutions efficiently manage the transfer, storage, and distribution of products and information during all stages of the supply chain, from the moment our customers' inventory leaves their suppliers or factories until it reaches their retailers or end consumers. We also provide third-party facility management and consultancy services.

Aramex logistics centers are strategically located in key areas across the GCC, Middle East, North Africa, Western Europe, and Asia, and are powered by state-of-art technologies to ensure world-class security and real-time visibility at all levels.

In our efforts to continuously address environmental challenges, all newly constructed Aramex logistics centers will be LEED certified to achieve energy savings, water efficiency, and $CO2$ emissions reduction. Moreover, our warehouses are currently being OHSAS certified and use only electric-powered forklifts.

Information Management Solutions (InfoFort)

InfoFort, a wholly-owned Aramex subsidiary, is the leading secure records and information management solutions provider in the Middle East and North Africa. InfoFort's services address the growing need for data and information security, confidentiality,

accessibility, preservation, compliance and business continuity. It provides solutions covering the full information life cycle, and includes the secure storage and management of physical and electronic records, media/tape vaulting and rotation, secure shredding, IT escrow services, cheques management, and consultancy services.

In 2011 InfoFort also introduced Secure Data Destruction services to help clients destroy (and recycle) their data-rich retired IT assets, such as hard drives and tapes. The company also received ISO 9001 certification for Physical and Electronic Records management in the UAE, and became the first in its industry in the region to have a comprehensive Business Continuity Management Program (BCP) in place.

Moreover, InfoFort inaugurated its largest single records management center in North Africa in Egypt, and expanded its operations into Kenya and Ghana.

InfoFort has also launched InfoCare, a social platform for enabling information driven sustainability initiatives. Under this platform, InfoFort introduced practices that help reduce paper consumption and thus save trees, and encourages environmentally friendly practices by facilitating the recycling of customers' electronic and IT waste. InfoFort also supports mission critical organizations by automating their paper driven processes and enabling them to be more responsive. Furthermore, under InfoCare, InfoFort supports underprivileged and marginalized youth who are unemployed with information-based skills that can help them grow, develop, and become productive and self-sufficient.

E-Business Solutions

Shop and Ship

Shop and Ship is an online shopping delivery service that enables thousands of customers around the world to receive purchased goods from US, UK and China online stores easily, quickly and affordably. The service is provided in more than 25 countries across the Middle East, Africa, Europe, and Asia.

E-Commerce Solutions

As the e-commerce sector witnesses continuous growth in emerging markets, Aramex is utilizing its logistics expertise and infrastructure to partner with entrepreneurs and online retail sites, further enabling trade and commerce and creating economic opportunities in these emerging markets. The growth of e-business also has potential environmental benefits resulting from reductions in energy and paper consumption.

We provide a range of solutions to help start-ups as well as established retailers set up or expand their e-commerce operations, including warehousing and integrated logistics, payment collection services, order processing, and outsourcing of customer service through various contact centers. We have also deployed a wide range of technical support to compliment this thriving industry, by extending different levels of access to our APIs (Application Programming Interface), in order to facilitate integration with any e-business.

Apps & More

Keeping in tune with the advances in mobile apps and the ever-growing dominance of smart phones and tablets, Aramex has launched two iOS apps and a Windows Phone 7 (WP7) app for Aramex Tracking and Shop and Ship. We are also currently working on releasing versions for Android and Blackberry, and an updated Version 2 for iOS. In addition to mobile apps updates, Aramex launched several innovative tools that complement the high adoption rate of Social Media, including a Facebook app for tracking Aramex shipments on the Facebook platform, and Tweet & Track to track Aramex or Shop and Ship orders on the Twitter platform.

STRATEGIC DIRECTION

Berco Logistics in South Africa, our most significant acquisition in 2011

We aim to continuously reinforce our position as one of the top global logistics and transportation companies by expanding our worldwide network, continuously innovating solutions to meet our customers' evolving needs, and serving our communities. The following summarizes the key elements of our strategy for achieving profitable growth and sustainable value creation for all stakeholders in the long-term.

GROWTH

Aramex is pursuing a multi-faceted growth strategy to achieve our strategic goals and satisfy our customers' specific needs. Our approach to growth includes the following elements:

Acquisitions and Joint Ventures in Emerging Markets

Emerging markets offer ideal opportunities for the expansion of our global network. By applying the Aramex business model and establishing industry leadership in these new markets, we aim to strengthen our position as one of the top five global logistics and transportation solutions providers. Our mid-term focus remains the pursuit of small- and medium-scale acquisitions and joint ventures in politically stable high-growth economies, particularly in Africa, Asia, and the Commonwealth of Independent States (CIS).

In keeping with our focus on sustainability, our service offerings aim to enhance domestic economic conditions in developing regions and support local businesses by enabling and facilitating commerce. Simultaneously, we also aim to integrate a number of medium-sized businesses within our existing operations in core markets, with a view to achieving greater efficiency in our operations and delivering more value to clients.

In 2011 we concluded a series of acquisitions in South Africa, Kenya, and Ireland; we also established a joint venture in China with Sino Air, and launched greenfield operations in Uganda, Tanzania and Kazakhstan. Our expansion in the South and East African regions complements our strengthened presence in South East Asia, providing a bridge between these important trading partners and connecting them to global trade hubs, while also representing a significant contribution to Aramex's global operations. Establishing a strong foothold in these dynamic markets will also serve to unlock new opportunities for us to expand into further expanding in African and Asian markets and enabling trade between emerging economies and build upon our growth strategy in 2012.

Globalizing the Brand through Franchising

Our franchising strategy provides growth opportunities to local and regional transportation companies looking to offer a global service through our established IT systems, global network, and branding. Aside from providing additional revenue streams with minimal capital and management costs, franchising facilitates market entry, and allows us to benefit from local knowledge, grow our revenue base, expand brand awareness, and improve our service offering. The relationships we build through our franchises also help us to develop mutual corporate values and shared sustainable business practices.

Investing in Infrastructure and Technology to Support Organic Growth

There are various opportunities in our core markets to further develop products and services using existing infrastructure. By continuing to invest in purpose-built logistics facilities at existing Aramex locations, we aim to capitalize upon the increasing demand in the Middle East and South Asia for the outsourcing of supply chain and information management services. In keeping with our commitment to the highest environmental standards, all Aramex logistics centers constructed in 2011 are in the process of obtaining LEED certification, and we intend to ensure that all future facilities of this type undergo LEED certification. We will also continue to improve our communications network and information systems, investing in technology to achieve further enhancements in the quality and efficiency of our operations and customer service.

Aramex Netherlands moves its home to a multifunctional logistics park in Schiphol Airport.

Supporting Entrepreneurship and E-businesses to Encourage Growth in Trade

Our values, as well as our entrepreneurial history and culture, have given us a unique understanding of the strategic role enterpreneurship plays in development, creating jobs and generating macroeconomic growth. We continue to forge strategic partnerships with world-class institutions to provide direct mentorship, support and solutions for aspiring entrepreneurs, and actively work with local start-ups and SMEs to encourage and support the development of small businesses. Our efforts in this area are detailed in the Sustainability Focus Areas section of this report.

In view of the significant growth projected in e-commerce in the Middle East, Aramex is also building partnerships with online retailers. By bringing our extensive logistics expertise and infrastructure to bear in facilitating payment and delivery systems, we hope to spur further growth in trade by enabling SMEs to expand their markets through online platforms.

INVESTING IN OUR PEOPLE

Investing in our people remains to be the forefront of our priorities, and we consider this to be crucial to our sustainable growth. We continue to invest in our employees in a variety of different ways. By developing employee training programs through our corporate university, as well as partnering with leading regional and global academic institutions, promoting local leadership, ensuring good working conditions, and enhancing our human resource management systems, we aim to build a corporate culture that attracts and nurtures talent. For more details on our programs, please refer to the Our People section of this report on page 33.

CREATING VALUE FOR OUR CUSTOMERS

Aramex is a customer-centric organization that strives to deliver on its promises. We view our customers as long-term partners, and pride ourselves on our close engagement and responsiveness to clients, continuous service improvement and innovation, and specifically tailored solutions. For further details, please see Our Customers section of this report on page 38.

BEING ACTIVE CORPORATE CITIZENS

We believe that achieving long-term growth involves working to preserve the environment, and being a responsible, active partner in the communities in which we operate. We have therefore devised a framework to guide our corporate activism in specific focus areas, details of which can be found in the Sustainability Focus Areas section of this report on page 41.

KEY NON-FINANCIAL GOALS FOR 2012

The following table outlines our key non-financial issues and the corresponding goals we have set to achieve in 2012:

KEY AREA	2011 GOAL	STATUS	TARGET FOR 2012
EMPLOYEES			
Human Resources Management System	Expanding the adoption of our HRMS in 10 new stations	Achieved in 9 new locations	Finalize the rest of the network
Employee Satisfaction and Motivation	Developing action plans in response to employee satisfaction survey results	Complete	Continue work on implementation of action plans
Workplace Conditions	Piloting SA8000 certification in 2 stations	Pilot delayed	2 stations certified
	Providing human rights and labor rights training programs in major stations	In progress	Complete implementation
Learning and Development Framework	Revamp and update the career development plan ensuring alignment with the competency framework and required learning direction	Complete	Continue to improve
	Anti-bribery and corruption training	In progress	Implement across the network
Training Quality	Review and update Aramex training material	In progress	Continue work
	Expanding the delivery of soft skills training	In Progress	Continue work
	Monitoring and enforcing the alignment of trainers with the Aramex trainer selection criteria	Complete	Continue Work
Implement Online Education Practices	Run and test an on-line learning management system at Aramex	Complete	Choose a new system and start the implementation of a pilot phase
Executive Education	Hold at least one executive education program	Complete	Hold one executive education program
HEALTH & SAFETY			
Training	Continue the delivery of job specific health and safety training to all employees	In progress	Continue work
	Achieving OHSAS certification in 4 additional stations	Achieved in 2 stations	Achieve in 2 additional stations
Policies and Procedures	Update emergency evacuation plans	Complete	Continue to improve
	Update Health, Safety and Security related policies and manuals.	Complete	Continue to improve
Performance	Reduce accidents per shipment by 10%	Complete	Reduce by a further 10%
	Achieve Zero fatalities	Complete	Maintain

	Reduce Lost Time frequency rate by 10%	Complete	Reduce by a further 10%
Monitoring	Upgrade the data collection system for incidents/ accidents and root cause analysis.	Complete	Continue to improve
Safety	Upgrade safety and physical security measures in all facilities	Complete	Continue to improve
Quality	Achieving ISO 9001 in 3 additional stations	2 complete, 2 in preparation	2 new stations
	Pilot Cargo 2000 certification	Preparation complete; awaiting audit	Receive certification
	Develop a supplier evaluation form and piloting implementation with major suppliers	Form complete; implementation pending	Implementation for all suppliers
ENVIRONMENT			
Internal Awareness	Expanding the delivery of the environment awareness training program to all stations	Complete	Extend to entire network
Materials	Develop a packaging materials tracking system	In progress	To be implemented in 2012
	Implement a waste measurement system in 6 major stations	12 stations complete	Expand to 10 more stations
Performance	Conduct carbon footprint analysis with a third party	Complete; first report issued	Continue reporting and carbon footprint reduction
Facilities	Achieving LEED certification in all newly constructed logistics centers in 5 locations	All in progress; delay in construction	Finalize certification for all warehouses under construction
	Achieving ISO14001 in 10 stations	Complete	6 additional stations
CORPORATE ACTIVISM			
Engagement	Conduct 3 sessions of stakeholder dialogues	1 session conducted	Conduct 2 sessions
Reach	Expand corporate activism into emerging markets where we have expanded	Complete	Expand into Africa
	Support the education of around 200 youth	Complete	Support 300 students
	Empower entrepreneurs and SMEs by providing training programs	Complete	Continue
CUSTOMERS			
Customer Satisfaction Surveys	Identify and upgrade customer satisfaction measurement tools	Complete	Continue to improve
	Pilot the customer satisfaction measurement tools initiative at one of Aramex locations	Complete	Implement across remaining network
Service Excellence	Drive 50% of total transactions to be done electronically via Aramex e-tools	In progress	Improve
	Deploying the new customer service application in 9 locations	Applied in over 90% of locations	Complete implementation
	Upgrade our current customer service policies and procedures	Complete	Continue to improve
	Upgrade our contact center auditing system	Complete	Continue to improve
	Conduct customer service training for all frontline employees	Complete	Continue to improve
	Enhance incentive schemes for frontline employees	Complete	Continue to improve
	Provide customized solutions to support SMEs and entrepreneurs	In progress	Complete implementation
Complaint Handling	Upgrade our customer complaint system	Complete	Continue to improve
	Expand our complaint capturing mechanism to include all customer touch points	Complete	Continue to improve
Customer Engagement	Upgrade our social media engagement and reporting	Complete	Continue to improve

AWARDS AND MEMBERSHIPS

AWARDS IN 2011

Best Small Call Center at the 2011 UAE Call Center Awards 2011
Special Services Award at the 2011 British International Freight Association (BIFA) Awards in London
Most Improved Website in the Consumer and Lifestyle section of the Internet Awards Middle East, Dubai for (www.shopandship.com)

Receiving the Middle East Call Center Awards
for best Small Call Center

FORUMS, FOUNDATIONS, ASSOCIATIONS, AND NGOS

INJAZ	INJAZ al-Arab covering the Middle East
United Nations Global Compact (UNGC)	Members since 2007, we are now involved in human rights, anti-bribery, and anti-corruption working groups.
World Economic Forum (WEF)	• Global Corporate Citizenship Initiative Advisory Committee • Partnering Against Corruption Initiative (PACI) • Sustainability work stream working on Supply Chain De-carbonization
The Arab Foundation for Sustainable Development "Ruwwad"	Founding Member
The American Chamber of Commerce in Jordan (AmCham-Jordan)	Member
World Trade Center	Jordan Chapter Member
Jordan European Business Association (JEBA)	Member
Global Reporting Initiative	Organizational Stakeholder
Arab Sustainability Leadership Group	Part of the founding group
Chambers of Commerce in all countries of operations	Member
Women Against Violence Conference – Amman- Jordan Women Against Violence Association (WAV) (www.womenav.org)	Supporter Supporter
Arab Distributors Conference in Lebanon	Member
Digital Opportunity Trust DOT	Board Member
AMIDEAST Lebanon	Board Member

MEMBERSHIPS

FREIGHT	International Air Transport Association (IATA)	We are IATA-approved agents with individual CODE/CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, Czech Republic, Egypt, Ethiopia, France, Germany, Ghana, India, Indonesia, Iran, Iraq, Ireland, Jordan, Kuwait, Lebanon, Libya, Malta, Mauritius, Morocco, Nepal, Netherlands, Oman, Qatar, Saudi Arabia, Shanghai, Singapore, Slovakia, Sri Lanka, Sudan, Switzerland, Syria, Turkey, UAE, UK, USA, and Vietnam. Some main stations are individual members, while the remaining stations are in the process of becoming IATA-approved.
	The International Air Cargo Association (TIACA)	Member
	Fédération Internationale des Associations de Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founding member
	World Freight Alliance (WFA)	President
	Freight Forwarding Syndicate	Member
	Air Cargo Netherlands (ACN)	Member
	Fenex	Member
	EVO (Netherlands)	Member
LOGISTICS AND GROUND OPERATIONS	Supply Chain and Logistics Group	Member
Express	Global Distribution Alliance (GDA)	Founding member
	Express Delivery and Logistic Association	Member
INFORMATION TECHNOLOGY	Information Technology Association of Jordan (INTAJ)	Member
BUSINESS IMPROVEMENT AND EFFICIENCY	BSI Registered (British Standards Institute)	Member
SECURITY	Transported Assets Protection Association (TAPA) – Jordan	Member
	Transportation Security Association (TSA) – USA	Aramex is an indirect air carrier Aramex NYC is a member
	Customs Trade Partnership Against Terrorism (C-TPAT) - USA / Customs Dept.	TwoWay and Priority are listed agents
	Department for Transport (DfT) - UK	Listed agent (Aramex UK)
ENVIRONMENT	Arab Forum for Environment and Development (AFED)	Member
	Jordan Green Building Council (JGBC)	Member
	Abu Dhabi Sustainability Group (ADSG)	Member
OTHERS	KAMCO: Brokerage - USA	Member
	ABANA: Association of Arab Banks for North America	Member
	MCAA: Messenger Courier	Member
	Association of America	Member
	Private Investors for Africa	Member

GOVERNANCE

The current Aramex Board of Directors, which was elected by our Annual General Assembly on May 30, 2011, consists of the following members:

- Mr. Abdullah M. Mazrui, Chairman
- Mr. Fadi Ghandour, Founder, Chief Executive Officer and Director
- Mr. Helal Al-Marri, Director
- Mr. Ahmed Al-Badi, Director
- Mr. Arif Naqvi, Director
- Mr. Charles El Hage, Director
- Mr. Ayed Aljeaid, Director
- Mr. Mana Al-Mulla, Director
- Mr. hussein Hachem, Director

Aramex's nine-member Board of Directors strives to cement the company's position as a leader in corporate governance by implementing and upholding its Charter and Corporate Governance Guidelines. Seven of the Board members (78%), including its chairman, are independent non-executive directors, while the remaining two members are management representatives: Fadi Ghandour, the Founder and CEO of Aramex, and Hussein Hachem, Aramex CEO for the Middle East and Africa.

Our Board selection process involves nominations by shareholders and other Board members, and strictly adheres to the Board's Charter and Corporate Governance Guidelines. The process also ensures that all candidates are highly-qualified individuals who possess the necessary knowledge and expertise of material, environmental and social issues pertinent to the company and its operations. In the rare event that potential conflicts of interest arise, they are self-declared by the members of the Board, who are then excused from related discussions. Where necessary, the Chair or other members are also entitled to identify potential conflicts of interest involving other members.

The Board meets regularly, in accordance with our internal corporate governance code, while shareholders are entitled to raise issues with the Board during the Annual General Meeting. Two standing Committees — the Audit Committee and the Nomination and Remuneration Committee — have their own charters that stipulate their responsibilities and tasks. The Audit Committee receives direct reports from Aramex's Internal Audit function and briefs the Board accordingly, in compliance with the corporate governance code of the Securities and Commodities Authority (SCA of the United Arab Emirates). The Internal Audit department employs a systematic and disciplined approach to the evaluation and improvement of the company's effectiveness in the areas of risk management, control, and governance processes. Operating under the standards set forth by the Institute of Internal Auditors, the Audit department provides the Board of Directors, the Audit Committee and the Management with independent assurance that financial and operational mechanisms are functioning as intended. It also serves to reassure members that appropriate control mechanisms are in place to manage areas of high-risk and implement benchmark policies, procedures and activities to achieve best practices.

In keeping with Aramex's commitment to being a responsible corporate citizen, our Founder and CEO, Mr. Fadi Ghandour, regularly briefs the Board on the company's strategic stakeholder approach, as well as its sustainability initiatives and results, and how these elements relate to overall corporate performance. Aramex strives to continuously pursue sustainability at the corporate level, and implements internal policies relating to the environment, responsible procurement, and whistle-blowing. Strategic sustainability-related decisions are discussed at Board meetings, and Board approval is required for all major sustainability initiatives or targets prior to their implementation, as per the Board's code of conduct.

In line with the AccountAbility AA1000 principle of inclusivity, shareholders and employees are encouraged to provide input via the whistle-blowing mechanism offered through the company's intranet. Our whistle-blowing policy, implemented to emphasize Aramex's commitment to transparency, ensures discrepancies are reported and dealt with promptly to ensure ethical business practices and protect employees. While the Board does not generally have direct contact with employees, it remains fully appraised of their opinions and concerns through the feedback processes offered by the Aramex system.

Each year the company's shareholders receive the Board's recommendation regarding the remuneration to be paid to the company's directors. For the year ended December 31, 2011, the Company's shareholders approved the Board's recommendation that directors would receive US $54,795 each. In order to automatically succeed in placing an item on the Board's agenda, a shareholder must possess a holding of at least 10% of the company's shares. At present, the highest holding is less than 10%, which means items for discussion are tabled at the Board's discretion.

Aramex is listed on the Dubai Financial Market (DFM), and complies with the Securities and Commodities Authority's (SCA) Corporate Governance Regulations for Joint Stock Companies and Institutional Discipline Criteria, a mandatory requirement since 2010. Furthermore, building on our commitment to transparency, we have produced an independent governance report in compliance with the SCA, which is available on our website.

As a member of the transportation and logistics community, Aramex complies with all necessary regulations related to the industry; these include stipulations delivered by local and international regulators covering the handling of hazardous material and the accuracy of labeling and information concerning our services.

We strive to ensure that the impact of our services on all stakeholders is consistently positive, and that any negative impact we may have is reduced to an absolute minimum; for example, we are working tirelessly to reduce our carbon footprint.

We incorporated ethical business training into our induction program for the first time in 2011, and continued to provide further training to those leading our major operations. We view our training regime as an ongoing, continuous process, and intend to increase the frequency of our programs for existing employees.

During 2011 Aramex did not experience any instances of non-compliance with local or international regulators, nor did we face any anti-competitive or antitrust legal actions—an indication of the success of our aim to ensure all operations comply with applicable international and national laws and regulations.

Our internal auditing team conducts regular audits on all our offices covering all lines of business; this also includes corruption risk assessments. A single case of corruption was reported during 2011, in which an employee in Dubai sought a bribe to secure a job for a prospective candidate; the attempted corruption was detected, resulting in the termination of the employee concerned. Being a local company in each market Aramex always try to source its purchases from the local suppliers; we have issued our responsible procurement policy last year and we made sure that this policy is implemented; on their other hand end of 2011 we started a process of calculating the data for all our purchases per location and to analyze which items can be sources locally and which needs to come from outside.

Aramex policy dictates that the company shall not accept any funds from governments or political parties, and no such funds were received during 2011; neither will the company lend its support to any political party or movement.

Human Rights

Engrained in our organizational culture, and formalized by our signing of the United Nations Global Compact, is our steadfast attention to human rights in all our business activities. We ensure that our stakeholder-based code of conduct emphasizes the importance of human rights, including equal opportunities and treatment of employees, health and safety standards in the workplace, and respect for diversity in our workforce.

We have finalized a supplier evaluation form covering all issues related to human and labor rights; this will be rolled out during 2012 to ensure that all of our suppliers are fulfilling their obligations to human and labor rights requirements in all their business and non-business areas, in keeping with international standards.

MANAGEMENT (APPROACH AND SYSTEMS)

Aramex remains committed to delivering on its promises to all stakeholders during prosperous and challenging times. Thanks to our agile business model, entrepreneurial people, and holistic management approach, we achieved remarkable financial results and continue to deliver value to all stakeholders through the global recession and in times of uncertainty and instability.

Our federal structure, in addition to our partnership model with businesses, social entrepreneurs and local, regional and international NGOs among other partners; enables us to directly invest in the communities we exist in by creating employment opportunities and contributing to the social and economic development of the countries in which we operate. Recognizing that our core services of transportation and logistics have a direct impact on the environment, we continue seeking mitigation measures through the development and instatement of responsible policies. As an example, our responsible procurement policy requires the careful consideration of vehicle emission levels before inclusion in our fleet, while our selection of consumables is based on environmentally- friendly criteria. Our recent upgrades have included the use of labels instead of paper-intensive waybills, and the automation of processes with the aim of reducing paper consumption. Furthermore, we continue to engage our employees in internal awareness campaigns and trainings that focus on the conservation of energy, water and paper among other issues. Our ongoing commitment towards responsible environmental management is reflected by the maintenance of ISO 14001 certification at eighteen sites (ten new additions in 2011) and our plans to receive the certification in six additional sites in 2012.

Our people are at the heart of Aramex. Accordingly, we uphold our policies as an equal opportunity employer, while investing in the ongoing training and career development of our existing human capital. By building and maintaining a culture that fosters innovation, empowerment and intrapreneurship, we continue to provide job satisfaction and drive better productivity. Furthermore, we ensure employee well-being by implementing the highest health, safety and security measures. Currently, we are in compliance with OHSAS 18001 principles, maintain certification at fifteen stations (two new additions in 2011) and we are planning to certify six additional stations in 2012. As well, we are in the process of adopting SA8000 international labour standards, and incorporating and complying with the AA1000 principles into our business model.

Continuous Improvement

The pursuit of continuous improvement remains at the core of our management approach. The adoption of innovative technologies and standards is a strategic need and commitment, one that results in better monitoring and higher quality performance. Our global network remains connected through an integrated communication system, ensuring seamless flow of information across our global operations. In addition to the ongoing deployment of advanced tracking systems, Aramex is actively developing IT solutions that continuously enhance our services.

Meanwhile, our specialist Business Improvement and Efficiency team monitors and assesses our adherence to corporate policies, standards and procedures as set forth in the network wide ‘InfoHub’. This system is continuously updated according to needs that arise and is certified by the British Standards Institute (BSI). To further improve the safety of our operations and ensure quality of service, we launched a ‘Together for Safer Roads’ campaign in 2010 and deployed an upgraded Global Case System for tracking and responding to complaints, where the public can identify Aramex cars and contact us in case of complaints. The system is also used to follow up on noise complaints.

In our efforts for continuous improvement, we have achieved ISO 9001:2008 certification in 28 stations and ISO 14001 certification in eighteen sites. Additionally, we have maintained certification by the Transport Asset Protection Association (TAPA), which provides rigorous guidelines and assessment criteria to ensure that every company meets a specified level of security, in six of our stations and we aim to obtain this certification for other facilities in our network.

GLOBAL COMPLIANCE

In the pursuit of responsible, profitable growth, Aramex remains wholly committed to compliance with local and international laws, regulations and standards. We seek to propel our ongoing efforts in the areas of policymaking, social activism and organizational improvement by pursuing best practices in:

- Stakeholder engagement
- Financial reporting
- Anti-corruption measures
- Human rights
- Labor rights
- Environmental impact mitigation

In developing and nurturing our corporate culture, we follow the **AccountAbility (AA1000) Stakeholder Engagement Standard**, which advocates the principles of inclusivity, materiality and responsiveness. Aramex’s open-door policy and firm belief in inclusivity encourages and facilitates collective decision making. We actively encourage engagement with investors, customers, suppliers, employees and the broader community through our online portals, which act as a forum for multi-stakeholder communication. We judge our success based on the principle of responsiveness — our ability to address stakeholder concerns through policy making and the implementation of community and environmental initiatives.

Financial transparency is a key element of our belief in ethical business practices. Our financial reporting systems are based on the **International Financial Reporting Standards (IFRS)** and the requirements set forth by the **International Accounting Standards Board (IASB)**. We also continue to be involved with the World Economic Forum's Partnering Against Corruption Initiative (PACI), and are developing robust internal controls via our financial policies, code of conduct and recently-launched ethical business practices training.

As a proud signatory and active supporter of the **United Nations Global Compact (UNGC)**, we have embraced and implemented core practices in the areas of anti-corruption, human rights, labor standards and the environment. Throughout our international operations, we remain committed to protecting human rights and respecting labor standards via a human resource governance structure founded on the principles of the United Nation's **International Labor Organization (ILO)**.

We have also recently initiated the adoption of the Social **Accountability 8000 (SA8000)** standard, developed by Social Accountability International for independent auditing and certification of labor practices. This standard has been deployed through internal organizational audits in Egypt, England and Ireland. The outcomes of these efforts have been analyzed and have helped identify focus areas that must be addressed to meet certification requirements.

Aramex is committed to compliance with environmental standards throughout its operations. Through our commitment to the United Nations Global Compact, and as highlighted throughout this integrated report, we aspire to become an industry leader in the adoption and propagation of policies that help to build a cleaner and greener planet.

STAKEHOLDER ENGAGEMENT

At Aramex, we believe that our stakeholders are our partners. Therefore, a vital element in our sustainability strategy is our commitment to transparent, long-term engagement with a broad spectrum of stakeholders.

We communicate with our stakeholders through an open and ongoing dialogue that helps us to better understand their views and to share ours. This process helps us identify issues of concern and challenges and address them effectively. We view this as an essential part of our decision-making process, resulting in a comprehensive appreciation of the shared challenges facing us and the solutions that are most likely to succeed.

In 2011 we continued to pursue an open dialogue with all our stakeholders, including via a multi-stakeholder engagement consultation in Dubai, UAE. Aramex benefited from the wide range of stakeholders involved in this process, discussing social responsibilities, answering queries, and communicating areas of interest to participants. This stakeholder engagement exercise will serve to assist us in improving our performance by creating the opportunity for stakeholders to provide valuable input for us to consider when developing and implementing future management strategies. We will build on this successful event with a larger stakeholder engagement exercise planned for 2012.

Our approach was to enable open dialogue through an interactive workshop, thereby allowing us to identify new ideas for social investment, as well as to receive feedback and respond to issues that concern our stakeholders. The workshop was attended by groups representing civil society, government, and business and commerce. It was also attended by representatives from Aramex's senior management and a third party that facilitated the session and posed a range of assessment questions to capture stakeholders' key perceptions and knowledge levels concerning the following areas:

- Social investment
- Commitment to labor rights and human resources development
- Employability and 'base-of-the-pyramid' approach
- Environmental footprint
- Product responsibility
- Customer rights

The workshop had various outcomes and recommendations that have been identified as important considerations in the design of Aramex's future sustainability and stakeholder engagement strategies, including:

- Communicating sustainability initiatives to stakeholders
- Using market research to periodically gauge the perception of communities in each social investment project
- Engaging employees in decision-making related to CSR
- Raising the internal awareness of employees regarding CSR issues

In response to the focus areas identified by the workshop, we sought to improve our performance in 2011 by:

- Enriching our induction programs through the introduction of more sustainability awareness material
- Increasing our engagement activities in the region to better communicate our strategy and achievements
- Preparing the first impact assessment report on our Ruwwad project

We also continued to focus on enhancing our traditional stakeholder engagement processes during 2011 with the integration of online portals and social media outlets. By adopting effective reporting of our performance in key areas, and opening enhanced channels of dialogue and communication, we hope to further align our business practices with stakeholders' needs and aspirations.

The following table provides an overview of Aramex's main stakeholders and the processes, priorities and outcomes of our engagement with each group.

EMPLOYEES	ENGAGEMENT PROCESSES
Our diverse workforce comprises over 9,500 direct employees and around 1,600 indirect employees across the globe; this year Aramex acquired new companies in Asia and Africa, further enriching the diversity of our employees[1].	• Operational meetings • Station meetings, functional meetings and regional meetings • Team brainstorming sessions • Individual performance appraisals • Internal surveys • Employee social events • Employee satisfaction survey • Management retreats • Annual leaders' conferences • Online communications (social media, email shots, video channels) • Internal collaboration tools • Training, education and workshops
	PRIORITIES
	• Development through internal training, executive education and workshops • Knowledge sharing • Empowerment and ownership of work • Performance-based progression opportunities • Healthy work environment • Maintaining strong corporate culture, values and reputation • Job security and safety • Competitive salary and benefits
	EFFORTS AND OUTCOMES
	• Feedback-based enhancements to the Aramex Corporate University to improve the quality and effectiveness of training and career development • Conducted an independent and comprehensive employee satisfaction survey • Continued the Global Change Leaders' program, a 12-month process to empower and nurture senior managers, with the aim of creating the global leaders of tomorrow • Celebrated our frontline employees in 'Aramex Courier Day' • Regional leaders' meetings held in various areas of operation • Organized sports events, such as the Aramex Gulf Cup soccer tournament and Jordan Football Championship • Internal promotion of several regional and national managers

CUSTOMERS	ENGAGEMENT PROCESSES
We serve over 60,000 customers spanning the Middle East and North Africa, Europe, Asia, and North America. 1	• Personal feedback meetings • Online communication channels, such as social media and live chat • Branches and outlets • Contact centers • Customer service surveys • Stakeholder engagement event in Dubai
	PRIORITIES
	• Provision of customized services that cater to customers' needs • High-quality service and responsive customer support • Cost-effective solutions that offer competitive value for money • On-time delivery • Safety and privacy
	EFFORTS AND OUTCOMES
	• Enhancements to the customer complaint system to drive ongoing operational improvements • Roll out the Global Case system to most locations • Enhanced customer service through social media, web and desktop tools, iPhone application, and live chat • Continued deployment of a state-of-the-art Aramex Contact Center system that centralizes communications, provides automated integration with the global customer database, and logs workflow activity for quality analysis and assurance purposes • Continue the customer service training of our frontline employees (around 3,500 ground couriers were trained in 2011)

1 Excluding Shop and Ship customers

BUSINESS PARTNERS	ENGAGEMENT PROCESSES
Our partners include airlines, sea cargo carriers, vehicle leasing companies, subcontractors, and NGOs.	• Ongoing negotiations, transactions and service provision
	PRIORITIES
	• Long-term business relationships with Aramex • Accessibility to new business ventures with Aramex • Providing increasing value to partners • Preservation of ethical values
	EFFORTS AND OUTCOMES
	• Maintenance of open communication channels that support compatible operational standards • Provision of logistical support to NGOs • Annual General Meetings to actively engage partners in the World Freight Alliance (WFA) and the Global Distribution Alliance (GDA) • Support for SMEs and entrepreneurs • Development of Supplier evaluation form for implementation in 2012
SHAREHOLDERS	**ENGAGEMENT PROCESSES**
As of 2011 year end, Aramex had 25,207 shareholders, with the largest individual shareholder owning less than 10% and institutional investors holding approximately 46% ownership.	• Annual General Meetings • Annual Reports • Quarterly Earnings Reports • Press releases • Online section for 'Investor Relations' • Direct contact through the Investor Relations Office
	PRIORITIES
	• Above average return on investments • Effective and efficient governance • Outstanding corporate reputation and brand • Sustainable and long-term growth • High integrity and transparency
	EFFORTS AND OUTCOMES
	• Consistent shareholder engagement through investor calls and meetings • Sustained profitability and growth through 2011 • Sound business integrity
COMM	**ENGAGEMENT PROCESSES**
The broader society to which Aramex services and connections extend.	• Direct and indirect feedback from local communities, customers, employees, and their families • Attendance of several events to spread awareness of the importance of civic engagement in the region • Participation and investment in community events to address specific community issues (such as noise pollution, traffic congestion, and road safety) • Partnering with national sports organizations to promote various sporting activities • Expanding our Ruwwad model to other geographic areas
	PRIORITIES
	• Remaining an engaged and proactive corporate citizen by creating shared values, responding to community needs, forging partnerships to address challenges and contributing to development • Job creation, local hiring and competitive wages • Disaster response and facilitating individual contributions towards disaster relief • Noise management • Road safety and traffic reduction • Inclusion of marginalized communities

EFFORTS AND OUTCOMES

- Direct community engagement via major initiatives such as our partnership with Ruwwad for Development
- Expansion of community activism in the emerging markets of India, Sri Lanka, Palestine, Lebanon and Egypt, among other countries
- Continued our successful partnership with INJAZ al-Arab in ten countries and with INJAZ Gaza to provide local schools and universities with volunteers from Aramex employees in the region
- Utilization of Aramex's logistics network for emergency relief efforts in Libya
- Encouragement and support of employee volunteerism and fundraising efforts through partnerships such as the Ruwwad enrichment programs, and Volunteer in Dubai (VID)
- Supporting entrepreneurship through partnerships such as WAMDA and MIT
- Expand the Ruwwad model in both Egypt and Palestine and launch the process for Lebanon
- Identify new partners in the areas where we have launched new operations
- Partnerships with local traffic authorities to train our couriers in road safety
- Design and deliver enrichment programs in partnership with Ruwwad Jordan

THE ENVIRONMENT

Those NGOs and other environmental stakeholders who act on behalf of future generations.

ENGAGEMENT PROCESSES

- Internal environmental training and awareness campaigns
- Ongoing communication with NGOs to proactively respond to any concerns or inquiries
- Collaboration with institutions and networks with a focus on the environment
- Use of Aramex premises as a training model for environmental organizations
- Production of the first Aramex carbon footprint report

PRIORITIES

- Increased environmental awareness
- Carbon footprint reduction
- Green Building operation
- Regulatory compliance

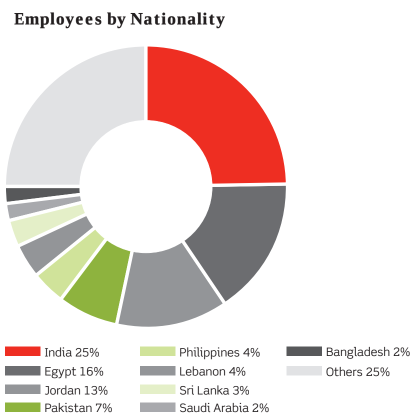
EFFORTS AND OUTCOMES

- Continued support for the Arab Forum for Environmental Development (AFED) magazine
- Introduction of alternative technologies in our ground transportation fleet – including hybrid electric and battery operated scooters
- Intensified pursuit of environmental compliance standards such as LEED for newly constructed logistics centers, and ISO14001 certification for 10 new stations
- Continued tree planting efforts in Lebanon and Jordan
- Continued our successful partnership with Purdue University to support Master's level students in Jordan, Lebanon and Palestine
- Begin a pilot for testing bio-diesel in our Dubai operations
- Test different means of reducing fuel consumption

OUR PEOPLE

We view our people as our most valuable asset, and a primary reason for our continuous growth and success. Our peoples' talent and endless passion has enabled us, over the years, to be flexible, creative and innovative and we firmly believe that investing in our human resources will drive the sustained and long-term growth of Aramex.

In 2011, we expanded our workforce by 10%, thanks to our acquisition of new companies in both Asia and Africa, and to further business growth in our existing locations. Throughout the year, we have continued to improve the quality of our employee training programs by revamping some of our training material and introducing new aspects to both basic training for new employees and enrichment programs for our existing staff. Our company strategy is to retain all the staff of the companies we acquire, most of whom are local people.

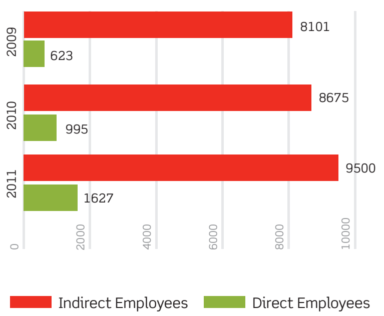


We are proud of our employee diversity, and count more than 80 different nationalities among our workforce.

Managers: Locals vs Expatriates

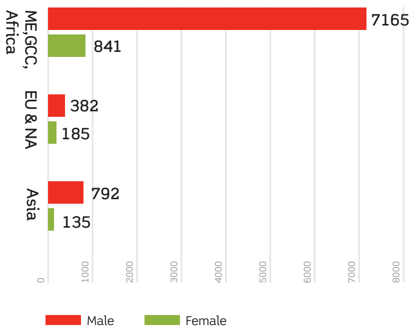
The percentage of local vs. expatriate managers in our workforce remains the same as last year, 54% and 46%, respectively.

Direct Employees vs Indirect Employees



Our business continues to expand year on year, as does our workforce; the graph below shows the increase in both our direct and indirect employees over the past three years.

Gender per region



Our recruitment process is based on qualifications and passing certain exams; we also do several interviews before we decide on the employment. In addition, our human resource governance structure is founded on the principles set forth by the United Nation's International Labor Organization (ILO)

We employ a diverse range of people from different age groups, with 81% of our workforce aged 18 to 40 years old. We are proud of the fact that 41% of our present employees have been with us for more than five years. Last year we expanded the number of our direct employees by a further 9.5%, and succeeded in increasing the proportion of our female employees, who now account for an impressive 12% of our workforce.

Training hours per employee this year, excluding Ground Couriers, totaled 20 hours. Training received by our Ground Couriers and indirect employees was combined this year, and averaged eight hours.

This year we conducted an employee satisfaction survey of all our employees in collaboration with the Hay Group. The 65 questions posed by the survey were grouped into 16 separate "dimensions"; these are listed on the left of the figure below, while the related results of each dimension (percentage of favorable answers) appear on the right, alongside a comparison to the Hay Groups' High Performance (HP) benchmark; a global indicator based on some of the world's most admired companies.

Aramex scored 11% higher than the Hay Group benchmark, which is updated each year and comprises companies that achieve sustainable business performance and return on investment over multiple years by successfully engaging and motivating their employees.

Our employees received USD 182.795 million in salaries and other benefits during 2011, while USD 4.1 million was paid out in the form of local taxes to support local development in the countries in which we operate.

Key findings of the Employee Satisfaction Survey conducted by Aramex in 2011

We provide our employees with compensation and benefits that are competitive within our industry and are continuously compared against other employers in the markets where we operate. Through this process, we aim to meet and exceed local standards; for example, entry-level salary identified by the Jordan Engineers Association is 350 JOD, while the entry-level salary for all of our employees in Jordan is 400 JOD.

We work according to local labor laws and national social security laws which govern employees' retirement benefits, and always comply with local laws and regulations when it comes to our salaries; indeed, we adhere to minimum wage requirements in all of the countries in which we operate, and in most we exceed them. We also provide our employees with health insurance policies and in some countries, such as Jordan, we provide additional cover for diseases including cancer.

Aramex always seeks to ensure that our full-time employees receive the benefits they are entitled to under local labor laws. As far as our indirect employees are concerned, however, their benefits are provided by their main employers. Meanwhile, for our short-term workers we depend on respected agencies and companies that specialize in the temporary supply of manpower, thus supporting the continuity and job security of these workers.

We do not operate any policy that prohibits freedom of association, collective bargaining, or membership of labor unions. Two years ago, our employees in Bahrain formed an Aramex labor union, and in Jordan all the engineers and

Celebrating our couriers in Cyprus

lawyers we employ are members of labor unions. However, in some countries where we operate, unions are either illegal or inactive. Ultimately, Aramex respects all collective actions taken by employees and ensures that their needs are satisfied. Furthermore, we seek to involve our employees in our decision-making processes, regularly engaging with them via team meetings, and through our intranet service and messaging system.

We encourage the development of our employees by delivering training programs to improve their skills, providing valuable experiences they will continue to benefit from even after they retire or leave the company for careers outside Aramex. For example, through our Global Change Leaders program we sent Aramex participants for three weeks of training at some of the world's best business schools in 2011; we also maintain a training program with the American University of Beirut that 24 of our Middle Management benefitted from in the past year.

As part of our HR policy, each employee receives two performance evaluations each year, while managers and higher-level management undergo this process once per year. The purpose of these evaluations is to establish and agree on employees' plans for the coming period, assess their performance to date, and set their training calendar for the period ahead.

Training on our code of conduct is delivered as part of our induction program, and parts of the code are also featured in the employee handbook. In 2012 we aim to conduct broader training on the code, and are in contact with international organizations to provide labor and human rights training for our employees. Furthermore, all our security personnel receive special training on Aramex policies and procedures, including those related to human and labor rights.

Our HR policies and our code of conduct serve as a platform for eliminating all kinds of discrimination. We also have a grievance committee in each office that allows employees to report any violations to their human or labor rights. No cases of discrimination were reported in 2011.

The Aramex employment policy states that we only employ people who have completed high school. Aside from in Saudi Arabia where we employ two 17-year-old individuals, the rest of our global workforce is aged 18 and above.

To create a healthy work–life balance Aramex provides flexible working hours for mothers with newborn babies, and most of our female employees return to work after taking maternity leave.

Most of our employees are located in urban areas where communications are always available; we have some truck drivers most of which are subcontracted; who travel across boarders; for those also the mobile phone are available

We remain committed to all national and international labor laws and regulations including those specified by the UN Global Compact (UNGC) and the International Labor Organization (ILO). Also, our internal audit team runs annual audits on all Aramex facilities to ensure the correct procedures and policies are followed, and we are currently developing an audit mechanism for human and labor rights that will be implemented in 2012.

HEALTH, SAFETY AND SECURITY

Part of the commitment we make to our people is our pledge to ensure a healthy, safe, and secure working environment for all our employees. Our expanding adherence to the Occupational Health & Safety Advisory Services' (OHSAS) 18001 management standard has resulted in fifteen of our stations across Europe and the Middle East receiving certification. OHSAS 18001 guarantees the highest levels of health and safety within the workplace, and covers all employee health and safety concerns.

Aramex did not experience any non-compliance issues with local or international regulators during 2011, largely as a result of our continuing commitment to ensuring compliance in all aspects of our operations. We have succeeded in achieving certification at two additional stations during 2011, are pursuing certification in a further six new stations in 2012, and shall continue to strictly adhere to OHSAS in other regions to ensure the consistent implementation of these standards across our network.

We continue to deliver job-specific awareness training programs to new employees and existing staff to prevent work-related injuries. These courses include general health and safety guidelines, as well as elements that focus on specific areas such as safe driving and maintaining a healthy back.

We meticulously log all health and safety incidents in order to accurately gauge our performance and guide ongoing improvement efforts.

The statistics covering the last three years are summarized below:

HEALTH AND SAFETY SUMMARY

	2009	2010	2011
Fatalities	0	2	0
Accidents per million shipments	20	14.3	12.3
Percentage change in accidents per million shipments	-28%	-21%	-14%
Lost Time Injuries per million shipments (days)	1.72	2.6	6.7
Lost Time Injuries Frequency Rate	0.51	0.41	0.33

This year we experienced zero fatalities across our entire network, while the frequency of accidents per million shipments decreased to 12.3 from 14.3 in 2010.

Being none assets based company and not operating our own planes; vessels; we never had any incident of ships being held by ports authorities

NORMALIZING INDICATORS

	2009	2010	2011
Total Shipments	25,455,130	29,797,799	31,196,164
Total lost time (days)	591	577	432
Total Lost Time Injuries	54	28	39
Total working hours across the network	17,303,736	18,506,304	20,292,000
Total working days	2,162,967	2,313,288	2,536,500

Our ongoing training programs have resulted in an improvement in certain indicators, and we have now expanded our role-specific training to include all functions. We have also teamed up with local traffic authorities in some of the countries in which we operate to deliver safe driver training to our employees.

VEHICLE RELATED INCIDENTS

	2009	2010	2011
Vehicle Lost Time (days)	323	426	385
Vehicle Accidents (resulting in injury)	34	13	26
Vehicle Accidents (no injury)	403	413	359
Vehicle Lost Time Injuries	44	76	208

Although we have increased our number of operating warehouses this year by opening more than 15 new facilities, we have simultaneously managed to improve upon our low rate of warehouse-related accidents.

WAREHOUSE RELATED INCIDENTS

	2009	2010	2011
Warehouse lost time (days)	139	151	47
Warehouse Accidents (no injury/minor injury)	20	55	34
Warehouse Accidents (resulting in Lost Time Injuries)	10	15	13
Lost time per million shipments	15	5	2
Lost time/total time	0.023%	0.025%	0.019%

We continue to maintain the highest levels of physical security by implementing new procedures, empowering security officers, and providing staff with the proper tools, equipment and training to ensure their personal safety. Furthermore, we provide all our employees with health insurance policies, and in some countries – such as Jordan – we also provide additional cover for diseases including cancer, though this is not an explicit requirement of any current union agreements.

OUR CUSTOMERS

We are dedicated to our customers, and believe that close engagement with our clients is essential in order to continue delivering high quality services and innovative products to satisfy their needs. To this end, during 2011 we have continued to work on streamlining our customer feedback mechanisms to reduce the time it takes to respond effectively to customer concerns. Our activities this year included the following projects designed to support our customers and improve our customer service:

1- Deployment of the Reach system (Aramex's Customer Relationship Management system) has now begun, and the system has been rolled out across key countries of our network, covering over 60,000 customer records. The system supports a comprehensive customer management approach by providing our team members with a holistic view of all customers' interactions with Aramex, including their profiles, transaction histories, and concerns and issues.

2- Our Value Express service has been one of the most popular offerings among our customers. During 2011 we expanded the service in order to benefit a larger number of locations and users. This reflects our desire to be responsive to our customers'

evolving needs by offering the most cost effective services and providing them with a competitive advantage in their respective markets.

3- We have sought to place emphasis on e-commerce enablement and development during 2011 by partnering with technology providers, offering a Cash-on-Delivery service in countries where credit cards are not widely used, and developing residential address delivery services.

Our recently launched Call Center in Saudi Arabia

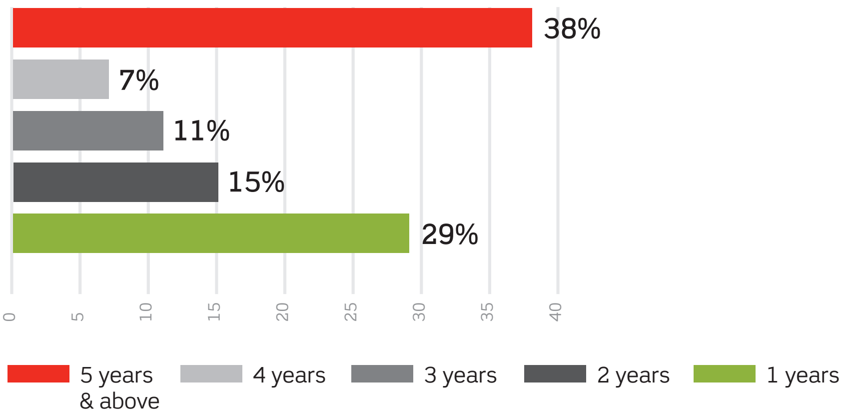
4- As part of our ongoing support for entrepreneurs, start-ups, and small and medium-sized enterprises (SMEs), we have designed a special SME product offering to help these customers grow their businesses and gain a competitive edge in their respective markets.

5- We continued to enhance our GCS (Global Case System) and implement it across the whole of our network in 2011, further facilitating our customer feedback and response capabilities. The system was first developed in 2010, and now covers most of our operations around the world.

6- We continue to provide customer service training for our frontline employees, including our call center staff, customer management teams, and customer service teams. Our frontline employees are the primary point of contact with our customers, so providing them with the requisite skills and tools to conduct their work efficiently is a priority. We conducted training for more than 1,100 frontline employees across our network in 2011, honing their basic customer service, communication, telephone handling, and time management skills. Preparations are underway to conduct a similar program for our couriers in 2012.

7- Our Shop and Ship customers appreciate being able to access up-to-date information on their shipments online. Therefore, as part of our vision to increase interaction with clients, we have

Customer Retention



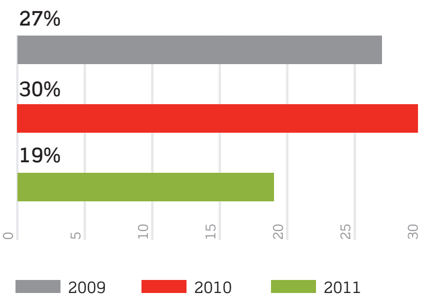
expanded the geographical implementation of our Shop and Ship live chat system, enabling more online clients to interact directly with our customer service teams and obtain information whenever they need it.

8- In order to further improve our sales and customer service functions, we have implemented a new Point of Sale system at our reception desks. This enables our front desk employees to process customer requests faster, and provides an integrated picture of our interaction with clients, even for walk-ins or irregular customers.

9- We have moved aggressively this year to recruit new customers, while maintaining our existing customer base, as illustrated in the graph above.

10- The graph below shows how our online users have grown over the past four years. The number of Aramex online users grew to 240,058 from 202,502 during 2011, facilitating more efficient customer service through online information access, and reducing the load on customer service agents, thereby enabling them to deal with the more time-consuming customer requests.

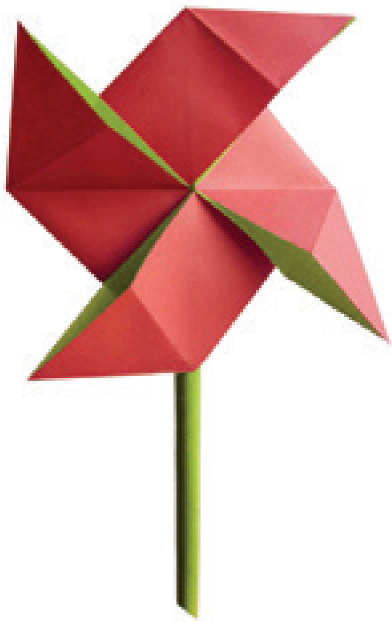
Percentage increase in the total number of online users



11- During 2011 we conducted a survey to record weaknesses in our service identified by our customers, with a view to enhancing our customer service and operations processes to better satisfy their needs and expectations. Having our team members visit our clients according to the frequency of their use of our services allows us to identify important issues related to customer satisfaction early in the process and work toward resolving them. Although we believe that our reputation is developed most effectively through direct interaction with customers, we do advertise sparingly and in full compliance with local and international laws. When supporting events and initiatives, we always aim to establish ourselves as

active partners, rather than as sponsors or donors. When we do come across sponsorship opportunities, they are evaluated by our sustainability council in accordance with our sustainability guidelines to ensure that they do not contravene company policies.

We did not face any national or international non-compliance issues with respect to our marketing activities in 2011. Nor did we receive any reported complaints from customers regarding the privacy of their information, thanks to our code of ethics and information security policy, both of which guarantee that customer information always remains highly secure.



SUSTAINABILITY FOCUS AREAS

Since releasing our first Sustainability Report in 2006, we have maintained a comprehensive framework for the planning, execution, monitoring, reporting, and ongoing improvement of our efforts towards sustainability. This framework serves as a platform for our partnership model and helps us maintain consistent engagement on a broad range of issues.

Our sustainability focus areas include:

- Education and Youth Empowerment
- Entrepreneurship
- Community Development
- Emergency Relief
- Sports
- Environment

Our long-standing support of the Ruwwad program remains at the forefront of our community development efforts. This private sector-led regional initiative, co-founded by Aramex, empowers disadvantaged communities to overcome marginalization through youth activism, civic engagement, and education.

Over the years, Aramex has worked closely with Ruwwad in the development of its internal organizational systems, particularly in the departments of Finance, Marketing, Auditing, Human Resources, and Information Technology. As a result, the initiative was able to transition to a self-sustaining organization in 2010, geared towards the

Opening of the library, in the Nahr-Albared refugee camp in Lebanon

long-term empowerment of its stakeholders.

Ruwwad's goals for 2012 are to deepen its community participation and engagement by expanding its youth program, and to bolster its efforts toward community development through the empowerment of women. The program also seeks to improve communication with stakeholders, maximize accountability, and achieve further implementation of robust monitoring and evaluation systems covering its various initiatives and activities.

We remain active members in a number of different initiatives regionally and globally; including the UNGC anti-bribery and corruption; the World Economic Forum PACI initiative; the Pearl initiative in the GCC and others.

We have started operations in 10 new warehouse facilities across the globe in 2011, which provided hundreds of job opportunities in the respective countries. We also continued our engagement with the local communities in the countries we operate in through continued support to entrepreneurs (refer to the Entrepreneurs section), support for youth empowerment and education efforts through the provision of much needed skills to the youth, and the support of more than 300 youth in their university education. In addition, we rolled out several campaigns to support education, including the 6 minutes campaign aimed at creating a community of readers, in Ruwwad Jordan (refer to the Community Development section)

This section is designed to highlight the various challenges and successes, as pertaining to the individual sustainability focus areas.

EDUCATION AND YOUTH EMPOWERMENT

At Aramex we believe that the education and empowerment of a country's youth represents the key to the development of a prosperous and sustainable society. To this end, we continue to participate in a variety of initiatives that educate and empower young people to take advantage of development opportunities that allow them to support the growth and prosperity of their local communities. Throughout 2011, our educational and youth empowerment activities across the Middle East and South-East Asia comprised the following initiatives:

Regional

We continue work with INJAZ al-Arab across the region, supporting the worthy goals of this program by providing volunteers in local schools and universities. This marked the second year of our three-year commitment to supporting the INJAZ initiative in Gaza, and our employees continue

Graduation of the Mousab Khorma Youth Scholarship Fund in 2011 to volunteer for INJAZ initiatives around the world, from Jordan and Saudi Arabia to Bahrain and Morocco.

Meanwhile, in Saudi Arabia we supported INJAZ's 'CEO of the Year,' competition, and in Jordan, Palestine and Lebanon we assisted Purdue University with three projects to support local communities, bringing together Purdue scholars and students, local university professors, and NGOs representing local communities.

India

- We have introduced a program to provide private school education for the children of our ground couriers, inducting more than 70 children into the program to date.
- We are currently supporting the education of two postgraduate students.

Jordan

Our ongoing efforts towards educating and empowering Jordanian youth continued through 2011, and included:

- Further support for the Industrial Engineering faculty at the University of Jordan, assisting students with their graduation projects and building on the support Aramex provided in 2010.
- Holding a regional robotics competition to encourage the pursuit of science and innovation among young people.

- Aramex Jordan continued to support the Erada initiative, with its employees renovating facilities in two schools in the Jabal Al-Nathief area of Amman and providing them with the necessary material to run their education programs. This project is serving as a prototype to encourage other private sector companies to support education.
- Aramex also supported school students in building a robotics lab in Tafileh, Jordan.

Palestine

In 2011 Aramex continued to assist student-to-student initiatives by supporting 20 students through their university studies in Palestine. The scheme provides support that is conditional upon each student agreeing to home-school five students in return for their scholarships. Therefore, by supporting 20 individuals, the initiative ultimately secures the education of 100 students.

We have begun the establishment of Ruwwad in Budrus, a small village in the north of Palestine. In the initial phase of the project, we have supported 27 students, raising the total combined number of students supported in Palestine to 47 in 2011.

Nasma: We continued to support the children's library and computer center in the Ras-Beirut area of Lebanon during 2011. As part of this initiative, Aramex employees volunteer in the center, teaching the children and passing on their experience. We have also covered the full operating costs of the center for the second year running.

Nahr-Albared Camp Library: We have opened a library in the Nahr-Albared Refugee camp in Lebanon, in partnership with the United Nations Relief and Works Agency (UNRWA). Our employees volunteer in this library, and our plan is to create a computer center and vocational training center in the area to help young people gain the requisite skills to find suitable employment.

Purdue University: For the second year running, we have partnered with Purdue University to support research projects in the region. The three projects – in Jordan (Ruwwad), Palestine and Lebanon – seek to benefit local communities, and involve collaboration between professors and students of Purdue and local universities in each country. The results of the research will be translated into an on-the-ground project designed to benefit local communities.

ENTREPRENEURSHIP

We continue to leverage our knowledge, resources and expertise to encourage and empower the business leaders of tomorrow. The Entrepreneurial Unit at Aramex, established in 2010, coordinates a variety of activities to support entrepreneurs across the region by facilitating their growth and development via our networks and contacts. We also support intrapreneurship within the company. Some notable examples of the support we provided in 2011 include:

Affiliation with the MIT Enterprise Forum of the Pan Arab Region

The MIT Arab Business Plan Competition, organized by the MIT Enterprise Forum of the Pan Arab Region, is designed to promote entrepreneurship in the Arab world by encouraging enterprising individuals in the region to launch their own businesses and, ultimately, create a collection of leading firms across the region. The scheme (**www.mitarabcompetition.com**) is modeled around the MIT $100K Entrepreneurship Competition that runs annually in the United States.

In 2011, the competition received over 3,800 registrations from 18 Arab countries—the highest number recorded since its launch in 2006, and representing a 100% increase in the number of registrations from the previous year. Aramex played its part in this dramatic rise in applications by assisting in the marketing and promotion of the competition. In addition, six of our employees have been nominated as jurors.

Aramex offered to mentor the 30 semi-finalists from the competition, giving them guidance on their projects and providing access to relevant contacts. Furthermore, the Entrepreneurial Unit has been conducting one-on-one meetings with past semi-finalists, helping to analyze their circumstances and create a framework for their further development. We also offer semi-finalists special prices for our services, as we do for startups and entrepreneurs across the region.

Oasis500

Oasis500 is a mentorship-driven entrepreneurship training and seed/early-stage investment program, providing first-rate technology startups with rare opportunities in the region. The Aramex Entrepreneurial Unit provides guidance and assistance to the participants of Oasis500. In 2011, this included introducing entrepreneurs to the Oasis500 program; participation in the selection committee and jury; and providing mentorship, networking opportunities, strategic and managerial support, and introductions to facilitate angel funding.

Aramex has also supported the following organizations and initiatives:

- Bedaya Angel Network, in Jordan
- Start Alliance (mapping the Jordanian entrepreneurial ecosystem), in Jordan
- Amman Tech Tuesdays, in Jordan
- Mowgli Foundation, in Jordan
- ArabNet, in Lebanon
- Start-up Weekend Dubai, in the United Arab Emirates
- Case Studies conducted with the El-Khazindar Business Research and Case Center at the American University in Cairo, in Egypt
- King Abdullah University of Science and Technology (KAUST), in Saudi Arabia
- Aramex CEO of the year prize, at INJAZ Saudi Arabia's 2011 FIKRA competition.

COMMUNITY DEVELOPMENT

Our community-focused initiatives are designed to support sustainable long-term development in the countries in which we operate. As well as ensuring that none of our activities negatively affects the local people, we aim to have a positive impact on their communities through job creation, education and the resolution of local social issues.

Our initiatives seek to provide skills to local people, thereby empowering communities to face challenges such as employability. A prime example is our support for Ruwwad students; their degrees open doors to meaningful employment opportunities, and allowing them to give back to their communities.

All operations across our network are encouraged to implement community initiatives that fall under one of the six categories presented in our sustainability guidelines, and each office allocates one percent of its annual pre-tax profits to such projects.

During 2011, we have been involved in the following programs and initiatives across our global network:

Ruwwad: Thanks to the support of Aramex and other private sector companies, the Arab Foundation for Sustainable Development (Ruwwad) has enjoyed six years of successful operation, and can boast the following achievements:

Ruwwad celebrates its people, community members, partners and supporters through Ruwwad Day.

- Since its inception in 2005, 659 students have benefited from the Mousab Khorma Youth Education and EmpowermentFund, one of the cornerstone projects of Ruwwad. In 2011 around 180 students; educationwas facilitated by the fund.

- More than 3,000 students have attended Dardashat Cultural Program sessions, with more than 200 students attending the business skills modules conducted by volunteers from Aramex and Abraaj Capital.
- Ruwwad's IT lab is visited by over 200 people each week, and 49 students have successfully graduated from the lab's various IT courses.
- In 2011 Ruwwad launched a campaign to create a community of readers, comprising mothers, fathers, teachers, principals, children, adolescents and young people in general. Thus far, over 4,500 participants have pledged to read alone or collectively, and this figure is expected to exceed 5,000 in the first quarter of 2012.
- Through its volunteering program, Ruwwad contributed 34,320 hours of community work in 2011, including those committed by the university students who receive education support from Ruwwad.
- At the community level, Ruwwad is running several programs targeting women, adolescents and families. In the past year, 165 families received direct in-kind donations; 426 adolescents benefited from psychosocial support programs; 100 women undertook special women's education programs; and more than 340 legal cases and 500 consultations where handled through the support provided by the Ruwwad legal office.
- In terms of its support for young people in 2011, 200 children and adolescents participated in Ruwwad's sports programs; 450 students benefited from its school outreach programs; 450 undertook Ruwwad extracurricular activities; and 150 received academic support.
- In cooperation with Ruwwad, Aramex volunteers in Jordan initiated a comprehensive training program for univer sity students, covering communication skills, business ethics, and customer service.

The memorandum of Understanding signed by Prince Nawaf bin Faisal bin Fahd bin Abdulaziz, the President of Youth Welfare, who is also Chairman of the Board of Directors for the Disabled and Chairman of the Board of Directors of Professionals League Commission, and Hussein Hachem, Aramex CEO in Middle East and Africa

AFED Support: Aramex continues to support the Arab Forum for Environment and Development (AFED), which seeks to broaden the environmental awareness of people and communities across the region.

Memorandum of Cooperation between Aramex and the Majid Society: During 2011 Aramex signed a Memorandum of Understanding with the Majid Society, based in Jeddah, Saudi Arabia. The agreement will see the start of a new partnership, working toward the establishment of various CSR projects in Jeddah. The first project in the pipeline is the creation of a library in Amira Park to serve under-privileged children in the area.

Sponsorship of the AUB Volunteer Fair: As part of our ongoing cooperation with the American University of Beirut (AUB), in 2011 we sponsored a volunteer fair organized by AUB to help promote volunteering in Lebanon

Safi Crafts Project: This community empowerment project in Jordan allows us to lend our support handicraft expertise, providing to local women in the Al-Safi area with training on the production of locally made handicrafts, and assistance in marketing their products in different areas of the country.

MoU with UNICEF Egypt: During 2011 we continued to provide support to the United Nations

Branding of Aramex vehicle for the UNICEF Egypt Polio Campaign

Children's Fund (UNICEF) in Egypt by finalizing the provision of computer centers to UNICEF-supported non-governmental organizations (NGOs). This project seeks to benefit both the NGOs themselves and the local communities they serve by familiarizing them with the usage of computing technology. Besides purchasing the equipment, our IT team travelled to all the centers to install the computers and train local people in the area to use them.

Supporting Polio Vaccination in Egypt: We have also partnered with UNICEF in Egypt to support their Polio vaccination campaign, both by providing logistical support and helping to promote the cause by branding our vehicles across Egypt with the campaign logo.

EMERGENCY RELIEF

Concerned by the plight of those suffering as a result of civil unrest in Libya, Aramex employees provided generous donations to support relief efforts following the crisis of 2011. Their contributions were directed toward assisting people in need via the work of the International Medical Corps (IMC), a global, nonprofit humanitarian organization dedicated to saving lives and relieving suffering through its relief and development programs. Aramex pledged to match each individual charitable contribution made by its employees, thereby doubling the total amount donated to the IMC to support their ongoing efforts in the country.

SPORTS

At Aramex, we draw a direct connection between the attributes we value as a company and those embodied by sport, including teamwork, perseverance, agility, and drive. Through our sponsorship and support for sporting activities, we seek to improve the lives of those in underprivileged areas, and expand extracurricular opportunities offered at public schools. Furthermore, we strongly encourage sporting activities among our employees, and maintain a number of active and competitive teams.

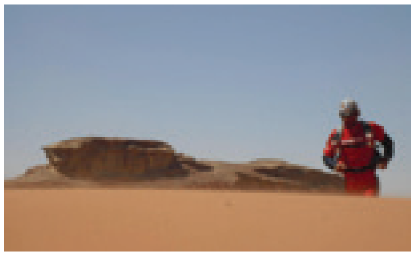
During 2011, we supported a variety of different activities and organizations, including:

Al-Riyadi Sports Club

Aramex continues to support the Al-Riyadi Basketball Club, which played in competition finals both in Jordan and at the regional level during 2011. As well as direct financial support, Aramex also provides administrative assistance to the club through its management team. Indeed, some of the club's players and coaches are Aramex employees. Last year the Jordanian telecoms operator Umniah supported the club's second team—an example of Aramex's commitment to involving other private sector companies in its supportive projects.

Marathon Runners

This was another successful year for Aramex's marathon runners. Salameh Al-Aqra secured first place finishes in Austria and Cyprus, and came second in the grueling Marathon Des-Sables in Morocco, while Mohammad Sweiti came seventh and second in Austria and Cyprus, respectively. Aside from their participation in

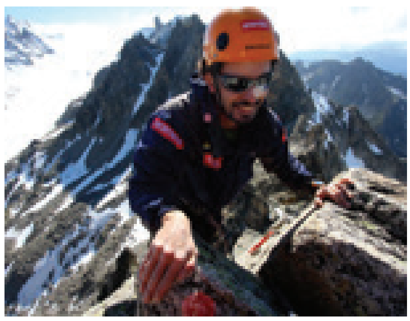


Our Marathon Runner, Salameh Al-Aqra, braving the Moroccan desert in Marathon Des-Sables

both national and international ultra-marathons, our two runners remain committed to providing marathon training for young people from underprivileged areas. For example, in Jordan they train a group of 15 young boys and girls three times a week, facilitating their participation in national marathons. They also offer a marathon training program in India by providing annual training to a local coach who trains 15 young girls in an underprivileged area south of Mumbai.

Mountaineering

With the support of Aramex, Lebanese mountain climber Henry Saliba embarked on a technical mountaineering trip to some of the most challenging peaks of



Mountain climber Henry Saliba in the Alps the Alps with the aim of promoting the sport in the Middle East. His successful climbs, which took place between the 19th and 25th of June, 2011, entailed challenging technical routes only accessible via rope work, and comprised the peaks of Aiguille de la Cabane (2,999m), Aiguille d'Orny (3,150m), Tete Biselx (3,509m), and Dent du Geant (Giant's Tooth, 4,013m).

Developing Disabled Sports Facilities in Saudi Arabia

Aramex has signed a Memorandum of Understanding (MoU) with the General Presidency of Youth Welfare and the Professional League Commission in Saudi Arabia to develop special needs facilities at football stadiums in Riyadh, Jeddah, and Dammam.

State of the art accessibility facilities in the King Fahd International Stadium in Riyadh, managed by Aramex volunteers

As part of the agreement, Aramex will install state-of-the-art accessibility facilities for those with special needs, allowing them to attend the games of the Saudi Professional Football League. The facilities, which will be constructed in accordance with international standards and safety regulations, will include special viewing terraces manned by a dedicated team of volunteers who will assist disabled spectators on match days.

The first location to benefit from these facilities was the King Fahd International Stadium in Riyadh, while similar upgrades are under evaluation at the Prince Faisal bin Fahd Stadium in Riyadh, the Prince Abdullah Al-Faisal Stadium in Jeddah, and the Prince Mohammed bin Fahd Stadium in Dammam.

ENVIRONMENT

We remain dedicated to mitigating the negative environmental impacts of our operations, and are committed to upholding the highest standards of environmental responsibility across our entire global network.

In keeping with our strategic commitment to environmental leadership, we have embraced environmental sustainability as a management imperative, and continue to pursue a variety of environmentally-conscious business practices throughout our operations, from using biodegradable plastic in our envelopes and attaining LEED certification at our facilities, to upgrading our fleet to comply with Euro 4 and Euro 5 emissions standards. We also take the utmost care in ensuring our operations do not harm protected species or habitats, particularly those covered by the IUCN Red List or other national endangered species registers, and have built a system to monitor all hazardous materials handled by our operations as part of our ISO 14001 certification program.

We strive to operate according to the highest environmental standards and to cut our carbon emissions wherever possible, even when changes in emissions regulations in certain countries present logistical challenges. However, reducing emissions entails inherent difficulties, including the limited availability of suitable mitigation technologies, and regulatory changes that affect our business, such as the carbon tax on airlines heading to and from Europe, the impact of which will likely become noticeable in 2012.

To demonstrate our dedication to upholding the highest standards of environmental awareness, and our commitment to the United Nations Global Compact and the AccountAbility materiality principle, Aramex released its first Carbon Footprint Report in December 2011, providing a comprehensive and transparent review of our emissions.

The Aramex Carbon Footprint Report: Our methodology

In order to accurately calculate our emissions, we have used the Greenhouse Gas (GHG) Protocol accounting which is employed by World Business Council for Sustainability Development (WBCSD) & World Resources Institute (WRI). A large number of businesses, governments and other organizations worldwide rely on this accounting framework to quantify and reduce their emissions. The Protocol comprises three Scopes that break down the various direct and indirect components of a company's gross emissions:

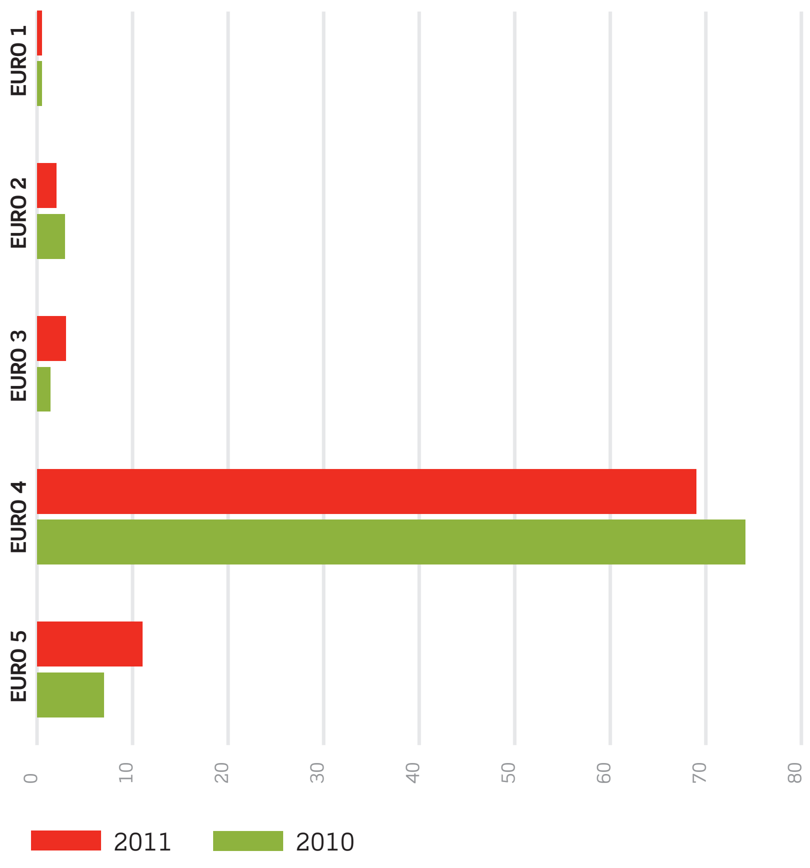
- Scope 1 – direct emissions

generated by Aramex-owned vehicles
- Scope 2 – indirect emissions generated by electricity.
- Scope 3 – indirect emissions from employees' commutes as well as those physically produced by other organi zations as a consequence of Aramex's activities.

The carbon footprint data below comprises the second comprehensive review of our environmental impact as a company, building upon the first Aramex Carbon Footprint Report issued in 2011. It has been compiled in accordance with the specific principles contained in the GHG Protocol, namely:

- **Relevance:** Aramex's carbon footprint accurately reflects the greenhouse gas emissions attributable to the company.
- **Completeness:** The majority of sources of greenhouse gas emissions and related activities within the organization are reported and accounted for, and any exclusions are fully disclosed and justified.
- **Consistency:** Consistent methodologies have been developed and employed to allow for meaningful comparisons of greenhouse gas emissions over time; additional documentation will be provided should any changes to data, methods, or other relevant factors be necessary in the future.
- **Transparency:** Greenhouse gas information has been compiled, analyzed and documented clearly and coherently in order to allow

Vehicles Distribution per engine type



OUR CARBON FOOTPRINT

Scope 1:		Direct	34,251	9%
Scope 2:		Indirect (electricity)	18,644	5%
Scope 3:		Indirect (other)	319,191	86%
	Business travel	782		
	Commuting	12,881		
	Express shipments	60,959		
	Freight	244,569		
TOTAL (TCO2E)		**372,086**		**100%**

Scope 1: Direct stationary and mobile emissions (34,251 tCO2e)

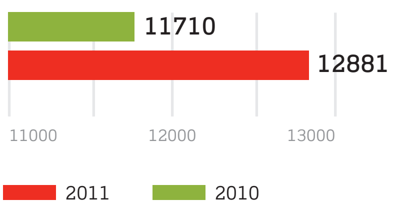
auditors to evaluate its credibility. We have also disclosed relevant assumptions, calculation methodologies, and data sources.

- **Accuracy:** We are committed to accurately quantifying our greenhouse gas emissions, with conservative assumptions being employed in cases of uncertainty. The data presented is of sufficient accuracy to enable users to make decisions with reasonable assurances as to the integrity of the reported information.

Scope 1: Direct stationary and mobile emissions (34,251 tCO2e)

Aramex produced 34,251 tons of CO2 equivalent (tCO2e) emissions from fossil fuels in 2011, comprising actual CO2 emissions from electricity use, as well CH4 and N2O emissions. These were generated directly by Aramex-managed, owned or leased vehicles

Emissions from employee commuting (TCO2e)



that use diesel and all different types of gasoline. The Aramex accounting office supplied the underlying data for these calculations, drawn from information such as fuel and energy consumption data from each office in our global network.

We continue to operate and further implement a responsible procurement policy for our global fleet, which imposes the use of fuel-efficient, Low Emission Vehicles (LEVs) and alternative technologies in order to reduce our environmental impact in accordance with AccountAbility materiality principles. During 2011 we continued to upgrade our fleet to attain the highest standards of fuel efficiency. To date, 69% of our fleet complies with the EURO 4 emissions standard and 11% meets the EURO 5 standard.

We use unleaded gasoline in all of our operations, and continue to convert our fleet to use natural gas where available, thereby further reducing our emissions. We have also started experimenting with new technologies in the Middle East to lower our fuel consumption. For example, we are piloting the use of bio-diesel in our Dubai operations, a project launched in the third quarter of 2011 with the aim of converting our entire fleet, depending on availability and supplier approval which would further reduce our emissions.

We have also begun experimenting with our first hybrid motorbikes in the UAE, while in India we continue to upgrade our motorbikes to electric models. We are also expanding the implementation of the fleet management system across our network, and are seeking to examine the possibility of using electric vehicles in Jordan, launching a pilot electric vehicle project to assist the Jordanian Ministry of Environment to explore their feasibility.

Scope 2: Indirect emissions (electricity) (18,644 tCO2e)

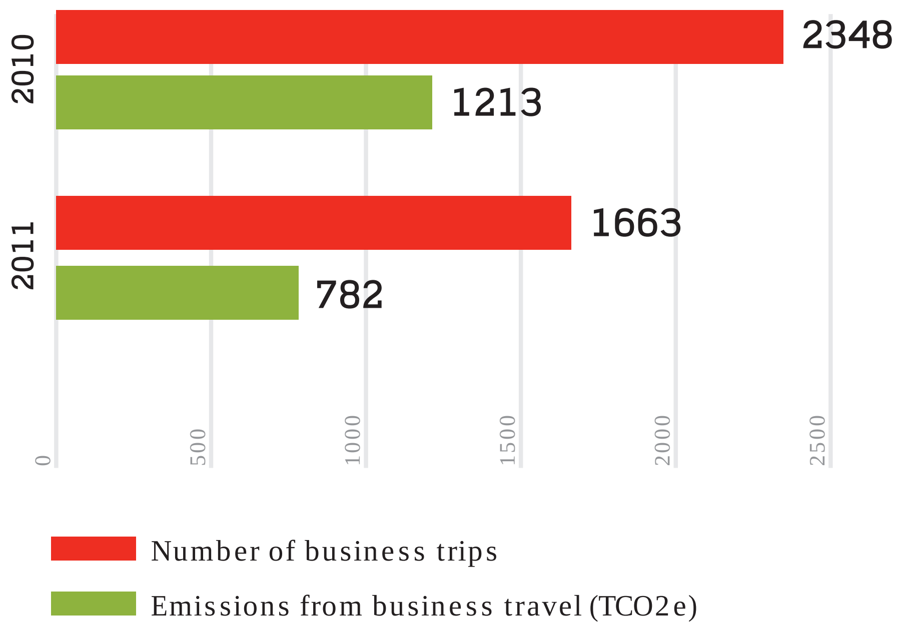
In 2011, Aramex produced 18,644 tCO2e of emissions from electricity generation, comprising actual CO2, emissions derived from electricity use for heating and cooling, lighting, and technology use in our offices and warehouses across the globe. We are working toward implementing the LEED standard that will allow us to cut down our energy usage in all our facilities; and we are experimenting with the generation and use of solar energy in some of our facilities to further reduce our emissions.

Scope 3: Indirect emissions (other) (319,191 tCO2e)

Business travel (782 tCO2e)

In 2011, Aramex employees generated 782 tCO2e of emissions from business travel. In order to reduce these emissions, we have increased the utilization of video and audio conferencing in our offices to minimize the amount of employee travel required. We are currently in the process of equipping all of our offices with video conferencing capabilities and have so far managed to cut down our business travel down by 29%, and our resultant emissions by around 25%. We are also engaged in transferring aspects of our training to online platforms in order to reduce training-related travel.

Employee Business Travel and Emissions



Commuting (12,881 tCO2e)

Our employees generated 12,881 tCO2e of emissions by commuting to and from work in 2011. This figure is based on the results of a survey that asked employees to identify their precise method of transportation and travel time. The rise in emissions during 2011 was a direct result of a 10% increase in the number of our employees.

Aramex launched an employee training campaign in its main offices in 2011, with a view to reducing the company's ecological footprint. The campaign aimed to discourage employee behavior that has a negative impact on the environment by presenting them with ways to minimize their emissions at work and at home, and was later extended to include other stations in the network.

At our new facility in Dubai Logistics City, we have arranged for busses to take our employees to and from work, dramatically reducing the emissions produced by using their personal vehicles. We have also initiated a bus service to transport employees from the nearest metro station to our new facility and back.

Express shipments and freight consignments (305,528 tCO2e)

In 2011, Aramex shipments and freight consignments produced 305,528 tCO2e of emissions, according to calculations based on data obtained from our operations and IT departments. These emissions grew due to the increase of shipments in 2011, changes in the emissions calculation factor for air freight shipments, and the inclusion of new stations in the consolidated data. To reduce these emissions we are utilizing new and improved technology to minimize driving hours, and promoting land freight as an alternative to air and sea transport, as it is significantly cleaner. As of this year, we are also looking to optimize our reliance on those suppliers with lower carbon emissions.

Paper consumption and recycling

In 2011, Aramex saved 75 tons of paper by automating internal processes, enforcing printing restrictions, and encouraging increased utilization of our intranet for internal communications. We have also begun using electronic scanners in all of our stations to track shipments and delivery times, and have piloted electronic signature capture technology to further reduce paper consumption across our global network. Our responsible procurement policy requires that all printers must be capable of producing double-sided pages, potentially halving our paper consumption. Also, we have introduced responsible paper practices into our environmental awareness training program, and strongly promote both paperless electronic shipping systems and smaller printed labels among our clients.

In an effort to increase our recycling as an organization, we have introduced a waste management system in 12 of our stations so far. In our offices in Dubai over the second half of the year, we succeeded in recycling around 50 tons of paper, which is equivalent to saving 500 trees from being felled to produce virgin paper. Similar programs are running across our network.

Tree planting

Aramex continues to plant trees in its many areas of operation; we have signed an agreement with the Arab Group for the Protection of Nature in Jordan to begin planting in under-privileged areas in the south of the country in order to benefit NGOs and families in these areas. The purpose of this project is to provide a means of additional income for its beneficiaries through cultivation. The first phase will distribute 1,000 olive and other fruit trees in three villages, with the support of local NGOs.

Our facilities

In 2011 we achieved ISO 14001 certification at ten new sites, and our plan is to add a further six during 2012. The upgrading of our processes to meet the ISO standard is also helping us to cut down our emissions and reduce our negative impact on the environment. We continue to work toward LEED certification for our newly built warehouses, and anticipate that three will be certified this year, although the construction of some buildings has been delayed owing to the political unrest in the Middle East and North Africa region.

Water usage

While it is not possible to measure exactly the waste water we produce (since we often operate from commercial buildings with shared waste water facilities), due to the nature of our operations, water consumption is limited to domestic use, while output is restricted to public sewage systems and does not pose any risk of pollution to local water resources.

REPORTING PROCESS

This is Aramex's second Integrated Report, combining our financial and non-financial data for the calendar year 2011.

SCOPE OF THE REPORT

Determining our priority issues: We have reviewed our sustainability issues using a process consistent with the Global Reporting Initiative (GRI) G3.1 Guidelines and its principles for Defining Report Content.

Materiality: We have sought to cover all topics (and to include associated indicators) that would substantively influence the assessments and decisions of stakeholders, providing a wealth of information concerning the organization's significant economic, environmental, and social impacts.

These topics include major issues raised by stakeholders and reported on by our peers, under broadly-accepted standards and guidelines including the GRI G3.1 Reporting Guidelines and the GRI Logistics and Transportation Sector Supplement regulations and laws in our countries of operation. They also examine critical factors for enabling success, including our corporate culture, the state of existing systems within the company, and the potential of our core competencies to contribute to sustainable development.

Stakeholder inclusiveness: After careful consideration, we believe that we have accurately identified all of our key stakeholders and have sought to explain the ways in which we engage them, our understanding of their interests and expectations, and the details of our related responses.

Sustainability context: We have examined global trends towards sustainability alongside the regional and local contexts in which we operate, identifying the different priorities among these contexts, and communicating how we have attempted to address these issues from multiple perspectives.

Ensuring Quality in our Sustainability Reporting

We utilize the GRI Reporting Principles for Defining Quality, including the following elements:

Balance: We have achieved balance by reporting and evaluating our performance based on material issues and future targets, presenting both our positive performance as well as focus areas that require improvement and reevaluation.

Comparability: We have provided year-on-year data and followed GRI Indicator Protocols wherever appropriate.

Accuracy: We aim to achieve maximum accuracy in our data, and always clearly identify where estimations or limitations in our published figures exist.

Timeliness: In the past, we reported on our progress via a biennial sustainability report. However, we are now committed to reporting our sustainability performance on an annual basis.

Clarity: Throughout the report, we clearly illustrate our sustainability performance against the targets established by previous reports.

Reliability: This report has undergone third-party assurance, according to the parameters expressed in the assurance statement.

The Aramex Carbon Footprint Report

Released for the first time in December 2011 and augmented by this Annual Report, the Aramex Carbon Footprint Report provides a comprehensive and transparent review of our total emissions. In calculating our carbon footprint, we have adhered to the principles contained in the Greenhouse Gas (GHG) Protocol accounting tool employed by World Business Council for Sustainability Development (WBCSD) & World Resources Institute (WRI).

Reporting Boundaries

Unless otherwise indicated, the data in this report covers all of our operations in all regions. The only exceptions being our franchise operations; while the financial data presented includes our proceeds from franchises, it does not include human resource data from franchisees. The financial data in this report has been generated using audited figures drawn from our financial statements, and has undergone third-party verification according to the parameters expressed in the auditor's statement.

Limitations

In general, Aramex utilizes the services of transportation providers, such as airlines, instead of maintaining heavy assets itself. The company also leases the majority of its vehicles (although it does maintain a small fleet of its own). Aramex also subcontracts the pickup and delivery of express packages to local companies in certain markets — most notably India.

At present, our fuel consumption calculations (from which emissions are derived) include only fuel used for our owned and leased vehicles. They do not include aviation fuel or the consumption of third-party contractors. We understand that this influences our emissions data, and aim to include these third-party sources in our calculations in the coming two years.

Data Measurement Techniques

Unless otherwise stated, indicators provide global coverage, subject to the reporting boundaries and limitations outlined above. The precision of different indicators may vary, however; for example, the company already has in place strong management and information systems for financial and human resources data, which leads to greater accuracy in these areas. Data measurement necessarily involves some level of estimation; wherever estimations occur, we have provided an explanation, including the level of accuracy and approach to data collection used to produce the relevant indicator.

Feedback

We welcome your feedback and encourage comments from our readers.

Please direct any communication to: raji.hattar@aramex.com.

GRI / UN GLOBAL COMPACT INDEX

PROFILE DISCLOSURE	CROSS-REFERENCE/DIRECT ANSWER	UNITED NATIONS GLOBAL COMPACT PRINCIPLES
1.1	P.6	
1.2	P. 8,14 P.40	
PROFILE DISCLOSURE	**CROSS-REFERENCE/DIRECT ANSWER**	
2.1	P.8	
2.2	P.12-13-14	
2.3	aramex is managed by a management team of 17 members 3 of them are regional CEOs 1 for Middle East and 1 for Europe and North America 1 for Asia and the rest are functional. Further information is available on aramex.com	
2.4	P.8	
2.5	P.12-13-14	
2.6	P.8	
2.7	P.8, 14	
2.8	P.34 P.9-10-11 aramex operates in 58 countries with 300 offices worldwide	
2.9	Page 16-17-18	
2.10	P.21	
PROFILE DISCLOSURE	**CROSS-REFERENCE/DIRECT ANSWER**	
3.1	P.1	
3.2	2011	
3.3	Annual	
3.4	Raji.hattar@aramex.com	
3.5	P.52-53	
3.6	P.7, P.52-53	
3.7	P.52-53	
3.8	P.58-59-60-61 We report on all our subsidiaries any new acquired company will be reported on in the next reporting period	
3.9	P.52-53	
3.10	P.52-53	
3.11	P.52-53	
3.12	P.54-55-56-57	
3.13	P.8	
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4.4	Page 25	
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4.8	P.7-8,P.14-15-16-17	
4.9	P.7-8	
4.10	Page 24-25-26	
4.11	Page 24-25-26	Principle 1
4.12	P.11 P.22 P.24-25-26	Principle 1
4.13	P.22-23	Principle 1-2
4.14	P.28-29-30-31	
4.15	P.28-29-30-31	
4.16	P.28-29-30-31	
4.17	P.28-29-30-31	

	STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)	
G3.1 DMAs	Cross-reference/Direct answer	
DMA EC		
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Market presence	P.8,17	
Indirect economic impacts	P.41-51	
DMA EN		
Materials	P.47-48-49-50-51	
Energy	P.47-48-49-50-51	
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Biodiversity	P.47-48-49-50-51	
Emissions, effluents and waste	P.47-48-49-50-51	
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Compliance	P.47-48-49-50-51	
Transport	P.47-48-49-50-51	
Overall	P.47-48-49-50-51	
DMA LA		
Employment	P.33-34-35-36-37	
Labor/management relations	P.33-34-35-36-37	
Occupational health and safety	P.33-34-35-36-37	
Training and education	P.33-34-35-36-37	
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Equal remuneration for women and men	P.33-34-35-36-37	
DMA HR		
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Non-discrimination	P.30, 33-34-35-36-37	
Freedom of association and collective bargaining	P.30, 33-34-35-36-37	
Child labor	P.30, 33-34-35-36-37	
Prevention of forced and compulsory labor	P.30, 33-34-35-36-37	
Security practices	P.30, 33-34-35-36-37	
Indigenous rights	P.30, 33-34-35-36-37	
Assessment	P.30, 33-34-35-36-37	
Remediation	P.30, 33-34-35-36-37	
DMA SO		
Local communities	P.12, 25,44-46	
Corruption	P.27-28	
Public policy	P.27-28	
Anti-competitive behavior	We follow all the anti-competitive behavior laws in each country we operate in; we did not face any case of anti-competitive behavior and will report in case there is any issue	
Compliance	P.12, 25,44-46	
DMA PR		
Customer health and safety		
Product and service labelling	We follow the international standards for shipment lableing	
Marketing communications	P.38-39-40	
Customer privacy	P. 30, 40	
Compliance	P.27-28	
	STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS	
PERFORMANCE INDICATOR	**CROSS-REFERENCE/DIRECT ANSWER**	
EC1	P.35	
EC2	P.47; since our major carbon footprint (scope 3) is not controlled or manged by us; the areas under our control are managed and we reduce energy as part of our climate change risk mitigation strategy	
EC3	P.35	
EC4	P.25	
EC5	P.35	Principle 6
EC6	P.25	Principle 8
EC7	P.34	Principle 8
EC8	P.42	
EC9	P.44	

PERFORMANCE INDICATOR	CROSS-REFERENCE/DIRECT ANSWER	
EN1	we are not collecting this info on a group level and we will be reporting on that 2012	
EN2	we are not collecting this info on a group level and we will be reporting on that 2012	
EN3	aramex does not produce any type of energy onsite	
EN4	Our energy consumption for 2011 is 26547871 Kw	
EN5	The amount is included in the carbon foot print section and in 2011 we implementing energy efficiency solutions and we will report on this in our next report. Our energy consumption during 2011 is 26547871 Kw	Principle 7
EN6	P.47,51	Principle 8
EN7	P.47,51	Principle 8
EN8	The only source of water is municipalities water, our water consumption for 2011 was 93,451 CM	
EN9	P.47	
EN10		
EN11	P.47	
EN12	P.47	
EN13	P.47	
EN14	P.47	
EN15	P.47	
EN16	P.49	
EN17	The other GHG gases are included as part of CO2 Equivalent in the calculation	
EN18	P.49-57	Principle 9
EN19	P.49	
EN20	Not collected on the group level	
EN21	this information on a group level and we start reporting on it	
EN22	P.51	
EN23	P.51	
EN24		
EN25		
EN26	P.51	Principle 7
EN27	P.56-57	Principle 7
EN28	None and if case we have a case of that we will report on it.	
EN29		
EN30		
PERFORMANCE INDICATOR	**CROSS-REFERENCE/DIRECT ANSWER**	
LA1	P.33,34	
LA2	We are working on unifying our systems to accurately calculate turnover in the next 1-2 years; this year we hired 342 females vs. 1705 males	
LA3	P.35	Principle 6
LA15	P.35 - We are following the local laws and regulations regarding the maternity leaves and most of our female employees return back to work after the maternity vacation currently we don't maintain information about returning employees for maternity leaves.	
LA4	P.35	
LA5	P.35	
LA6	P.36	
LA7	P.37	
LA8	P.35	
LA9	P.37	
LA10	P.10 - We are not maintaining training information per gender but as per category we do have 20 hours training per office employee and 9 training hours per ground courier.	
LA11	P.35-36	
LA12	P.36	
LA13	P.34	
LA14	P.34	Principle 6

PERFORMANCE INDICATOR	CROSS-REFERENCE/DIRECT ANSWER	
HR1	P.37	
HR2	P.25	Principle 1-2
HR3	P.38	Principle 1-2
HR4	P.35	Principle 6
HR5	P.35	Principle 3
HR6	P.35	Principle 5
HR7	P.35-36	Principle 4
HR8	P.35	Principle 1-2
HR9		
HR10	P.36	
HR11	P.35	
PERFORMANCE INDICATOR	**CROSS-REFERENCE/DIRECT ANSWER**	
SO1	P.44-45	
SO9	P.44	
SO10	P.44	
SO2	P.25	
SO3	P.25	Principle 10
SO4	P.25	Principle 10
SO5	P.4	
SO6	P.25	
SO7	P.25	
SO8	P.25	
PERFORMANCE INDICATOR	**CROSS-REFERENCE/DIRECT ANSWER**	
PR1	Since our services are directly delivered by our employees; all of them are receiving health and safety training as part of their induction program to metagate and health and safty impect our drivers assest and traind base on there needs for there jobs	
PR2		
PR3	P.24	
PR4	P.36	
PR5	P.40	
PR6	P.40	
PR7	P.40	
PR8	P.40	
PR9	P.25	
Performance Indicator	Cross-reference/Direct answer	
LT1	25	
LT2	49	
LT3	47-49	
LT4		
LT5	49	Principle 8
LT6	49	Principle 7
LT7	47-49	
LT8	37	
LT9	35-36	
LT10	38	
LT11	35	
LT12	37	
LT13	37	
LT14	12-13	
LT15	46	
LT16	35	Principle 1-2
LT17	34-35	Principle 1-2

ACRONYMS

ABANA	Arab Banks of North America	HR	Human Resources
ADSG	Abu Dhabi Sustainability Group	IST	Istanbul
AED	United Arab Emirate Dirham	IUCN	International Union for Conservation of Nature
AFED	Arab Forum for Environment and Development	JEBA	Jordan European Business Association
AMCHAM	The American Chamber of Commerce in Jordan	JED	Jeddah
ASLG	Arab Sustainability Leadership Group	KG	Kilograms
AMM	Amman	KPI	Key Performance Indicator
AUH	Abu Dhabi	KRT	Khartoum
BAH	Bahrain	KWI	Kuwait
BEY	Beirut	LBG	London Benchmarking Group
BOM	Bombay	LEV	Low Emission Vehicles
C-TPAT	Customs Trade Partnership Against Terrorism	LPG	Liquid Petroleum Gas
CAI	Cairo	MCAA	Messenger Courier Association of Amerca
CAS	Casablanca	MCT	Muscat
CEO	Chief Executive Officer	MKYEF	Mousab Khorma Youth Empowerment Fund
CH4	Methane	N/A	Non Applicable
CMB	Colombo	NGO	Non-Governmental Organization
CMT	Customer Management Team	NOX	Nitro oxide
CO2	Carbon Dioxide	PJSC	Public Joint Stock Company
CTS	Click to Ship	PZEV	Partial zero-emissions vehicle
DAM	Damascus	RUH	Riyadh
DFT	Department for Transport	SMS (TEXT)	Short Message Service
DHA	Dharan	SO2	Sulfur Dioxide
DOH	Doha	SSN	Shipment Status Notification
DQMS	Data Quality Management System	SULEV	Super Ultra Low Emission Vehicles
DXB	Dubai	TAPA	Transported Asset Protection Association
EDI	Electronic Document Interchange	THR	Tehran
EINVOICE	Electronic Invoice	TIP	Tripoli
EMS	Electronic Management System	TSA	Transportation Security Adminstration
EPOD	Electronic Proof of Delivery	UAE	United Arab Emirates
GCC	Gulf Cooperation Council	UK	United Kingdom
GDA	Global Distribution Alliance	ULEV	Ultra Low Emission Vehicles
GHG	Greenhouse Gases	UN	United Nations
GPS	Global Positioning System	UNICEF	United Nations Children's Fund
GRI	Global Reporting Initiative	US	United States
GSO	Global Support Office	USD	United States Dollar
H&S	Health and Safety	VP	Vice President
HKG	Hong Kong	YEA	Young Entrepreneurs Association
HQ	Headquarters		

GLOSSARY

AccountAbility1000(AA1000): is a series of principle-based standards intended to provide the basis for improving the sustainability performance of organizations. The AA1000 Framework was developed to help organizations build their accountability and social responsibility through quality social and ethical accounting, auditing and reporting. It addresses the need for organizations to integrate their stakeholder engagement process into their daily activities.

Carbon Dioxide: is a chemical compound often referred to as CO2, and is present in the Earth's atmosphere.

G3 Reporting Guidelines: is a framework for reporting on an organization's economic, environmental, and social performance.

Global Distribution Alliance (GDA): is a partnership of more than 40 leading logistics and transportation companies. With operations throughout the world, the GDA is strategically positioned to provide swift and reliable global transportation solutions. Each member of the alliance provides extensive coverage and expertise in each region of the world.

Global Reporting Initiative (GRI): is a long-term, multi-stakeholder, international process whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. Global Support Office (GSO): is the company's headquarters in Amman, Jordan.

ISO14000: is a set of international environmental management standards that brings world- wide focus to the environment, encouraging a cleaner, safer, healthier world for us all. As part of the ISO standards, ISO14000 exists to help organizations minimize how their operations negatively affect the environment (cause adverse changes to air, water, or land), and comply with applicable laws, regulations, and other environmentally-oriented requirements.

ISO9001:2000: is a set of standards for quality management systems intended for use in any organization which designs, develops, manufactures, installs and/or services any product or provides any form of service. It provides a number of requirements which an organization needs to fulfill if it is to achieve customer satisfaction, through consistent products and services which meet customer expectations.

London Benchmarking Group (LBG): is a group of over 100 companies working together to measure Corporate Community Investment (CCI). The LBG model provides a comprehensive and consistent set of measures for CCI professionals to determine their company's contribution to the community, and to also capture the outputs and longer-term impacts of CCI projects on society and the business itself.

OHSAS 18001: is an international occupational health and safety management system that provides specifications to help organizations control occupational health and safety risks.

Social Accountability 8000 (SA8000): is promoted as a voluntary, universal standard for companies interested in auditing and certifying labor practices in their facilities and those of their suppliers and vendors.

Sustainability: is an attempt to provide the best outcomes for the human and the natural environment, both now and into an indefinite future.

Aramex PJSC and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2011

aramex
delivery unlimited

Directors' Report

Dear Shareholders,

2011 was an exceptional year in the history of our company, as we strengthened our global network with expansion into a number of key emerging markets through a series of acquisitions and strategic partnerships. We also maintained our strong financial performance despite the global economic recession and the state of instability in a number of countries in the Middle East region.

In 2011, we maintained our robust financial performance following on the strong financial results in the year 2010, with our revenues growing by 16% from AED 2,212 million in 2010 to AED 2,576 million in 2011. Furthermore, net profits increased by 4% over the same period, from AED 204 million to AED 211.5 million.

We also continued our strategic plan for expansion in key emerging markets, with consolidation of our presence in China, the second largest global economy, along with significant expansion across Africa. We will work to expand our network further this year, particularly in Central Asia and Africa.

In this year, Aramex is well positioned and prepared to deal with all the challenges ahead. With the anticipated increase in operating costs and the continued instability affecting many of our core markets, we will strive to maintain a stable performance and we firmly believe that our business model will enable us to maintain flexibility in our costs, and provide us with capabilities for fast response to crisis as they arise.

We are confident of our ability to deliver on our promises to all our share holders, and we have a clear vision for achieving long term sustainable growth for the company in the coming years, despite the potential challenges we face ahead.

A. Mazrui

ABDULLAH AL MAZRUI
Chairman

FADI GHANDOUR
Founder and CEO

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ARAMEX PJSC
Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Aramex PJSC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Articles of Association of the Company and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2011 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (CONTINUED)

Report on other legal and regulatory requirements

We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and the Articles of Association of the Company; proper books of account have been kept by the Company; an inventory was duly carried out; and the contents of the report of the Board of Directors relating to these consolidated financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Group or on its financial position.

Signed by
Joseph Alexander Murphy
Partner
Registration No. 492

For Ernst and Young

Ernst & Young

26 February 2012
Dubai, United Arab Emirates

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	NOTES	2011 AED'000	2010 AED'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	445,360	332,144
Goodwill	5	1,010,109	863,199
Other intangible assets	6	30,357	8,927
Available-for-sale financial assets	7	2,219	3,988
Investments in joint ventures	8	18,108	19,165
Investment in an associate	9	1,271	-
Deferred tax assets	10	2,555	2,530
Other non-current assets		72	39
		1,510,051	**1,229,992**
CURRENT ASSETS			
Accounts receivable	11	499,671	404,028
Other current assets	12	169,048	97,699
Bank balances and cash	13	314,011	554,739
		982,730	**1,056,466**
TOTAL ASSETS		**2,492,781**	**2,286,458**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,464,100	1,464,100
Statutory reserve	15	87,312	62,274
Foreign currency translation reserve	15	(17,703)	(6,335)
Fair value reserve	15	(502)	1,268
Reserve arising from acquisition of non-controlling interests	15	(15,278)	(12,397)
Retained earnings	16	347,181	272,089
Equity attributable to equity holders of the Parent		1,865,110	1,780,999
Non-controlling interests		30,972	24,577
TOTAL EQUITY		**1,896,082**	**1,805,576**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	17	9,637	6,503
Employees' end of service benefits	18	79,660	66,958
Other non-current liabilities		1,200	-
Deferred tax liabilities	10	1,117	1,295
		91,614	**74,756**
CURRENT LIABILITIES			
Accounts payable	19	163,222	129,148
Bank overdrafts	20	19,445	6,863
Interest-bearing loans and borrowings	17	12,001	6,715
Other current liabilities	21	310,417	263,400
		505,085	**406,126**
TOTAL LIABILITIES		596,699	480,882
TOTAL EQUITY AND LIABILITIES		**2,492,781**	**2,286,458**

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 26 February 2012.

A. Mazrui

Abdullah Al Mazrui
(Chairman)

Fadi Ghandour
(Founder & CEO)

Emad Shishtawi
(Senior Vice President Finance)

The attached notes from 1 to 34 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	2011 AED'000	2010 AED'000
Rendering of services	22	2,576,199	2,211,996
Cost of services	23	(1,221,261)	(1,021,830)
GROSS PROFIT		1,354,938	1,190,166
Share of results of joint ventures	8	(554)	(256)
Share of loss of an associate	9	(200)	-
Selling and marketing expenses		(122,719)	(108,285)
Administrative expenses	24	(470,823)	(410,802)
Operating expenses	25	(508,987)	(444,596)
Other income	26	2,498	3,168
OPERATING PROFIT		254,153	229,395
Finance income		7,360	16,283
Finance expense		(1,756)	(1,166)
PROFIT BEFORE TAX		259,757	244,512
Income tax	10	(17,799)	(14,935)
PROFIT FOR THE YEAR		**241,958**	**229,577**
ATTRIBUTABLE TO:			
Equity holders of the Parent		211,538	204,092
Non-controlling interests		30,420	25,485
		241,958	**229,577**
Earnings per share attributable to			
the equity holders of the Parent:			
BASIC AND DILUTED EARNINGS PER SHARE	**28**	**AED 0.144**	**AED 0.139**

The attached notes from 1 to 34 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

	2011 AED'000	2010 AED'000
PROFIT FOR THE YEAR	241,958	229,577
OTHER COMPREHENSIVE LOSS, NET OF TAX:		
Exchange differences on translation of foreign operations	(11,520)	(3,603)
Net loss on available-for-sale financial assets	(1,770)	(977)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(13,290)	(4,580)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	228,668	224,997
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent	198,400	199,341
Non-controlling interests	30,268	25,656
	228,668	**224,997**

The attached notes from 1 to 34 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANG IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011

	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
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 year	-	-	(3,774)	(977)	-	204,092	199,341	25,656	224,997
Acquisition of non-controlling									
interests	-	-	-	-	(12,397)	-	(12,397)	(1,376)	(13,773)
Issue of share capital – script dividends	133,100	-	-	-	-	(133,100)	-	-	-
Transfer to statutory reserve	-	21,351	-	-	-	(21,351)	-	-	-
Directors' fees paid	-	-	-	-	-	(1,600)	(1,600)	-	(1,600)
Dividends paid to non-controlling									
interests	-	-	-	-	-	-	-	(21,702)	(21,702)
Non-controlling interests	-	-	-	-	-	-	-	(6,144)	(6,144)
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 year	-	-	(11,368)	(1,770)	-	211,538	198,400	30,268	228,668
Acquisition of non-controlling									
interests	-	-	-	-	(2,881)	-	(2,881)	(1,134)	(4,015)
Transfer to statutory reserve	-	25,038	-	-	-	(25,038)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	2,072	2,072
Non-controlling interests	-	-	-	-	-	-	-	(11,033)	(11,033)
Introduction of capital of subsidiaries	-	-	-	-	-	-	-	537	537
Cash dividends paid to shareholders	-	-	-	-	-	(109,808)	(109,808)	-	(109,808)
Directors' fees paid	-	-	-	-	-	(1,600)	(1,600)	-	(1,600)
Dividends paid to non-controlling									
interests	-	-	-	-	-	-	-	(14,315)	(14,315)
AT 31 DECEMBER 2011	**1,464,100**	**87,312**	**(17,703)**	**(502)**	**(15,278)**	**347,181**	**1,865,110**	**30,972**	**1,896,082**

The attached notes from 1 to 34 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	2011 AED'000	2010 AED'000
OPERATING ACTIVITIES			
Profit before tax		259,757	244,512
Adjustment for:			
Depreciation of property, plant and equipment	4	53,137	47,741
Amortisation of intangible assets	6	2,194	962
Provision for employees' end of service benefits	18	19,445	13,002
Provision for doubtful accounts, net		7,453	7,974
Net finance income		(5,6 04)	(15,117)
Share of results of joint ventures		554	256
Share of loss of an associate		200	-
Loss on disposal of property, plant and equipment		8	459
		337,144	299,789
Working capital adjustments:			
Accounts receivable		(38,985)	(60,854)
Accounts payable		11,965	9,912
Other current assets		(71,298)	(10,978)
Other current liabilities		43,983	23,840
Cash from operations		282,809	261,709
Employees' end of service benefits paid	18	(5,897)	(5,795)
Income tax paid		(15,016)	(9,534)
Net cash flows from operating activities		261,896	246,380
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(160,241)	(136,893)
Proceeds from sale of property, plant and equipment		2,439	1,841
Interest received		7,360	16,283
Acquisition of subsidiaries, net of cash acquired	3	(217,087)	(11,908)
Other non–current assets		(32)	(21)
Margin deposits		(2,353)	(3,513)
Intangible assets		(2,734)	(13)
Investments in joint ventures		-	(12,487)
Investment in an associate		(1,471)	-
Net cash flows used in investing activities		(374,119)	(146,711)
FINANCING ACTIVITIES			
Interest paid		(1,756)	(1,166)
Repayment of loans and borrowings		8,419	(908)
Acquisition of non-controlling interests	3	(3,456)	(13,773)
Dividends paid to non-controlling interests		(14,315)	(21,702)
Non-controlling interests		(10,496)	(8,234)
Directors' fees paid		(1,600)	(1,600)
Dividends paid to shareholders		(109,808)	-
Net cash flows used in financing activities		(133,012)	(47,383)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(245,235)	52,286
Net foreign exchange difference		(10,428)	(834)
Cash and cash equivalents at 1 January		536,542	485,090
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	13	**280,879**	**536,542**

The attached notes from 1 to 34 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

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 consolidated financial statements of the Company as at 31 December 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 consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of UAE Federal Law No. 8 of 1984 (as amended).

The consolidated financial statements are presented in UAE Dirhams (AED), being the functional currency of the Parent Company. Financial information is presented in AED and all values are rounded to the nearest thousand (AED '000), except when otherwise indicated.

The consolidated financial statements are prepared under the historical cost convention, except for available for sale financial assets and derivative financial instruments that have been measured at fair value.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.1 Basis of preparation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-control ling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.2 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to IFRSs (May 2010)

The adoption of the standards or interpretations is described below:

IAS 24 Related Party Transactions (Amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 Financial Instruments: Presentation (Amendment)
The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these type of instruments.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)
The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The Group

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.2 Changes in accounting policy and disclosures (continued)

is not subject to minimum funding requirements, therefore the amendment of the interpretation has no effect on the financial position nor performance of the Group.

Improvements to IFRSs
In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

- IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value (note 3).

- IFRS 7 Financial Instruments Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. The Group reflects the revised disclosure require ment in notes 17 and 20.

- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The components of the comprehensive income of the Group does not require analysis.

Other amendments resulting from Improvements to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))

- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)

- IAS 27 Consolidated and Separate Financial Statements

- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 13 Customer Loyalty Programmes (determining the fair value of award credits)

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income
The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 12 Income Taxes – Recovery of Underlying Assets
The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment becomes effective for annual periods beginning on or after 1 January 2012.

IAS 19 Employee Benefits (Amendment)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group does not expect any impact on the financial position on performance of the Group. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Group does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.3 Standards issued but not yet effective (continued)

The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will have no impact on the financial position of the Group as the Group accounts for its joint ventures using the equity method. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 34. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Identifiable assets and liabilities taken over on acquisition of subsidiaries
The Group separately recognises assets and liabilities on the acquisition of a subsidiary when it is probable that the associated economic benefits will flow to the acquirer or when, in the case of liability, it is probable that an outflow of economic resources will be required to settle the obligation and the fair value of the asset or liability can be measured reliably. Intangible assets and contingent liabilities are separately recognised when they meet the criteria for recognition set out in IFRS 3. Intangible assets, acquired on acquisition, mainly represent lists of customers, bound by a contract, valued on the basis of minimum cash flows.

2.5 Summary of significant accounting policies

Property, plant and equipment
Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Except for capital work in progress, depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	over 4-7 years
Buildings	over 8-35 years
Furniture and fixtures	over 5-10 years
Warehousing racks	over 15 years
Office equipment	over 3-7 years
Computers	over 3-5 years
Vehicles	over 4-5 years

Land is not depreciated

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.
Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. Any other expenditure is recognised in the consolidated income statement as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non- controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the Group identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured. Subsequent settlement is accounted for within equity.

In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, if any.

The useful lives of these intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives which are between 3 to 10 years.

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 in the consolidated income statement in finance costs and removed from the fair value reserve.

Impairment losses on equity instruments are not reversed through the consolidated income statement;

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

increases in their fair value after impairment are recognised directly in the fair value reserve.

Investments in joint ventures
The Group's investments in its joint ventures are accounted for using the equity method.

A joint venture is a jointly controlled entity whereby the venturer has a contractual arrangement that establishes joint control over the economic activities of the entity.

Under the equity method, the investment in the joint venture is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net asset of the joint venture.

The consolidated income statement reflects the share of the results of operations of the joint venture.

Investment in an associate
The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the joint venture is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net asset of the associate.

The consolidated income statement reflects the share of the results of operations of the associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Prepaid agency fees
Amounts paid in advance to agents to purchase or alter their agency rights are accounted for as prepayments. As these amounts are paid in lieu of annual payments they are expensed to consolidated income statement over the period equivalent to the number of years of agency fees paid in advance.

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. when the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

ARAMEX PJSC AND ITS SUBSIDIARIES
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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.5 Summary of significant accounting policies (continued)

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.
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.

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Foreign currency translation

The Group's consolidated financial statements are presented in AED, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the consolidated income statement with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the consolidated income statement.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.5 Summary of significant accounting policies (continued)

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2005 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Loans and borrowings and other financial liabilities
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisations are included in finance cost in the consolidated income statement.
Other financial liabilities including deferred consideration on acquisition of subsidiaries are measured at amortised cost.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Employees' end of service benefits
The provision for employees' end of service benefits, disclosed as a long-term liability, is calculated in accordance with IAS19 for Group's entities where their respective labour laws require providing indemnity payments upon termination of relationship with their employees.

Pensions and other post employment benefits
The Group provides for a number of post employment defined benefit plans required under several jurisdictions in which Aramex PJSC and its subsidiaries operate. These benefits are un-funded. The cost of providing

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.5 Summary of significant accounting policies (continued)

benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.
The past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested.

The defined benefit liability comprises the present value of the defined benefit obligations using a discount rate based on high quality corporate bonds. The Group has not allocated any assets to such plans.

Social security
Payments made to the social security institutions in connection with government pension plans applicable in certain jurisdictions are dealt with as payments to defined contribution plans, where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the social security institutions on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which the employees' service relates.

Revenue recognition
Revenue represents the value of services rendered to customers and is stated net of discounts and sales taxes or similar levies.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or discounts. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Express revenue
Express revenue is recognised upon receipt of shipment from the customer as the sales process is considered complete and the risks are transferred to the customer.

Freight forwarding revenue
Freight forwarding revenue is recognised upon the delivery of freight to the destination or to the air carrier.

Catalogue shopping and shop 'n' ship services revenue
Catalogue shopping and shop 'n' ship services revenue is recognised upon the receipt of the merchandise by the customers.

Revenue from magazines and newspapers distribution
Revenue from magazines and newspapers distribution is recognised when it is delivered to the customers.

Revenue from logistics and document storage services
Revenue from logistics and document storage services is recognised when the services are rendered.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.5 Summary of significant accounting policies (continued)

Interest income
Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated income statement.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxation
Current income tax
The Group provides for income taxes in accordance with IAS 12. As the Parent Company is incorporated in the UAE, profits from operations of the Parent Company are not subject to taxation. However, certain subsidiaries of the Parent Company are based in taxable jurisdictions and are therefore liable to tax. Income tax on the profit or loss for the year comprises of current and deferred tax on the profits of these subsidiaries. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax
Deferred tax is provided for using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as a liability 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, are taken directly to the consolidated income statement.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2011

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Impairment and uncollectibility of financial assets

The Group assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in the consolidated income statement on a straight line basis over the lease term.

Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for the issue of bonus shares.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

3 BUSINESS COMBINATION AND ACQUISITION OF NON - CONTROLLING INTERESTS

Business acquisitions – year ended 31 December 2011

Berco Express (Proprietary) Limited (South Africa)

During December 2011, the Group acquired 100% of the voting shares of Berco Express (Proprietary) Limited, a company specializing in logistics and transportation services based in South Africa. .

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Berco Express (Proprietary) Limited and the corresponding carrying amounts, as at the date of acquisition were:

ARAMEX PJSC AND ITS SUBSIDIARIES
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3 BUSINESS COMBINATION AND ACQUISITION OF NON - CONTROLLING INTERESTS (CONTINUED)

Business acquisitions – year 2011 (continued)

	FAIR VALUE RECOGNISED ON ACQUISITION AED'000	CARRYING VALUE AED'000
ASSETS		
Property, plant and equipment (note 4)	10,394	10,394
Trade and other receivables	63,427	63,427
Intangible assets	17,147	-
Deferred tax and other non-current assets	507	507
	91,475	**74,328**
LIABILITIES		
Trade and other payables	(21,580)	(21,580)
Bank overdrafts	(3,485)	(3,485)
	(25,065)	**(25,065)**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	66,410	
Goodwill arising on acquisition (note 5)	137,253	
Purchase consideration transferred	**203,663**	
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiary	(3,485)	
Cash paid	(203,663)	
NET CASH OUTFLOW ON ACQUISITION		
(INCLUDED IN CASH FLOWS FROM INVESTING ACTIVITIES)	**(207,148)**	
PURCHASE CONSIDERATION	**AED**	
Cash paid	(119)	
Capital increase	(203,662,411)	
COST OF INVESTMENT	**(203,662,530)**	

The goodwill of AED 137.2 million comprises of the value of expected synergies arising from the acquisition. Goodwill was allocated to international express, domestic express, freight forwarding and logistics.

From the date of acquisition, the acquired company has contributed AED 8,447 thousand of revenue and AED 594 thousand to the net profit before tax to the Group. If the combination had taken place at the beginning of the year, revenue for the Group would have been AED 2,717 million and the profit before tax for the Group would have been AED 279 million.

Transaction costs of AED 683 thousand have been expensed and included in administrative expenses.

The net assets recognised were based on a provisional assessment of fair value as the Group has not finalised the purchase price allocation (PPA) exercise at the date of the financial statements and the fair values of 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.

One World Courier Limited (Kenya)

During January 2011, the Group acquired 70% of the voting shares 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
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3 BUSINESS COMBINATION AND ACQUISITION OF NON - CONTROLLING INTERESTS (CONTINUED)
Business acquisitions – year 2011 (continued)

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of the acquired entities and the corresponding carrying amounts, as at the date of acquisition were:

	FAIR VALUE RECOGNISED ON ACQUISITION AED'000	CARRYING VALUE AED'000
ASSETS		
Property, plant and equipment (note 4)	252	252
Trade and other receivables	1,051	1,051
Intangible assets	2,039	-
Bank balances and cash	344	344
	3,686	**1,647**
LIABILITIES		
Trade and other payables	(896)	(896)
Employees' end of service benefits	(92)	(92)
	(988)	**(988)**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	2,698	
Non-controlling interests	(2,072)	
Goodwill arising on acquisition (note 5)	9,657	
Purchase consideration transferred	**10,283**	

	AED'000
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiaries	344
Cash paid	(10,283)
NET CASH OUTFLOW ON ACQUISITION (INCLUDED IN CASH FLOWS FROM INVESTING ACTIVITIES)	**(9,939)**

The Group has finalised the purchase price allocation (PPA) exercise, within the timelines specified under IFRS 3–Business Combinations.

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

From the date of acquisition, the acquired companies have contributed AED 10,099 thousand of revenue and AED 594 thousand of the net profit before tax to the Group.

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

If the combination had taken place at the beginning of the year, revenue for the Group would have been AED 2,577 million and the profit before tax for the Group would have been AED 260 million.

ARAMEX PJSC AND ITS SUBSIDIARIES
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3 BUSINESS COMBINATION AND ACQUISITION OF NON - CONTROLLING INTERESTS (CONTINUED)
Business acquisitions – year 2011 (continued)

Acquisition of additional interest in Aramex International GmbH – Germany
On 31 August 2011, the Group acquired an additional 49% interest of the voting shares of Aramex International GmbH - Germany increasing its ownership interest to 100%. A consideration of AED 690 thousand was paid to the non-controlling interest shareholders. The carrying value of the net assets of Aramex International GmbH Germany at the acquisition date was AED 904 thousand, and the carrying value of the additional interest acquired was measured at AED 443 thousand. The difference of approximately AED 248 thousand between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Acquisition of additional interest in Aramex International Services Co. LTD – Sudan
On 1 June 2011, the Group acquired an additional 20% interest of the voting shares of Aramex International Services Co. LTD - Sudan, increasing its ownership interest to 80%. A consideration of AED 1.47 million was paid to the non-controlling interest shareholders. The carrying value of the net assets of Aramex International Services Co. LTD - Sudan at the acquisition date was a deficit of AED 1.21 million, and the carrying value of the additional interest acquired was measured at a deficit of AED 242 thousand. The difference of approximately AED 1.71 million between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Acquisition of additional interest in Info-fort Amman
On 1 June 2011 the Group acquired an additional 33% interest of the voting shares of Info-fort Amman, increasing its ownership interest to 83%. A consideration of AED 1.3 million was paid to the non-controlling interest shareholders. The carrying value of the net assets of Info-fort Amman at the acquisition date was AED 2.8 million, and the carrying value of the additional interest acquired was AED 933 thousand. The difference of approximately AED 363 thousand between the consideration paid and the carrying value of the interest acquired has been recognised within equity as a reserve arising from acquisition of non-controlling interests.

Capital increase of Aramex Ghana
On 1 June 2011, Aramex Ghana increased its capital by AED 2.96 million. The total amount was paid by Aramex Group, increasing the Group's ownership interest to 75%. The difference of AED 560 thousand between the amount paid and the interest acquired has been recognised within equity as a reserve arising from acquisition of non – controlling interests.

Business acquisitions – year ended 31 December 2010
During the year ended 31 December 2010, the Group acquired a controlling stake in a number of companies specialising in courier and logistics services, based in Africa and the Far East.

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

Assets acquired and liabilities assumed
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:

ARAMEX PJSC AND ITS SUBSIDIARIES
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3 BUSINESS COMBINATION AND ACQUISITION OF NON - CONTROLLING INTERESTS (CONTINUED)
Business acquisitions – year 2010 (continued)

	FAIR VALUE RECOGNISED ON ACQUISITION AED'000	CARRYING VALUE AED'000
ASSETS		
Property and equipment	177	177
Trade and other receivables	1,812	1,812
Intangible assets	4,146	-
Bank balances and cash	4,499	4,499
	10,634	**6,488**
LIABILITIES		
Trade and other payables	(1,729)	(1,729)
Term loan	(180)	(180)
	(1,909)	**(1,909)**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	8,725	
Non-controlling interests	(2,090)	
Goodwill arising on acquisition	9,772	
Purchase consideration transferred	16,407	

	AED'000
Analysis of cash flow on acquisition:	
Net cash acquired with the subsidiaries	4,499
Cash paid	(16,407)
NET CASH FLOW ON ACQUISITION	
(INCLUDED IN CASH FLOWS FROM INVESTING ACTIVITIES)	**(11,908)**

The Group has finalized the purchase price allocation (PPA) exercise.

The goodwill of AED 9.77 million comprises the value of expected synergies arising from the acquisitions. Goodwill was allocated to International Express, Domestic Express, Freight Forwarding and Logistics. From the date of acquisition to 31 December 2010, the new companies have contributed AED 8.6 million of revenue and AED 771 thousand of net profit before tax to the Group. If the combination had taken place at the beginning of the year, revenue for 2010 would have been AED 2,231 million and the profit before tax for the Group would have been AED 244.4 million. Transaction costs of AED 139 thousand have been expensed and included in administrative expenses.

Acquisition of additional interest in Aramex Hava Cargo – year ended 31 December 2010
On 1 December 2010 the Group acquired an additional 50% interest of the voting shares of Aramex Hava Cargo, increasing its ownership interest to 100%.
A consideration of AED 13.77 million was paid to the non-controlling interest shareholders.
The carrying value of the net assets of Aramex Hava Cargo at the acquisition date was AED 2.75 million. The carrying value of the additional interest acquired was AED 1.38 million. The difference of AED 12.4 million between the consideration paid and the carrying value of the interest acquired has been recognised in equity as a reserve arising from acquisition of non-controlling interests.

Transaction costs of AED 51 thousand have been expensed and included in administrative expenses.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

4 PROPERTY, PLANT AND EQUIPMENT

	LAND AED'000	LEASEHOLD IMPROVEMENTS AED'000	BUILDINGS AED'000	FURNITURE AND FIXTURES AED'000	WAREHOUSING RACKS AED'000	OFFICE EQUIPMENT AED'000	COMPUTERS AED'000	VEHICLES AED'000	CAPITAL WORK-IN-PROGRESS AED'000	TOTAL AED'000
Cost:										
At 1 January 2011	12,279	44,598	77,884	19,876	38,834	51,597	82,929	66,094	107,113	501,204
Additions	-	12,933	56,894	4,596	8,922	17,980	17,856	13,866	27,194	160,241
Acquisition of subsidiaries	-	48	-	1,751	-	5,467	4,625	21,339	-	33,230
Transfers	-	660	85,517	(293)	3,490	6,300	77	(52)	(95,699)	-
Disposals	(9)	(2,169)	-	(1,147)	(726)	(718)	(3,591)	(5,597)	-	(13,957)
Exchange differences	(130)	(1,025)	-	(394)	(375)	(835)	(1,707)	(1,749)	-	(6,215)
At 31 December 2011	**12,140**	**55,045**	**220,295**	**24,389**	**50,145**	**79,791**	**100,189**	**93,901**	**38,608**	**674,503**
Depreciation:										
At 1 January 2011	-	22,703	17,354	10,875	11,958	24,340	46,664	35,166	-	169,060
Charge for the year	-	5,777	5,765	2,500	2,729	8,319	14,544	13,503	-	53,137
Acquisition of subsidiaries	-	10	-	1,470	-	4,822	4,001	12,281	-	22,584
Transfers	-	192	-	(91)	(9)	(106)	32	(18)	-	-
Disposals	-	(1,372)	-	(968)	(554)	(542)	(2,911)	(5,163)	-	(11,510)
Exchange differences	-	(697)	-	(269)	(127)	(536)	(1,324)	(1,175)	-	(4,128)
At 31 December 2011	**-**	**26,613**	**23,119**	**13,517**	**13,997**	**36,297**	61,006	54,594	-	229,143
Net carrying amount:										
AT 31 DECEMBER 2011	**12,140**	**28,432**	**197,176**	**10,872**	**36,148**	**43,494**	**39,183**	**39,307**	**38,608**	**445,360**

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2011

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LAND AED'000	LEASEHOLD IMPROVEMENTS AED'000	BUILDINGS AED'000	FURNITURE AND FIXTURES AED'000	WAREHOUSING RACKS AED'000	OFFICE EQUIPMENT AED'000	COMPUTERS AED'000	VEHICLES AED'000	CAPITAL WORK-IN-PROGRESS AED'000	TOTAL AED'000
Cost:										
At 1 January 2010	12,529	43,091	74,392	22,687	33,773	57,274	89,933	61,950	30,872	426,501
Additions	-	6,501	3,492	2,760	5,047	7,472	18,565	16,815	76,241	136,893
Acquisitions of subsidiaries	-	-	-	20	-	64	57	737	-	878
Transfers	-	1,040	-	(849)	393	(5,610)	1,621	3,405	-	-
Disposals	-	(5,461)	-	(4,039)	(182)	(6,655)	(26,036)	(16,175)	-	(58,548)
Exchange differences	(250)	(573)	-	(703)	(197)	(948)	(1,211)	(638)	-	(4,520)
At 31 December 2010	**12,279**	**44,598**	**77,884**	**19,876**	**38,834**	**51,597**	**82,929**	**66,094**	**107,113**	**501,204**
Depreciation:										
At 1 January 2010	-	22,245	12,498	13,625	9,714	28,860	58,102	34,540	-	179,584
Charge for the year	-	4,899	4,856	2,142	2,200	6,587	13,501	13,556	-	47,741
Acquisitions of subsidiaries	-	-	-	17	-	55	40	589	-	701
Transfers	-	1,000	-	(798)	300	(4,076)	1,161	2,413	-	-
Disposals	-	(5,378)	-	(3,829)	(160)	(6,253)	(25,256)	(15,372)	-	(56,248)
Exchange differences	-	(63)	-	(282)	(96)	(833)	(884)	(560)	-	(2,718)
At 31 December 2010	**-**	**22,703**	**17,354**	**10,875**	**11,958**	**24,340**	**46,664**	**35,166**	**-**	**169,060**
Net carrying amount:										
AT 31 DECEMBER 2010	**12,279**	**21,895**	**60,530**	**9,001**	**26,876**	**27,257**	**36,265**	**30,928**	**107,113**	**332,144**

Capital work in progress includes a warehouse under construction in Cairo and a building under construction in Amman (2010: warehouse under construction in Dubai).

Property, plant and equipment includes:
- Vehicles with a net book value of AED 12.01 million (2010: AED 11.45 million) that have been obtained under finance leases (note 17).
- Vehicles amounting to AED 66 thousand have been pledged against bank facilities as of 31 December 2011 (2010: AED 134 thousand).

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5 GOODWILL

	2011 AED'000	2010 AED'000
At 1 January	863,199	853,427
Goodwill resulting from acquisition of One World Courier Limited (Kenya)	9,657	-
Goodwill resulting from acquisition of Berco Express (Proprietary)		
Limited (South Africa)	137,253	-
Goodwill resulting from acquisition of Expo Express Services	-	2,718
Goodwill resulting from acquisition of Avanti Worldwide Express	-	7,054
AT 31 DECEMBER	**1,010,109**	**863,199**

Annual impairment testing for goodwill has been carried out by the management at 31 December 2011. The impairment test is based on the "value in use" calculation. These calculations have used five year cash flow projections based on actual operating results and future expected performance. A discount rate of 12% has been used in discounting the cash flows projected.

The goodwill was allocated to the following groups of cash generating units:

	2011 AED'000	2010 AED'000
Express shipping	309,935	291,576
Freight forwarding	191,713	190,146
Domestic shipping	303,830	183,826
Logistics	86,056	79,075
Documents storage	109,388	109,388
Publication and distribution	9,187	9,188
	1,010,109	**863,199**

Key assumptions used in value-in-use calculations
The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes - these are based on budgeted performance of individual cash generating units.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry which is 12%. Cost of debt is not deemed to have any significant impact on the rate.

Growth rate estimates – Growth rate used of 3% is based on actual operating results and future expected performance.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

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6 OTHER INTANGIBLE ASSETS

	2011 AED'000	2010 AED'000
Cost:		
At 1 January	13,435	9,276
Acquisition of subsidiaries	19,186	4,146
Acquisition of customer list	4,438	-
Additions net of amounts written off	-	13
AT 31 DECEMBER	37,059	13,435
Amortisation:		
At 1 January	(4,508)	(3,546)
Amortisation during the year	(2,194)	(962)
At 31 December	(6,702)	(4,508)
NET CARRYING AMOUNT AT 31 DECEMBER	**30,357**	**8,927**

7 AVAILABLE FOR SALE FINANCIAL ASSETS

This item represents investment in shares of a listed company in the Dubai Financial Market.
All available-for-sale financial instruments are measured using level 1 of the fair value hierarchy.

8 INVESTMENTS IN JOINT VENTURES

The Group has a 50% interest in Aramex Mashreq for Logistics Services, 50% interest in Aramex Delmege Logistics (PVT) LTD and 50% interest in Aramex Logistics LLC, located in Egypt, Sri-lanka and Oman, respectively.

Aramex Mashreq Logistics Services, Aramex Delmege Logistics (PVT) and Aramex Logistics LLC are private entities that are not listed in any public exchange. The following tables illustrates summarised financial information of the Group's investment in each entity:

Share of the joint ventures' statement of financial position:

2011	ARAMEX MASHREQ FOR LOGISTICS SERVICES AED' 000	ARAMEX DELMEGE LOGISTICS (PVT) AED'000	ARAMEX LOGISTICS LLC AED'000	TOTAL AED'000
Non-current assets	22,319	5	2	22,326
Current assets	9,494	55	2,048	11,597
Non-current liabilities	(12,246)	-	(10)	(12,256)
Current liabilities	(3,306)	(51)	(202)	(3,559)
NET ASSETS	**16,261**	**9**	**1,838**	**18,108**

2010	ARAMEX MASHREQ FOR LOGISTICS SERVICES AED'000	ARAMEX DELMEGE LOGISTICS (PVT) AED'000	ARAMEX LOGISTICS LLC AED'000	TOTAL AED'000
Non-current assets	6,292	5	3	6,300
Current assets	17,755	48	2,246	20,049
Non-current liabilities	(83)	(6)	(5)	(94)
Current liabilities	(6,920)	(35)	(135)	(7,090)
NET ASSETS	**17,044**	**12**	**2,109**	**19,165**

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8 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Share of the joint ventures' revenue and loss

2011	ARAMEX MASHREQ FOR LOGISTICS SERVICES AED'000	ARAMEX DELMEGE LOGISTICS (PVT) AED'000	ARAMEX LOGISTICS LLC AED'000	TOTAL AED'000
Revenue	12,946	-	-	12,946
(Loss) profit	(286)	3	(271)	(554)
CARRYING AMOUNT OF THE INVESTMENTS	16,261	9	1,838	18,108

2010	ARAMEX MASHREQ FOR LOGISTICS SERVICES AED'000	ARAMEX DELMEGE LOGISTICS (PVT) AED'000	ARAMEX LOGIS-TICS LLC AED'000	TOTAL AED'000
Revenue	10,826	302	-	11,128
(Loss) profit	204	(190)	(270)	(256)
CARRYING AMOUNT OF THE INVESTMENTS	17,044	12	2,109	19,165

9 INVESTMENT IN AN ASSOCIATE

During the year ended 31 December 2011, the Group invested in an associate named Aramex Tunisia Limited which is involved in the business of freight forwarding. The Group has a 49% interest in Aramex Tunisia Limited.

Aramex Tunisia Limited is a private entity that is not listed in any public exchange.

The following table illustrates summarised financial information of the Group's investment in Aramex Tunisia Limited:

Share of the associate's statement of financial position:

	2011 AED'000
Non-current assets	102
Current assets	668
Current liabilities	(360)
Net assets	**410**

Share of the associate's revenue and loss:

	2011 AED'000
Revenues	319
Loss	(200)
Carrying amount of the investment	1,271

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10 INCOME TAX

The charge for income tax on results of operations of foreign subsidiaries comprises the following:

	2011 AED'000	2010 AED'000
Current tax expense	17,312	15,517
Deferred income tax	940	(796)
Exchange differences	(453)	214
INCOME TAX EXPENSE FOR THE YEAR	17,799	14,935

Deferred tax relates to the following:

	2011 AED'000	2010 AED'000
Provision for doubtful accounts	410	208
Depreciation	(1,047)	(830)
Termination indemnities	1,026	302
Net operating losses carried forward	1,482	1,733
Capital allowance	(106)	(306)
Others	(327)	128
	1,438	**1,235**
RECOGNISED AS FOLLOWS:		
As deferred tax assets	2,555	2,530
As deferred tax liabilities	(1,117)	(1,295)
	1,438	**1,235**

The Group's consolidated effective tax rate for 2011 is 6.85 % (2010: 6.11%).

In some countries, the tax returns for certain years have not yet been reviewed by the tax authorities. In certain tax jurisdictions, the Group has provided for its tax exposures based on the current interpretation and enforcement of the tax legislation in the jurisdiction. However, the Group's management is satisfied that adequate provisions have been made for potential tax contingencies.

11 ACCOUNTS RECEIVABLE

	2011 AED'000	2010 AED'000
Trade receivables	538,700	439,911
Less: allowance for doubtful accounts	(39,029)	(35,883)
	499,671	**404,028**

Geographic concentration of trade receivables as of 31 December is as follows:

	2011 %	2010 %
- Middle East and Africa	74	73
- Europe	16	17
- North America	2	2
- Asia	8	8

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11 ACCOUNTS RECEIVABLE (CONTINUED)

As at 31 December 2011, trade receivables at nominal value of AED 39,029 thousand (2010: AED 35,883 thousand) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2011 AED'000	2010 AED'000
At 1 January	35,883	33,963
Charge for the year	9,354	9,833
Acquisition of a subsidiary	583	-
Unused amounts reversed	(1,901)	(1,859)
Amounts written-off	(4,890)	(6,054)
AT 31 DECEMBER	**39,029**	**35,883**

As at 31 December, the ageing of unimpaired trade accounts receivable was as follows:

		Past due but not impaired				
	TOTAL AED'000	0-60 DAYS AED'000	61-90 DAYS AED'000	91-180 DAYS AED'000	181-365 DAYS AED'000	More than 1 YEAR AED'000
2011	**499,671**	**390,711**	**66,221**	**29,812**	**12,927**	**-**
2010	404,028	312,316	54,888	26,046	10,778	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

12 OTHER CURRENT ASSETS

	2011 AED'000	2010 AED'000
Prepaid expenses	41,999	32,955
Advances and other receivables *	127,049	64,744
	169,048	**97,699**

* Advances and other receivables include an amount of AED 15 million (2010: AED 15 million) due from a related party in connection with employees participating in an incentive plan as at 31 December 2011 and 2010.

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2011 AED'000	2010 AED'000
Cash and short term deposits	314,011	554,739
Less: cash margin	(13,687)	(11,334)
Less: bank overdrafts (note 20)	(19,445)	(6,863)
	280,879	**536,542**

Included in cash and short term deposits are amounts totalling AED 163,335 thousand (31 December 2010: AED 197,975 thousand) held at foreign banks abroad.

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14 SHARE CAPITAL

	2011 AED'000	2010 AED'000
Authorised, issued and paid up		
1,464,100,000 ordinary shares of AED 1 each (2010: 1,464,100,000		
ordinary shares of AED 1 each)	1,464,100	1,464,100

15 RESERVES

Statutory reserve

In accordance with the Articles of Association of certain entities in the Group and Article 255 of the UAE Federal Commercial Companies Law of 1984 (as amended), a minimum of 10% of the net profit for the year of the individual entities to which the law is applicable has been transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid up share capital of the applicable entities. This reserve is non distributable except in certain circumstances. The consolidated statutory reserve reflects transfers made post-acquisition for subsidiary companies together with transfers made by the parent company. It does not, however, reflect the additional transfers to the consolidated statutory reserves which would be made if the retained post-acquisition profits of the subsidiaries were distributed to the Parent Company.

Fair value reserve

The reserve records fair value changes on available-for-sale financial assets until the investments are derecognised or impaired.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Reserve arising from acquisition of non-controlling interests

The reserve represents the difference between the consideration paid to acquire non-controlling interests and the carrying amount of those interests at the date of acquisition.

16 RETAINED EARNINGS

Dividends

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.

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 at 31 December 2009 as approved by the shareholders in the Company's annual General Meeting held on 18 April 2010.

Directors' fees paid

Directors' fees of AED 1.6 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2010 were paid in 2011 (2010: AED 1.6 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2009 were paid).

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17 LOANS AND BORROWINGS

	2011 AED'000	2010 AED'000
NON-CURRENT		
Term loan	2,336	199
Notes payable	1,944	284
Finance lease obligations (a)	5,357	6,020
	9,637	**6,503**
CURRENT		
Term loan	1,178	506
Notes payable	3,979	170
Finance lease obligations (a)	6,844	6,039
	12,001	**6,715**

(a) Finance lease obligation

Future minimum annual payments under all non-cancellable finance leases are as follows:

	FUTURE MINIMUM LEASE PAYMENTS AED'000	INTEREST AED'000	PRESENT VALUE OF MINIMUM LEASE PAYMENTS AED'000
Less than one year	7,726	882	6,844
Between one and five years	6,030	673	5,357
31 DECEMBER 2011	**13,756**	**1,555**	**12,201**
Less than one year	6,761	722	6,039
Between one and five years	6,463	443	6,020
31 DECEMBER 2010	**13,224**	**1,165**	**12,059**

Finance lease obligations are denominated in Saudi Riyals (SR), GBP, Egyptian Pound (EGP) and Malaysian Ringgit (MYR) and have maturities between 2012 and 2016. Interest rates on finance lease obligations range from 6% to 13%.

18 EMPLOYEES' END OF SERVICE BENEFITS

	2011 AED'000	2010 AED'000
Provision as at 1 January	66,958	59,618
Provided during the year	19,445	13,002
Acquisition of a subsidiary	92	-
Paid during the year	(5,897)	(5,795)
Exchange differences	(938)	133
Provision as at 31 December	79,660	66,958
Actuarial gains and losses	-	-
Present value of the defined benefit obligations	**79,660**	**66,958**

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19 ACCOUNTS PAYABLE

Trade payables mainly include payables to third party suppliers against invoices received from them for line haul, freight services, handling and delivery charges.

20 BANK OVERDRAFTS

The Group maintains overdrafts and lines of credit with various banks. Aramex International Limited (AIL) has provided a corporate guarantee of AED 1.8 million to Audi Bank in Lebanon to secure the bank facilities given for the Aramex subsidiary in Lebanon. The outstanding balance of the overdrafts and lines of credit amounted to AED Nil (2010: AED 848 thousand).

The newly acquired company in South Africa (Berco Express Limited) has outstanding lines of credit of AED 9.776 million as at 31 December 2011 from (ABSA – member of the BARCLAYS group). The bank has Aramex PJSC's limited suretyship that covers up to AED 15.84 million.

Two Way Group has outstanding bank overdrafts and lines of credit of AED 9.669 million as at 31 December 2011 (2010: AED 6.01 million), which are secured by a floating charge over the assets of the Two Way Group together with inter-company guarantees within the Group. Two Way Group also has an invoice discounting facility which is secured by a charge over the book debts of Two Way.

21 OTHER CURRENT LIABILITIES

	2011 AED'000	2010 AED'000
Accrued expenses	250,566	208,799
Deferred revenue	13,782	12,621
Sales and other taxes	8,074	6,281
Income taxes payable	21,069	18,590
Customers' deposits	492	86
Social security taxes payable	6,997	5,181
Others	9,437	11,842
	310,417	**263,400**

22 REVENUE

	2011 AED'000	2010 AED'000
International express	836,638	689,112
Freight forwarding	1,073,301	924,101
Domestic express	373,120	331,153
Logistics	110,760	103,764
Publications and distribution	28,318	30,035
Others*	154,062	133,831
	2,576,199	**2,211,996**

* Represents revenues from other special services which the Group renders, including airline ticketing and travel, visa services and revenues from document retention business. All related costs are reflected in cost of services.

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23 COST OF SERVICES

	2011 AED'000	2010 AED'000
International express	291,546	228,867
Freight forwarding	778,535	660,673
Domestic express	91,104	74,224
Logistics	20,733	21,236
Publications and distribution	21,166	22,807
Others	18,177	14,023
	1,221,261	**1,021,830**

24 ADMINISTRATIVE EXPENSES

	2011 AED'000	2010 AED'000
Salaries and benefits	227,531	193,409
Rent	48,909	45,675
Depreciation	34,281	32,430
Communication expenses	21,340	19,959
Repairs and maintenance	13,456	10,898
Travel expenses	12,328	10,107
Allowance for impairment losses (note 11)	7,453	7,974
Utilities	9,762	7,818
Printing and stationary	6,596	5,504
Entertainment	5,008	4,535
Vehicle running expenses	3,636	3,320
Insurance	3,231	3,328
Conference and meeting expenses	739	1,422
Sponsorship fees	629	1,068
Government fees and taxes	4,190	2,923
Corporate Social Responsibility	6,106	6,240
Others	65,628	54,192
	470,823	**410,802**

25 OPERATING EXPENSES

	2011 AED'000	2010 AED'000
Salaries and benefits	338,020	294,318
Vehicle running and maintenance	63,127	57,371
Supplies	20,169	18,580
Communication expenses	5,662	5,294
Depreciation	18,856	15,311
Rent	37,642	35,145
Others	25,511	18,577
	508,987	**444,596**

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26 OTHER INCOME

	2011 AED'000	2010 AED'000
Exchange gain	228	1,264
Loss on sale of property, plant and equipment	(8)	(459)
Miscellaneous income	2,278	2,363
	2,498	**3,168**

27 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 income statement are as follows:

	RELATED PARTY			TOTAL	
	OFFICERS AED'000	COMPANIES CONTROLLED BY THE DIRECTORS AED'000	DIRECTORS AED'000	2011 AED'000	2010 AED'000
RENT EXPENSE	**184**	**1,437**	**5,394**	**7,015**	**7,367**

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

	2011 AED'000	2010 AED'000
Salaries and other short term benefits	24,045	23,256
End of service benefits	378	183
	24,423	**23,439**

Significant subsidiaries of the Group include:
Aramex Amman, Jordan
Jordan Distribution Agency, Amman
Aramex India Private Limited, India
Aramex International Egypt for Air and Local services (S.A.E), Egypt
Aramex, Bahrain
Aramex Emirates LLC, Dubai
Two Way Forwarding & Logistics (Ireland) Limited
Two Way Holland BV

All of the above subsidiaries are 100% owned by the Parent Company.

Certain subsidiaries of the Group are controlled through shareholder agreements and accordingly consolidated in these consolidated financial statements.

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28 EARNINGS PER SHARE

	31 DECEMBER 2011	31 DECEMBER 2010
Profit attributable to shareholders of the Parent (AED'000)	211,538	204,092
Weighted average number of shares during the year (shares)	**1,464 MILLION**	**1,464 MILLION**
Basic and diluted earnings per share (AED)	**0.144**	**0.139**

29 OPERATING LEASES

As lessee

The Group leases land, office space, warehouses and transportation equipments under various operating leases, some of which are renewable annually. Rent expense related to these leases amounted to AED 86.55 million for the year ended 31 December 2011 (2010: AED 80.82 million). The Group believes that most operating leases will be renewed at comparable rates to the expiring leases.

The approximate minimum rental commitments of the Group under the existing lease agreements are as follows:

	2011 AED'000	2010 AED'000
Less than one year	91,072	75,261
Between one and five years	327,869	266,382
More than five years	52,610	105,254
	471,551	**446,897**

30 SEGMENTAL INFORMATION

For management purposes, the Group is organised 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.

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30 SEGMENTAL INFORMATION (CONTINUED)

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 segments for the years ended 31 December 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
Year ended 31 December 2011							
Revenue							
Third party	836,638	1,073,301	373,120	110,760	182,380	-	2,576,199
Inter-segment	373,728	179,387	17,000	2,368	4,570	(577,053)	-
Total revenues	1,210,366	1,252,688	390,120	113,128	186,950	(577,053)	2,576,199
Gross profit	**545,092**	**294,766**	**282,016**	**90,027**	**143,037**	**-**	**1,354,938**
Year ended 31 December 2010							
Revenue							
Third party	689,112	924,101	331,153	103,764	163,866	-	2,211,996
Inter-segment	312,005	175,410	15,129	1,318	4,244	(508,106)	-
Total revenues	1,001,117	1,099,511	346,282	105,082	168,110	(508,106)	2,211,996
Gross profit	**460,245**	**263,428**	**256,929**	**82,528**	**127,036**	**-**	**1,190,166**

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 segments

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.

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30 SEGMENTAL INFORMATION (CONTINUED)

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

	2011 AED'000	2010 AED'000
REVENUES		
Middle East and Africa	1,775,517	1,564,778
Europe	504,284	408,105
North America	47,530	46,878
Asia	248,868	192,235
	2,576,199	**2,211,996**
ASSETS		
Middle East and Africa	2,071,639	2,072,099
Europe	296,697	109,432
North America	24,993	23,621
Asia	99,452	81,306
	2,492,781	**2,286,458**
NON- CURRENT ASSETS*		
Middle East and Africa	448,014	323,467
Europe	24,877	18,034
North America	9,677	7,320
Asia	12,528	11,415
	495,096	**360,236**
LIABILITIES		
Middle East and Africa	432,887	347,228
Europe	111,526	86,680
North America	15,050	14,968
Asia	37,236	32,006
	596,699	**480,882**

* 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 (note 5).

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31 COMMITMENTS AND CONTINGENCIES

Contingent liabilities

	2011 AED'000	2010 AED'000
Letters of guarantee	60,822	51,143

Capital commitments

As at 31 December 2011, the Group has capital commitments of AED 9.04 million (2010: AED 81.74 million) towards purchase/construction of property, plant and equipment.

32 RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdrafts, notes payable and term loans).

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant. There is no other direct impact on the Group's equity.

	INCREASE/ (DECREASE) IN BASIS POINTS	EFFECT ON PROFIT FOR THE YEAR AED'000
2011		
Variable rate instruments	**+100**	**(144)**
Variable rate instruments	**-100**	**144**
2010		
Variable rate instruments	+100	(72)
Variable rate instruments	-100	72

Credit risk

This is the risk that other parties will fail to discharge their obligations to the Group. The Group manages credit risk with its customers by establishing credit limits for customers' balances and also disconnects the service for customers exceeding certain limits for a certain period of time. Also, the diversity of the Group's customer base (residential, corporate, government agencies) limits the credit risk. The Group also has a credit department that continuously monitors the credit status of the Group's customers.

The Group also deposits its cash balances with a number of major high rated financial institutions and has a policy of limiting its balances deposited with each institution.

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32 RISK MANAGEMENT (CONTINUED)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 74 percent of the Group's trade receivables are based in Middle East and Africa.

Management has established a credit policy under which new customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for customers, who represent the maximum open amount without requiring approval from senior Group management; these limits are reviewed regularly.

A significant portion of the Group's customers have been transacting with the Group for a number of years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are an agent, wholesaler, retailer or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

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32 RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The table below summarises the maturities of the group's financial liabilities at 31 December, based on contractual undiscounted payments:

At 31 December 2011

	LESS THAN 3 MONTHS AED'000	3 TO 12 MONTHS AED'000	1-2 YEAR AED'000	2-5 YEARS AED'000	> 5 YEARS AED'000	TOTAL AED'000
Term loans	178	1,215	2,127	318	-	3,838
Notes payable	1,455	2,874	1,935	93	-	6,357
Finance lease obligations	2,233	5,493	4,801	1,229	-	13,756
Bank overdrafts	19,445	-	-	-	-	19,445
Trade and other payables	431,100	-	-	-	-	431,100
	454,411	**9,582**	**8,863**	**1,640**	**-**	**474,496**

At 31 December 2010

	LESS THAN 3 MONTHS AED'000	3 TO 12 MONTHS AED'000	1-2 YEAR AED'000	2-5 YEARS AED'000	> 5 YEARS AED'000	TOTAL AED'000
Term loans	151	385	182	23	-	741
Notes payable	68	126	91	221	-	506
Finance lease obligations	1,946	4,814	4,647	1,816	-	13,223
Bank overdrafts	6,863	-	-	-	-	6,863
Trade and other payables	361,337	-	-	-	-	361,337
	370,365	**5,325**	**4,920**	**2,060**	**-**	**382,670**

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Group is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the United States Dollar (USD), Euro, Egyptian Pound, Sterling (GBP) and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, and GBP. The Parent Company's and a number of other Group entities' functional currencies are either the USD or currencies that are pegged to the USD. As a significant portion of the Group's transactions are denominated in USD, this reduces currency risk. The Group also has currency exposures on intra group transactions in the case of Group entities where the functional currency is not the USD or a currency that is not pegged to the USD. Intra Group transactions are primarily denominated in USD.

The Group hedges some of its trade payables denominated in certain foreign currencies, mainly Euros. However, a significant portion of the Group's trade payables and all of its foreign currency receivables, denominated in a currency other than the functional currency of the respective Group entities, are subject to risks associated with currency exchange fluctuation. The Group reduces some of this currency exposure

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32 RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

by maintaining some of its bank balances in foreign currencies in which some of its trade payables are denominated. This provides an economic hedge.

The following table demonstrates the sensitivity to a reasonably possible change in the AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	CHANGES IN CURRENCY RATE TO AED %	EFFECT ON PROFIT BEFORE TAX AED'000
2011		
EUR	+10	806
INR	+10	146
GBP	+10	2,407
EGP	+10	(730)
2010		
EUR	+10	150
INR	+10	1,191
GBP	+10	1,384
EGP	+10	(1,122)

The effect of decreases in exchange rates are expected to be equal and opposite to the effects of the increases shown.

Equity price risk
The Group's listed equity securities are susceptible to market price risks.

The following table shows the effect of changes in year -end prices of equity securities:

	CHANGES IN MARKET YEAR END PRICE %	EFFECT ON EQUITY FOR THE YEAR AED'000
2011		
Dubai financial market	+5	111
Dubai financial market	-5	(111)
2010		
Dubai financial market	+5	199
Dubai financial market	-5	(199)

Capital management
The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interest and retained earnings, and is measured at AED 1,883,315 thousand as at 31 December 2011 (2010: AED 1,786,066 thousand).

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on

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32 RISK MANAGEMENT (CONTINUED)

Capital management (continued)

capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group currently has minimal borrowings. In the medium to long term, the Group believes that having a debt to equity ratio of up to 50% would still enable the Group to achieve its objective of maintaining a strong capital base.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group entities are incorporated.

33 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, receivables, available-for-sale financial assets and other current assets. Financial liabilities consist of loans and borrowings, bank overdrafts, trade payables and other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of all instruments measured at fair value are determined using level 1 in the fair value hierarchy.

34 KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the statement of financial position date, gross trade accounts receivable were AED 538,700 thousand (2010: AED 439,911 thousand) and the provision for doubtful debts was AED 39,029 thousand (2010: AED 35,883 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the income statement.

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34 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the identification and measurement of assets and liabilities in the acquisition of Acquaship customer list, the Group identified an element of contingent consideration with a fair value of AED 2,716 thousand at the acquisition date, remeasured to AED 1,704 thousand as at the reporting date, which is classified as current and non-current liabilities.

Goodwill impairment

The impairment test is based on the "value in use" calculation. These calculations have used cash flow projections based on actual operating results and future expected performance. A discount rate of 12% has been used in discounting the cash flows projected (refer to note 5).

Provision for tax

The Group reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

End of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country.

Useful lives of intangible assets with finite lives

The Group's management determines the estimated useful lives of its intangible assets with finite lives for calculating amortisation. This estimate is determined after considering the expected pattern of consumption of future economic benefits embodied in the asset. Management reviews the amortisation period and amortisation method for an intangible with a finite life at least each financial year end and future amortisation charges will be adjusted where the management believes the useful lives differ from previous estimates.

INDEPENDENT ASSURANCE

Ernst & Young Jordan
P.O. Box 1140
Amman 11118
Jordan

Tel: 00 962 6580 0777/ 00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

Independent Assurance Statement

The Board of Directors and Management
Aramex PJSC
Dubai, United Arab Emirates

Ernst & Young (Jordan) was retained by Aramex PJSC ("the Company") to provide independent assurance on its Corporate Sustainability information, forming part of its Integrated Report ("the Report") for the calendar year 2011. The Report has been prepared by the management of Aramex, who are responsible for the collection and presentation of information reported. Our responsibility, in accordance with management's instructions, is to provide a limited assurance engagement on the completeness and accuracy of selected sustainability information presented in the Report. Our responsibility in performing our assurance activities is to the management of the Company only. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk. This assurance statement should not be taken as a basis for interpreting the Company's overall performance, except for the aspects outlined in the scope below.

Scope of Assurance

The scope of our assurance covers indicators and sites considered relevant to the Company and include:

- Data and information relating to the Company's sustainability performance for the period 1 January 2011 to 31 December 2011;
- The Company's internal processes and controls relating to the collection and collation of sustainability performance data;
- Sustainability specific data related to employees, LEED, ISO14001, ISO9001 and OSHAS18001 certification, health and safety, training, community development initiatives, paper saving, fleet fuel consumption and customer satisfaction; and
- Environmental data, specifically selected water, waste and carbon footprint data, including Scope 1, 2 and 3 data.

Our Approach

This assurance engagement was planned and performed in accordance with International Federation of Accountants' International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our key steps were as follows:

- Engagement with key selected personnel to understand processes and controls in place for related sustainability activities;
- Engagement with the Chief Sustainability Officer and the Sustainability team to understand current status of sustainability activities and progress against 2011 targets; and
- Review of selected sustainability performance data as well as a review of the processes for collecting, collating and reporting selected sustainability information and data at corporate and station level.

Station Visits

Ernst & Young visited the Company's offices, logistics centers and facilities of its station as well as its subsidiary, InfoFort in Dubai (UAE) to review selected sustainability information outlined in *Scope of Assurance* above. We also visited the Global Services Office in Amman, Jordan to review information relating to systems and processes for managing and reporting sustainability and carbon footprint data. Evidence in support of selected claims made in the Report regarding the Company's sustainability performance was reviewed and clarifications sought where necessary. A limited review of the stakeholder engagement process was undertaken, with respect to employees and community engagement, through interviews with relevant personnel. We also visited the Ruwaad project in Amman as part of our review of the Company's community development initiatives and engaged with key personnel working for the Ruwaad initiative.

Level of Assurance and Criteria used

Our evidence gathering process has been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusions. We also utilized the criteria of the reporting principles and indicators of the GRI 2011 guidelines (GRI G3.1) and GHG Protocol (2008) in reviewing selected sustainability performance information and data.

Our Assurance Team

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our Middle East Climate Change and Sustainability team, who have undertaken similar engagements with a number of regional and global businesses.

Limitations of Assurance

The assurance scope excludes:

- Aspects of the Report and data/information other than those mentioned under *Scope of Assurance*;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation and future intention; and
- Review of economic performance data and information, included in the Report, which we understand is derived from the Company's audited financial records.

Observations

Our observations of the Report are as follows:

- This is the first year the Company has integrated its carbon footprint data with its Report, bringing together sustainability, carbon footprint and financial data into one report.
- The Company is currently implementing a supplier evaluation process to evaluate suppliers against its sustainable procurement policy. Employee business travel has been reduced, due to increased video conferencing facilities being installed in offices.
- As the process for integrated reporting matures, the Company may wish to focus on highlighting the financial impacts of its sustainability activities and performance in its reports.

Ernst & Young

Our Conclusion

On the basis of our review and in accordance with the terms of reference for our work, nothing has come to our attention that would cause us not to believe that:

- The Report presents the Company's material performance covering key areas mentioned in the *Scope of Assurance;*
- The Report content presents a fair and balanced overview of the Company's sustainability performance.

Ernst & Young, Jordan

Amjad Rihan
Partner
29 March 2012

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Aramex PJSC** has presented its report "Aramex Integrated Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 30th 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because **Aramex PJSC** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 26th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*