ANNUAL REPORT 2010

Global Reporting Initiative™ Organizational Stakeholder 2011

The Global Compact WE SUPPORT

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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Abdulla M. Mazrui
CHAIRMAN

Fadi Ghandour
FOUNDER AND CEO

LETTER FROM THE CEO

Dear Stakeholder,

2010 was another year of delivering on our promises to our stakeholders, from reporting robust financial results, investing in our people, innovating new solutions, to overcoming challenges, exploring new frontiers, and creating value for our shareholders, customers, business partners and communities.

At Aramex, we have long believed that a company's success is intertwined with the wellbeing of all its stakeholders. Four years ago, we released the first independently assured sustainability report in the Arab world, underlining our holistic stakeholder approach and long-term vision. Today, in our efforts to further enhance stakeholder communications, we are releasing the first integrated annual report, which combines our financial and non-financial reporting and further highlights the strategic role that sustainability plays in our operations and performance.

Throughout the past year, we achieved impressive operational and financial results, continued to nurture our people's development, and exceeded many key sustainability goals we set for the period. On the financial front, the strong performance of our key services across all markets resulted in an 11% increase in net profits, reaching AED 204 million, while revenues for the period witnessed double-digit growth of 13%, reaching AED 2,212 million. Moreover, we maintained a very healthy balance sheet, with a cash balance of AED 555 million.

Our strong financial position, coupled with our dedicated, highly skilled and entrepreneurial team—which has grown to over 8,600 people—allowed us to confidently and aggressively pursue expansion opportunities in emerging markets. In 2010, we concluded a series of acquisitions and partnerships in each of Ghana, Turkey, Bangladesh, Malaysia and Vietnam. Additionally, we are investing in e-business platforms and actively working with start-ups and SMEs in the Middle East to facilitate economic growth through increased electronic trade and commerce.

Building on our efforts to enhance customer service and boost our responsiveness to customers' needs, we have deployed the new Aramex Global Contact Center and improved the various existing channels for customer engagement. Our customer service efforts were recognized at the Middle East Call Center Awards for the Best Small Outsource Provider and for the Best Quality Assurance Program.

In line with our ongoing commitment to invest in our people, we have launched the 'Global Change Leaders' program, which, by focusing on a holistic approach to leadership, aims to empower Aramex senior managers to emerge as future global leaders. In addition to receiving executive education and global exposure during the year-long program, the program nurtures the leaders' spirit of responsibility by putting their knowledge and skills at the service of communities. We are also increasingly encouraging employee volunteerism across the network, and cooperating with new partners to link our people with more projects in their local communities.

In keeping with our responsibilities as active corporate citizens, throughout the year, we continued investing in our main areas of focus—education and youth empowerment, entrepreneurship, community development, sports, emergency relief and the environment. Moreover, our sustainability initiatives are impacting a greater number of people, as we further expanded our activities in countries such as Sri Lanka, India, Palestine, Egypt and Lebanon.

We continue to celebrate the entrepreneurial spirit within the company and to leverage our resources to support platforms that promote the same spirit in the wider community, such as Wamda; an innovative platform that facilitates entrepreneurship by sharing knowledge and resources across the Middle East, North Africa and South Asia.

Another priority for us, of course, is reducing our negative impact on the environment. Our efforts in this area continue to bear fruit; as a result of our environmental initiatives, we decreased our per-shipment fuel consumption by 3% in 2010. We continue to explore the use of alternative energy technologies to further reduce our carbon footprint and we are committed to complying with the highest environmental management systems.

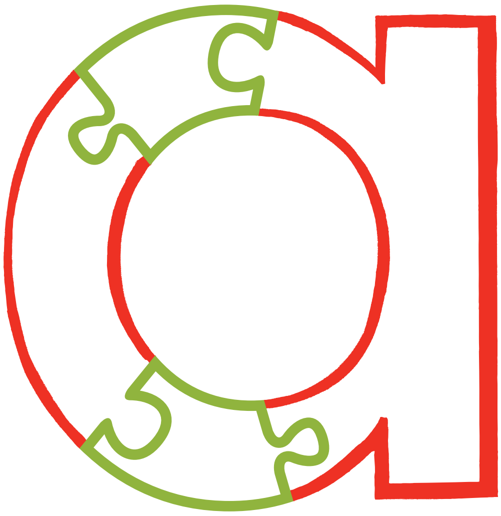
This integrated report is maintained in accordance with International Financial Reporting Standards (IFRS) and the Global Reporting Initiative (GRI), and it reaffirms our commitment to the United Nations Global Compact (UNGC). Following a third-party audit, we have maintained our reporting performance by receiving an independently assured rating of A+ on the GRI rating system.

We expect more challenging business conditions in 2011 and maintain a cautious outlook for the year, with an anticipated increase in operating costs as a result of inflationary pressure and higher fuel prices. However, global challenges are not unfamiliar to Aramex, and we will continue to carry out our long-term growth strategy and we will put all efforts towards delivering on our promises to all of our stakeholders.

A. Mazrui

Abdulla M. 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 8,600 direct employees and around 1000 indirect employees in over 53 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 perspective and 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

Our financial statements are maintained in accordance with the International Financial Reporting Standards (IFRS) and reported in line with the regulatory requirements of the Securities and Commodities Authority (ESCA) of the United Arab Emirates. We released our first sustainability report in 2007; since then we have consistently reported on our commitments and progress, and have implemented policies, procedures, and initiatives that deliver on our sustainability commitments to stakeholders.

This year, we are merging our financial and non-financial information in the first integrated Aramex annual report to further highlight the inseparable role of sustainability in our operations, performance, and strategic direction.

The report is in compliance with the local regulations in the UAE and the Global Reporting Initiative (GRI), and has been self-declared as GRI Level A, maintaining a rating of A+ following an independent assurance, and also covers the ten principles of the United Nations Global Compact. We are pleased to share this report as part of an ongoing dialogue on our progress and commitments with our stakeholders.

OUR PERFORMANCE

Key Financial Information

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

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

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

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

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 %
Revenues				
International express	29.1	29.3	32.0	31.2
Freight forwarding	46.2	43.9	38.7	41.8
Domestic express	12.6	14.2	15.4	15.0
Logistics	6.0	6.4	6.3	4.7
Publications and distribution	2.0	1.7	1.6	1.4
Others	4.1	4.5	6.0	6.1
Total Revenues	100.0	100.0	100.0	100.0
Shipping costs	53.2	50.1	43.5	46.2
GROSS PROFIT	**46.8**	**49.9**	**56.5**	**53.8**
Share of profits from JV's	-	-	0	0
Operating expenses	15.1	17.5	21.1	20.1
Selling, general and administrative expenses	23.8	23.9	25.0	23.5
Operating income	8.0	8.4	10.5	10.2
Income before income taxes	8.4	8.7	11.1	11.1
Provision for income taxes	0.5	0.5	0.6	0.7
Non-controlling interests	1.1	1.1	1.1	1.2
NET INCOME	**6.8**	**7.1**	**9.4**	**9.2**

Key Non-Financial Information

	2008	2009	2010
% of Pre-Tax Profits for Corporate Activism	2.70%	2.50%	2.60%
OUR PEOPLE			
Number Of Employees	7607	8101	8675
% Of Increase in Employment	20%	6%	7%
% of Female Employees From Total Aramex Employees	12%	11%	11%
% of Females in Management	23%	25%	25%
# of Locally Hired Management	255	277	338
Average Training hour per employee	21 (For reporting period 2007-2008)	17	21
HEALTH AND SAFETY PERFORMANCE INDEX			
Summary			
Fatalities	3	0	2
Accidents per Million Shipments	25	20	14.3
Percentage change in accidents per Million Shipments	62%	-28%	-21%
Lost Time Injuries per Million Shipments	1.27	1.1	2.6
Lost Time Injuries Frequency Rate	0.44	0.51	0.41
ENVIRONMENT			
Fuel consumption per shipment reduction	NA	21% (2006-2009)	3%
Paper consumption Savings	35 Tons	34 Tons	72 Tons

SUSTAINABILITY AS A STRATEGIC INVESTMENT

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

This year, and for the first time, we are presenting our sustainability performance in an integrated annual report, which combines our financial and non-financial information, further affirming our commitment to a holistic management approach, and to act as a platform for inclusive and transparent dialogue about our performance, commitments, and plans for responsible growth.
Being embedded in our daily operations, sustainability directs every decision we make at 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 effectively address the needs of the communities we belong to.

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: education and youth empowerment; entrepreneurship; community development; emergency relief; sports and the environment.

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 minimize 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.

Full-year net profit reaches AED 204 million, up 11%

The following section is an overview of our business operations, with various sustainability aspects related to our services discussed alongside each service description.

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.

In 2010, we institutionalised the use of environment-friendly biodegradable pouches[1] for all express shipments and introduced biodegradable plastic windows to our recycled cardboard envelopes, in addition to all activities performed and reported in previous years, such as electronic invoicing and online pick-up requests. Please see the aramex.org for previous sustainability reports.

1 www.aramex.org

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 on offer to our customers 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, exhibition handling, and other services.

Land freight is a less costly and more environment-friendly alternative to air freight and the former is increasingly being offered to and demanded 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 due to rising demand for efficient inter-regional delivery services.

Domestic Express Delivery

For many businesses such as pharmaceutical and telecom companies, financial institutions, NGOs, governmental organizations, and e-commerce businesses, our Domestic Express service provides door-to-door delivery of urgent packages within a country or a 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.

We continue to promote our technology tools to customers which enable them to use shipping labels instead of conventional waybills, thereby reduce paper consumption considerably. Furthermore, our fleet is in compliance 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[1], hybrid vehicles, and bikes[2] .

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 customer's 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 of the GCC, Middle East, North Africa, Western Europe, and Asia, and are powered by state-of-art technologies providing 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. We have also maintained our policy to use only electric-powered forklifts in our warehouses.

Information Management Solutions (InfoFort)

InfoFort is a wholly-owned subsidiary of Aramex and is the leading secure records and information management solutions provider in the Middle East and North Africa. InfoFort's solutions cover the full information life-cycle and include the secure storage and management of physical and electronic records, media vaulting and rotation, secure shredding, IT escrow services, cheques

1 www.aramex.org/Public_Articles
2 www.aramex.org/Public_Articles

management, and consultancy services.

The document automation services provided reduce the need for paper and its production, and help clients discard unneeded papers. The impact of InfoFort's paper-reducing practices is measured by certificates received for the number of trees saved. InfoFort also encourages environment-friendly practices by facilitating the recycling of customers' electronic and IT waste. For more information about InfoFort, visit infofort.com

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 and UK online stores easily, quickly and affordably. The service is provided in more than 25 countries across the Middle East, Africa, Europe, and Asia. For more information about Shop and Ship, visit shopandship.com

E-Commerce Solutions

As the e-commerce sector witnesses continuous growth in the Middle East and other 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 growing trend in e-business also has potential beneficial environmental effects such as 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.

For more information about our company and services, visit aramex.com

Company maintains strong cash position of AED 555 million; debt-to-equity ratio remains extremely low

Geographic Breakdown of Revenues (In Millions of UAE Dirhams) (as of December 31)

YEAR 2010	INTERNATIONAL EXPRESS 31%		FREIGHT FORWARDING 42%		DOMESTIC & OTHERS 27%		TOTAL REVENUE 100%	
Middle East	755.55	76%	655.43	60%	484.73	78%	1895.71	70%
Europe	83.47	8%	300.75	27%	97.17	16%	481.40	18%
North America	59.32	6%	43.51	4%	1.48	0 %	104.31	4%
Asia	102.77	10%	99.82	9%	36.09	6%	238.68	9%
Elimination	(312.00)		(175.41)		(20.69)		(508.11)	
TOTAL	**689.11**	**100%**	**924.10**	**100%**	**598.78**	**100%**	**2212.00**	**100%**

YEAR 2009	INTERNATIONAL EXPRESS 32%		FREIGHT FORWARDING 39%		DOMESTIC & OTHERS 29%		TOTAL REVENUE 100%	
Middle East	717.54	78%	592.78	64%	472.21	79%	1782.53	73%
Europe	77.16	10%	248.48	27%	99.97	17%	425.61	17%
North America	51.07	2%	26.49	3%	2.60	0 %	80.16	3%
Asia	76.25	10%	57.25	6%	23.06	4%	156.55	6%
Elimination	(295.44)		(166.20)		(22.42)		(484.06)	
TOTAL	**626.59**	**100%**	**758.79**	**100%**	**575.41**	**100%**	**1960.79**	**100%**

STRATEGIC DIRECTION

We aim to strengthen 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

In line with our strategic goals and in response to customers' needs, Aramex is pursuing a multi-faceted growth strategy consisting of the following components:

Acquisitions and Joint Ventures in Emerging Markets

We see tremendous value in the expansion of our global network in emerging markets. Taking the Aramex business model into new markets and establishing industry leadership will strengthen our position as one of the top five global logistics and transportation solutions providers. Sustainability is part and parcel of our strategy, and we expect our service offerings to enhance domestic economic conditions and support local businesses by enabling and facilitating commerce in developing regions.

For the medium-term, we are pursuing small- and medium-scale acquisitions and joint ventures in high-growth economies that enjoy political stability, particularly in Africa, Asia, and the Commonwealth of Independent States (CIS).

Additionally, there are a number of small to medium-size businesses within our core markets that can be integrated with existing operations and produce considerable efficiencies. We continuously seek to identify such companies to grow revenues and profits at higher efficiencies, and to enhance our services and deliver more value to our customers.

In 2010, Aramex concluded acquisitions in Turkey, Bangladesh, Malaysia, Vietnam, and Ghana. As part of our broader strategy, the increased presence in Vietnam and Malaysia will strengthen our existing Southeast Asian network in Singapore and Indonesia, while the acquisition in Bangladesh will complement our operations in the Indian sub-continent. By building a comprehensive logistics and transportation network in these regions, we aim to become the company of choice in these emerging markets and expect to build on this strategy well into 2012.

Globalizing the Brand Through Franchising

As an expansion strategy, franchising provides Aramex with additional revenue streams and requires minimal capital and management. By integrating with our established IT systems, global network, and branding, our franchising program provides growth opportunities to local and regional transportation companies looking to offer a global service. At the same time, we benefit from the local knowledge of franchisees to facilitate market entry, grow our revenue base, expand brand awareness, and improve our service offering. Furthermore, franchising relationships build mutual understanding in terms of corporate values and adopting sustainable business practices.

Ongoing focus on strategic expansion, including anticipated acquisitions in East Africa

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, such as expanding the offering of supply chain and information management services to existing Aramex locations. Since warehousing is a critical pre-requisite for offering these services, we will continue to invest in purpose-built logistics facilities to meet the increasing demand in the Middle East and South Asia

Aramex growing in emerging markets

Acquisitions by Arab transport company

Strategic purchases and joint ventures extend the reach and influence in Asian markets

Ivan Gale

The Arab transport and logistics company Aramex is boosting its global reach with acquisitions and partnerships in Turkey, Malaysia, Bangladesh and Vietnam.

The strategic deals will help the company capitalise on growing trade flows from emerging markets. Additional deals are expected for the company in Africa and Asia.

"These acquisitions and joint ventures are a culmination of Aramex's efforts over the past two years towards building a comprehensive network in Asia," said Othman Aljeda, the chief executive of Aramex Asia.

Aramex, which is headquartered in Jordan and traded on the Dubai Financial Market, has increased its shareholding in Aramex Turkey to 100 per cent.

It also acquired a majority stake in Avanti, an express courier based in Malaysia, providing a platform for Aramex to grow in the country's logistics sector.

In Vietnam, Aramex formed a joint venture with the logistic company Masan Services, a wholly owned subsidiary of Masan Corporation. In addition, Aramex has acquired a majority stake in Expo Express Services in Bangladesh. Terms of the deals were not disclosed.

The company said its growing presence in Vietnam and Malaysia would strengthen its existing South East Asian network in Singapore and Indonesia, while the acquisition in Bangladesh would complement its operations in India and Sri Lanka.

The acquisitions were "the first step towards the fulfilment of our strategy of being the company of choice in these emerging markets", said Fadi Ghandour, the founder and chief executive of Aramex. "We hope to soon announce further investments in Africa and Asia, and continue to build up on this strategy well into 2012."

The company has grown from its founding in 1982 into a leading Arab logistics enterprise with growing links worldwide. With an expanding network that includes the Middle East, Europe, the US and Asia, Aramex employs 8,600 people in 310 locations. Its business units include supply chain logistics and management for corporations, express courier services, and freight deliveries and services by air, land and sea.

The company says its land freight network is one of the largest in the Middle East, the UK and Ireland, with modern truck fleets using Global Positioning System technology.

The company competes with international courier giants as globalisation of the industrial supply chain continues rapidly, particularly in Asia. The accounting firm PricewaterhouseCoopers (PwC) said in a recent report on the global logistics industry that Asia and the emerging markets were "evolving economic powerhouses which will drive and shape the direction and future of global transport corridors".

"Sources estimate that trade centred around Asia will contribute almost 40 per cent of global trade by 2028," the PwC report said.

As a result, the study found, the largest logistics companies, including DHL, FedEx, UPS and TNT, were present in as many as 220 countries and virtually every emerging market. But companies trying to expand needed to adapt to local conditions, it said.

"Logistics service providers will need to take a targeted approach, which will require taking an active part in the design process of new transport corridors, developing adequate structures and pricing systems and initiating and building logistics clusters," the report said.

Aramex is one of the most heavily traded stocks on the Dubai bourse. In October, it said third-quarter net profit rose 12 per cent to Dh46.7 million (US$12.71m) compared with the same period last year, just under analyst expectations. The company also posted net revenue of Dh345m, up 12 per cent from the third quarter last year.

igale@thenational.ae

Performance

Aramex share price (dh)

2.2

1.6

Dh2.09

1.0

June 10

Dec 10

Source: Bloomberg

Since its inception in 1982, Aramex has grown into a leading Arab logistics company with growing links worldwide. Philip Cheung / The National

Announcing a series of strategic acquisitions and partnerships in Turkey, Malaysia, Bangladesh and Vietnam.

for outsourcing these services. In line with our commitment to adopt the highest environmental standards, all newly constructed Aramex logistics centers will be LEED certified.

Additionally, we will continue to invest in technology to achieve constant improvements in our communications network and information systems, which will yield continued enhancements in the quality and efficiency of operations and customer service.

Supporting Entrepreneurship and E-Businesses to Encourage Growth in Trade

Stemming from our values and entrepreneurial history and culture, and our understanding of the important role that entrepreneurship plays in job creation and macroeconomic growth, we actively work with local start-ups and SMEs to encourage and support small businesses. Furthermore, Aramex continues to forge strategic partnerships with world-class institutions to provide direct mentorship and support for aspiring entrepreneurs. Our efforts in this area are detailed in the Sustainability Pillars section of this report.

Meanwhile, with the e-commerce sector projected to witness significant growth in the Middle East, Aramex is utilizing its logistics expertise and infrastructure to partner with online retail sites to facilitate robust payment and delivery systems, and spur further growth in trade by enabling SMEs to expand their markets using online platforms.

INVESTING IN OUR PEOPLE

Our people's satisfaction and motivation is at the forefront of our priorities. Building a corporate culture that attracts and nurtures talent is crucial and imperative for our sustainable growth. We believe in continuously investing in our people by developing employee training programs through our corporate university as well as partnering with leading academic institutions, promoting local leadership, ensuring good working conditions, enhancing our human resource management systems, and various other areas. For details read 'Our People' section of the report on page 28.

CREATING VALUE FOR OUR CUSTOMERS

As a customer centric organization, we view our customers as long-term partners and always strive to deliver on our promises. We achieve that through close engagement and responsiveness, clear communication, continuous service improvement and innovation, and customizing our solutions to meet customer needs. For details see 'Our Customers' section of the report on page 34.

BEING ACTIVE CORPORATE CITIZENS

We believe that being a responsible, active partner in the communities where we operate and preserving the environment are strategic investments integral for achieving long-term growth. We have devised a framework to guide our corporate activism efforts along several areas of focus, which are detailed in the 'Sustainability Focus Areas' section of the report on page 38.

KEY NON-FINANCIAL GOALS FOR 2011

The following table outlines the our key non-financial issues and the corresponding goals we have set to achieve in 2011.

EMPLOYEES	
Human Resources Management System	Expanding the adoption of our HRMS in 10 stations.
Employee Satisfaction and Motivation	Developing action plans in response to employee satisfaction survey results.
Workplace Conditions	Piloting SA8000 certification in 2 stations Providing Human rights and labor rights training programs in major stations
Learning and Development Framework	Revamp and update the career development plan ensuring alignment with the competency framework and required learning direction
Quality of Training	Review and update Aramex training material Expanding the delivery of soft skills training Monitoring and enforcing the alignment of trainers with the Aramex trainer selection criteria
Implement On-line Education Practices	Run and test an on-line learning management system at Aramex
Executive Education	Hold at least one executive education program
HEALTH AND SAFETY	
Training	Continue the delivery of job specific health and safety training to all employees Achieving OHSAS certification in 4 additional stations
Policies and Procedures	Update emergency evacuation plans Update Health, Safety and Security related policies and manuals.
Performance	Reduce accidents per shipment by 10% Achieve Zero fatalities Reduce Lost time frequency rate by 10%
Monitoring	Upgrade the data collection system for incidents/ accidents and root cause analysis.
Safety	Upgrade safety and physical security measures in all facilities
Quality	Achieving ISO 9001 in 3 additional stations Pilot Cargo 2000 certification Develop a supplier evaluation form and piloting implementation with major suppliers
***ENVIRONMENT**	
Internal Awareness	Expanding the delivery of the environment awareness training program to all stations
Materials	Develop a packaging materials tracking system Implement a waste measurement system in Six major stations
Performance	Conduct carbon footprint analysis with a third party
Facilities	Achieving LEED certification in all newly constructed logistics centers in 5 locations
	Achieving ISO14001 in 10 stations
CORPORATE ACTIVISM	
Engagement	Conduct 3 sessions of stakeholder dialogues
Reach	Expand corporate activism into emerging markets where we expanded Support the education of around 200 youth Empower entrepreneurs and SME's by providing training programs

* More environmental targets will be developed based on the Carbon foot-print results and recommendations

CUSTOMERS	
Customer Satisfaction Surveys	Identify and upgrade customer satisfaction measurement tools
	Pilot the customer satisfaction measurement tools initiative at one of Aramex locations
Service Excellence	Drive 50% of total transactions to be done electronically via Aramex e-tools Deploying the new customer service application in 9 locations Upgrade our current customer service policies and procedures Upgrade our contact center auditing system Conduct customer service training for all frontline employees Enhance incentive schemes for frontline employees Provide customized solutions to support SME'S and entrepreneurs
Complaint Handling	Upgrade our customer complaint system Expand our complaint capturing mechanism to include all customer touch points
Customer Engagement	Upgrade our social media engagement and reporting

AWARDS AND MEMBERSHIPS

AWARDS FOR 2010

Quality of Service Award- World Freight Alliance
Supply Chain & Transport Awards
Best Small Outsource Provider (Middle East Call Center Awards)
Express Logistics Provider of the Year (SCATA)
Outstanding Achievement of the year award (SCATA)
Best Quality Assurance Program (Middle East Call Center Awards)

Receiving the Middle East Call Centre Awards for best practices.

Being recognized as Express Logistics Provider of the Year and winning the Outstanding Achievement Award at the Supply Chain & Transport Awards 2010 in Dubai.

MEMBERSHIPS

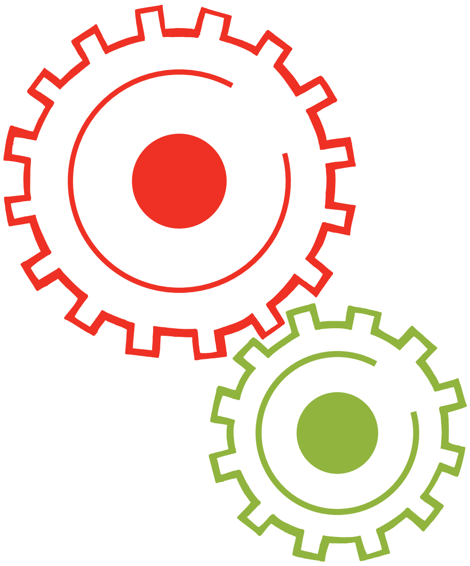
FREIGHT	
International Air Transport Association (IATA)	We are IATA-approved agents with individual CODE/ CASS numbers in Algeria, Bahrain, Bangladesh, Canada, China, Cyprus, Czech Republic, Egypt, Ethiopia, France, Germany, Ghana, India, Indonesia, Iran, Iraq, Ireland, Jordan, Kuwait, Lebanon, Libya, 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; remaining stations are in the process of becoming IATA-approved.
The International Air Cargo Association (TIACA)	Members
Fédération Internationale des Associations de Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founders
World Freight Alliance (WFA)	President
Freight Forwarding Syndicate	Members
Air Cargo Netherlands (ACN)	Members
Fenex	Members
EVO[1]	Members
LOGISTICS AND GROUND OPERATIONS	
Supply Chain and Logistics Group	Members
EXPRESS	
Global Distribution Alliance (GDA)	Founders
Express Delivery and Logistic Association	Members

1 www.evo.nl

INFORMATION TECHNOLOGY	
Information Technology Association of Jordan (INTAJ)	Members
BUSINESS IMPROVEMENT AND EFFICIENCY	
BSI Registered (British Standards Institute)	Members
SECURITY	
Transported Assets Protection Association (TAPA) – Jordan	Members
Transportation Security Association (TSA) – USA	Aramex is an indirect air carrier.
Customs Trade Partnership Against Terrorism (C-TPAT) - USA / Customs Dept	TwoWay and Priority are listed agents.
Department of Transport (DfT) - UK	
ENVIRONMENT	
Arab Forum for Environment and Development (AFED)	Members
Jordan Green Building Council (JGBC)	Members
Abu Dhabi Sustainability Group (ADSG)	Members
OTHERS	
KAMCO: Brokerage - USA	Members
ABANA: Association of Arab Banks for North America - USA	Members
MCAA: Messenger Courier Association of America - USA	Members

FORUMS, FOUNDATIONS, ASSOCIATIONS, AND NGOS

INJAZ	INJAZ al-Arab covering the Middle East
United Nations Global Compact (UNGC)	We have been members since 2007. We are now involved in human rights, anti-bribery and 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"	Founders
The American Chamber of Commerce in Jordan (AmCham-Jordan)	Members
World Trade Center	Jordan Chapter
Jordan European Business Association (JEBA)	Members
Global Reporting Initiative	Organizational Stakeholder
Arab Sustainability Leadership Group	Part of the founding group
Chambers of Commerce in all countries of operations	Members
Women Against Violence Conference – Amman- Jordan Women Against Violence Association (Wav). www.womenav.org	Supporters
Arab Distributors conference in Lebanon	Members
Digital Opportunity Trust DOT	Board Members
AMIDEAST Lebanon	Board Members



GOVERNANCE

We strive to be a leader in corporate governance. Aramex is overseen by a Board of Directors, comprised of eight members who are responsible for the adherence to and implementation of our Board of Directors' Charter and Corporate Governance Guidelines.

The following table sets forth the names of the Company's Directors:

- Mr. Abdullah 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.
- Sheikh Tareq Qassimi, Director.
- Mr. Ayed Aljeaid, Director.
- Mr. Mana Al-Mulla, Director.

Aramex strives to be a leader in corporate governance. Aramex is overseen by a Board of Directors, comprised of eight members who are responsible for the adherence to and implementation of our Board of Directors' Charter and Corporate Governance Guidelines. Seven members (87%) are non-executive independent directors, including the chairperson; the only management representative on the Board is Mr. Fadi Ghandour, the Founder and CEO of Aramex. Any shareholder can raise an issue during the Annual General Meeting. Shareholders are engaged in the selection process of Directors, who are highly-qualified individuals ultimately chosen by shareholders and through nominations by Board members, a process that adheres to the Board of Directors' Charter and Corporate Governance Guidelines while staying faithful to broader considerations, such as awareness of material, environmental and social issues. Conflicts of interest and independence are self-declared by members of the Board, who are then excused from the relevant discussion. Where necessary, the Chair or other Board members can identify a potential conflict of interest involving another Board member.

The Board meets regularly, as per the internal corporate governance code. Two standing Committees—the Audit Committee and the Nomination and Remuneration Committee—have their own charters for their responsibilities and tasks. In line with Emirates Securities and Commodities Authority (ESCA) corporate governance code, the Audit Committee receives direct reports from Aramex's Internal Audit function and briefs the Board accordingly. The Internal Audit function, in line with the Institute of Internal Auditors' standards, uses a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, and provides the Board of Directors, Audit Committee and the Management of Aramex with independent assurance that financial and operational mechanisms are functioning as intended, reasonable assurance that appropriate control mechanisms are in place to manage areas of high-risk and benchmark policies, procedures and activities to help implement best practices.

Aramex CEO and Founder Mr. Fadi Ghandour briefs the Board on Aramex's strategic stakeholder approach and sustainability initiatives and performance, and their relation to overall corporate performance, reflecting Aramex's commitment to being a responsible corporate citizen. Aramex strives to continuously engage in sustainability at a corporate level, and implements internal policies such as the environmental policy, responsible procurement, and whistleblowing policy. These strategic sustainability-related decisions and issues are discussed at Board meetings, where the Board signs off on any major sustainability initiatives or targets before their implementation, adhering to the Board of Directors code of conduct. In line with AA1000 principle of inclusivity, shareholders and employees are encouraged to provide recommendations and input via the Board of Directors' Charter and through the Whistleblowing mechanism available through the company intranet. The Whistleblowing policy and tool, implemented to emphasize our commitment to transparency, ensures discrepancies are reported and dealt with promptly to ensure ethical business practices while protecting employees. The Board generally does not have direct contact with the employees, but learns of their concerns and considerations via the feedback processes within the Aramex system.

Each year the Board recommends to the company's shareholders the amount of remuneration to be paid to the company's directors. For the year ended December 31, 2010, the Board recommended and the Company's shareholders approved that directors would receive US$54,795 each.

There is currently one shareholder with the highest percentage of shares, which is less than 10%. With regards to shareholder resolutions, a shareholder must own 10% of the company to automatically succeed in placing an item on the agenda, which is at the discretion of the Board.

Aramex is listed on the Dubai Financial Market. The Emirates Securities and Commodities Authority have released Corporate Governance Regulations for Joint Stock Companies and Institutional Discipline Criteria, for which compliance is mandatory by 2010. Extending from our commitment to being transparent, we have produced an independent governance report in compliance with the ESCA, which is available here[1].

MANAGEMENT (APPROACH AND SYSTEMS)

Aramex remains committed to delivering on its promises during prosperous and challenging times. Thanks to our agile business model, entrepreneurial people, and holistic management approach, we achieved robust financial results and continued to deliver value to all stakeholders throughout the global recession.

Once again this year, Aramex has exceeded its annual allocated budget for sustainability investments

Our federal structure allows us to directly contribute value to local communities by providing job opportunities and economic stimulus in our areas of operation, while our partnership model with social entrepreneurs and local, regional, and global NGOs further augments our corporate activism efforts which are focused on developing nations.

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 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 eight stations and our plans to receive the certification in Eight stations in MENA, GCC and Europe in 2011.

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 OHSAS18001 principles, and maintain certification at eleven stations and we are planning to certify four stations in the GCC by 2011. 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.

CERTIFICATION	NUMBER OF LOCATIONS CERTIFIED AS OF DECEMBER 31, 2010
ISO 9001:2008	28
OHSAS 18001	14
ISO 14001	8
TAPA	6

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).

1 http://sca-wb1.sca.ae/ARABIC/Secured/Companies/Financial_Reports/CorporateGovernance/ARMX2009CG.pdf

To further improve the safety of our operations and ensure quality of service, under our 'Together for Safer Roads' campaign in 2010 we 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 maintained ISO 14001 certification in Eight stations. 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

While striving for profitable and responsible growth, Aramex remains firmly committed to compliance with local and international laws, regulations and standards. Fundamental to our efforts towards organizational improvement, policy making and social activism is the pursuit of best practices in:

- stakeholder engagement
- financial reporting
- anti-corruption measures
- human rights
- labour rights
- environmental impact mitigation.

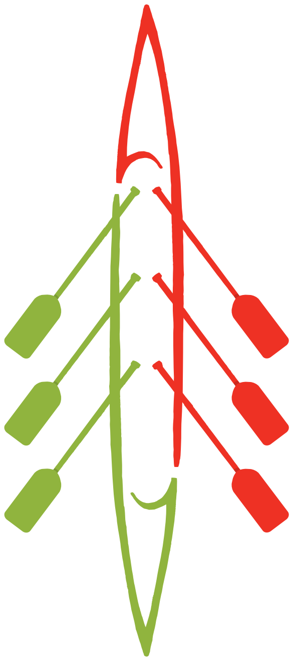
We are guided by the **AccountAbility (AA1000) Stakeholder Engagement Standard** that includes the principles of inclusivity, materiality and responsiveness to nurture our corporate culture. Aramex's belief in inclusivity and in an open-door policy enables and encourages collective participation in decision making. This is further encouraged through effective utilization of our online portals, creating a forum for multi-stakeholder communication and actively engaging investors, customers, suppliers, employees and the broader community. Aramex strives to assess and respond to material issues in a timely and effective manner through the localization of knowledge, employee awareness campaigns and management endorsement efforts. And finally, The Principle of Responsiveness leads us to judge our success based on the company's ability to address stakeholder concerns through policy making and the implementation of community and environmental initiatives.

Aramex's financial reporting systems, based on the **International Financial Reporting Standards (IFRS)**, are designed to meet the requirements set forth by the **International Accounting Standards Board (IASB)**. Transparency in our financial reporting is integral to our belief in ethical business practices. We continue our involvement with the **Partnering Against Corruption Initiative (PACI)**, established under the World Economic Forum and are progressing towards robust internal controls via our financial policies, code of conduct and recently-launched ethical business practices training.

As a proud signatory and active participant in the **United Nations Global Compact (UNGC)**, Aramex embraces and enacts core values in the areas of anti-corruption, human rights, labour standards and the environment. Throughout our international operations, we remain committed to protecting human rights and respecting labour standards. Additionally, our human resource governance structure is founded on the principles set forth by the United Nation's **International Labour Organization (ILO)**.

In keeping with our policy of continuous improvement, we have recently initiated the adoption of the **Social Accountability (SA8000)** standard, as developed by Social Accountability International. Designed for independent auditing and certification of labour 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.

Compliance with environmental standards is implicit to Aramex's operations. Through our commitment to the United Nations Global Compact and as elaborated throughout this integrated report, we aspire to be an industry leader in adopting and propagating policies that help build a cleaner and greener planet.



STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders is a critical part of our sustainability strategy. It highlights a commitment to continuous and transparent long-term engagement and a recognition that we are not accountable only to shareholders but to a wider community of stakeholders.

In 2010, Aramex continued its efforts to initiate open dialogue with our stakeholders. Our focus has been on enhancing our traditional stakeholder engagement processes with the integration of online portals and social media outlets. Effective reporting of our performance information provides a foundation for future dialogue and enhanced communication with our stakeholders and helps align our business practices with stakeholders' needs and aspirations, allowing us to further develop shared values with our stakeholders.

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

EMPLOYEES
Our diverse workforce is comprised of over 8,600 direct employees and around 1,000 indirect employees across the globe.

ENGAGEMENT PROCESSES
Operational meetings
Station meetings, functional meetings and regional meetings
Team brainstorming sessions
Individual performance appraisals
Internal surveys
Employee social events
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
Launch of the 'Global Change Leaders' program
Celebrated our frontline employees in 'Aramex Courier Day'
Regional leader meetings held in Egypt, Jordan, and India
Organized sports events, such as the Aramex Gulf Cup soccer tournament and Jordan Football Championship

CUSTOMERS
We serve over 60,000 customers[1] spanning from the Middle East and North Africa, across Europe and Asia, to North America.

ENGAGEMENT PROCESSES
Personal feedback meetings
Online communication forums, such as social media and live chat
Branches and outlets
Contact centers
Customer service surveys
PRIORITIES
Provision of customized services that cater to customers' needs

1 This number excludes Shop and Ship customers

CUSTOMERS

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
Enhanced customer service through social media, web and desktop tools, iPhone application, and live chat
Deployed 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

BUSINESS PARTNERS

Our partners include airlines, sea liners, vehicle leasing companies, subcontractors, and NGOs.

ENGAGEMENT PROCESSES
Ongoing negotiations, transactions and service provision
PRIORITIES
Long-term business relationship 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

SHAREHOLDERS

As of 2010 year end, Aramex had 25,987 shareholders, with the largest individual shareholder owning less than 10%and institutional investors holding approximately 45% ownership.

ENGAGEMENT PROCESSES
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 2010
Sound business integrity

COMMUNITY

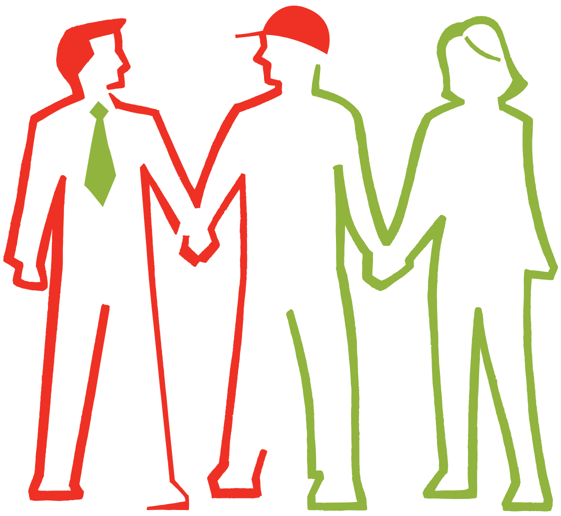
The broader society to which Aramex services and connections extend.

ENGAGEMENT PROCESSES
Direct and indirect feedback from local communities, customers, employees and their families
Participation and investment in community events Focus groups to address specific community issues (such as noise pollution, traffic congestion, or road safety)
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
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 Pakistan, Egypt and India
Encouragement and support of employee volunteerism and fundraising efforts through partnerships such as Volunteer in Dubai (VID) and 'Alashanek Ya Balady'
Support of team spirit through sports initiatives in India and Jordan
Supporting entrepreneurship through partnerships such as WAMDA and MIT

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
PRIORITIES
Increased environmental awareness
Carbon foot-print reduction
Green Building operation
Regulatory compliance
EFFORTS AND OUTCOMES
Logistical support for the first Arab version of National Geographic's 'EarthPulse' report and 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 stations
Continued tree planting efforts in Lebanon and Jordan, in association with YARA and IBSAR
Support of biodiversity through the transportation of wild animals from Jordan to South Africa, in collaboration with the Princess Alia Foundation, and of the 'Changing Oceans Expedition'
Partnership with Purdue University to support Master's level Palestinian students in their research on water resources in Jericho city



OUR PEOPLE

We believe that investing in our people, the company's most valuable asset, will drive the sustained and long-term growth of Aramex. Over the past few years, with the assistance of specialist third-party consultants, we have made significant changes to our human resources management systems in the areas of performance appraisals and grading structure across the network.

In 2010, we continued to dedicate our efforts for enhancing our HR management systems, particularly to refine employee performance metrics (through evaluation of KPI's and competencies), enhance employee training programs and career development plans, and improve performance evaluation mechanisms.

Aramex is a young organization with 81% of our people aged between 18-40

The growth of the company reflected on our workforce, which has increased by **7%** in 2010.

Our federal structure, where each station is a local entity in its country of operation, creates local job opportunities. We also encourage local leadership which has the benefit of harnessing region-specific expertise and cultural perspectives. In view of that, the number of locally hired managers increased by 3% in 2010.

Aramex embraces diversity in its people as its global network spreads across all regions of the world. Such diversity in backgrounds and outlooks enriches our discussions, perspectives and willingness to experiment.

The number of locally hired managers increased by 3%

With 81% of our employees aged between 18 and 40 years, Aramex remains a young institution. In that light, we actively promote career development and professional growth within the company. In 2010, 60% of all new team leaders, managers and senior managers were promoted internally.

Ultimately, a strong employee retention rate is a good measure of job satisfaction. Presently, 64% of our people have been with Aramex for three years or more, reflecting on their desire to maintain a long-term relationship and pursue a career path within the company.

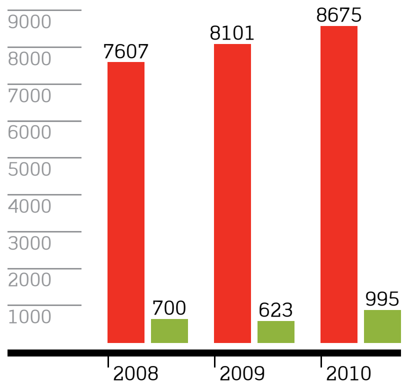
The number of direct employees increased by 7%

Gender Equality

In line with our policies as an equal opportunity employer, we have been actively working on enhancing workplace diversity and inclusivity, principles promoted by AccountAbility through the empowerment of women.

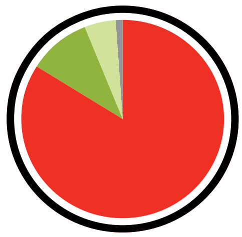
Considering that 82% of Aramex's workforce is made up of ground couriers, customer management teams and other 'on-the-field' front-liner posts; which typically appeal to males more

EMPLOYEES PER AGE	PERCENTAGE
18-25	15%
26-40	66%
41 and above	19%



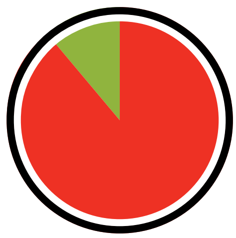
Direct Employees   Indirect Employees

Direct Vs Indirect Employees



Employee per Region

- Asia 10%
- Europe 5%
- North America 1%
- Middle East & Africa 84%



Gender

- Female 11%
- Male 89%

than females and more so due to cultural aspects in the regions that constitute our core markets; women tend to be reluctant on taking jobs in the fields that make up the majority of our employee base. Consequently, the percentage of men in our workforce far exceeds the number of women (89% vs. 11%). However, our policies do not exclude the employment of women in any posts and currently 10% of Aramex's frontline employees are made up of women. Furthermore, we ensure that the ratio of male-female salaries remains one-to-one in all operational locations.

As part of our commitment to empowering women within Aramex, we continue to encourage the growth of women in leadership posts. Presently, 25% employees in managerial positions are women.

25% of employees in managerial positions are women

In our efforts against discrimination, Aramex ensures that the ratio of men's salaries to women's remains one-to-one in all our locations of operation. We are pleased to report that there have been no allegations of discrimination in this regard during 2010 or in previous years.

In 2010, 60% of all new team leaders, managers, and senior managers were promoted internally

Employee Development

Recognizing that the sustained growth of Aramex is dependent on our people's development, we continue to invest in enhancing our employee development programs.

Corporate University

The Aramex Corporate University, launched in 2007, has focused on the development and delivery of human resource education programs as per its comprehensive 'career development plan'. Furthermore, the Corporate University has pursued an ongoing effort of improving training materials and strategies.

All new hires are enrolled in a Basic Training Program (BTP), giving them a comprehensive understanding of Aramex's business operations, strategy, stakeholder approach, culture and values. In addition, a variety of internal and external training programs give our people the opportunity to enhance their knowledge and skills, such that they are better equipped for their roles both in the company and in their community.

In order to ensure consistent quality of our employee development programs, we have deployed a content review committee to ensure that training material and programs meet expectations and a field training manger has been assigned the task of reviewing and monitoring the quality of training across the network.

PERCENTAGE OF FEMALE EMPLOYEES	2008	2009	2010
% of Female Employees From Total Aramex Employees	12%	11%	11%
% of Females in Management	23%	25%	25%

These efforts are supported by a system of quarterly reviews, aimed at ensuring the delivery of the Basic Training Program to new hires and the implementation of the annual training plan for each station.

As we continue to seek better learning methods for our employees, we have increased the number of new online training courses in 2010 to 318 courses, totaling 3150 training hours. In response to employee training needs and in compliance with AccountAbility principle of responsiveness, our total training hours increased by 23% over the previous year, reaching an average of 21 training hours per employee in 2010. We attribute this increase to a rise in utilizing online training courses, training of new hires via the Basic Training Program, and the quarterly reporting and monitoring processes. We also continue to monitor and improve the quality of training provided to our people.

Training hours increased by 23% since 2009 reaching average of 21 training hours per employee in 2010

Additionally, we continued developing our executive management team through a specialized executive education program in collaboration with the American University of Beirut (AUB), where fifty leaders enrolled for twelve business days in the program which aimed to enhance and unlock their leadership potential.

Fostering our leaders at the Aramex Global Change Leaders Program.

Celebrating our couriers, the people behind every shipment made

The Global Change Leaders Program

As part of our commitment to invest in our people's development and promoting from within, we have devised a leadership development program that aims to empower our senior managers to emerge as future global leaders, and nurture their spirit of responsibility towards all stakeholders.

Thirty one senior leaders were carefully selected as part of the first group to participate in the program. With full support and direction from the CEO and the management team, the year-long program kicked off in an orientation session and a team-building retreat at the ancient city of Petra in Jordan. Throughout the program calendar, enrolled leaders will gain global exposure by working on challenging projects across the Aramex network, participate in international conferences and forums, and receive executive education in world class academic institutions. Additionally, in partnership with NGOs and social entrepreneurs, the leaders will participate in volunteer initiatives by putting their knowledge and skills at the service of their communities.

Ultimately, the program will enable the leaders to take on larger roles within Aramex and help the company in achieving its strategic objectives.

Employee Involvement

Engagement

Aramex continues to promote an 'open-door' policy, amongst other internal communication mediums, such that employees at all levels remain engaged in decision-making processes. To this end, we encourage our people to express themselves via various channels such as our corporate blog and micro-blogging tools.

We aim to create a vibrant workplace for our people. This year, Aramex launched a unified initiative to celebrate the efforts of our ground couriers in 21 major stations. As part of 'Aramex Courier Day', office executives and leaders spent a day on the ground delivering packages, as a symbolic way of celebrating the ground couriers for their vital contributions on the frontline.

In an effort to encourage a motivating work environment, we have been active in setting up social committees for the planning and execution of events that bring our employees together in constructive social activities. In 2010, the Aramex GCC Gulf Cup was held, a two-day event that brought football teams totaling 96 employees from 10 stations to an event that encouraged healthy competition and boosted team spirit. Additionally, basketball tournaments were held in Jordan and in Bahrain.

Volunteerism

Our people enact Aramex values of corporate activism by putting their skills and expertise at the service of communities. Through a partnership with INJAZ, our employees actively delivered numerous programs to universities and schools in Egypt, Morocco, Bahrain, Lebanon and Jordan. As part of a similar effort in Jordan, our employees created 'Erada' in cooperation with Ruwwad, to rebuild children's schools. These opportunities allowed employees to partake in activities that benefit members of tomorrow's generation.

Furthermore, Aramex's partnership with Volunteer in Dubai and Abu Dhabi[1] involved the mobilization of employees for several projects, including the Pakistan emergency relief effort.

Working Conditions

Upholding the rights of employees as an ethical responsibility that Aramex takes seriously. We adhere to international laws on human and labour rights while monitoring our practices to comply with local laws, as part of the overarching guidelines set forth by the UN Global Compact and International Labour Organization. The guidelines include the prevention of child labour by a thorough review of employee documentation during the hiring process and combating of forced labour caused by the holding of workers' passports. We did not encounter any detrimental hiring incidents during 2010.

Salary and Benefits

Aramex aims to attract and maintain talent by providing competitive working conditions, salaries, benefits and an attractive corporate culture. To this end, our efforts include the monitoring of local minimum wage requirements at our stations. In 2010, we met and exceeded minimum wages throughout the network.

In terms of employee benefits, Aramex provides health insurance where it is not provided by the government, in addition to life insurance in some stations. Our employees in Jordan are provided additional health insurance for cancer. We also contribute towards governmental social security funds for employee retirement pension plans. Other benefits offered to our employees include corporate special offers and discounts, stock options and special rates for company services. Finally, monetary bonuses are distributed to employees based on regular performance appraisals.

Employee Satisfaction and Affinity

Nurturing our human resources is essential to the success of the company. New and existing employees have access to the Aramex Employee Handbook and Code of Conduct, which outlines Aramex's principles, policies, culture, values and employee rights. Moreover, it provides an overview of policies and procedures designed to ensure a healthy, safe, ethical and secure working environment. In compliance with the UN Global Compact and the International Labour Organization, Aramex does not have policies against labour unions and collective bargaining. Aramex employees in Bahrain established a union and elected its board of directors. Additionally, many of our employees are members of external labour unions.

In order to measure employee satisfaction and the practice of Aramex values such as trust, respect and empowerment, we conducted a comprehensive survey with a third party to ensure anonymity and accuracy of the results. The survey was sent both online and physically to cover employees who have no online access and the results are expected in second quarter of 2011.

HEALTH, SAFETY AND SECURITY

Our commitment to our people includes the provision of a working environment that is healthy, safe, and secure. Accordingly, we have expanded our adherence to the OHSAS 18001 management standard, of which we have thirteen certified stations across Europe and the Middle East. We are pursuing certification in Muscat, Bahrain, Kuwait and Doha in 2011 and aim to adhere to OHSAS in other regions to ensure the consistent implementation of these standards across our network.

We have continued the delivery of awareness training to help our people avoid work-related injuries. Training courses that are tailored to employee's specific jobs are provided to new hires, including general health and safety, healthy back and safe driving. We also continue to log all health and safety incidents to monitor our performance and guide our efforts towards continuous improvement. The statistics of the logs are summarized below:

HEALTH AND SAFETY SUMMARY	2008	2009	2010
Fatalities	3	0	2
Accidents per million shipments	25	20	14.30
Percentage change in accidents per million shipments	62%	-28%	-21%
Lost Time Injuries per million shipments (days)	1.27	1.72	2.60
Lost Time Injuries Frequency Rate	0.44	0.51	0.41

1 www.aramex.org/Public_Articles

NORMALIZING INDICATORS	2008	2009	2010
Total Shipments	27,564,432	25,455,130	29,797,799
Total lost time (days)	737	462	577
Total Lost Time Injuries	35	44	28
Total working hours across the network	16,246,416	17,303,736	18,506,304
Total working days	2,030,802	2,162,967	2,313,288

The total accidents per million shipments have been reduced by 21% since 2009

The normalized results indicate that our training and awareness campaigns have contributed to the reduction in work-related accidents and injuries. The total accidents per million shipments have been reduced by 21% since 2009 while the total time lost from injuries was reduced by 36% from the previous year. We did, however, suffer Two very unfortunate fatalities in 2010.

All work-related injuries are treated through the health insurance provided either by the government or by the company to our employees.

Vehicle accidents resulting in injuries were reduced by 70% in 2010

The statistics specific to vehicle and warehouse related incidents are presented below. As is evident, the total lost time was reduced significantly, even though the number of reporting stations has increased in 2010. Vehicle accidents resulting in injuries were reduced by 70% over the past year, while warehouse lost time injuries were reduced by 64% over the same period. We are committed to tracking accidents and continuously upgrade the tracking system to identify opportunities to improve our health and safety practices.

Warehouse lost time injuries were reduced by 64% in 2010

VEHICLE RELATED INCIDENTS	2008	2009	2010
Vehicle Lost Time (days)	353	323	426
Vehicle Accidents (resulting in injury)	25	34	13
Vehicle Accidents (no injury)	628	403	413
Vehicle Lost Time Injuries	25	44	76

WAREHOUSE RELATED INCIDENTS	2008	2009	2010
Warehouse lost time (days)	384	139	151
Warehouse Accidents (no injury/minor injury)	11	20	55
Warehouse Accidents (resulting in Lost Time Injuries)	10	10	15
Lost time per million shipments	26	15	5
Lost time/total time	0.036%	0.023%	0.025%

Aramex is a non-smoking organization with designated outdoor areas for smoking. We also have strict policies against substance use and abuse which are clearly highlighted in the employee handbook.

Some of the measures taken to improve safety in 2010 included:

- Recruiting regional 'Area, Safety and Security Managers'
- Redefining the roles and responsibilities for all safety and security employees
- Upgrading our policies and procedures for Land Freight Transportation Safety Manual in compliance with international safety requirements
- Revising procedures to reinforce the use of Personal Protective Equipment (PPE)

Physical security standards were also upgraded to ensure that activities are monitored to prevent intrusion or unauthorized access to facilities. Additionally incident reporting procedures were also refined to ensure accurate logging and execution of corrective action.

Aramex has received TAPA (Transported Asset Protection Association) certification for six stations, and is striving to increase this number in the future. As a C-TPAT (Customs-Trade Partnership Against Terrorism) certified provider, security measures at Aramex meet the latest requirements established by the US Customs and Border Protection Agency. Furthermore, Aramex remains compliant with the US BioTerrorism Act, designed to prevent bioterrorist threats from hitting food supply in United States. We have not encountered any instances of non-compliance in 2010.

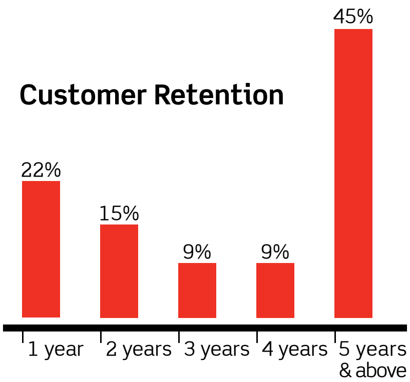
CUSTOMERS

We believe that close engagement with our customers is fundamental to our goal of delivering innovative products and high quality services. In 2010, we continued our efforts towards developing mechanisms that enable us to receive and act upon customer feedback in a timely manner.

The restructuring of our customer management teams, aimed to fulfill customer needs more effectively, has expanded to include five additional stations during the past year.

Long-Term Partnerships

In 2010, we continued to actively seek long-term partnerships with customers, translating to an increase in the retention and loyalty of our existing customer base. The largest segment of our customers, those who have been with Aramex for five or more years, has grown to 45%; an increase of 6% since 2009. Furthermore, as is indicated below, 78% of our customers have been with us for at least two years (Data excludes customers of our Shop and Ship service).



Also, Aramex continues to solicit valuable feedback through customer satisfaction surveys. In cooperation with a Third party, we designed a comprehensive survey and conducted a pilot test to ensure that customer responses yield in-depth and actionable feedback. This survey will be rolled out to the rest of the network throughout 2011. To ensure a more insightful survey that would be reflective of the dynamic changes in our customer management teams, we had to postpone the survey till 2011, after the conclusion of the customer management team restructuring.

In 2010, Aramex's customer service efforts were recognized by the **Middle East Call Center Awards** for the Best Small Outsource Provider and for the Best Quality Assurance Program.

45% of our customers have been with Aramex for five or more years

Responsiveness

Reflecting our commitment to the principle of stakeholder inclusivity as outlined in AccountAbility principles, the value in all our customer engagement efforts is evaluated based on our ability to respond to customer needs successfully, quickly and effectively. In 2010, we rolled out Aramex Global Case System, which captures customer requests, inquiries and complaints and generates a case that is routed to different parties to follow-up and solve within a set time standard. Currently, this system is deployed among 29 entities to be fully deployed for the rest in 2011.

2010 also witnessed the following feedback-driven service introductions:

- In response to the global economic conditions, Aramex expanded its offerings to include Value Express Service in Europe. This provided our customers the option of delivering non-urgent packages at reduced rates.
- Acting upon our commitment towards the provision of services that support sustainability, Aramex obtained **SKAL Certification** for the handling, storage, and distribution of organic foods in the Netherlands.
- We expanded our customer engagement through social media (for full details, see the Online Presence and Social Media section).

Customer Experience

We are dedicated to providing our customers with the best experience possible, from the moment they first interact with us in person, on the phone, or online, until the conclusion of the service. In line with this, we continue to improve operational excellence across our network and enhance our customer interaction tools and tracking facilities. Accordingly, we have dedicated significant efforts towards the ongoing refinement of Aramex's global tracking system. As a result, we have merged existing tracking system locations in order to better control quality and to deliver a more consistent customer experience. Over the past two years, the total number of tracking system locations has been reduced from 181 to 169. Furthermore, we have successfully met this year's target of executing over 90% of our deliveries on time.

In addition, to ensure seamless interaction with our customers, we have deployed 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. Presently, centralized contact centers offering standardized services have been launched in:

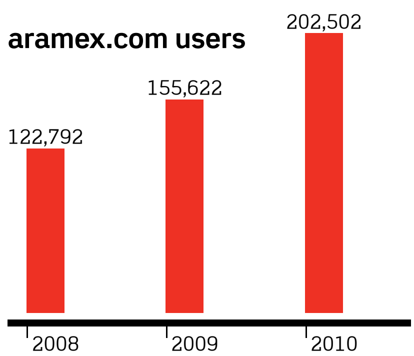
- **Jordan** (Global Support Office in Amman),
- **UAE** (Dubai office), and
- **India** (Mumbai office)

As part of our commitment to continuously monitor and improve of our operations, we have rigorously updated our contact center auditing systems so as to yield detailed data on key performance indicators (KPIs) ranging from the level of knowledge required to dealing with frequent inquiries, to the quality of the customer service skills. To further improve our performance, we are also actively reviewing and amending our customer service policies and procedures, updating our job descriptions and KPIs of our customer service team, assessing training for all frontline teams and improving our incentive/awards scheme for our teams. In 2011, we will expand this initiative by conducting a complete assessment of touch points, resources, and technology at our major stations.

Our most recent efforts towards customer engagement included the introduction of a live chat service to support our Shop and Ship operations in the UAE, KSA, Oman, Qatar, Bahrain, Jordan and Lebanon. This live chat service gives our customers the ability to share their feedback. We also expanded our service channels to include a new iPhone application for tech-savvy customers and a new version of ClicktoShip, a desktop application for companies that ship extensively with us.

Online Presence and Social Media

We continued to expand our activities online and on social media in 2010 to engage with our stakeholders, listen to and serve our customers, communicate our corporate announcements and solicit feedback to improve our services.
The primary point of contact for our external stakeholders, including customers, is our website aramex.com. Our ongoing effort to effectively utilize the latest in web technologies has attracted increasing usage over the years. In 2010, aramex.com was expanded to cater for French-speaking users and visitors.
We aim to increase awareness of sustainability issues by engaging



our stakeholders through a dedicated portal at aramex.org. For further details on aramex.org, please refer to the 2009 Sustainability report.

2010 witnessed impressive expansion of Aramex's presence in online social media. In fact, Aramex was voted on Mashable, a world leader in social media news and web tips, as one of the top five companies providing customer service through social media in the world.

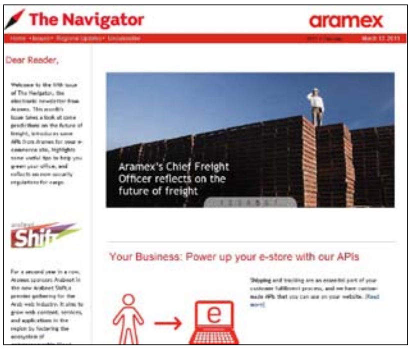
Most notably, Aramex started monitoring and engaging customers via websites such as Yelp, MouthShut, eBay, LinkedIn, and consumer forums in India. 2010 was marked with an impressive increase in social media interactions, as number of fans at our Facebook surged from 1,598 to nearly 5,000 and the number of followers on Twitter increased from 585 to over 2,000. More importantly, we have increased the number of monthly tweets from 94 at the beginning of 2010 to around 283 at the end of 2010, bringing the number of customer served on Twitter to 2,153. Our efforts in this regard have been compliant with the principle of responsiveness and inclusivity, as per AccountAbility principle.

In addition, Aramex has continued to enhance its customer

online newsletter, The Navigator, which is a service-centric interactive tool with the latest information on services, customer case studies, service updates, and commenting capabilities. In 2010, we increased our emphasis on providing valuable content, news, and interactive tools, and integrated geo-specific functionality to the newsletter website. The tool has allowed the promotion of Shop and Ship in India; the strengthening of local engagement activities in Egypt; and the launch of an interactive map with region specific news. These efforts have reflected in its readership, as total visits increased from 1970 for the May issue to 4,647 visits at the end of the year. We have also continued providing corporate information via The Explorer, a magazine that explores the global world of logistics and the behind the-scenes stories of how logistics drive and enable modern life. The total number of online viewership for the Explorer reached 3,143 readers and 24,472 page views for our latest issue.

We expect to continue deployment of a targeted plan for increased online engagement across the network.

In 2010, Aramex engaged with 3,153 customer requests, doubled the number of Facebook fans to over 5,000 and tripled the number of Twitter followers to over 2,000



SUSTAINABILITY FOCUS AREAS

Since our first Sustainability Report of 2006, we have maintained a consistent 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 across a broad range of issues.

Our Sustainability Focus areas include:

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

At the forefront of Aramex's efforts towards community development has been its co-founding and long-standing support of Ruwwad, a regional initiative led by the private sector that empowers disadvantaged communities to overcome marginalization through youth activism, civic engagement, and education.

2010 saw the transition of Ruwwad into a self-sustaining organization, geared towards the long-term empowerment of its community stakeholders. To this end, Aramex 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.

Ruwwad's broader goals for 2011 include advances in communications with stakeholders; the implementation of robust monitoring and evaluation systems for the various programs and activities; building accountability across all operations; deepening community participation and engagement and further enrichment of the youth program. Furthermore, Ruwwad intends on extending its efforts towards community development through the empowerment of women. This effort is expected to focus on the provision of educational programming that would encourage the propagation of healthy lifestyles, while providing the necessary skills for income generation through entrepreneurial activity.

This section is designed to highlight the various challenges and successes, as pertaining to the individual Sustainability Pillars.

EDUCATION & YOUTH EMPOWERMENT

Aramex firmly believes that the ability for a society to prosper and to sustain itself is founded in the appropriate education and empowerment of its youth. To that end, we continuously participate in initiatives that support education and empower youth to seek development opportunities and allow them to engage with, and contribute towards, their local communities.
We are happy to report that 2010 was a successful year for our educational and youth empowerment initiatives across the Middle East and South-East Asia.

India

Aramex has established a grassroots partnership with Nareshwadi Learning Center[1] (NLC) to help facilitate projects under LeapForWord[2] , a non-profit initiative geared towards developing a skilled pool of teachers. This model has proved successful with the appointment of a former LeapForWord rural youth student as a teacher who is now delivering Level 1-3 programs to 100 students across two residential hostels. Furthermore, our partnership with NLC has supported the following initiatives:

- **Train the Teacher Project** that facilitated the training of 17 teachers to deliver LeapForWord's Level 1 programming on the 'Ability to Read & Spell'. The training of the teachers from five Bombay Municipal Corporation (BMC) schools and two residential schools impacts a total of 575 school students.
- **LeapForWord Teacher Project** that trained BMC school teachers in the delivery of Level 2 programming on 'Elementary Vocabulary Building & Comprehension of W/H Questions'. This initiative impacted a total of 340 students across 6 schools.
- **English Language Program** that functioned as an educational outreach initiative impacting 800 students across 18 schools, through the engagement of two local non-profit organizations.
- **Urban Youth Project** that supported of 22 youths studying at a night college that aims to groom students who are seeking better job opportunities to match their existing education and English skills.

Egypt

Aramex continued its support of youth through the sponsored enrolment of 52 students. The initiative has broadened the participants' horizons and bridged the gaps between education and industry, by exposing students to the corporate world via knowledge transfer from committed Aramex volunteers.

1 www.nareshwadi.org
2 www.leapforword.org

The graduation ceremony of youth in the Mousab Khorma Youth Education Scholarship Fund, named in honor of a Jordanian entrepreneur who passed away in the Amman bombings of 2005.

200 children graduated from Ruwwad's 2010 Summer School. Ruwwad is an Aramex founded community-empowerment organization.

Jordan

Our efforts towards educating and empowering Jordanian youth included:

- Supporting the Industrial Engineering faculty at the University of Jordan, helping students with their graduation projects.
- Encouraging the pursuit of science and innovation amongst youth in a Robotics Competition.
- Facilitating the education of 170 students in 2010 through Aramex's annual contribution towards the Mousab Khorma Youth Education Scholarship Fund[1] (Fund), totalling 470 students since the inception of the Fund in 2005. Furthermore, the Fund has reached out to 162 marginalized families through a variety of creative and sports programs. Meanwhile, the Fund continues signing MOUs with universities and colleges in an effort to facilitate its business leadership programs.
- Launching of 'Erada' in partnership with Ruwwad. Erada is a school support initiative that retrofitted the infrastructure at two primary schools impacting a total of 500 students. The program also encourages other private sector companies to support the schools.
- Finalizing the Anna Lindh Child Literature Project through Ruwwad, which will benefit eight children libraries across Jordan.

Palestine

Aramex supported the expansion of the successful student-to-student program, where 20 youth from six universities received a sponsored education in return for their contribution to local communities by tutoring young students in their homes due to difficulty in commuting to schools.

Saudi Arabia

We participated in an initiative by the Ministry of Education to recognize and honour the achievements of outstanding students in 110 schools across Aldiraea province.

Regional

- Aramex partnered with INJAZ al-Arab[2] across 10 countries to provide local schools with volunteers from regional Aramex stations in support of various programs. Additionally, Aramex is supporting INJAZ Gaza to help 12,800 students complete their programs over the next three years.
- Our employees received training from INJAZ and entered long-term commitments to deliver various mentorship programs to school and university students.

We have initiated programs in India, Lebanon, and Egypt, to support the education of the children of our Ground Couriers.

Supporting Research

- **Palestine**: Aramex supported Purdue University in their research on water resources in Jericho city involving Five post graduate students from Berzeit University.

- **Egypt**:
  - In support of the John D. Gerhart Center for Philanthropy and Civic Engagement[3], and in partnership

1 www.ruwwad.jo/mousab-khorma-youth-education-scholarship-fund
2 www.injazalarab.org
3 www.aucegypt.edu/research/gerhart

with the American University in Cairo, Aramex provided financial support for the 'Corporate Sustainability Capacity Building Program'. Furthermore, two senior Aramex employees are on the steering committee of the program.
– To promote knowledge transfer and a culture of entrepreneurship, Aramex partnered with El-Khazindar Business Research and Case Center (KCC) School of Business[1] at the American University in Cairo in developing regional case-studies on inspiring entrepreneurs and innovative companies.
– We supported the extensive research effort of profiling Izzbeit Khairalla, one of Cairo's biggest slum areas. The outcome of this assessment of community needs is expected to enable a partnership between Ruwwad and Tawasol, an Egypt-based NGO, which would facilitate civic engagement and empowerment of the community.

- **Lebanon**: Aramex supported the American University of Beirut[2] in the research and development of policy for youth in the Arab world.

- **Regional**: Aramex supported research by the al-Hakawati Arab Cultural Trust[3] on the history of business in the Levant region, Saudi Arabia and the Gulf countries.

Aramex leverages its experience and resources to enable an entrepreneurial ecosystem, and to empower young innovators and business owners.

ENTREPRENEURSHIP

At Aramex, we believe that our pursuit for socio-economic and environmental sustainability must, inherently, be self-sustaining. Accordingly, we leverage our knowledge, resources, and expertise to enable and encourage tomorrow's business leaders.

In 2010, Aramex focused on developmental initiatives for fostering emerging change leaders who are willing to embrace risk and confront hurdles in order to create opportunities for themselves and others. Below we highlight those initiatives that are aimed towards realizing a vision of a more entrepreneurial Middle East.

Jordan

- Aramex sponsored Global Entrepreneurship Week 2010[4], an event that engaged students, educators, and business leaders, and served as a platform for developing new ideas and sharing best practices from around the world.
- Aramex participated in the Arab Social Media Forum[5] and shared our experiences by engaging our stakeholders through social media channels.
- Aramex supported Ruwwad at 'Ideas Festival'[6] and participated as "Theme Leader for the Environment", delivering environment-oriented workshops.

Dubai

Aramex supported WAMDA[7], an innovative platform that facilitates entrepreneurship in the MENASA (Middle East, North Africa, and South Asia) region. In its first year of launch, WAMDA brought together over 1,500 entrepreneurs from the region to a 'Celebration of Entrepreneurship' event in Dubai to inspire, empower, and connect.

1 www.aucegypt.edu
2 www.aub.edu.lb
3 www.al-hakawati.net
4 blog.qrce.org/global-entrepreneurship-week-concluded
5 www.arabsocialmediaforum.com
6 www.ideasfestival.me
7 www.wamda.com

Partnering with Arabnet, the first regional event for web and mobile entrepreneurs.

Partnering with the MIT Enterprise Forum of the Pan-Arab Region in support of Arab entrepreneurs.

Lebanon

- Aramex supported Yalla Start-up Weekend[1], bringing together 250 entrepreneurs from all over the world to collaborate on new start-ups. The weekend produced an astonishing 34 start-ups in only three days.

- Aramex participated in the Start-up Demo at the ArabNet Conference[2], giving young Arab entrepreneurs the opportunity to share their experiences and to showcase their innovations.

Syria

We continued our support of SYEA Ventures[3], a program to assist entrepreneurs in their implementation of ideas and to deploy strategic projects that would lead to a sustainable Syrian economy.

Regional

Aramex sponsored Creative Commons Iftar in Dubai, Amman, Damascus and Cairo. As a networking event, this initiative linked youth with creative professionals.

Key Partnerships

- A partnership with George Washington University[4] was announced in late 2010 to connect American students of Arabic language studies with NGOs and social entrepreneurs operating in the region. This will not only expand the study of Arabic in the US, but will also facilitate a cross-cultural learning opportunity between American students and Arab entrepreneurs.

- The MIT Enterprise Forum for the Pan-Arab Region[5] organizes an annual Arab Business Plan Competition that is now in its fourth successful year. In 2010, Aramex announced a partnership to establish an entrepreneurship support unit to assist MIT Arab Business Plan Competition semi-finalists with the support needed to grow their businesses. Together, Aramex and the MIT Enterprise Forum of the Pan-Arab Region will leverage their collective expertise, infrastructure, and network for the benefit of Arab entrepreneurs.

- Partnership with American University of Cairo (AUC) to produce 13 case studies on entrepreneurs in the region.

COMMUNITY DEVELOPMENT

Aramex believes that community-oriented initiatives should be sustainable by design and have long-term impact; empowering the community and enabling it to seek, contribute and pursue opportunities for development.

2010 has been an active year in terms of Aramex's involvement with community development initiatives. Presented below are the highlights.

Dubai

Aramex partnered with Volunteer in Dubai (VID) in the development of logistical services in the UAE. This initiative seeks to contribute towards VID's long-term expansion plan across the Gulf region. Some of the

1 www.yallastartup.org/startupweekend
2 www.arabnet.me
3 www.syea.org
4 www.gwu.edu
5 www.enterpriseforum.mit.edu

related activities include:

- Transfer of donated mattresses, sheets and pillows from the Arabian Resort in Dubai to the Naher El Bared Refugee Camp.

- Aramex, in collaboration with VID and Safe and Sound, launched the Pink Ribbon Book Club drive to collect donated books from employees and customers for fund-raising purposes.

- As VID volunteers, Aramex employees assisted Senses, a residential care center, in its move to another location.
- Aramex donated 10 refurbished computers and set up a computer lab at Arabtec to teach low income workers English and basic computer skills.

- Aramex subsidiary, InfoFort, actively participated in VID's efforts at community development in Pakistan. The emergency relief campaign included the furnishing of an orphanage.

Sri Lanka

The remote village of Parannaddaka, situated in Vauvniya in the north of Sri Lanka, was left with destroyed schools due to floods, and many children were in need of primary education. Aramex supported the construction and opening of a school with four class rooms and an office hosting 42 children. School stationary, bags, water bottles, shoes and two sets of uniforms were provided for each student. Moreover, an art competition was organized for the students, and Aramex employees assisted the children in planting Mango trees, one for each of the 42 children.

Helping to build schools in the Sri Lankan countryside.

Saudi Arabia

We partnered with the Saudi Ministry of Labour in providing Aramex internships for 33 Saudi citizens.

Bahrain

Aramex staff coordinated with the Bahrain Blood Bank to execute a blood donation campaign.

Egypt

- **Alashanek ya Balady**: Aramex collaborated with the Wazefty Initiative in deploying a training and employment model for 30 Ground Couriers from marginalized areas. Upon successful completion of the training, some trainees were retained as new Aramex employees.

- **Wayna International Foundation**: We sponsored the Loyalty Day Fair and used the opportunity to showcase career opportunities in Aramex. Furthermore, a protocol was signed to train 10 individuals with disabilities and to assist them with finding job opportunities in Aramex.

- **UNICEF**: Aramex partnered with the United Nations Children's Fund (UNICEF) in the deployment of 14 computers for 10 NGOs.

Jordan

- Aramex organized English language training classes for its ground courier and office helper staff.

- To develop safe play zones for children, we partnered with the 'Mala3eb' initiative by Hikmat Road Safety. Ten playgrounds were supported by Aramex.

- We partnered with Nakhweh's 'Give Back' Initiative for NGO fundraising.

- We supported the 'We Love Reading' Campaign to encourage social literacy through the development of libraries in under-privileged neighbourhoods,

- Aramex provided enabling support in the form of scholarships for university education to eight Bedouin youth in Beida Wadi Musa, in south Jordan.

Lebanon

- **UNRWA**: Aramex supported the United Nations Relief and Works Agency (UNRWA) in the development of a center in 'Naher el-Bared' Palestinian refugee camp to provide rehabilitation services that include a children's library and a computer lab.

Aramex helps NASMA Lebanon reopen its doors.
NASMA is an NGO that provides a wide range of learning opportunities for schoolchildren.

Partnering with Global in Kuwait to deliver supplies to flood victims as part of the Support Pakistan Relief Campaign.

- **Nasma**: In partnership with the Al-Huda Society, Aramex provided the financial support necessary for Nasma to re-open its doors after suspending their activities at its Ras Beirut Centre in August 2009. The partnership has enabled Nasma to provide a wide range of learning opportunities for more than 50 schoolchildren.

Syria

Aramex supported BASMA, an association for children with cancer, through an internal fundraising campaign where Aramex employees donated one day's salary as part of their contribution – which, in turn was matched to double the amount by Aramex.

Regional

- Aramex expanded its collaboration with the United Nations Children's Fund (UNICEF) to further support their logistical needs in the Gulf, which includes UNICEF's greeting cards program and outreach to Aramex's customer base in Dubai and Abu Dhabi.
- In support of the William Soler Pediatric Heart Center in Havana and Hospital Convention Baptiste D'Haiti, Aramex sponsored Elaine Kelly, one of 24 individuals who went on a fundraising cycling trip across Cuba, raising approximately AED 500,000.

EMERGENCY RELIEF

Given Aramex's capacity and experience in global logistics and transportation, we utilize our resources and expertise to organize relief campaigns and facilitate the transportation of aid supplies to disaster- and war-stricken areas.

Our emergency participation in relief activities during 2010 is summarized below.

Aramex Support Pakistan/Dubai

Two-week disaster relief effort organized by Aramex in partnership with Emirates National Oil Company (ENOC) and its subsidiary Emirates Petroleum Products Company (EPPCO). More than 25 tonnes of aid supplies were donated by local residents, while over 100 local residents volunteered to support the campaign. In addition, Aramex subsidiary InfoFort partnered with volunteers in Dubai to support the Pakistan Emergency Relief Campaign where our employees helped in the sorting and packing of aid material.

In Dubai and as part of the Pakistan Emergency Relief Campaign, we collected more than 25 tonnes of aid supplies and mobilized over 100 volunteers to support the campaign

Aramex Support Pakistan/Kuwait

Global Investment House (Global) and Aramex collaborated in the collection of donations from employees, and in the delivery of aid supplies to the affected regions of Pakistan through Aramex's logistics network.

Egypt

Aramex served as the logistics partner for Bank il-Taam (Food Bank in Egypt), and aided in the delivery of food donations to areas affected by the flood in Aswan.

Launching a relief campaign in Dubai to support Pakistan in response to a tragic flooding.

Singapore for India

A total of 204kg of donated items were collected by Aramex employees in Singapore during September of 2010, for distribution across the flooded areas in Ladakh. Upon reaching Puga, however, the Aramex team learnt that the Puga Nomadic Govt. School had run out of food due to logistic problems. Accordingly, the team gave the school of 78 residing children the vegetables stock they were transporting, along with the children's clothing and other items collected from the donation drive.

Haiti

Aramex employees donated generously to the relief efforts for the Haiti earthquake of January 2010, sending their donations via the International Medical Corps (IMC). The company matched each individual contribution, doubling the amount donated.

SPORTS

We view sports as a healthy reflection of values embedded in Aramex culture: positive competition, teamwork, perseverance, agility and drive. Our sponsorship and support of sporting activities are focused on those initiatives that target underprivileged areas and on extracurricular activities at public schools. Furthermore, we strongly encourage the uptake of sports by the employees. As a result, Aramex has a number of active and competitive sports teams.

Our activities in support of sports initiatives in 2010 are highlighted below.

Aramex - sponsored marathon runners Salameh al-Aqra and Mohammad al-Sweity had an active year competing in numerous marathons. Their impressive achievements are summarized as follows:

- **Mumbai Marathon, India**: Salameh Al Aqra ranked 26 out of 3600 contestants.
- **Marathon Des Sables, in Morocco**: Salameh Al Aqra placed 2nd and Mohammed Al Suwaiti ranked 8th.
- **Ötscher Ultra Marathon, Austria**: Salameh Al Aqra and Mohammed Al Suwaiti placed 1st and 5th, respectively. This year's event marked Al Aqra's seventh consecutive win at the marathon.
- **Cyprus Marathon**: Salameh Al Aqra and Mohammed Al Suwaiti placed 1st and 2nd, respectively.
- **The 10th Pharaonic Race, Egypt**: Salameh Al Aqra and Mohammed Al Suwaiti placed 1st and 2nd, respectively.
- **Amman Marathon, Jordan**: Salameh Al Aqra placed 2nd and Mohammed Al Suwaiti ranked 4th.

India

Young female marathon runners were sponsored to participate in a 7km run in the village of Dhundalwadi in Maharashtra State. The athletic potential of the girls was identified by Aramex marathon runners Salameh al-Aqra and Mohammad al-Sweity during their visit to the village. Aramex signed an agreement with Nareshwadi Learning Center to ensure continued support through the appointment of a trainer who will coach the students and prepare them for marathons.

Jordan

- **Al Riyadi Club**: Youth basketball teams from the Aramex sponsored Al Riyadi Club won three out of four National Titles. The Under-15, Under-17, and Under-19 teams won their respective national championships, while the Under-13 team placed second. Meanwhile, the Senior Women's Basketball team attained second place. The Senior Men's team participated in the preliminary round of the West Asia club Champions League in Aleppo (WAL) and qualified to the final eight. Recently, Al Riyadi Club has launched a new team program, BABYBASKET, for boys and girls between the ages of three and six. The aim of this program is to improve their mobility skills, while allowing them to develop social connections.

- **Dead to Red Marathon**: For the Third consecutive year, Aramex's team of employees, including veteran runners Salameh Al Aqra and Mohammad Al Suwaiti, were the first to cross the finish line of the 246km race from Jordan's Dead Sea to the port city of Aqaba on the Red Sea.

- **Ruwwad**: 50 children from Amman's less privileged areas benefitted from a football training course with top trainers. Eight finalists then travelled to France, where they gained further experience through a training camp in Marseille, while also enjoying a cultural exchange. In their competition with French little leagues, the trainees succeeded in winning all their matches. Additionally, ten children from Ruwwad received marathon training from Aramex veteran runner Salameh Al Aqra and Mohammad Al Suwaiti.

- **Kitteh Club**: Providing support for a local handball team.

Aramex-sponsored Al Riyadi basketball team wins the Jordan National Championship.

Aramex runners excel at the Marathon de Sables in Morocco with Salameh Al Aqra placing in second place.

Aramex-sponsored runners give kids in India valuable lessons on how to run marathons.

ENVIRONMENT

Aramex remains dedicated to mitigating the negative environmental impacts resulting from our operations, and to support initiatives that encourage environmental awareness and preservation following the principles of materiality as per AccountAbility principles. By adopting the United Nations Global Compact's (UNGC) principles, Aramex has embraced environmental sustainability as a management imperative.

Members of the Aramex Green Champions program, which provides training in environmentally friendly practices at the workplace and at home.

Our environmental policy outlines our strategic commitment to environmental leadership. We are keen on adopting environmental management systems and we comply with international standards to ensure continuous improvement in mitigating our negative impact. In 2010, we have introduced a responsible procurement policy which encourages the selection of eco-friendly alternatives.

This section highlights our ongoing efforts towards establishing Aramex as a leader in corporate environmental responsibility.

Environmental Awareness

Raising environmental awareness, both within our organization and in the wider community, is a high priority for Aramex. In 2010, a Third-party environmental audit of our Global Support Office in Jordan was conducted in order to assess employee awareness levels and to guide the development of effective training material. The subsequent launch of the internal training campaign[1] in our main stations was designed to communicate relevant environmental management information to our employees, with the aim of raising awareness to the ecological footprint of our organization and of our employees, and to influence their behavioural patterns at the office and in their homes. Furthermore, Aramex has continued engaging employees in discussions on environmental issues at our Annual Conference, in an effort to reinforce eco-friendly values.

Aramex is committed to raising awareness of environmental issues through strategic partnerships.

- In 2010, Aramex established an agreement with the Emirates Foundation for the provision of logistics support for the first Arabic version of National Geographic's 'Earth-Pulse' report.
- Aramex also continued its partnership with the Arab Forum for Environmental Development (AFED) for the third year[2], where it handled the distribution of AFED's magazine and annual report.
- Furthermore, Aramex supported the training of 25 journalists as part of the IUCN/UNESCO 'Media Training for Sustainable Development of Journalists'. This effort is expected to contribute to increased public awareness across the region.

Our Operations

Aramex's logistics and transportation fleet is in compliance with our responsible procurement policy, whereby fuel-efficient, Low Emission Vehicles (LEV) and alternative technologies are mandated addressing our material impact in accordance to AccountAbility principle of materiality. Along with the growth and expansion of our operations globally, our fleet size grew by 23% in 2010. The composition of the fleet, based on vehicle counts and types, is presented below.

1 www.aramex.org/Public_Articles
2 www.afedonline.org

Aramex Fleet Composition

- Trucks 25%
- Bikes 27%
- Mini-Vans 19%
- Vans & Pick-ups 29%

Our fuel consumption was reduced by 24% since 2006

In 2010, we have fulfilled our commitment of developing a comprehensive Fleet Management System (FMS) that allows us to track fuel consumption and emissions across our fleet in 30 stations. The utilization of electronic scanners to track delivery times in all our stations has further reduced the consumption of paper resources. These efforts have yielded significant operational advantages by reducing system update times and allowing customers to track shipments updates almost as soon as they occur.

Most recently, Aramex has piloted electronic capturing of signatures through the scanners, in an attempt to further reduce paper consumption. Full-scale deployment of this technology is dependent on local legal requirements.

Reducing our Emissions

The impact of our initiatives, with regards to vehicle emissions, has been evident in the reduction of fleet-wide fuel consumption. In 2010, Aramex has succeeded in reducing per-shipment fuel consumption by **3%**, in addition to **21% reduction over the previous three years**. Although 2010 witnessed growth in the number of shipments and in the size of the fleet, by 16% and 23%, respectively, our increased efficiencies have allowed us to prevent increases in total fuel consumption levels and total emissions.

Our responsible procurement policy outlines the required features of new vehicle leases or purchases opting for Euro 4 standard at a minimum, and Hybrid vehicles, unleaded fuel and alternative technology where available. In 2010, we witnessed a 3% growth in our fleet that meets these minimum standards. **74% and 7%of the Aramex fleet is now compliant with Euro 4 and Euro 5 standards respectively.**

In response to global growth our fleet grew by 23% in 2010, while reaching 81% of our fleet compliance with Euro 4 and above

Furthermore, we are particularly keen on reducing emissions in highly polluted cities. We have introduced 14 battery operated scooters in Mumbai, India, and have piloted the use of a hybrid bike in Lebanon to reduce emissions and overall carbon footprint.

We have been working closely with an independent entity in order to calculate Aramex's carbon footprint. We expect this analysis to produce guidance for our strategy to reduce total emissions. Given the nature of our operations and their interconnection with third parties, it has been challenging to quantify our environmental impact. However, we are working closely with our partners (airlines, in particular) to compile the necessary information for a carbon footprint analysis.

Introducing hybrid bikes in Lebanon.

Introducing battery operated scooters in Mumbai, India.

Warehouses and Facilities

Aramex is always aware of the environmental implications of buildings and facilities. Accordingly, in addition to extending our environmental policies to all existing warehouses, operations and offices, we are committed to ensuring that all new logistics centers adhere to LEED[1] (Leadership in Energy and Environmental Design) standard and receive certification. To fulfill this commitment, we have partnered with expert entities in Jordan, Egypt, Dubai, Oman and Lebanon to be commissioned by 2011, so that our facilities meet LEED criteria. We expect the implementation of LEED requirements to conserve energy, reduce water consumption, improve indoor environmental quality, and to reduce our emissions.

In terms of our existing facilities, we have maintained ISO14001 Certification in Eight stations, and have met our targets for the implementation of procedures that would make the rest of our network compliant for the same certification, which we intend to accomplish by the end of 2011. We are planning to certify eight stations in MENA, GCC and Europe by 2011.

Additionally, as part of our continuous efforts to improve energy efficiency, we have conducted pilot third-party audits of facilities in two countries, where customized plans were developed for the reduction of energy consumption. These plans undergo rigorous assessment in order to incorporate findings into our training and awareness campaigns, as well as for establishing best practices that may be deployed throughout the network.

Waste Management

Operational waste generation at Aramex comprises, predominantly, of office related paper, packaging material and electronic waste. While we are strongly promoting policies that encourage 'Reducing, Reusing and Recycling', we admittedly face challenges in the measurement of our waste output. The systemization of waste monitoring shall be a focal point of 2011-2012.

Over the past few years, we have achieved significant reduction in the consumption of paper through the automation of internal processes, enforcement of printing restrictions, and increased utilization of the company intranet for internal communications. As an example, our responsible procurement policy dictates that all printer purchases must be capable of double-sided printing – theoretically reducing paper consumption by up to 50%. Our environmental awareness training stresses on the responsible use of paper and encourages the development of innovative re-used paper products. Furthermore, we are strongly promoting electronic shipping systems to our clients, allowing them to print labels instead of consuming paper waybills. Aside from reducing costs, this effort has **achieved paper savings of 72 tonnes in 2010**.

Our further reduction of waybill printing resulted in saving 72 tons of paper in 2010

1 www.usgbc.org

As encouraged by our responsible procurement policy, Aramex maintains the consistent use of biodegradable plastic pouches, recycled cardboard, and recycled wooden boxes for packaging purposes. Furthermore, we are now using recycled plastic consolidation bags in Lebanon, and are working towards deploying this practice across the network.

In terms of electronic waste generation, Aramex has been pursuing recycling efforts through partnerships in India, Dubai, and Qatar. As the logistical partner for the Qtel 'Big Drop' Campaign[1] in Qatar, Aramex assisted with the collection and recycling of electronic waste by Enviroserve. InfoFort, Aramex's subsidiary for information management solutions, remains committed to the responsible collection and recycling of IT waste. Encouraged by its success, InfoFort now actively extends this service to facilitate electronic waste recycling for its customers.

The creative efforts of an Aramex employee have initiated a project with Ruwwad youth to construct products from Aramex's waste material. This initiative has helped raise awareness of environmental concerns, while engaging youth and encouraging employee volunteerism. The practice of recycling internal waste continues to expand across our network, particularly in regions where recycling entities were previously unavailable.

Promoting energy conservation in the "Save Energy Oman" campaign.

Resource Consumption

The effort to increase efficiency of resource usage is expected to remain an ongoing process for Aramex. Presently, we are striving to improve our efficiency levels through a combination of awareness campaigns and technological upgrades.

Our baseline year for measuring water and electricity was set at 2009, and the number of stations actively measuring and reporting consumption has increased by 14% for water and 8% for electricity. Despite an increase in the number of stations and employees, we have succeeded in maintaining or improving upon resource consumption efficiencies. For instance, we have reduced our per-shipment electricity and water consumption by 2% and 3%, respectively.

In 2010, Aramex signed a pledge to save energy in Oman, in partnership with the Electricity Holding Company (EHC), and has introduced a Greywater harvesting system in the new operations facility in Lebanon. Furthermore, we are working on incorporating a Blackwater harvesting system, in line with LEED recommendations, at our newly constructed warehouses in Dubai.

Due to the nature of our operations, water consumption is limited to domestic use only. All output is restricted to the public sewage systems, and does not pose any risk of pollution to nearby water resources.

We have reduced our electricity consumption per shipment by 2% in 2010

We reduced 3% of our water consumption per shipment in 2010

1 www.qtel.qa

Tree Planting

As part of our commitment to preservation of the environment and engaging our employees in corporate activism, Aramex employees and Ruwwad volunteers supported the Youth Association for Reality & Awareness (YARA) and 7iber.com in their tree planting campaign. Olive trees were planted on a plot of 10,000 square meters in Mafraq, Jordan. This campaign was part of the global 350.org event, where 188 countries participated in hosting 7,347 events around the world.

In Lebanon, Aramex supported IBSAR[1] in the 'Seeds of Hope, Trees of Tomorrow' campaign, where trees were planted. As well, Aramex supported Jouzour Loubnan in the 'Lebanese Cedars Plantation Campaign'.

Biodiversity

As Aramex continues the expansion of its operations, we are committed to ensuring that ecological biodiversity is preserved. In this effort, we have cooperated with the Princess Alia Foundation by facilitating the safe transportation of three cubs, one lion, one lioness and several hyenas from Amman, Jordan, to their natural habitat at Lionsrock Big Cat Sanctuary in South Africa. Finally, Aramex has continued its support of the 'Changing Oceans Expedition' to discover and assess the state of marine life.

For comprehensive coverage of our commitment towards the environment, please visit www.aramex.org

Transporting two lions and five other animals back to their homes in South Africa.

The following table includes additional sustainability-related events that Aramex supported in 2010:

EVENT	SUPPORT
YPO-WPO Seminar	Sponsoring the YPO-WPO Columbia Presidents Seminar – Strategic Leadership at the Columbia University Middle East Research Centre in March 2010 as part of the YPO Executive Education program.
Global Social Innovators Forum (GSIF) 2010	Sponsored the forum which aims build a network of thought and action leaders from around the world and support collaborative innovations that build a more inclusive and sustainable world.
Harvard Arab Alumni Association	Supported their annual conference which aims to harness the potential of diverse groups of Harvard alumni living in the region in order to identify innovative trends and successful strategies that pertain to the globalizing sectors of business, culture, education, health, and media in the Arab world today.
Barnard-Sponsorship for Women in Arab World Symposium	Barnard College of Columbia University organized Women in the Arab World conference in Dubai.
United Nations- World Food Program	Providing support for fundraising.
Al Iktissad wal Amal Conference Phoenicia	Supporting their conference on business activities in the region as well as supporting the Arabic magazine and distributing it across the region.

1 www.ibsar.org & www.aramex.org

REPORTING PROCESS

This is Aramex's first Integrated Report, combining our financial and non-financial data for the calendar year 2010.

Scope of the Report

Determining our Priority Issues: We have reviewed our sustainability issues using a process consistent with the GRI's G3 Guidelines and its "Reporting Principles for Defining Content":

Materiality: We believe we have covered all topics (and included associated indicators) that reflect the organization's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.

This includes main issues raised by stakeholders, issues reported on by our peers, standards and guidelines including the GRI G3 Reporting Guidelines and the GRI Logistics and Transportation Sector Supplement regulations and laws in our countries of operation, critical factors for enabling success including our corporate culture, the state of existing systems within the company, and the significant potential of our core competencies to contribute to sustainable development.

Stakeholder inclusiveness: We considered and believe that we have identified all of our key stakeholders and have outlined how we engage them, our understanding of their interests and expectations, and how we have responded.

Sustainability context: We considered our sustainability context, taking into account global trends towards sustainability, but also considering regional and local contexts in which we operate. In some cases we point out the different priorities among these contexts, and how we try to best address these issues from multiple perspectives.

Ensuring Quality in our Sustainability Reporting

We have used the GRI 'Reporting Principles for Defining Quality', including the following aspects:

Balance: We reported and evaluated our performance based on material issues and future targets onwards, presenting our positive performance, as well as areas still requiring significant improvement and reevaluation.

Comparability: Wherever possible we have provided year-on-year data, and have been following the GRI Indicator Protocols.

Accuracy: We have aimed for maximum accuracy. Where estimations or other limitations to the data are involved, this is identified.

Timeliness: We committed ourselves to report annually our sustainability performances. We previously reported our progress in a two year sustainability report, however we will be reporting on annual basis in the future.

Clarity: We have stated clearly our performance against our targets from our previous sustainability reports.

Reliability: We have obtained third-party assurance for this report for parameters expressed in the assurance statement.

Reporting Boundaries

The data in this report covers all of our operations in all regions, unless otherwise indicated. The exception is our franchisee operations. For example, the financial data in this report include our proceeds from franchisee operations, while human resource data does not include the franchisees.
The financial data in this report has been generated using audited financial figures from our financial statements. We have also achieved third-party verification using the parameters expressed in the auditor's statement.

Limitations

Aramex generally does not maintain heavy assets and instead uses the services of other transportation providers (such as airlines), and leases the majority of its vehicles (Aramex does maintain a small vehicle fleet).

In some markets, most notably India, the company also subcontracts pickup and delivery of express packages to local companies. Our calculation of fuel consumption (from which emissions might be derived) includes only fuel used for owned and leased vehicles, and not include airplane fuel or the third-party contractors. We recognize that this underestimates our overall emissions levels. However, we aim to include these third parties in our emissions calculations in the coming two years.

Data Measurement Techniques

Unless otherwise stated, indicators include global coverage subject to the above mentioned considerations and limitations. Different indicators may have different levels of preciseness. For example, the company already has in place strong management and information systems for financial data and human resources data, and therefore this data is more accurate than other areas. This necessarily involves some level of estimation. We have provided an explanation of any estimation including the level of accuracy and approach to data collection for the relevant indicator.

Feedback

We welcome any comments by our readers. Feedback should be sent to:
raji.hattar@aramex.com

GLOBAL REPORTING INITIATIVE (GRI)/ UN GLOBAL COMPACT INDEX

GRI INDICATOR	PAGE	UN GLOBAL COMPACT PRINCIPLE
STRATEGY AND ANALYSIS		
1.1	P.6-7	
1.2	P.11-13	
ORGANIZATIONAL PROFILE		
2.1	P.8	
2.2	P.11-13	
2.3	P.8-9	
2.4	P.47	
2.5	P.9,38-51	
2.6	P.9	
2.7	P.9,13	
2.8	P.8,9,29	
2.9	P.14-15,21-22	
2.10	P.18	
REPORT PARAMETERS		
3.1-3.11	P.52-53	
3.12	P.54-57	
ASSURANCE		
3.13	P.9,23,109-113	
GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	P.21-22	
4.2	P.21-22	
4.3	P.21-22	
4.4	P.21-22	
4.5	P.21-22	
4.6	P.21-22	
4.7	P.21-22	
4.8	P.21-23	
4.9	P.21-22	
4.10	P.21-22	
4.11	P.24-27	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
4.12	P.22-23	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
4.13	P.18-19	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
4.14	P.25-27	
4.15	P.25-27	
4.16	P.25-27	
4.17	P.25-27	

GRI INDICATOR	PAGE	UN GLOBAL COMPACT PRINCIPLE
ECONOMIC PERFORMANCE INDICATORS		
EC1	P.9-10	
EC2	P.47-51	
EC3	P.32	
EC4	None	
EC5	P.32	**Principle 6:** Businesses should support the elimination of discrimination in respect of employment and occupation.
EC6	P.11 Aramex code of conduct addresses local suppliers	**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
EC7	P.29	**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
EC8	P.11,38-51	
EC9	P.11	
ENVIRONMENTAL PERFORMANCE INDICATORS		
EN1	The systemization of waste monitoring shall be a focal point of 2011-2012 which includes capturing information related to materials used.	
EN2	The systemization of waste monitoring shall be a focal point of 2011-2012 which includes capturing information related to materials used.	
EN3	P.49-50	
EN4	P.49-50	
EN5	P.49-50	**Principle 7:** Businesses should support a precautionary approach to environmental challenges.
EN6	P.47-51	**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
EN7	P.47-51	**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
EN8	P.50	
EN9	P.50	
EN10	P.50	
EN11	P.51	
EN12	P.51	
EN13	P.51	
EN16	We are planning to calculate our Carbon footprint in 2011	
EN18	P.47-48	**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.
EN21	None known	
EN22	P.49	
EN23-EN25	None known	
EN26	P.47-50	**Principle 7:** Businesses should support a precautionary approach to environmental challenges.
EN27	P.47-50	**Principle 7:** Businesses should support a precautionary approach to environmental challenges.

GRI INDICATOR	PAGE	UN GLOBAL COMPACT PRINCIPLE
EN28	None	
LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS		
LA1	P.29-30	
LA2	We are working on unifying our systems to accurately calculate turnover by 2011	
LA3	P.32	**Principle 6:** Businesses should support the elimination of discrimination in respect of employment and occupation.
LA4	Aramex employees are members of a company union. Many are members of national trade unions. Also, we do not have any policy against Freedom of Association and Collective Bargaining. The percentage will be reported by 2013	
LA6	P.32-33	
LA7	P.32-33	
LA8	P.32-33	
LA9	P.32-33	
LA10	P.30	
LA11	P.29-32	
LA12	P.29-32	
LA13	P.32	
LA14	P.32	**Principle 6:** Businesses should support the elimination of discrimination in respect of employment and occupation.
HUMAN RIGHTS PERFORMANCE INDICATORS		
HR1	Aramex is in the process of issuing supplier code of conduct	
HR2	P.21-23	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
HR3	P.16,19,23 We started a training program in 2009 which includes human rights which will be concluded in 2011.	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
HR4	None Reported	**Principle 6:** Businesses should support the elimination of discrimination in respect of employment and occupation.
HR5	P.32 We do not have any policy against Freedom of Association and Collective Bargaining.	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
HR6	P.32 No operations faced incidents of child labor.	**Principle 5:** Businesses should support the effective abolition of child labor.
HR7	P.23,32 None	**Principle 4:** Businesses should support the elimination of all forms of forced and compulsory labor.
HR8	We started a training program in 2009 which includes human rights which will be concluded in 2011.	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
HR9	None	
SOCIETY PERFORMANCE INDICATORS		
SO1	P.22-23	
SO2	All units have been analyzed for risk related to corruption.	
SO3	P.21-23	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.
SO4	P.21-23	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

GRI INDICATOR	PAGE	UN GLOBAL COMPACT PRINCIPLE
SO5	P.19-23	
SO6	None	
SO7	None	
SO8	None	
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS		
PR2	None	
PR3	P.11-13	
PR4	None	
PR5	P.35	
PR6	P.37 We adhere to local and international laws and respect the confidentiality and privacy of customer communication and information.	
PR7 - PR9	None	
SECTOR SUPPLEMENTS		
LT1	We have one boat operating within the city of Dubai. It is registered in Dubai with Dubai Port's World. It does not require registration in a shipping registry as this boat cannot go into deep sea.	
LT2	P.47-48	
LT3	P.47-51	
LT4	P.47-51	
LT5	P.47-51	**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
LT6	P.47-51	**Principle 7:** Businesses should support a precautionary approach to environmental challenges.
LT7	P.22-23	
LT8	Not Relevant	
LT9	As relevant	
LT10	P.22-23	
LT11	P.33	
LT12	P.32-33	
LT13	Not Relevant	
LT14	As relevant	
LT15	P.44-45	
LT16	P.23, 29-32	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
LT17	When short-term workers are required, Aramex typically hires workers through agencies and companies that specialize in temporary supply of manpower, thus increasing job security and continuity for these workers.	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

ACRONYMS

ABANA	Arab Banks of North America	**HQ**	Headquarters
ADSG	Abu Dhabi Sustainability Group	**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 Ameri- ca
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 Venture
CTS	Click to Ship	**PZEV**	Partial zero-emissions vehicle
DAM	Damascus	**RUH**	Riyadh
DFT	Department for Transport	**SMS (TEXT)**	Short Message Service
DHA	Abu Dhabi	**SO2**	Sulfur Dioxide
DOH	Doha	**SSN**	Shipment Status Notification
DQMS	Data Quality Management System	**SULEV**	Super Ultra Low Emission Vehicles
DXB	Dubai	**TAPA**	Transport Asset Protection Association
EDI	Electronic Document Interchange	**THR**	Tehran
EINVOICE	Electronic Invoice	**TIP**	Tripoli
EMS	Electronic Management System	**TSA**	Transportation Security Association
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 Satellite	**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

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 worldwide 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 2010

DIRECTORS' REPORT

Dear Shareholders,

Following the strong financial results in the year 2009, we maintained our robust financial performance in the year 2010. Our revenues grew from AED 1,961 million to AED 2,212 million , an increase of 13% compared to year 2009 , Furthermore , net profits attributed to the equity holders of the parent company increased by 11% over the same period , from AED 184 million to AED 204 million.

2010 was a year of significant expansion for us as we strengthened our presence in emerging markets such as Turkey, Malaysia, Bangladesh and Vietnam through as series of strategic acquisitions and partnerships. We will continue to execute our long – term growth strategy in 2011, focusing on expansion opportunities in key markets in Africa and Southeast Asia.

Despite more challenging conditions this year, however, we have a clear vision for the company in 2011 as we continue to focus carrying out our long – term growth strategy and meeting the operational milestones we have set for Aramex in the year to come.

A. Mazrui

Abdullah M. 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 2010 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 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 Aramex PJSC as at 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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,

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

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.

Ernst & Young

Signed by
Joseph Alexander Murphy
Partner
Registration No. 492
For Ernst and Young
27 February 2011
Dubai, United Arab Emirates

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

ASSET	NOTES	2010 AED'000	2009 AED'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	332,144	246,917
Goodwill	5	863,199	853,427
Other intangible assets	6	8,927	5,730
Available-for-sale investments	7	3,988	4,965
Investments in joint ventures	8	19,165	7,772
Deferred tax assets	9	2,530	1,476
Other non-current assets		39	18
		1,229,992	1,120,305
CURRENT ASSETS			
Accounts receivable	10	404,028	349,060
Other current assets	11	97,699	86,995
Bank balances and cash	12	554,739	501,862
		1,056,466	937,917
TOTAL ASSETS		**2,286,458**	**2,058,222**

EQUITY AND LIABILITIES	NOTES	2010 AED'000	2009 AED'000
EQUITY			
Share capital	13	1,464,100	1,331,000
Statutory reserve	14	62,274	40,923
Foreign currency translation reserve	14	(6,335)	(2,561)
Fair value reserve	14	1,268	2,245
Reserve arising from acquisition of non-controlling interests	14	(12,397)	-
Retained earnings	15	272,089	224,048
Equity attributable to equity holders of the Parent		1,780,999	1,595,655
Non-controlling interests		24,577	28,143
TOTAL EQUITY		**1,805,576**	**1,623,798**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	16	6,503	6,463
Employees' end of service benefits	17	66,958	59,618
Deferred tax liabilities	9	1,295	1,037
		74,756	67,118
CURRENT LIABILITIES			
Accounts payable	18	129,148	118,435
Bank overdrafts	19	6,863	8,951
Interest-bearing loans and borrowings	16	6,715	7,482
Other current liabilities	20	263,400	232,438
		406,126	367,306
TOTAL LIABILITIES		**480,882**	**434,424**
TOTAL EQUITY AND LIABILITIES		**2,286,458**	**2,058,222**

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 27 February 2011.

Abdullah Al Mazrui
(Chairman)

Fadi Ghandour
(Founder & CEO)

Emad Shishtawi
(Senior Vice President Finance)

1 The attached notes from 1 to 33 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	2010 AED'000	2009 AED'000
Rendering of services	21	2,211,996	1,960,786
Cost of services	22	(1,021,830)	(852,745)
GROSS PROFIT		**1,190,166**	**1,108,041**
Share of results of joint ventures	8	(256)	130
Selling and marketing expenses		(108,285)	(98,814)
Administrative expenses	23	(410,802)	(390,520)
Operating expenses	**24**	**(444,596)**	**(412,798)**
Other income (expenses)	25	3,168	(250)
OPERATING PROFIT		**229,395**	**205,789**
Finance income		16,283	14,204
Finance expense		(1,166)	(1,830)
PROFIT BEFORE TAX		**244,512**	**218,163**
Income tax	9	(14,935)	(11,441)
PROFIT FOR THE YEAR		**229,577**	**206,722**
ATTRIBUTABLE TO:			
Equity holders of the Parent		204,092	184,287
Non-controlling interests		25,485	22,435
		229,577	**206,722**
EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT:			
BASIC AND DILUTED EARNINGS PER SHARE	**27**	**AED 0.139**	**AED 0.126**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 AED'000	2009 AED'000
PROFIT FOR THE YEAR	**229,577**	**206,722**
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Exchange differences on translation of foreign operations	(3,603)	3,555
Net (loss) gain on available-for-sale financial assets	(977)	1,664
Other comprehensive (loss) income for the year, net of tax	(4,580)	5,219
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**224,997**	**211,941**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	199,341	189,516
Non-controlling interests	25,656	22,425
	224,997	**211,941**

- The attached notes from 1-33 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	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 2009	1,210,000	25,698	(6,126)	581	-	177,386	1,407,539	28,956	1,436,495
Total comprehensive income for the year	-	-	3,565	1,664	-	184,287	189,516	22,425	211,941
Issue of share capital	121,000	-	-	-	-	(121,000)	-	-	-
Transfer to statutory reserve	-	15,225	-	-	-	(15,225)	-	-	-
Directors' fees paid	-	-	-	-	-	(1,400)	(1,400)	-	(1,400)
Dividends of subsidiaries	-	-	-	-	-	-	-	(23,794)	(23,794)
Non-controlling interests	-	-	-	-	-	-	-	556	556
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	133,100	-	-	-	-	(133,100)	-	-	-
Transfer to statutory reserve	-	21,351	-	-	-	(21,351)	-	-	-
Directors' fees paid	-	-	-	-	-	(1,600)	(1,600)	-	(1,600)
Dividends of subsidiaries	-	-	-	-	-	-	-	(21,702)	(21,702)
Non-controlling interests	-	-	-	-	-	-	-	(6,144)	(6,144)
AT 31 DECEMBER 2010	**1,464,100**	**62,274**	**(6,335)**	**1,268**	**(12,397)**	**272,089**	**1,780,999**	**24,577**	**1,805,576**

- The attached notes from 1-33 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	2010 AED'000	2009 AED'000
OPERATING ACTIVITIES			
Profit before tax		244,512	218,163
Adjustment for:			
Depreciation of property, plant and equipment	4	47,741	44,837
Amortisation of intangible assets	6	962	889
Provision for employees' end of service benefits	17	13,002	12,471
Provision for doubtful accounts, net		7,974	8,792
Net finance income		(15,117)	(12,374)
Share of results of joint ventures		256	(130)
Loss on disposal of property, plant and equipment		459	259
		299,789	272,907
WORKING CAPITAL CHANGES:			
Accounts receivable		(60,854)	(5,472)
Accounts payable		9,912	1,569
Other current assets		(10,978)	13,938
Other current liabilities		23,840	(1,257)
Cash from operations		261,709	281,685
Employees' end of service benefits paid	17	(5,795)	(5,511)
Income tax paid		(9,534)	(11,701)
Net cash from operating activities		246,380	264,473
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(136,893)	(52,294)
Proceeds from sale of property, plant and equipment		1,841	2,901
Interest received		16,283	14,204
Acquisition of non-controlling interests	3	(13,773)	-
Acquisition of subsidiaries, net of cash acquired	3	(11,908)	(25,982)
Other non–current assets		(21)	4,332
Margin deposits		(3,513)	(1,022)
Intangible assets	6	(13)	(234)
Investments in joint ventures		(12,487)	(7,642)
Net cash used in investing activities		(160,484)	(65,737)
FINANCING ACTIVITIES			
Interest paid		(1,166)	(1,830)
Repayment of loans and borrowings		(908)	(13,520)
Dividends paid to non-controlling interests		(21,702)	(23,794)
Non-controlling interests		(8,234)	556
Directors' fees paid		(1,600)	(1,400)
Net cash used in financing activities		(33,610)	(39,988)
NET INCREASE IN CASH AND CASH EQUIVALENTS		52,286	158,748
Net foreign exchange difference		(834)	3,614
Cash and cash equivalents at 1 January		485,090	322,728
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**12**	**536,542**	**485,090**

- The attached notes from 1-33 form part of these consolidated financial statements

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

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 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 27 February 2011.

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 has been rounded to the nearest thousands, except where otherwise stated.

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

Basis of consolidation
Basis of consolidation from 1 January 2010
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2010.

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.

Losses within a subsidiary that are attributable to non-controlling interests are attributed to the non-controlling interests even if that results in a deficit balance.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

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-controlling 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.

Basis of consolidation prior to 1 January 2010
Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill or as negative goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost.

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 2010:

- IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions effective 1 January 2010
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements(Amended) effective 1 July 2009, including consequential amendments to IFRS 2, IFRS 5 IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- IAS 19 Employee Benefits
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items effective 1 July 2009
- IFRIC 17 Distributions of Non-cash Assets to Owners effective 1 July 2009
- Improvements to IFRSs (May 2008)
- Improvements to IFRSs (April 2009)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

The adoption of the standards or interpretations is described below:

IFRS 2 Share-based Payment (Revised)
The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. As the Group did not enter in cash settled share-based transactions, it did not have an impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

IAS 19 Employee Benefits
The Group has assessed its accounting policy with regard to the recognition of actuarial gains and losses arising from its end of service benefits plan. The Group recognised only the net cumulative unrecognised actuarial gains and losses of the previous period, which exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets in accordance with IAS 19.93. As a consequence, the Group carried unrecognised gains and losses outside its statement of financial position. The IASB issued an amendment to IAS 19 which states that the Group can voluntarily change its accounting policy to recognise actuarial gains and losses in the period in which they occur in total in other comprehensive income. The Change into the new accounting policy will be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, resulting in the restatement of prior year financial information.

No material actuarial gains or losses have arisen on the Group's plan and, hence, the change in accounting policy had no impact on the Group's net results or net equity for the year or prior years.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

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

have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17 Distribution of Non-cash Assets to Owners
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group has concluded that the interpretation will have no effect on either, the financial position nor performance of the Group, as The Group did not enter into such arrangements.

Improvements to IFRSs
In April 2009, the IASB issued 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 did not have any impact on the financial position or performance of the group.

Issued in April 2009
- IFRS 8 Operating Segments: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker does not review segment assets and liabilities, the Group has continued not to disclose this information in Note 29.
- IAS 7 Statement of Cash Flows: States that only expenditure that results in recognising an asset can be classified as a cash flow from-investing activities. This amendment has not impacted the presentation of the statement of cash flows.
- IAS 36 Impairment of Assets: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

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

Issued in April 2009
- IFRS 2 Share-based Payment
- IFRS 5 Non-current Assets Held for Sale and Discounted Operations
- IAS 1 Presentation of Financial Statements
- IAS 17 Leases
- IAS 34 Interim Financial Reporting
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedge of a Net Investment in a Foreign Operation

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

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 is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IAS 24 Related Party Disclosures (Amendment)
The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

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 as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Improvements to IFRSs (issued in May 2010)
The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. The amendments are listed below:

- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IFRIC 13 Customer Loyalty Programmes

The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that may affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.4 Significant accounting judgments, estimates and assumptions (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.
In particular, information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies (that have the most significant effect on the amount recognised in the financial statements) are discussed in note 33.

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 depreciation, respectively. 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 14-15 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

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

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

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. All 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 acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's 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 until it is finally settled within equity.
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.

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

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 to be 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 recognised 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; 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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.

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. Where 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. 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 are generally covering 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 statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where 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 cash equivalents

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.

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)

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 are taken to the consolidated income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the consolidated income statement.

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

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.

Group companies

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 the translation 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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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 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. Revenue is measured at the fair value of the consideration

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

received, excluding discounts and rebates. The following specific recognition criteria must also be met before revenue is recognised:

- Express revenue
  Express revenue is recognized 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 recognized 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 recognized upon the receipt of the merchandise by the customers.

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

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

- 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 cots
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.

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)

- Deferred income tax

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

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 income 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 income tax asset to be utilised.

Deferred income 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.

Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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.

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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.

Capitalized 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 INTEREST

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.

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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AT 31 DECEMBER 2010

3. BUSINESS COMBINATION AND ACQUISITION OF NON -CONTROLLING INTEREST (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**	

CASH FLOW ON ACQUISITION	AED'000
Net cash acquired with the subsidiaries	4,499
Cash paid	(16,407)
NET CASH OUTFLOW ON ACQUISITION	**(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, the new companies have contributed AED 8.6 million of revenue and AED 771 thousand to the net profit before tax of the Group. If the combinations had taken place at the beginning of the year, revenue for the Group 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.

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

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.

Acquisition of Metrofile Middle East L.L.C – year ended 31 December 2009

On 21 January 2009, the Group acquired 100% of the voting shares of Metrofile Middle East L.L.C, a company specialising in archiving services, based in the United Arab Emirates.

The provisional fair values of the identifiable assets and liabilities of Metrofile Middle East L.L.C, as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	PROVISIONAL FAIR VALUE RECOGNISED ON ACQUISITION AED'000	CARRYING VALUE AED'000
ASSETS		
Property and equipment	2,348	5,176
Trade and other receivables	9,034	9,479
Intangible assets	3,609	-
	14,991	14,655
LIABILITIES		
Trade and other payables	(6,307)	(6,307)
Employees' end of service benefits	(686)	(686)
Bank overdrafts	(524)	(524)
	(7,517)	(7,517)
Total identifiable net assets at fair value	**7,474**	**7,138**
Goodwill arising on acquisition	47,984	
PURCHASE CONSIDERATION TRANSFERRED	**55,458**	
CASH FLOW ON ACQUISITION:		**AED'000**
Net cash acquired with the subsidiary		(524)
Cash paid		(25,458)
NET CASH OUTFLOW		**(25,982)**

ARAMEX PJSC AND ITS SUBSIDIARIES
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3. BUSINESS COMBINATION AND ACQUISITION OF NON –CONTROLLING INTEREST (CONTINUED)

The purchase consideration at the date of acquisition included a deferred amount of AED 30 million, which was short term in nature and was carried at amortised cost.

During 2010, the provisional values were finalised within the timelines specified under IFRS 3 - Business Combinations based on the completion of the purchase price allocation (PPA) exercise. The final PPA did not result in any material adjustments to the provisional values or goodwill reported as of 31 December 2009.

The goodwill of AED 47,984 thousand comprises the value of expected synergies arising from the acquisition.

Since Metrofile operations have been merged with existing operations, it was not practicable to separately disclose revenues and profits arising as a result of this business combination from the date of acquisition, or the total impact on the results for the year had the acquisition taken place at the beginning of the year.

ARAMEX PJSC AND ITS SUBSIDIARIES
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4. PROPERTY, PLANT AND EQUIPMENT

	LAND AED'000	LEASEHOLD IM-PROVEMENTS 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 a subsidiary	-	-	-	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 a subsidiary	-	-	-	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**

ARAMEX PJSC AND ITS SUBSIDIARIES
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AT 31 DECEMBER 2010

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LAND AED'000	LEASEHOLD IM-PROVEMENTS 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 2009	8,921	42,913	72,830	37,703	-	65,906	82,485	56,516	29,617	396,891
Additions	4,591	3,953	1,562	246	9,142	2,804	12,600	16,141	1,255	52,294
Acquisitions of a subsidiary	-	-	-	-	3,323	-	-	946	-	4,269
Transfers	-	(1,257)	-	(13,334)	21,534	(6,943)	-	-	-	-
Disposals	(997)	(2,543)	-	(1,885)	(342)	(3,776)	(5,540)	(11,717)	-	(26,800)
Exchange differences	14	25	-	(43)	116	(717)	388	64	-	(153)
At 31 December 2009	12,529	43,091	74,392	22,687	33,773	57,274	89,933	61,950	30,872	426,501
DEPRECIATION										
At 1 January 2009	-	19,528	7,771	16,523	-	29,686	50,907	32,109	-	156,524
Charge for the year	-	5,208	4,727	1,926	2,461	6,028	12,177	12,310	-	44,837
Acquisitions of a subsidiary	-	-	-	-	1,145	-	-	776	-	1,921
Transfers	-	(133)	-	(3,203)	6,176	(2,840)	-	-	-	-
Disposals	-	(2,373)	-	(1,630)	(124)	(3,526)	(5,305)	(10,682)	-	(23,640)
Exchange differences	-	15	-	9	56	(488)	323	27	-	(58)
At 31 December 2009	-	22,245	12,498	13,625	9,714	28,860	58,102	34,540	-	179,584
NET CARRYING AMOUNT										
AT 31 DECEMBER 2009	**12,529**	**20,846**	**61,894**	**9,062**	**24,059**	**28,414**	**31,831**	**27,410**	**30,872**	**246,917**

Capital work in progress includes a warehouse under construction in Dubai.

Property, plant and equipment includes:

- Vehicles with a net book value of AED 11.45 million (2009: AED 12.05 million) that have been obtained under finance leases (note 16).
- Vehicles amounting to AED 0.13 million have been pledged against bank facilities as of 31 December 2010 (2009: AED 0.1 million).

ARAMEX PJSC AND ITS SUBSIDIARIES
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AT 31 DECEMBER 2010

5. GOODWILL

	2010 AED'000	2009 AED'000
At 1 January	853,427	805,443
Goodwill resulting from acquisition of Metrofile Middle East Limited	-	47,984
Goodwill resulting from acquisition of Expo Express Services	2,718	-
Goodwill resulting from acquisition of Avanti Worldwide Express	7,054	-
AT 31 DECEMBER	**863,199**	**853,427**

Annual impairment testing for goodwill has been carried out by the management at 31 December 2010. 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:

	2010 AED'000	2009 AED'000
Express shipping	291,576	285,394
Freight forwarding	190,146	190,035
Domestic shipping	183,826	182,442
Logistics	79,075	76,980
Documents storage	109,388	109,388
Publication and distribution	9,188	9,188
	863,199	**853,427**

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%.
- 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
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6. OTHER INTANGIBLE ASSETS

	2010 AED'000	2009 AED'000
COST		
At 1 January	9,276	5,433
Acquisition of subsidiaries	4,146	3,609
Additions net of amounts written off	13	234
At 31 December	**13,435**	**9,276**
AMORTISATION		
At 1 January	(3,546)	(2,657)
Amortisation during the year	(962)	(889)
At 31 December	**(4,508)**	**(3,546)**
NET CARRYING AMOUNT AT 31 DECEMBER	**8,927**	**5,730**

7. AVAILABLE FOR SALE INVESTMENTS

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 Logiskil (PVT) LTD and 50% of Aramex Logistics LLC (newly established company), 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 illustrate summarised financial information of the Group's investment in each entity:

Aramex Mashreq for Logistics Services

	2010 AED'000	2009 AED'000
SHARE OF THE JOINT VENTURE'S STATEMENT OF FINANCIAL POSITION:		
Current assets	17,755	3,106
Non-current assets	6,292	6,589
Current liabilities	(6,920)	(1,967)
Non-current liabilities	(83)	-
EQUITY	**17,044**	**7,728**
SHARE OF THE JOINT VENTURE'S REVENUE AND PROFIT:		
REVENUE	**10,826**	**1,309**
PROFIT	**204**	**182**
CARRYING AMOUNT OF THE INVESTMENT	**17,044**	**7,728**

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8. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Aramex Delmege Logistics (PVT) LTD

	2010 AED'000	2009 AED'000
SHARE OF THE JOINT VENTURE'S STATEMENT OF FINANCIAL POSITION:		
Current assets	48	115
Non-current assets	5	14
Current liabilities	(35)	(130)
Non-current liabilities	(6)	-
EQUITY	**12**	**(1)**
SHARE OF THE JOINT VENTURE'S REVENUE AND PROFIT:		
REVENUE	**302**	**88**
LOSS	**(190)**	**(52)**
CARRYING AMOUNT OF THE INVESTMENT	**12**	**44**

Aramex Logistics LLC

	2010 AED'000	2009 AED'000
SHARE OF THE JOINT VENTURE'S STATEMENT OF FINANCIAL POSITION:		
Current assets	2,246	-
Non-current assets	3	-
Current liabilities	(135)	-
Non-current liabilities	(5)	-
EQUITY	**2,109**	**-**
SHARE OF THE JOINT VENTURE'S REVENUE AND PROFIT:		
REVENUE	**-**	**-**
LOSS	**(270)**	**-**
CARRYING AMOUNT OF THE INVESTMENT	**2,109**	**-**

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9. INCOME TAX

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

	2010 AED'000	2009 AED'000
Current tax expense	15,517	11,543
Deferred income tax	(796)	(72)
Exchange differences	214	(30)
INCOME TAX EXPENSE FOR THE YEAR	**14,935**	**11,441**
DEFERRED TAX RELATES TO THE FOLLOWING		
Provision for doubtful accounts	208	22
Depreciation	(830)	(805)
Termination indemnities	302	341
Net operating losses carried forward	1,733	1,212
Capital allowance	(306)	(461)
Others	128	130
	1,235	**439**
RECOGNISED AS FOLLOWS		
As deferred tax assets	2,530	1,476
As deferred tax liabilities	(1,295)	(1,037)
	1,235	**439**

The Group's consolidated effective tax rate for 2010 is 6.11 % (2009: 5.24%).

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.

10. ACCOUNTS RECEIVABLE

	2010 AED'000	2009 AED'000
Trade receivables	439,911	383,023
Less: allowance for doubtful accounts	(35,883)	(33,963)
	404,028	**349,060**

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10. ACCOUNTS RECEIVABLE (CONTINUED)

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

	2010 %	2009 %
Middle East and Africa	73	75
Europe	17	19
North America	2	2
Asia	8	4

As at 31 December 2010, trade receivables at nominal value of AED 35,883 thousand (2009: AED 33,963 thousand) were impaired. Movements in the allowance for impairment of receivables were as follows:

	2010 AED'000	2009 AED'000
At 1 January	33,963	25,592
Charge for the year	9,833	9,049
Relating to acquisition of a subsidiary	-	2,298
Unused amounts reversed	(1,859)	(257)
Amounts written-off	(6,054)	(2,719)
AT 31 DECEMBER	**35,883**	**33,963**

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
2010	404,028	312,316	54,888	26,046	10,778	-
2009	349,060	271,385	43,427	24,424	9,824	-

11. OTHER CURRENT ASSETS

	2010 AED'000	2009 AED'000
Prepaid expenses	32,955	24,453
Advances and other receivables *	64,744	62,542
	97,699	**86,995**

* Advances and other receivables include an amount of AED 15 million (2009: AED 15 million) due from a related party in connection with employees participating in an incentive plan as at 31 December 2010 and 2009.

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12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2010 AED'000	2009 AED'000
Cash and short term deposits	554,739	501,862
Less: cash margin	(11,334)	(7,821)
Less: bank overdrafts (note 19)	(6,863)	(8,951)
	536,542	**485,090**

Included in cash and short term deposits are amounts totalling AED 197,975 thousand (31 December 2009: AED 165,279 thousand) held at foreign banks abroad.

13. SHARE CAPITAL

	2010 AED'000	2009 AED'000
AUTHORISED, ISSUED AND PAID UP		
1,464,100,000 ORDINARY SHARES OF AED 1 EACH (2009: 1,331,000,000 ORDINARY SHARES OF AED 1 EACH)	**1,464,100**	**1,331,000**

During the year, the Company's share capital was increased by the issue of bonus shares to the extent of 10% of the share capital of the Company as approved by the shareholders in the Company's Annual General Meeting. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. 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.

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14. RESERVES (CONTINUED)

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.

15. RETAINED EARNINGS

Dividends

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

During the year ended 31 December 2009, the Company's share capital was increased by the issue of bonus shares of AED 121 million, being 10% of the share capital of the Company as of 31 December 2008 as approved by the shareholders in the Company's annual General Meeting held on 15 April 2009.

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 2009 were paid in 2010 (2009: AED 1.4 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2008 were paid).

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16. LOANS AND BORROWINGS

	2010 AED'000	2009 AED'000
NON-CURRENT		
Term loan	199	26
Notes payable	284	126
Finance lease obligations (a)	6,020	6,311
	6,503	**6,463**
CURRENT		
Term loan	506	778
Notes payable	170	182
Finance lease obligations (a)	6,039	6,522
	6,715	**7,482**

(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 PAY-MENTS AED'000
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**
Less than one year	7,400	878	6,522
Between one and five years	6,847	536	6,311
31 DECEMBER 2009	**14,247**	**1,414**	**12,833**

Finance lease obligations are denominated in Saudi Riyals (SR), Euro, GBP, Egyptian Pound (EGP) and Malaysian Ringgit (MYR) and have maturities between 2011 and 2013. Interest rates on finance lease obligations range from 6% to 16%.

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17. EMPLOYEES' END OF SERVICE BENEFITS

	2010 AED'000	2009 AED'000
Provision as at 1 January	59,618	52,010
Provided during the year	13,002	12,471
Paid during the year	(5,795)	(5,511)
Employees' end of service benefits arising from acquisition of Metrofile	-	686
Exchange differences	133	(38)
Provision as at 31 December	**66,958**	**59,618**
Actuarial gains and losses	-	-
PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATIONS	**66,958**	**59,618**

18. 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.

19. 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 848 thousand (2009: AED Nil).

Two Way Group has outstanding bank overdrafts and lines of credit of AED 6.01 million as at 31 December 2010 (2009: AED 8.92 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.

20. OTHER CURRENT LIABILITIES

	2010 AED'000	2009 AED'000
Accrued expenses	208,799	186,814
Deferred revenue	12,621	10,696
Sales and other taxes	6,281	8,978
Income taxes payable	18,590	12,393
Customers' deposits	86	199
Social security taxes payable	5,181	4,387
Others	11,842	8,971
	263,400	**232,438**

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21. REVENUE

	2010 AED'000	2009 AED'000
International express	689,112	626,588
Freight forwarding	924,101	758,790
Domestic express	331,153	302,302
Logistics	103,764	124,485
Publications and distribution	30,035	31,745
Others*	133,831	116,876
	2,211,996	**1,960,786**

22. COST OF SERVICES

	2010 AED'000	2009 AED'000
International express	228,867	200,871
Freight forwarding	660,673	518,626
Domestic express	74,224	65,914
Logistics	21,236	28,884
Publications and distribution	22,807	23,065
Others	14,023	15,385
	1,021,830	**852,745**

1 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. ADMINISTRATIVE EXPENSES

	2010 AED'000	2009 AED'000
Salaries and benefits	193,409	187,964
Rent	45,675	40,849
Depreciation	32,430	31,334
Communication expenses	19,959	19,499
Repairs and maintenance	10,898	11,777
Travel expenses	10,107	8,246
Allowance for impairment losses (Note 10)	7,974	8,792
Utilities	7,818	6,990
Printing and stationary	5,504	5,398
Entertainment	4,535	3,617
Vehicle running expenses	3,320	3,250
Insurance	3,328	3,112
Conference and meeting expenses	1,422	595
Sponsorship fees	1,068	1,175
Government fees and taxes	2,923	2,286
Corporate Social Responsibility	6,240	2,141
Others	54,192	53,495
	410,802	**390,520**

24. OPERATING EXPENSES

	2010 AED'000	2009 AED'000
Salaries and benefits	294,318	274,773
Vehicle running and maintenance	57,371	52,144
Supplies	18,580	19,006
Communication expenses	5,294	4,865
Depreciation	15,311	13,503
Rent	35,145	31,316
Others	18,577	17,191
	444,596	**412,798**

25. OTHER INCOME (EXPENSES)

	2010 AED'000	2009 AED'000
Exchange gain (loss)	1,264	(1,090)
Loss on sale of property, plant and equipment	(457)	(259)
Miscellaneous income	2,361	1,099
	3,168	**(250)**

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26. 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	2010 AED'000	2009 AED'000
RENT EXPENSE	272	1,580	5,515	7,367	7,796

Compensation of key management personnel of the Group

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

	2010 AED'000	2009 AED'000
Salaries and other short term benefits	23,256	21,266
End of service benefits	183	152
	23,439	**21,418**

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.

Balances with related parties are disclosed throughout these financial statements.

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27. EARNINGS PER SHARE

	31 DECEMBER 2010	31 DECEMBER 2009
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (AED'000)	204,092	184,287
WEIGHTED AVERAGE NUMBER OF SHARES DURING THE PERIOD (SHARES)	1,464 MILLION	1,464 MILLION
BASIC AND DILUTED EARNINGS PER SHARE (AED)	0.139	0.126

Earnings per share for the current and prior periods have been adjusted for bonus shares issued.

28. 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 80.82 million for the year ended 31 December 2010 (2009: AED 72.17 million). The Group believes that most operating leases will be renewed at comparable rates to the expiring leases.

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

	2010 AED'000	2009 AED'000
Less than one year	75,261	66,571
Between one and five years	266,382	223,707
More than five years	105,254	103,042
	446,897	**393,320**

29. 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 whole-sale 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, inven-tory 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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29. 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 2010 and 2009, respectively.

	INTERNATIONAL EXPRESS AED'000	FREIGHT FORWARDING AED'000	DOMESTIC EXPRESS AED'000	LOGISTICS AED'000	OTHERS AED'000	ELIMINATION AED'000	TOTAL AED'000
YEAR ENDED 31 DECEMBER 2010 REVENUE							
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**
YEAR ENDED 31 DECEMBER 2009 REVENUE							
Revenue							
Third party	626,587	758,790	302,302	124,485	148,622	-	1,960,786
Inter-segment	295,436	166,204	14,253	3,476	4,690	(484,059)	-
Total revenues	**922,023**	**924,994**	**316,555**	**127,961**	**153,312**	**(484,059)**	**1,960,786**
Gross profit	**425,717**	**240,164**	**236,388**	**95,601**	**110,171**	**-**	**1,108,041**

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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29. SEGMENTAL INFORMATION (CONTINUED)

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

	2010 AED'000	2009 AED'000
REVENUES		
Middle East and Africa	1,564,778	1,454,411
Europe	408,105	356,742
North America	46,878	29,124
Asia	192,235	120,509
	2,211,996	**1,960,786**
ASSETS		
Middle East and Africa	2,072,099	1,902,897
Europe	109,432	101,123
North America	23,621	10,745
Asia	81,306	43,457
	2,286,458	**2,058,222**
NON- CURRENT ASSETS		
Middle East and Africa	323,467	238,842
Europe	18,034	16,392
North America	7,320	1,242
Asia	11,415	3,943
	360,236	**260,419**
LIABILITIES		
Middle East and Africa	347,228	320,528
Europe	86,680	83,948
North America	14,968	9,984
Asia	32,006	19,964
	480,882	**434,424**

Non-current assets for this purpose consist of property, plant and equipment, other intangible assets and investments in joint ventures. Goodwill is allocated to business segments (note 5).

30. COMMITMENTS AND CONTINGENCIES

	2010 AED'000	2009 AED'000
CONTINGENT LIABILITIES		
LETTERS OF GUARANTEE	**51,143**	**45,653**

30. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Capital commitments

As at 31 December 2010, the Group has capital commitments of AED 81.74 million (2009: AED 43.95 million) towards purchase/construction of property, plant and equipment.

31. 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 overdraft, 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
2010		
Variable rate instruments	+100	72
Variable rate instruments	-100	(72)
2009		
Variable rate instruments	+100	105
Variable rate instruments	-100	(105)

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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31. 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 73 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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31. RISK MANAGEMENT (CONTINUED)

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

	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
AT 31 DECEMBER 2010						
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**
AT 31 DECEMBER 2009						
Term loans	298	491	26	-	-	815
Notes payable	61	147	110	20	-	338
Finance lease obligations	2,123	5,277	4,335	2,512	-	14,247
Bank overdrafts	8,951	-	-	-	-	8,951
Trade and other payables	327,784	-	-	-	-	327,784
	339,217	**5,915**	**4,471**	**2,532**	**-**	**352,135**

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

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31. RISK MANAGEMENT (CONTINUED)

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
2010		
EUR	+10	150
INR	+10	1,191
GBP	+10	1,384
EGP	+10	(1,122)
2009		
EUR	+10	663
INR	+10	220
GBP	+10	586
EGP	+10	(788)

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
2010		
Dubai financial market	+5	199
Dubai financial market	-5	(199)
2009		
Dubai financial market	+5	248
Dubai financial market	-5	(248)

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 2010 and 31 December 2009. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interest and retained earnings, and is measured at AED 1,786,066 thousand as at 31 December 2010 (2009: AED 1,595,971 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

31. RISK 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.

32. 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 investments 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.

33. 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 439,911 thousand (2009: AED 383,023 thousand) and the provision for doubtful debts was AED 35,883 thousand (2009: AED 33,963 thousand). Any difference between the amounts actually collected in future periods and the

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33. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

amounts expected will be recognised in the income statement.

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.

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

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Aramex** has presented its report "Aramex Integrated Report 2010**"** 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 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 Guidelines.

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

15 March 2011, Amsterdam

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because Aramex has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance Provider and for deciding the scope of the assurance.

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 3 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*

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Independent Assurance Statement

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

OUR ENGAGEMENT

Ernst & Young Jordan (EY) was retained by Aramex PJSC ("the Company") to provide an independent assurance on its Corporate Sustainability information forming part of its Integrated Report ("Report") for the calendar year 2010. The Company's management is responsible for the content of the report, identification of key issues, engagement with stakeholders and its presentation. EY's responsibility is to provide independent assurance on the report contents as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the company's overall performance, except for the aspects mentioned in the scope below.

SCOPE OF ASSURANCE

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

- Data and information related to the Company's sustainability performance for the period 1 January 2010 to 31 December 2010;
- The Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data;
- Sustainability specific data and information related to workforce, claims related to LEED certification, health and safety, training, fleet fuel consumption reduction, customer excellence, paper savings and community development initiatives;

ERNST & YOUNG

OUR APPROACH

The 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). The main steps included interaction with key personnel of the Company to identify the processes in place; interaction with the Company's Chief Sustainability and Compliance Officer and Corporate Sustainability team for understanding current status of sustainability activities and progress made on commitments in 2010; review sustainability performance data; followed by reviews of the processes for collecting, compiling, and reporting these indicators at the corporate and operating division levels.

Visits to the Company's locations

The EY team visited the Company's offices, logistics centers and facility of its subsidiary, InfoFort at Dubai (UAE) to review the indicators mentioned in *Scope of Assurance* above. The team also coordinated with the Global Services Office (GSO) at Amman (Jordan) for review of information pertaining to the systems and processes for managing and reporting on the Company's sustainability and community development activities.

Evidence in support of selected claims made in the Report regarding the Company's sustainability performance was examined and necessary clarifications were obtained from the relevant data owners. Limited review of the stakeholder engagement process, especially with respect to employees and the local community was done through interviews with the concerned personnel.

LEVEL OF ASSURANCE AND CRITERIA USED

Our evidence-gathering procedures have been designed to obtain a limited level of assurance (as set out in ISAE 3000) on which to base our conclusions. Moreover, for sustainability performance indicators our work employed the criteria of the reporting principles and indicators of GRI 2006 guidelines (GRI-G3).

OUR ASSURANCE TEAM

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant global and regional 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, aim or future intention;
- Review of the 'economic performance indicators' included in the Report which, we understand, are derived from the Company's audited financial records.

OBSERVATIONS

Our observations on the Report are as follows:

- This is the Company's first Integrated Repot, combining financial and sustainability information;
- The Company has developed a socially responsible procurement policy that outlines procurement guidelines for vehicles, energy, company material and office equipment;
- Promotion of electronic shipping system by the Company in the reporting year has enabled it to significantly reduce paper used for waybills;
- The reporting on energy related indicators can be made more robust by coverage of third party emissions.

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 issues as mentioned in the scope ;
- The Report contents present a fair and balanced picture of the Company's sustainability performance.

for Ernst & Young Jordan

Waddah Barkawi
Partner
March 24, 2011