aramex
delivery unlimited

ANNUAL REPORT 2014

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About this report

This is Aramex's ninth sustainability report.

Since 1997, we have been reporting on our commitments and progress as a company, detailing the innovative policies, procedures and initiatives we have implemented to deliver on our pledges to stakeholders.

This report complies with the regulations of the UAE and has been prepared according to the GRI Guidelines. It also covers the ten principles of the United Nations Global Compact.

Our financial statements are maintained in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), and are reported in line with the regulatory requirements of the Securities and Commodities Authority (SCA) of the United Arab Emirates. In sharing this report, we hope to foster ongoing dialogue with our stakeholders on our progress and commitments.

Letter from the CEO

Dear Stakeholders,

Aramex today is a household name across our core markets and we couldn't be more proud. Our story continues with yet another year of steady progress – a year in which we continued to identify new opportunities, advance our business model, improve efficiencies and invest in growth. All while delivering value to you.

This new fiscal year, we are committed to building further on the clear momentum that we now enjoy. 2014 was a milestone year for Aramex. Despite challenging global market conditions, we are very proud that for a decade we have consecutively delivered record profits, ever since listing on the Dubai Financial Market. In 2014, we recorded AED 3,650 million of revenues, up by 10% compared to AED 3,325 million the previous year. Our net profits grew by 15% to AED 318.4 million, driven by robust growth primarily in international express and supply chain services across our key geographies in the Middle East, Africa and Asia.

Our performance was powered by solid revenue growth, particularly in international and domestic express, as well as the continued expansion of our innovative e-commerce platform across key growth markets in the Middle East and Asia. While the GCC remained the largest contributor to our revenues, our Asia-Pacific and Africa businesses also gained momentum.

Although we have had a record year, we still believe that numbers do not tell the entire story. Our business initiatives are always informed by our larger vision of supporting greater trade in emerging market trade corridors. In 2014, we laid the groundwork to boost future profitability by making some critical strategic predictions. We think these will help set us apart, and increase the value we bring to our customers.

The way we see it, our future growth will be based on thinking and acting differently, on embracing change as our customers and markets change. There is no denying we live in an era where technology transforms and influences our daily lives more than ever before. Increasingly, consumers rely on digital connectivity, using it to enhance their lifestyles. This in turn challenges our capacity to serve them better. Every consumer engagement we make – whether through our couriers, call centers, social media, website or new services and products – needs to adapt to that reality.

To that end, we are investing strategically to harness the power of technology in a variety of ways. These mean not only listening to and understanding our clients, but also serving them more effectively and efficiently. Identifying trends such as these will help us grow. It is essential that we set the right priorities for achieving growth. This applies to everything from innovation to investments and acquisitions, and the systematic tapping of attractive markets.

(G4-1) (G4-2) (G4-3) (G4-9) (G4-EC1)

This is why services related to e-commerce will also continue to be the key theme of Aramex's business expansion, supported by our strategic investments in technology. Both the Asia-Pacific and African e-commerce markets are on rapid growth trajectories. Consumers across these regions are purchasing an increasing number of goods and products online from overseas markets, presenting us with significant logistics opportunities. This trend is further powered by rising populations, and increased ease of internet access. We will continue to invest in these regions to support their e-commerce growth.

In 2014 we added to our capabilities through acquisitions and partnerships, a strategy we will continue to pursue over the next few years. We have invested in businesses that are aligned with our core strengths, and that also truly complement our business. In 2014, we aggressively pursued strategic acquisitions not only in our key growth markets of Asia-Pacific and Africa, but also in more developed markets within other regions. With InPost, we will enable consumers across the Middle East and Africa to access private automated parcel lockers for all e-commerce activities; a revolutionary concept for the region. This not only lets us offer more 'last-mile' delivery solutions, but also enhances the overall customer service experience for online shoppers. Mail Call Couriers made our portfolio stronger, giving us important, technology-driven delivery capabilities and reach in metropolitan markets in Australia, while Leo Global Logistics and PostNet helped us to expand our reach in Asia and Africa respectively.

Both Asia and Africa will continue to play important roles in Aramex's aggressive expansion plans across emerging markets. The Asia-Pacific region is home to over 4.2 billion people, and accounts for nearly 60% of the world's population. Today, the region is the main driver of worldwide logistics growth, and is also at the center of the global e-commerce boom: on course to become the world's largest region for online retail sales. According to some estimates, 46% of global online buyers currently come from the Asia-Pacific region. Africa also continues to be a vital strategic growth market for Aramex. In 2014, we significantly strengthened our footprint in key African markets by making new acquisitions, expanding our franchisee network and fully integrating our operations with our global network. Going forward, we believe Aramex has a real opportunity to support Africa's efforts to improve its infrastructure, expand distribution networks and enhance mobility – ultimately contributing to larger economic goals.

Our history and story are inextricably linked to the communities in which we operate. We have always understood the importance of community involvement, the need to build sustainable partnerships with local organizations, and our responsibility to respect the environment through responsible building practices and energy conservation. This approach has enabled us to create effective partnerships with communities, social entrepreneurs, governments, NGOs and corporations across the globe. Currently, 90% of our locations are involved in sustainability initiatives and projects. We are proud of our efforts, and this year report on the GRI G4 standard for the second time. Meanwhile the rest of the region has yet to catch up.

The future is promising in large part because we have a culture where innovation can thrive. We understand that creating a workplace that celebrates diversity and encourages open dialogue is essential to achieving our core business goals and objectives. I have always maintained that our success is built on a strong global team. I know I have a team behind me that is dependable, steady and highly-motivated, and I would like to extend my special thanks to all the men and women who make this company perform – and succeed – every day. Their dedication and resourcefulness are inspiring.

Aramex's growth strategy, built on the foundation of our corporate values, will drive our development. We are confident in our vision, our strategy and the future. We will continue to both invest in our people, technology and infrastructure, and also to implement innovative solutions to satisfy our customers' evolving needs, while still delivering maximum value to our stakeholders and maintaining our partnerships with local communities. With our 16,000-strong workforce of talented and dedicated individuals, we strive to enable every country, company and person in the world to have easy access and further reach to trade and commerce, ultimately fulfilling needs and creating prosperity.

I would like to thank all our stakeholders for their continuous support during our incredible journey. I hope you share our excitement about the company's path and the opportunity that, together, we share.

Hussein Hachem,
Chief Executive Officer

Aramex overview

Established in 1982, Aramex has been a global provider of comprehensive logistics and transportation solutions for over three decades. Today, we are at the forefront of our industry, launching pioneering products and services that enable and facilitate trade and commerce for over tens of thousands of customers, and representing a global brand that continues to expand into new areas around the world.

In 1997, Aramex was the first company from the Arab world to trade on the NASDAQ, later moving 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), leading a strong global alliance network of over 40 organizations. We currently employ more than 12,943 people in 372 locations in more than 60 countries across the GCC, the Levant, Africa, Asia, Europe and North America, and support a further 3330 indirect employees worldwide.

We believe in acting responsibly towards all our stakeholders, and pride ourselves on keeping our commitments to customers, business partners, shareholders, employees and communities, as well as on preserving the natural environment. We have always viewed sustainability as a strategic goal; it is therefore thoroughly embedded in our business model and reflected in all our practices.

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Our performance

Consolidated Income Statement

(In Thousands in UAE Dirhams) (Year ended Decemeber 31)

	2010	2011	2012	2013	2014
Revenues					
International express	689,111	832,370	968,673	1,054,126	1,230,531
Freight forwarding	924,101	1,073,301	1,169,037	1,233,524	1,247,260
Domestic express	331,153	373,120	592,899	644,929	755,058
Logistics	103,764	110,760	138,284	169,648	197,976
Publications and distribution	30,035	28,318	25,630	20,272	9,547
Others	133,832	152,844	177,064	198,244	209,130
Total Revenues	2,211,996	2,570,713	3,071,589	3,320,742	3,649,502
Shipping costs	1,021,830	1,219,022	1,417,247	1,521,764	1,646,771
Gross profit	1,190,166	1,351,691	1,654,341	1,798,979	2,002,731
Share of profits (losses) from JV's	(256)	(554)	(3,660)	(4,123)	(3,203)
Share of profits (losses) from an associate		(200)	(335)	(848)	(453)
Operating expenses	444,596	508,495	609,749	663,354	735,950
Selling, general and administrative expenses	519,087	591,302	748,716	786,303	884,272
Operating income	226,227	251,141	291,881	344,351	378,854
Interest income	16,283	7,360	4,297	6,281	7,675
Interest expense	(1,166)	(1,756)	(2,842)	(8,469)	(7,065)
Gain (loss) on sale of fixed assets	(458)	(8)	(470)	277	(27,974)
Exchange gain (loss)	1,264	203	(919)	4,360	1,334
Other income (loss)	2,362	2,422	5,072	1,232	30,978
Income before income taxes from continuing operations	244,512	259,367	297,019	348,031	383,802
Provision for income taxes	(14,935)	(17,640)	(26,652)	(32,099)	(36,760)
Non-controlling interests	(25,485)	(30,420)	(27,393)	(37,107)	(28,558)
Discontinued Operations		231	1,149	(868)	(85)
Net Income	204,092	211,538	244,123	277,957	318,398
USD	55,572	57,599	66,471	75,684	86,696
	11%	4%	15%	14%	15%

(G4-17)

Consolidated Balance Sheet Data

(In Thousands of UAE Dirhams) (Year ended December 31)

	2010	2011	2012	2013	2014
Balance sheet data:					
working capital	650,340	477,645	488,826	761,414	706,193
Total assets	2,286,458	2,492,781	2,715,166	2,985,822	3,207,249
Total liabilities & Non-controlling interests	505,459	627,671	701,523	895,847	1,042,149
Total shareholders equity	1,780,999	1,865,110	2,013,643	2,089,975	2,165,100

Geographical breakdown of revenues

(In Millions of UAE Dirhams)

Year 2014								
Description	International Express 34%		Freight Forwarding 34%		Domestic & Others 32%		Total Company 100%	
Middle East and Africa	1,352.0	76.3%	985.1	66.1%	902.6	76.2%	3,239.7	72.8%
Europe	164.4	9.3%	400.3	26.8%	136.0	11.5%	700.7	15.7%
North America	69.5	3.9%	35.8	2.4%	0.9	0.1%	106.1	2.4%
Asia	187.2	10.6%	70.0	4.7%	145.3	12.3%	402.4	9.0%
Elimination	(542.5)		(243.9)		(13.0)		(799.4)	
Total	1,230.5	100%	1,247.3	100%	1,171.7	100.0%	3,649.5	100%

Year 2013								
Description	International Express 32%		Freight Forwarding 37%		Domestic & Others 31%		Total Company 100%	
Middle East and Africa	1,177.8	77.4%	1,015.8	67.8%	848.3	81.3%	3,041.9	74.9%
Europe	132.5	8.7%	373.7	24.9%	121.8	11.7%	627.9	15.5%
North America	48.7	3.2%	39.9	2.7%	3.9	0.4%	92.6	2.3%
Asia & Others	161.7	10.6%	69.5	4.6%	69.7	6.7%	301.0	7.4%
Elimination	(467.3)		(265.4)		(10.8)		(743.4)	
Total	1,053.5	100%	1,233.5	100%	1,033.0	100.0%	3,320.0	100%

Results of operations

	2009 %	2010 %	2011 %	2012 %	2013 %	2014 %
Revenues						
International express	32.0	31.2	32.4	31.5	31.7	33.7
Freight forwarding	38.7	41.8	41.8	38.1	37.1	34.2
Domestic express	15.4	15.0	14.5	19.3	19.4	20.7
Logistics	6.3	4.7	4.3	4.5	5.1	5.4
Publications and distribution	1.6	1.4	1.1	0.8	0.6	0.3
Others	6.0	6.1	5.9	5.8	6.0	5.7
Total Revenues	100.0	100.0	100.0	100.0	100.0	100.0
Shipping costs	43.5	46.2	47.4	46.1	45.8	45.1
Gross profit	56.5	53.8	52.6	53.9	54.2	54.9
Operating expenses	21.1	20.1	19.8	19.9	20.0	20.2
Selling, general and administrative expenses	25.0	23.5	23.0	24.4	23.7	24.2
Operating income	10.5	10.2	9.8	9.5	10.4	10.4
Income before income taxes from continuing operations	11.1	11.1	10.1	9.7	10.5	10.5
Provision for income taxes	0.6	0.7	0.7	0.9	1.0	1.0
Non-controlling interests	1.1	1.2	1.2	0.9	1.1	0.8
Discontinued Operations			0.0	(0.0)	0.0	0.0
Net Income	9.4	9.2	8.2	7.9	8.4	8.7

Our performance

Numbers are in Thousands of USD

	2010	2011	2012	2013	2014	CAGR
Revenues						
International express	187,636	226,643	263,757	287,024	335,057	15.6%
	10.0%	20.8%	16.4%	8.8%	16.7%	
Freight forwarding	251,620	292,246	318,313	335,872	339,612	7.8%
	21.79%	16.15%	8.92%	5.52%	1.11%	
Domestic express	90,168	101,596	161,439	175,606	205,592	22.9%
	9.5%	12.7%	58.9%	8.8%	17.1%	
Logistics	28,254	30,158	37,653	46,193	53,906	17.5%
	(16.6%)	6.74%	24.85%	22.68%	16.70%	
Others	44,619	49,328	55,191	59,499	59,543	7.5%
	10.26%	10.55%	11.89%	7.81%	0.07%	
Total Revenues	602,297	699,971	836,353	904,194	993,711	13.3%
Growth %	12.81%	16.22%	19.48%	8.11%	9.90%	
Gross Profit						
International express	125,319	147,869	175,485	192,578	221,928	15.4%
	66.8%	65.2%	66.5%	67.1%	66.2%	
Freight forwarding	71,728	80,261	83,586	89,640	91,104	6.2%
	28.5%	27.5%	26.3%	26.7%	26.8%	
Domestic express	69,958	76,789	115,883	121,724	138,986	18.7%
	77.6%	75.6%	71.8%	69.3%	67.6%	
Logistics	22,471	24,513	30,944	36,785	42,691	17.4%
	79.5%	81.3%	82.2%	79.6%	79.2%	
Others	34,590	38,615	44,557	49,110	50,609	10.0%
	77.5%	78.3%	80.7%	82.5%	85.0%	
Total Gross Profit	324,066	368,048	450,455	489,838	545,317	13.9%
GP%	53.8%	52.6%	53.9%	54.2%	54.9%	
	0	0	0	0	0	
Net Income	55,572	57,599	66,471	75,684	86,696	11.8%
	9.2%	8.2%	7.9%	8.4%	8.7%	

Our services

International Express Delivery

Aramex provides global door-to-door shipping solutions for time-sensitive documents and packages to customers across all industries. We offer a range of express services to suit customers' needs in terms of cost and speed, as well as real-time online tracking updates, automatic delivery notifications, proof-of-delivery, and a variety of import, export and customs clearance services.

Because the demand for accurate and customized delivery is continually increasing, modern specifications and the ability to maximize operational efficiency have become important factors for our customers.

This year we continued to expand our Express network across the globe, assigning new service partners in Europe and Asia. At the same time, we optimized transit times and routing between different origins and destinations, and strengthened our deferred and ground service offerings in multiple regions.

To offer best value to our customers, who remain the heart of our operational strategies, we also continuously adjusted our network capacities to cater for the growth of our e-commerce business. Across the board, we introduced more e-commerce solutions – including a return portal in Europe to manage different return/exchange scenarios for our customers, including the introduction of online duty payment solutions.

E-commerce will remain a major strategic focus for Aramex, and we will continue to enhance our delivery and customer service capacities and our network-serviced destinations in Europe and Africa.

Freight Forwarding

Our freight services comprise air, land and sea transportation, and provide cost-effective delivery for heavier, less time-sensitive packages. Freight services range from port-to-port shipping to full door-to-door delivery, with options for temperature-controlled haulage, customs clearance, advanced online tracking, third-party shipping, regional distribution, chartered aircraft or vessel services, and exhibition handling.

As part of the continuous development of our freight services, and to keep up with clients' needs and expectations for an efficient and economical transportation solution, we recently launched a number of new initiatives to better serve our clients:

- Aramex was one of the leading global forwarders to sign the MultiLateral e-AWB Agreement, part of an

IATA initiative. So far we have agreements with eight carriers, in addition to 18 other carriers under the Cargo200 program. We were also the first forwarder to exchange messages with Royal Jordanian.

- We also launched a new multimodal service connecting Asia to Saudi Arabia, that we branded 'Saudi-Fast'. 'Saudi-Fast' is a sea-land solution that brings shipments by sea from Asia to Bahrain, clearing them and delivering through the Aramex trucking networks into the various regions of Saudi Arabia.
- We also launched a regular road service within Continental Europe, with scheduled services between the major cities. The latest road solution started in January 2015, connecting the East African countries through scheduled consolidation services.
- We offered our air freight clients alternative solutions from the EU to the GCC, through a 'first-flight out' service or a 'twice-a-week consolidation' service from major cities in Europe to Dubai and Bahrain, and thereafter to the rest of the region.

Domestic Express Delivery

Our Domestic Express service provides nationwide door-to-door delivery of urgent packages, with options including same-day or next-business-day deliveries, package collection and return services, and cash-on-delivery.

In 2014, work continued on enhancing the technology and navigation tools used by our couriers. We have made huge investments in infrastructure in multiple countries to develop our ground operations, and to cater for growing demand for domestic express.

Our 'My Address' service continues to grow across our core markets. We expect it to further develop and expand. Using its web interface, Aramex customers can pinpoint their exact position and select a delivery time when they place an order. The success of 'My Address' is demonstrated by the fact that we collected over one million addresses and instructions through the system in 2014.

Integrated Logistics, Warehousing and Supply Chain Management

Our end-to-end logistics solutions ensure the efficient transfer, storage, and distribution of products and information throughout the supply chain: from the moment a customer's inventory leaves their suppliers or factories, to the point it reaches retailers or end-users. This is made possible by our logistics centers – strategically located in key areas across the GCC, Middle East, North Africa, Western Europe and Asia, and powered by state-of-art technologies to ensure world-class security and constant real-time visibility.

In 2014, we continued expanding in our core markets and opened a new 15,000 sqm state-of-the art facility in Muscat, Oman to serve our customers there. We also upgraded our facilities in South Africa by moving to new logistics warehouses in both Johannesburg and Cape Town. We also continued expansion in Egypt with an additional 10,000 sqm space to accommodate the growing needs of this market. Other smaller expansions took place in Turkey, Singapore, Uganda and Jordan to accommodate the needs of our existing and new customers. Work has also begun for a specialized dangerous goods facility in Dubai, the first of its kind in the Aramex network. This will upgrade the services we offer to the Oil and Gas industry.

Technology has always been a key enabler in delivering service excellence, and we have continued investing in our warehouse management system to deliver advanced solutions to run more efficient operations in our facilities. This year, we increased the ratio of RF scanner transactions versus manual ones by over 200%, ensuring real time updates and data entry accuracy.

Information Management Solutions (InfoFort)

InfoFort is a wholly-owned Aramex subsidiary, and the leading secure records and information management solutions provider in the Middle East and Africa. InfoFort solutions span the full information management lifecycle, including secure storage and management of physical and electronic records, media/tape vaulting and rotation, secure shredding, IT escrow services, cheques management and consultancy.

In 2014, InfoFort continued its growth, most notably in Africa with the expansion of operations to include Kenya, Uganda, Tanzania and Ghana. InfoFort also started its franchising and licensing program in three countries (Lebanon, Pakistan and Bangladesh).

InfoFort also further promoted InfoCARE, its social platform for enabling information-driven sustainability initiatives. In 2014, InfoFort launched its GreenBox service. This completely free service contributes to a sustainable eco-system, and aims to create awareness on paper wastage and paper recycling, and bring about change in people's paper consumption habits.

InfoFort implemented several youth empowerment initiatives in Saudi Arabia and Egypt under its InfoGROW strategy. This aims to empower youth through information-based skills – skills that will enable them to develop their abilities in order to join the workforce and ultimately become self-sufficient.

In 2014 InfoFort also published its second sustainability report in the MENA region, and started tracking carbon emissions using the Greenhouse Gas (GHG) protocol that is used by the World Business Council for Sustainability Development (WBCSD) & World Resources Institute (WRI).

Shop and Ship

Shop and Ship is our unique online shopping delivery service that enables thousands of customers globally to enjoy the benefits of having a mailing address in the US, UK or China without actually living there. This service offers a personal forwarding address in these countries, where customers can receive personal and business packages. Aramex then forwards these shipments to customers at very competitive rates, to save them time, effort and money. The service is provided in more than 35 countries in the Middle East, Africa, Europe, and Asia.

In 2014, Shop and Ship continued its global expansion by launching multiple shipping origins, cementing the brand's position as a 'global shopping' enabler. There are now a total of 14 shopping cities. This is in line with positioning the brand as the leading cross-border shopping solution and destination.

Shop and Ship's Integrated Partner program expanded further in 2014, with over 25 integrated e-commerce partners now on the platform. This makes it the ideal enabler for merchants wishing to economically and effortlessly expand their international sales reach.

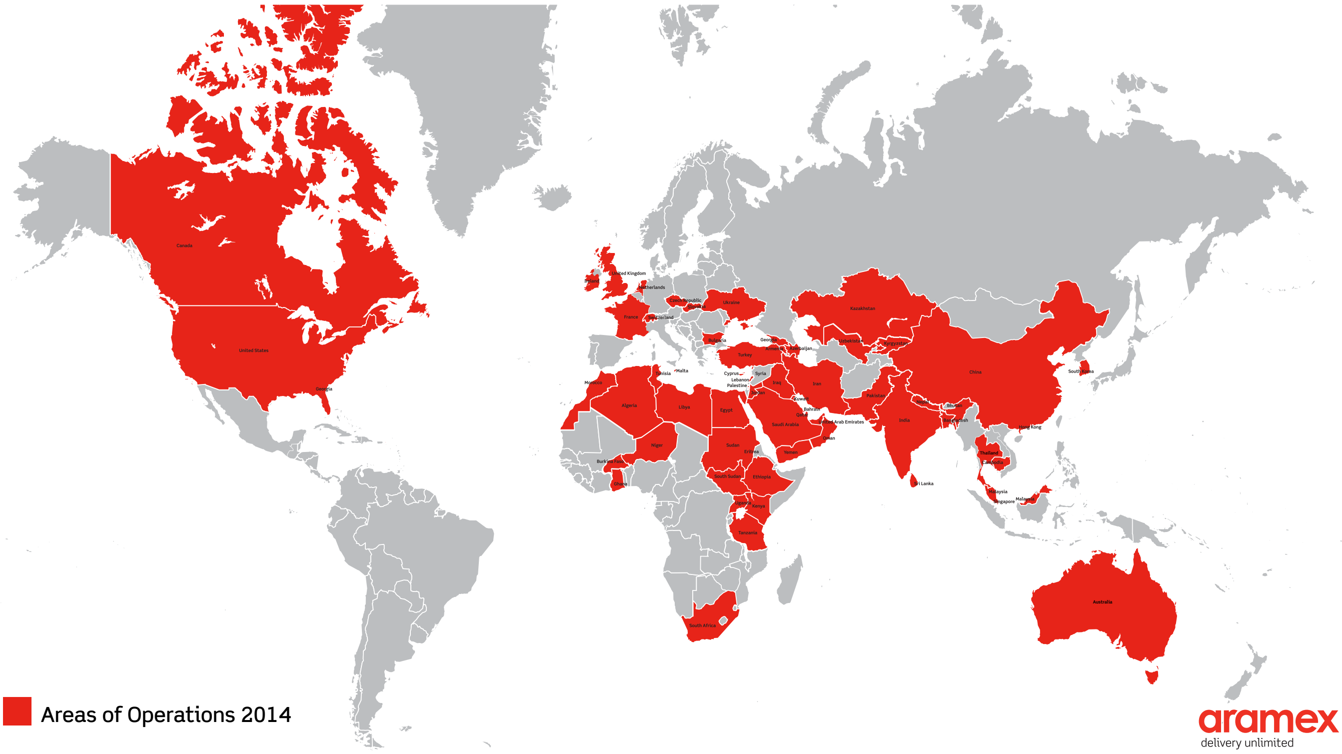
Shopandship.com was re-launched as a 'fully responsive' design portal, to accommodate current browsing trends on tablets and mobiles. Arabic as a language also became an option. Shop and Ship still serves as Aramex's key driver and pillar for e-commerce in the MENA region and growth markets, by expanding its footprint in line with all our growth strategies

Our Supply Chain

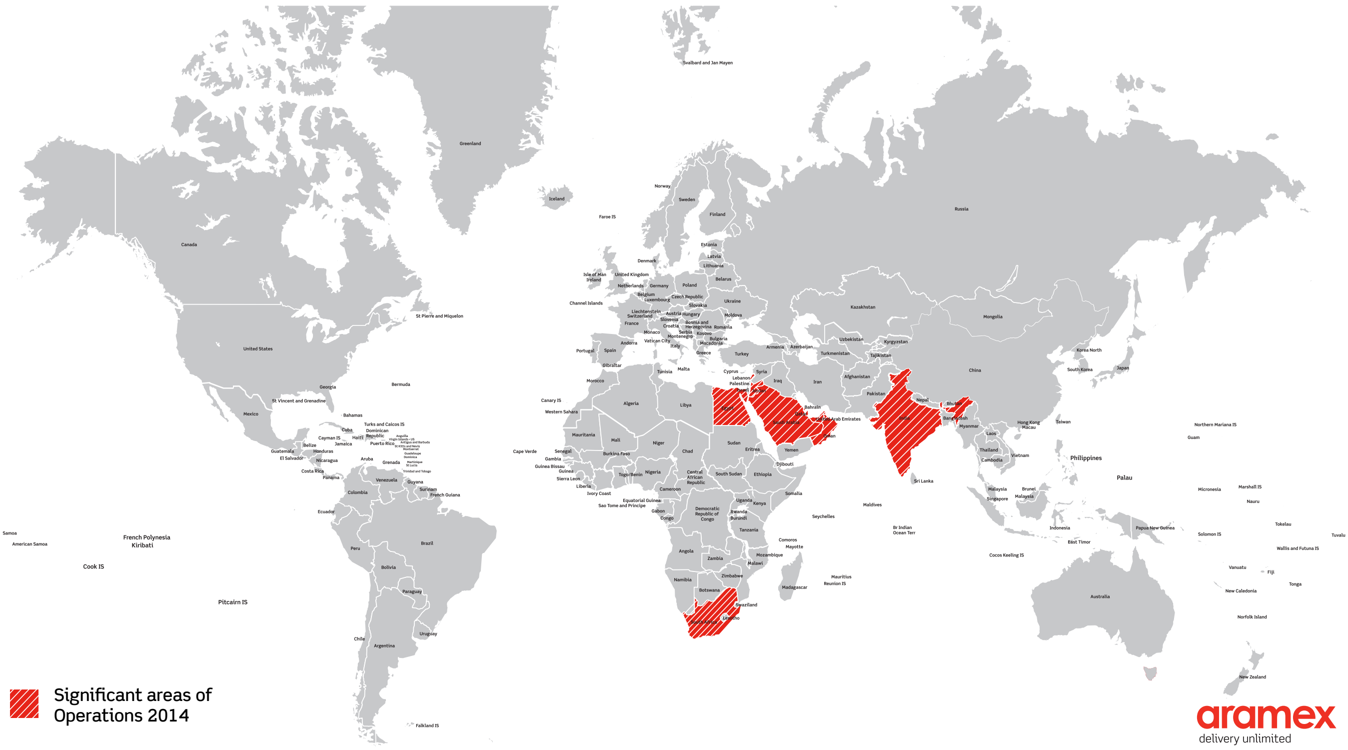
Aramex's asset-light business model heavily relays on our supply chain of international and local suppliers. With one of the largest logistics and transportation networks in the world, our widespread network consists of national and international airlines operating locally or in multiple countries, as well as several sea lines. Moreover, regionally we deal with land freight operators. Through our extensive freight forwarding network and comprehensive transportation solutions, we offer door-to-door delivery from one or multiple suppliers into the warehouse with smooth delay-free customs clearance, where we aim to include both local and global suppliers in our supply chain. However, being a local entity in the areas

(G4-12)

in which we operate, we ensure to source locally where available and possible. Therefore, the majority of our spending is on local suppliers. At Aramex, we make sure to engage with our suppliers – through different channels, and on as regular a basis as required.



(G4-6)


Significant areas of
Operations 2014
delivery unlimited

Strategic direction

Aramex's long-term sustainable and profitable growth strategy is founded on our corporate values. Over coming years, it will drive our successful progress towards our vision: to become the leading transportation and logistics provider in the growth markets of our choice. We continue to make investments in our people, our technology and infrastructure; and continue to implement innovative solutions to satisfy our customers' evolving needs, whilst also delivering maximum value to our stakeholders, and maintaining our partnerships with local communities.

Growth

Our growth strategy – of focusing on building our business, both organically and inorganically, across growth markets – will be a competitive differentiator for the company.

Growth

Expansion, Progress & Development

- New Markets
- Acquisitions / Franchises

New Markets, Acquisitions and Franchising

Going forward, Aramex has ambitious targets for organic growth in the Middle East, where our core business remains. We also aim to accelerate growth through acquisitions and partnerships, when they make clear strategic sense and meet our defined criteria.

We remain committed to building our franchise and operations in growth markets, such as strengthening our presence in the Asia Pacific region. We also acquired the master franchise for the PostNet brand in South Africa in 2014. PostNet is South Africa's largest privately-owned counter network in the document and parcel industry, with 281 stores and 55,000 customers a day across the country. PostNet's scale of coverage across South Africa will expand our reach in the country. The company is an excellent strategic fit for us and our asset-light business model, enabling us to provide varied delivery solutions to our customers in metropolitan markets in South Africa.

We have also signed joint ventures with Botswana and in Thailand with Leo Global Logistics, further expanding our footprint and reach. We have also signed a Joint Venture with InPost, the world's largest parcel lockers network. This new partnership will create a network of automated parcel lockers that will be set up across the region in all major cities and towns. The move will support the development of the rapidly growing e-commerce industry in the Middle East and Africa by providing online businesses, and consumers purchasing online, with an innovative solution for sending and receiving packages.
Our franchising program has been further developed: this year, we signed on with franchisees in Cyprus, Pakistan, Angola and Burkina Faso among other places.

(G4-2)

Performance

Our robust business model is closely aligned with our growth strategy, making Aramex a stable investment choice for local and foreign investors.

An agile business model enables us to respond swiftly to forces of change. Similarly, our federal, decentralized structure empowers our people to be responsive to evolving customer needs. Also, being a local entity in the areas in which we operate creates local job opportunities, and enables us to address some of the challenges of the local communities.

Aramex maintains a very strong financial performance, underscoring the reliability in our business and the ability to deliver growth. We also seek to update our existing infrastructure in line with our ambitious growth plans in core markets.

Performance

Business model

- Infrastructure
- Business partners
- Financial results

Innovation

Aramex is continually innovating as a business, and identifying bespoke solutions tailored to customer needs.

E-commerce development remains a key strategic goal, and we view our partnerships with online retailers as a vital element in our future growth. In the coming years, we plan to invest heavily in our e-commerce platform to support the growth of online trading across our core emerging markets, taking advantage of the significant opportunities in growth markets in Asia, Africa and the Middle East.

Through our close engagement and responsiveness to clients, continuous service improvement and innovation, and specifically

Innovation

New services, Products & Processes

- Technology
- E-Commerce
- Customer service

tailored solutions, we aim to grow in tandem with our customers, and benefit from each other's success. To find out how, please see the Our Customers section of this report on page 36.

Sustainability

Today, we still live our beliefs and our values through our actions. We know that being a good corporate citizen is integral to our innovation and top-line performance. We believe that responsible, sustainable practices will not only impact our business growth, but will also facilitate social and economic development for our stakeholders around the world. We endeavor to integrate sustainable development into everything we do – this is the foundation of our management approach. We are convinced in the power of this company to help build a better, more sustainable world. In our Sustainability section, pages 49, you will find considerable evidence of our progress.
It is the people at Aramex who make the company successful; and it is their knowledge, expertise and contributions that drive the business forward. It is important that we nurture them, and provide an environment where our people can grow personally and professionally, in a supportive culture where everyone is encouraged to reach their full potential. Our learning and development strategy has always included workplace-based experience alongside more structured training programmes in order to build our people's skills, and encourage collaboration and networking with colleagues across the group. We keep expanding our people development activities: to learn more, please look at the Our People section of this report on page 22.

Sustainability

Programs, Initiatives & Activities

- People
- Environment
- Social engagement
- Sustainable trade

Empowering people

As a service provider, interacting with people is at the heart of what we do – whether it's connecting families across the world, or utilizing local partnerships to provide the best delivery solutions.

We drive global connectivity and strengthen trade links through the support we provide to our clients in moving their goods and products to markets. This vital logistical service is playing an increasingly important role in the growth of our local economies, helping connect some of the world's most exciting and rapidly developing countries and regions.

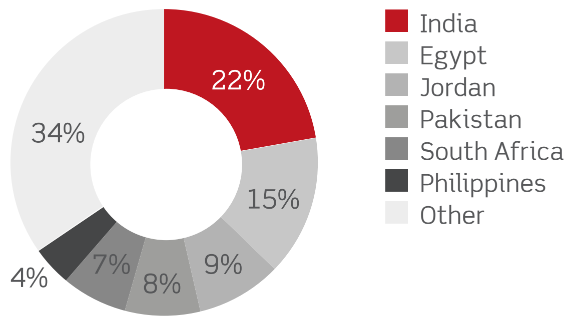
Our people

At Aramex, we know that our growth and success is constantly driven by the knowledge, expertise and contributions of our people. We strongly value the diversity of our employees, and believe that the more diverse we are, the better equipped we are to deliver a great service. Given our light asset model, we see our employees as our most important asset. This translates to our HR policies, which is why we seek to recruit and retain talented and skilled employees who represent a wide array of diverse ages, nationalities and cultural, academic and professional backgrounds. Moreover, we strive to empower each and every employee at Aramex, by providing a horizontal leadership model, training and career growth opportunities, and an inclusive work environment. Furthermore, our recruitment process is based on meritocracy, qualifications and ongoing assessment, and we regularly conduct inclusive interviews to ensure the right people occupy the right positions.

In 2014 our global workforce grew by **17%**[1]
Reaching **16273** employees[2]
and representing **91** nationalities

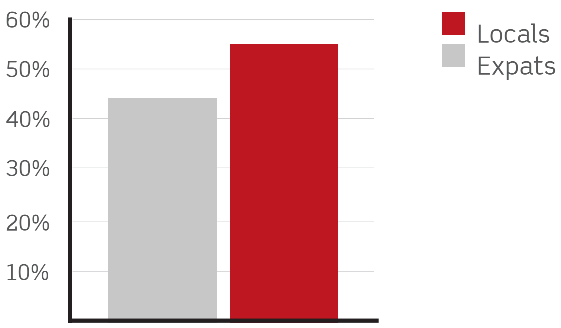
As a global company, we value the diversity of our people, the nationalities represented are as below:

Nationalities



Expats vs Locals

Moreover, the ratio of expats to locals in our workforce is as below:



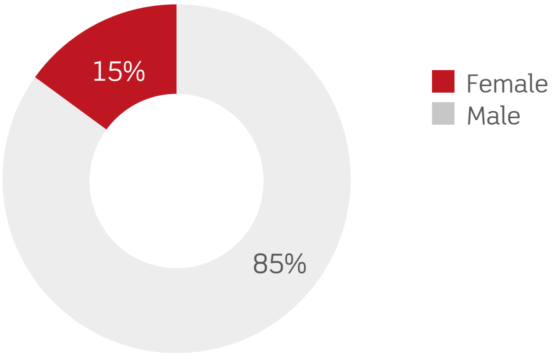
Moreover, 54% of our senior management is local

[1] Breakdown of new hires by region, gender, age and team can be found in Appendix A
[2] Includes indirect employees (subcontractors)

(G4-9) (G4-10) (G4-11) (G4-LA 1) (G4-LA 12)

Our people

Our workforce gender breakdown is as follows:

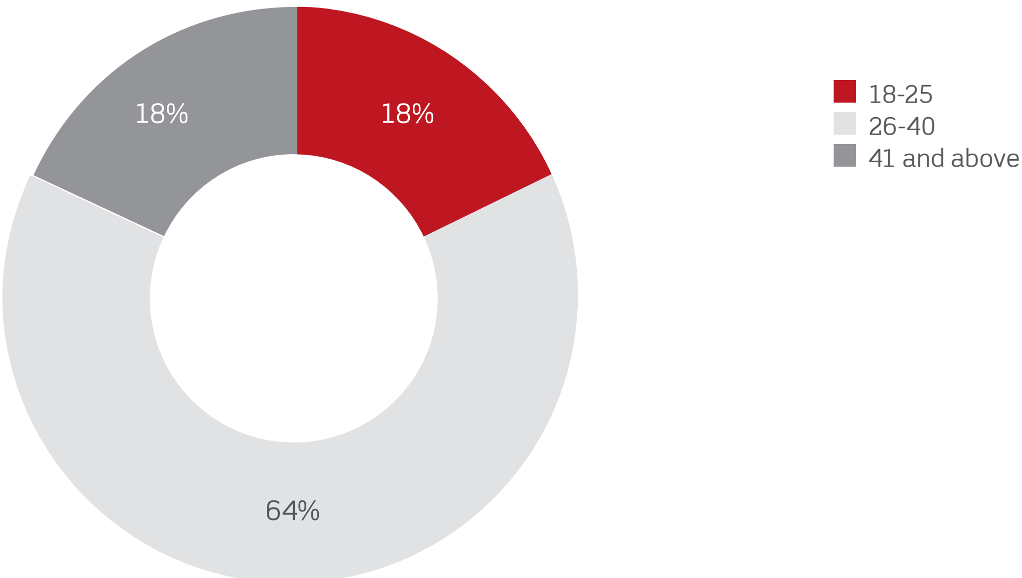


10%

of our top management is females

Given the nature of our operations which relies heavily on manual labor, ground operations and transportation, we find a higher number of men in our work force, especially as operations members.

The age structure of our employees is as follows:



(G4-LA 12) (G4-EC 5) (G4-LA13) (G4-EC6)

We aim for our compensation and benefits to be competitive in the industry, while also matching or exceeding local standards.

We offer equal remuneration to females and males. The only determinants of remuneration are skills and experience level

Remuneration

Ratio of remuneration between females and males in the same position

Aramex spent USD 271,156,860 in 2014 on employee compensation. This includes salaries and benefits.

We closely abide by local labor laws and social security laws, which govern employees' retirement benefits. We guarantee health insurance cover for our employees, and where applicable in some countries – Jordan, for example – we provide additional cover for diseases such as cancer. We also abide by each country's laws and regulations related to disability and individuality coverage. We also support our female employees by guaranteeing them paid maternity leave. We also provide them with other benefits to encourage them to return to work, such as flexibility in working hours, extended unpaid leaves, and nursing hours.

In 2014, 145 mothers returned to work after a total of 16,182 days of maternity leave

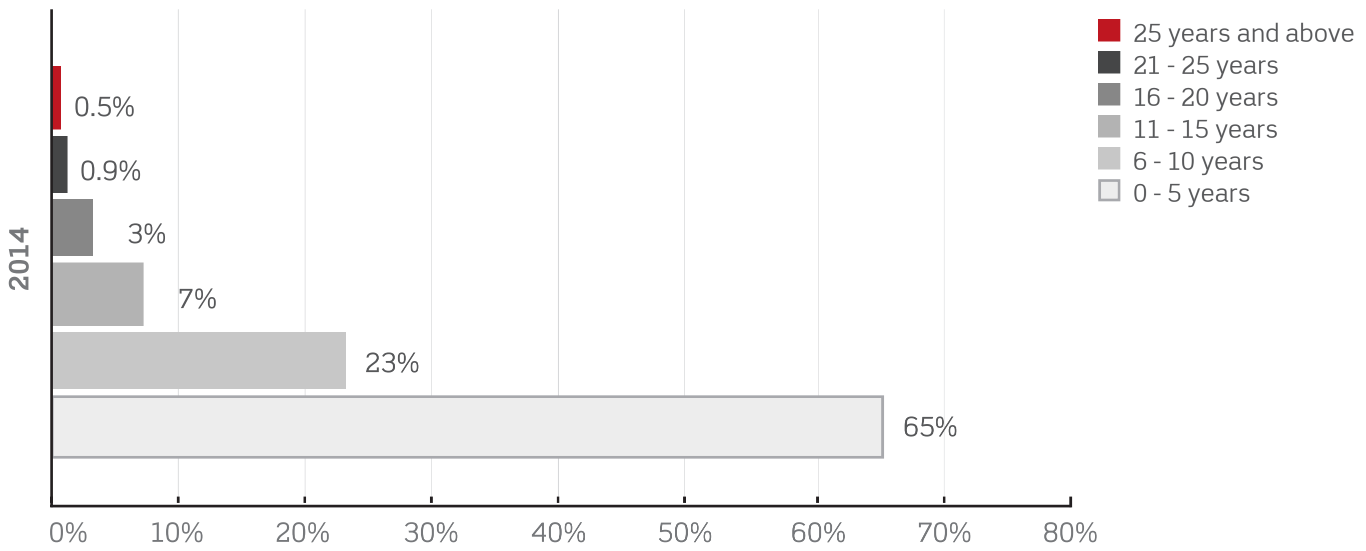
(G4-EC 1) (G4-EC2) (G4-EC3) (G4-LA3) (G4-EC5) (G4-LA13)
Details available in Appendix

Furthermore, our human resources governance structure is founded on the principles set forth by the United Nation's International Labor Organization

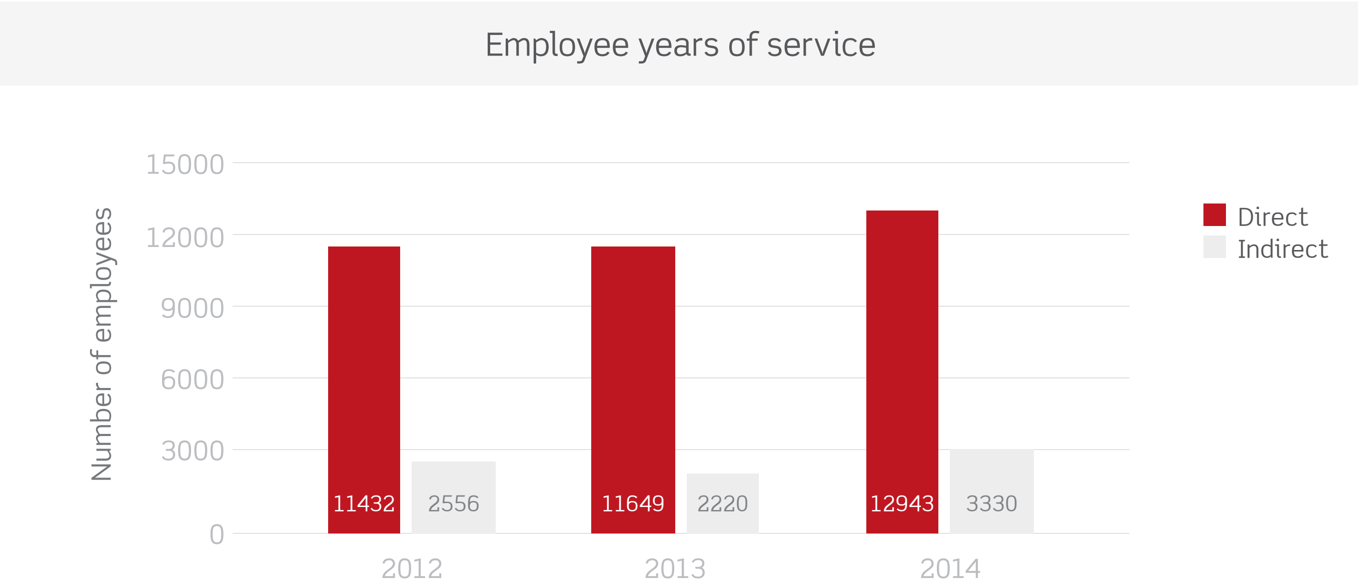
It is our strict adherence to these principles that ensured that we had no grievances related to labor practices in 2014.

At Aramex, we are proud to hire fresh graduates and to grow management from within. Our employee years of service breakdown is:

Employee years of service



(G4-LA 16)



Our indirect employees, who are identified as employees hired from labor companies, are mainly based in India, and their benefits are provided by their direct employers.

Empowering Our People

Our decentralized and horizontal business model, along with our continual on-the-job training and our management structure, ensure that our employees are empowered to make decisions on the front line to enhance our services and operations.

Throughout our operations, we ensure that there is a collective and flat decision-making process. In any case of significant operational changes, we set a meeting with concerned stakeholders and together decide the timeline of the operational changes, ensuring it is appropriate for all stakeholders.

Although Aramex does not have any agreements for formal collective bargaining or agreements with trade unions, we do not employ any policy that prohibits or restricts freedom of association, collective bargaining, or membership to labor unions. This policy is extended to all our employees and our suppliers. We give all our employees the opportunity to join unions, as long as they are in line with the local laws and regulations.

Where available and applicable, our employees have joined labor unions related to their respective profession. For example, in Jordan, all our engineers and lawyers are part of their respective unions. In Bahrain, the employee-founded labor union is still functional. In South Africa, 30% of our employees are currently part of their respective union.

Engaging Our People

We ensure open and effective communication between all our employees through team meetings, our intranet and instant messaging system. We also ensure that our employees are always connected by viable means of communication; for example our ground couriers are all equipped with mobile phones and handheld scanners that are connected to our shipping management system.

(G4-LA 5) (G4-HR 4) (G4-LA 4)

ARAMEX RED LAB

Creativity is a core value of Aramex. We actively work on fostering an environment of creative thinking and innovation.

In 2014, the Aramex Innovation center RedLab was launched to support and encourage innovation among our employees.

Redlab is our first on-the-ground innovation program aimed at leveraging our collective resources to bring new ideas to life. We believe in empowering our people at all levels to think more creatively, and in enabling them to be actively engaged in finding ways to enhance and expand our operations and services to create value for our customers. An interactive online platform was launched as part of RedLab, allowing all Aramex employees to submit, discuss and vote on ideas.

In preparation for RedLab, an online training session was conducted with employees about the idea of innovation and the important role our employees play in it.

RedLab allows each Aramex employee to work on their areas of interest. It goes above and beyond idea collection to actual incubation, bringing these ideas to life.

275
Ideas

2570
Votes, Comments and interactions

Since its launch, IdeaScale, the innovation management software platform under RedLab has resulted in the generation of several viable ideas and a variety of interactions and discussions.

Training Our People

We see continuous training and development of our employees as an important part of their empowerment, enabling them to lead in their careers. Employees annually receive a comprehensive performance evaluation, as mandated by our HR policy. During the evaluation process, the employee's performance is assessed, their key strengths and challenges are identified, and, accordingly, an inclusive training plan is set for the coming year.

Driven by Aramex's commitment to learning and talent management, our Corporate University continues to align both talented employees and learning strategy to the business. We use it to connect and engage with employees from all levels in a learning-driven organization.

This year has been another successful year for Aramex in Learning and Development. At Aramex, it is unusual for any training room – no matter where it is in our network – to not be busy every day. In 2014, our training covered 72% of our employees.

We have confidence in the importance of our learning programs. They are where our leaders test new ideas, and launch new innovative products and initiatives. At Aramex, we believe that our ongoing success relies heavily on our highly effective leaders. This year has been a cornerstone for our commitment to ensuring that our top talent accelerates their development through our revamped Global Leadership Development Program. To round out our experience in investing in our people (and building on what has been learned in previous years), we have also strengthened our LDP structure by adding an important phase to the program, one that focuses more on the individual. The new structure of our Global LDP includes having assessment centers to help in selection (based on the eligibility of participants), and in measuring different types of job related skills and abilities, as well as assessing the suitability of participants for a two-year progressive leadership project. Thirteen certified assessors – each equipped with new assessment tools and combined methods, and chosen to fit our corporate culture – also help in unleashing the potentials of each leader against Aramex Leadership Competencies.

Our Global LDP is designed to open every participant to learning from everything and everybody. More than 316 leaders in 19 location have gathered in assessment centers for case study analysis and discussions with a committee of assessors. These assessment centers helped participants to set clear expectations around the need for growth, and represented an opportunity for high-performing leaders to recognize blind spots, and to refine and develop the skills they need to lead more effectively in the upcoming two years of continued leadership growth.

(G4-LA 11) (G4-LA 9) (G4-LA 10)

Sale Excellence program

Throughout 2014 we continued to hold training sessions for our sales employees in Levant and the GCC. A total of 79 sales executives and leaders attended our basic sales training program, that sets the foundation for any sales executive. This program is provided to all new hires and people newly promoted into sales. When it comes to our existing sales force, a more advanced program – I-Sell Smart – is offered. A total of 127 sales executives, leaders and sales managers attended this program. This program enables participants to understand their current sales status, and to carry out business planning to help them meet their targets and ensure cross selling, and also to monitor the business closely in terms of retention and leakage/down trading or lost clients.

Leadership coaching

Coaching to increase leadership effectiveness started during 2014. A total of 12 people completed coaching sessions. Two team-coaching initiatives also started: one in the Dubai Logistics team, and one in the Amman Station Management team.

Sales coaching was also active during 2014, as 29 sales coaches received either refresher training to enhance their coaching skills, or a full program to train them in using the language of coaching when dealing with their sales teams. A total of nine sales staff completed a three-month coaching relationship.

Our work environment

It is important for us to provide a safe environment for our employees, and to ensure that no human or labor rights violations are taking place on our premises and across our supply chain. Our personnel policies, structures and activities are governed by principles and regulations of the United Nation's International Labor Organization (ILO) and the UN Convention on Human Rights. We abide by all national and international human rights, labor laws and regulations, including those specified in the UN Global Compact (UNGC).

Therefore, all of our security personnel received special training on Aramex policies and procedures, including those related to human and labor rights.

To ensure that our work environment protects the rights of all workers without any discrimination, we have a reporting structure for all grievances and a grievance committee in each office. This allows us

(G4-HR 3) (G4-HR 12) (G4-LA 16) (G4-HR 7) to follow up on any reports related to human or labor rights. No cases of discrimination were reported in 2014. We run annual audits of all Aramex facilities according to Social Accountability 8000 guidelines to ensure the correct procedures and policies are followed. Action plans are developed for each station, and are followed up by our Human Resources and Sustainability teams. No human rights or labor violations were reported across our network last year. Our policy on sexual harassment is clearly stated and disseminated across our network. There were no incidents of harassment reported in 2014.

Recruiting Our People

Our recruitment process is based on meritocracy, qualifications and ongoing assessment, and we regularly conduct inclusive interviews to ensure the right people occupy the right positions.

Whenever we work with recruitment agencies, we ensure that they adhere to International Labor Organization (ILO) guidelines and that their selection criteria are based on the candidate's qualifications and experience, guaranteeing equal opportunities for all. Our male and female employees are entitled to equal compensation packages, determined solely on their qualifications: this policy is implemented across different managerial and departmental levels throughout the organization.

A well-defined recruitment process helps a company to attract and maintain the best talent with reduced costs. For this reason, some improvements to the existing process were introduced in 2014:

- An **Internal Recruitment Policy** that enables our employees to view and apply to internal postings was launched in March 2014. This policy has enabled us to tap into our internal talent, and ensures that we provide our employees with career growth.
- We designed and delivered **Competency Based Recruitment Workshops**. These led to an improved recruitment process, and increased our quality of hire, leading to reduced attrition in our India and Dubai stations. The workshops will continue in other regions.
- New recruitment tools such as **LinkedIn** have been introduced as an external job posting portal. This tool allows us to source candidates directly from a rich global database, with a lower cost. Using LinkedIn instead of recruitment agencies has led to a cost saving in the region of $60,000.

Moreover, our employment policy states that we employ only those who have graduated from high school. All members of our workforce are eligible to work according to their countries laws and regulations.

Nujoum Program:

Our Emiratisation Program Nujoum kickstarted in March 2014, with the aim of promoting and enhancing local talent under the recognized expertise of senior managers in our UAE stations.

Its carefully-designed job rotation and practical on-the-job training structure equips employees with the necessary skills and knowledge they need to become future managers of Aramex.

The program has been brought to life in partnership with bodies such as Absheer Initiative, Zayed University and Higher Colleges of Technology.

Nujoum is a three-year program that consists of three phases.

Phase 1 includes training and job rotation, whereby trainees are given the chance to work with different departments. A post-training assessment determines their recruitment into Aramex, based on their overall performance during the training, our organizational requirements and their individual preferences. In the second phase, the trainees are considered individual contributors, in which they work under supervision following standard work procedures. In the third phase, the trainees transition to take on more leadership roles within Aramex.

The 2014 Management Trainees have completed the phase one, rotating between nine departments and working on several projects.

The Health, Safety and Security of Our People

Aramex has to date succeeded in providing set standards and procedures for Safety and Security throughout our network. It is with the help of these standards that we did not face any non-compliances in 2014 from the external audits conducted by our suppliers.

We continued using our Health and Safety induction booklet for visitors to guide them on the specific site emergency evacuation procedures and general site safety requirements they should follow while in the facility. Similarly our Permit-to-Work (PTW) system is in place for any and all kinds of work carried out by subcontractors in a facility, to ensure the safety of personnel and equipment, along with subcontractor training programs.

We make sure to enforce the highest standards for vehicular operators, along with journey management processes including pre-trip inspection, journey authorization and post trip analyses to give feedback on a driver's performance based on the In Vehicular Monitoring system.

This has led to the majority of LFT drivers, whether permanently employed or outsourced, undergoing the same extensive defensive driving training based on internal and international standards. The success of this training has been apparent on the ground, and it will continue in 2015.

We have set up a control room with a dedicated team to monitor our land transportation movements on 24/7 basis. All our trucks are fitted with GPS units with HSE features for tracking, and the dedicated team is monitoring the movements on a real-time basis. This includes cross border monitoring.

Moreover, our safety focus was also guided by our continued and expanding operations in the Oil & Gas field. For this, we standardized the checks for vehicular safety and more that take place prior to departing from all main facilities where operations take place. We participated in an event organized by SLB (one of our ONG clients) for high risk suppliers, and presented our systems and process for handling the Oil and Gas logistics service.

Our HSE measure include:

- Health and Safety Induction Booklets
- Permit-to-Work Systems
- Standardized Safety and Security Checks
- Journey Management Systems
- Comprehensive employee and Subcontractor Training
- 24/7 Land freight movement monitoring
- International Standards of Risk Assessments
- Safety Committees and Toolbox meetings

We have been audited by external parties for land transportation, and have achieved compliance level. We have also implemented a Mechanical Lifting plan for all crane operation, to ensure the safe lifting operation of all our equipment. Lifting Supervisors has been trained on a Mobile Crane Course conducted by external companies. Before authorizing any mechanical lifting operation, we ensure that both the crane visual inspection by supervisors and the pre-start inspection by operators are carried out, and that the operators and riggers are qualified, and certified by local regulatory bodies and approved third parties for their competencies through PTW system.

The roll-out of safety committee meetings has proven to be advantageous, and they will continue to be rolled out to stations beyond hub stations in 2015. The committees are chaired by representatives of

Health & Safety and Business Improvement & Efficiency (BIE). Each committee includes 7 – 10 members, and represents more than 80% of our total workforce. The committees meet on a monthly basis to discuss the root causes and preventative measures of health and safety issues, and any accidents that occurred that month. Each Aramex station in our network has a dedicated security team member, and our large operations have been equipped with certified and qualified Safety Managers and team members.

We have successfully rolled out the online incident report system for the ME region. It has been utilized accurately by the Safety & Security team for all incidents reported in 2014.

The toolbox meetings held with operational team members have successfully helped reduce the losses incurred by lack of knowledge, or by ad hoc laborers being used to fulfill a task they are not trained or equipped to do. The teams have also ensured that all staff entering the facility have undergone the BTP (Basic Training Program) and orientation before starting their work on site.

As a part of continuous improvement, we have upgraded our risk assessment to international standard based on 5x5 risk matrix system, based on international set standard matrix system.

In 2015 we plan to embark on e-learning and outcome-based training designed around Aramex-specific features for safety and security. This training is designed to be delivered in a classroom capacity, and also individuals will be able to log online from their office for a one-hour certified training course with a UK based company, covering their specific entity – ie office based staff, operation staff etc. This will ensure that all Aramex staff are trained, educated and briefed on the same processes and procedures as set by our Global Support Office (GSO). This initiative will be supervised and controlled by theCorporate University.

The tasks of the HSE and HSSE team for 2015 are based on our strategic and collective objectives, set at station, regional and global levels. They are all linked to individuals KPIs and outcome-based calculations at year end, consistently driving us to reach our targets.

	2012	2013	2014
Summary			
Fatalities	2	1	1
Accidents per million shipments	9	11	15
Percentage change in accidents per million shipments	-30%	32%	32%
Lost Time Injuries per million shipments	4.88	24.64	32.27
Vehicle Related Incidents			
Vehicle Lost Time (days)	330	451	688
Vehicle Accidents (resulting in injury)	30	85	53
Vehicle Accidents (no injury)	300	366	635
Vehicle Lost Time Injuries	187	982	1485
Warehouse Related Incidents			
Warehouse lost time (days)	512	293	518
Warehouse Accidents (no injury/minor injury)	68	169	34
Warehouse Accidents (resulting in Lost Time Injuries)	53	35	38
lost time per million shipments	13.3	7.4	11.3
lost time/total time	0.000303046	0.000277788	0.00037531
Normalizing Indicators			
Total Shipments	38,358,816	39,856,151	46,021,920
total lost time (days)	842	744	1206
total lost time injuries	83	120	91
total working hours across the network	24,418,752	24,882,264	27,646,248
total working days	3,052,344	3,110,283	3,455,781

(G4-LA6)

Our customers

We remain true to our commitment to engage fully and partner with our customers. It is an essential part of our ability to continue delivering high-quality services and innovative products. In 2014, we continued our efforts to streamline our customer feedback channels and provide swift services and response to customer concerns.

Aramex policies, regulations and training are designed to encourage our people to act in accordance with customer expectations regarding ethics. These include:

- Committing to professional and caring customer treatment by everyone in the company.
- Ensuring the confidentiality and privacy of customer communications.
- Supporting and accommodating customer needs.

Our customers are not only key stakeholders, but also the principal beneficiaries of Aramex's culture of 'customers come first'. This is the culture that we uphold in our transactions with our customers: we aim to go above and beyond the key ethical expectations of customers. Along with our Customer Service code, this helps us meet and exceed quality of service expectations and aspirations.

Delivery Unlimited

The reputation of the Aramex brand depends on the general public's trust in our service integrity. Customers need to be able to trust the credibility of the information they are given. Official authorities such as customs and security officials should be able to trust in Aramex's legal and regulatory compliance, discipline and diligence.

At Aramex, we believe in excellence in the provision of our services, and strive to create lasting stakeholder perceptions of our commitment to this overriding value. We encourage entrepreneurship and the embracing of challenge among our employees as a path to innovation, valuable teamwork and collaborative relations. We promote diversity and respect for the individual, and stand in solidarity with the communities in which we operate by acting as a socially responsible and active corporate citizen. We strive to uphold these values in every action we take and every decision we make, and in defining what we commit to and expect from our stakeholders.

Our customers

We aspire to build a culture of integrity. We manage our relations with our stakeholder groups in a manner that is consistent with our core values and conducive to nurturing a lasting conviction on their part, and of the public at large, that “we do the right thing.”

In addition, we have employed several information security measures, along with our comprehensive code of conduct, to safeguard our customers’ privacy and information. It is our strict adherence to these policies that ensured that we did not receive any complaints in 2014 related to protection of our customers’ private information. Our continuous efforts resulted in a deeper trust with our customers and in our brand, and have enabled us to limit our advertising efforts for our services and focus more on direct interactions with customers and prospects. However, in the cases where we have advertised, we made sure we complied with local and international laws relating to any marketing activity, and as a result have not faced any related non-compliance issues this year. Moreover, in 2014 we did not receive any fines, monetary or otherwise, for non-compliance with laws and regulations concerning the provision and use of products and services.

Aramex is committed to complying with applicable import and export control laws and regulations involving the countries we do business in. We do submit accurate and complete import declarations to government authorities. We also use the utmost care in ensuring our compliance with import regulations regarding designated importer of record, import tariff classification, valuation, origin, duties and import tax payment, payment to the supplier, duty preference programs, temporary imports, bonded warehouse, duty drawback programs, and so forth impacting our activities.

We also respect all international and national embargo regulations, and try our best to adhere to those regulations. Moreover, since we are a service-based company, we do not sell any products. However, since we are a transportation company, we employ strict policies to ensure that we do not transport banned or disputed products; our controls include training given to employees, as well as verification of shipment content.

> “We value customer feedback, and believe it is paramount to improving services and processes.”

(G4-PR 7) (G4-PR 8) (G4-PR 9)

Our customers

In order to guarantee customer satisfaction, we employ several practices to gather customers' feedback through different channels, including:

- Websites (aramex.com/ShopandShip.com).
- The Contact Center.
- REACH system.
- Sales Teams.
- Retail Outlets.
- Social Media Channels.

Our activities in 2014 included the following initiatives and projects, designed to support and improve our customer service:

Aramex Solution Center

We are continually working and improving on the Aramex Solution Center. Launched in 2013, this provides us with expertise, research and development to better serve our clients. This includes expanding our knowledge in each sector in which operate, while building our Research and Development capabilities.

Research and development plays a vital role in identifying customers' needs, expanding existing services and providing new solutions to better serve our customers. An example of these services is the industry-focused research conducted in order to understand the shipping and logistical needs for the industries we service.

In addition to this, Aramex shares industry-focused calendars with existing customers; the objective is to highlight international events taking place worldwide related to the customer's business, and provide facilitated shipping services to move their goods.

Moreover, Aramex developed an internal site to help employees share their business expertise with others throughout the network, in order to support other employees in developing enhanced solutions for their local customers.

This enables us to build specific solutions for the customers based on our brainstorming with our customers; such as Import Express, Aramex Bio, Drop and Ship, as well as online importing.

Aramex Bio

Aramex Bio is a time and temperature sensitive solution for moving clinical and medical samples which offers special packaging to preserve their quality and integrity. This solution is ideal for hospitals, laboratories and pharmaceutical companies, and enables them to send blood samples, human fluids, vaccinations and medications under maintained temperatures. Aramex Bio caters for the following temperature ranges: Cold (2-8 Celsius Degrees), Controlled Ambient (15-25 Celsius Degrees) and freezing (below zero). The solution also offers data loggers, which can be used inside the boxes to measure the temperature throughout the transit and storage times.

Aramex Bio complies with IATA international regulations for both infectious and non-hazardous contents and is certified by BSI, ISO 9001, ISO 14001 and OHSAS 18001.

E-Commerce

Aramex fulfills the need for a quality global transportation provider who can offer flexible solutions for e-commerce businesses. We have developed comprehensive and customized e-commerce solutions to fulfill different business needs, covering a wide range of services from importing goods to goods delivery, Cash on Delivery Service, return service, warehousing and ordering processing and clearance service. Moreover, Aramex is proactive in managing e-commerce business and promptly resolves service discrepancies – if and when they occur.
Our e-commerce solutions enable businesses to sell their products online, conveniently and reliably, while understanding the needs of local markets. The features that differentiate our e-commerce solutions from others include:

- Flexible solutions to satisfy customer needs.
- Competitive e-commerce rates.
- Electronic Data Interchange (EDI) to enable integration between e-commerce applications and Aramex systems.
- Global and national coverage, delivering to both business and residential addresses.

We offer businesses fully functional and scalable e-commerce site development. Through our technology partners, customers can set up an online store swiftly and economically. Clients can design their storefronts, update online catalogues, manage orders and payments securely and ship products on time to their customers with us. We deliver their products around the world at competitive rates, offer payment and fulfillment gateways and also help in outsourcing customer service through several contact centers around the globe.

Furthermore, Aramex has also covered all stages of the supply chain – from the moment inventory leaves suppliers or factories, until the moment it reaches retailers or end customers. Our end-to-end supply chain and logistics solutions efficiently manage the transfer of products and information between suppliers and customers, allowing companies to focus on the core of their business.

Import Express

We launched our Import Express service in 2013, and it continued its solid growth throughout 2014.

Our procedures and systems are currently being enhanced in order to simplify the service, and increase the efficiency of our operation. These enhancements are geared towards providing our customers with full control over their imports, while at the same time giving them the visibility and flexibility they need through our online tools.

E-Tools

For faster, easier and more accurate processing, we offer smart IT solutions that allow for integration between customers' systems and our operations:

a. ClickToShip is a free desktop application that enables customers to manage their shipping needs offline. For a regular Aramex customer, ClickToShip automates shipment preparation, pick-up requests, calculating shipping rates, shipments tracking and managing shipping addresses. ClickToShip helps customers handle and manage bulk shipping.
b. aramex.com offers many features to help customers manage their shipping online. It allows preparing and printing of shipment labels and allows the customer to state the cash on delivery amount to be collected.

Enhancing and improving our E-Tools is part of our proactive efforts at decreasing our environmental footprint. We diligently work to increase our operational efficiency and reduce our resource use, in keeping with our commitments to our environment and community. This and related initiatives reduced paper consumption by 16% across our network. To find out more on our resource reduction efforts and results, please refer to our Environmental Commitment section on page 72.

When customers use aramex.com to prepare shipments, commercial invoices are automatically generated to speed customs clearance process at destinations.

"myaramex" on aramex.com allows customers to:

1. Track orders, see any order with discrepancy (orders held at customs, bad address, etc.)
2. Calculate shipping rates
3. Access automated reports
4. View Aramex invoices and balance due
5. Order shipping supplies.

Aramex.com offers customers and their shoppers online tracking experience for their orders in five languages: English, Arabic, French, Turkish and Chinese.

c. Integration Tools: In technical language, Aramex offers Electronic Data Interchange (EDI) and Application Programming Interface (API) tools to integrate a customer's site with Aramex's online InfoAXS site.

These tools – which work in the background and in real time – process input information and produce an output. These tools include:

- Shipping Charges Calculator: This tool calculates the shipping charges when orders are placed.
- Shipment Information Creator: When an order is placed, this tool transforms orders into shipments on InfoAXS automatically and returns Aramex shipment number.
- Shipments Tracking: This tool gives back the latest update on any order placed with Aramex.

Aramex is privy to private or confidential information concerning clients, be it commercial or personal. Aramex employees pledge not to allow clients' information to be divulged or otherwise compromised, directly or indirectly, knowingly or negligently. Leaders and managers are responsible for ensuring that conditions are in place to protect customer confidentiality.

Business efficiency and our environment commitments

Enhancing our operations and reducing our environmental impact go hand in hand

Less resource use and waste generation

- E-invoicing
- E-signature
- Click to shop
- Shipping labels
- Degradable pouches
- Recycled envelopes

Less emissions

- Eco Driving
- My address- location capturing technology
- Route Optimization

Faster, more efficient service addressing clients needs

Aramex Express Box

To further enhance ease of access to our services, the Aramex Express Box was launched in 2014. This is a touch-screen customer kiosk in third-party retail outlets that makes it easier for cash customers to send or drop off their shipments in locations close to their home and work. It is a secure service, with packaging such as boxes and envelopes, payment through the cashier or using credit cards, instant email and SMS notifications, and long-opening hours. Customers can ship at locations close to their home and work, at times that are convenient to them, and with full technological integration with Aramex including full notifications and instant updates. They can start tracking as soon as they are done with their shipment.

The convenience and strategic geographic placement of the Aramex Express Boxes gave customers the option to send their shipments from closer locations or while running errands; and so the reduced distance traveled to send a shipment had the added benefit of reducing carbon emissions.

Aramex Express Box was launched in the UAE and Jordan, yielding positive feedback from our customers. In 2015, the plan is to expand this service across the GCC and Africa.

REACH Customer Relations Management System

REACH is now deployed across the entire network. A total of 98 countries are utilizing it for all their Customer Relations Management and sales activities, and more than 174,000 customer records are currently recorded in the system. An impressive number of new and cutting edge features have been introduced to the system this year. These were mainly targeted at enhancing sales efficiency, and providing our customer management teams with all the tools needed to assess their own performance and achievements. REACH will continue to thrive throughout 2015 with a set of newly enhanced reporting packages and a platform that enables a deep-dive analysis of our customers, their industries, worldwide presence and business requirements.

Supporting Entrepreneurs and SMEs

After launching our specially designed package to support entrepreneurs, startups and SMEs, our teams participated in a number of events and conferences focusing on SMEs and startups. Our sales teams are actively reaching out to these enterprises in an effort to accommodate their shipping needs, in addition to facilitating customized business trainings with the support of our global partners. For more information on our work with Entrepreneurs and SMEs, please refer to the Aramex and InfoFort SME program on Page 65.

Expanding into Africa

Aramex continues to proudly serve the marvelous African continent in Egypt, Sudan, South Sudan, Libya, Tunisia, Algeria, Morocco, Ghana, Burkina Faso, Sierra Leone, South Africa, Kenya, Uganda and Tanzania. Our plans of expansion in markets of choice are realizing our strategic goals to provide worldwide total transportation solutions, delivery unlimited!

Customs information

We have worked on developing a comprehensive online Customs Information Center, to help our customers effectively and confidently understand the customs clearance regulations of goods internationally and locally.

Customs Information Center is designed to take the complexity out of the customs process. It identifies some commonly used shipping terminologies, guidelines, duties/ taxes, and documents required for moving goods seamlessly across international borders. In addition, a feature that enables our customers to contact a local customs expert who understands varied customs regulations is available to support and simplify customs clearance regulations.

Sales and Tenders Support

Our expert tenders support team provides comprehensive tender documentation groundwork and analysis, and helps ensure an accurate tender procedure to prepare and negotiate all project bids and complete a successful tender phase.

Our goal is to help Aramex stations on local and global levels to win more business, aiming to support in achieving world-class winning tenders that are consistently aligned to our customers' real needs, differentiating us from our competitors.

These services include the creation of accurate tender documentation and performance requirements, ensuring adherence to quality and regulatory compliance standards, supporting with RFIs and Due Diligence questionnaires in order for Aramex to be an approved vendor. We also work closely with the customer service and marketing teams to send marketing mail campaigns to our valuable customers

Social Media

The anticipated growth of Social Media interactions for 2014 was realized; the team is receiving more than 18,000 messages monthly from customers on Social Media, which is a growth of around 60% compared to 2013. To cater for that, the team has doubled its resources to manage the increase in traffic, and to achieve shorter response times.

After Social Media has been established as a Customer Service Channel, the team is now focused on creating a happy experience where customers enjoy being assisted on Social Media through initiatives like TalkBack with Aramex, where – every month – the team selects a Social Customer based on a creative or funny content they have posted related to Aramex. The month's Social Customer is appreciated on Aramex's Social Media accounts, and is rewarded with an iPod Shuffle.

Points of Sale

We continued to deploy automated points of sale in retail outlets and stations to speed up services for our customers through using a computerized system to prepare and receive shipment, resulting in reduced serving times for our customers.

In 2014, POS deployment expanded to include major locations in Levant and the GCC, covering in total 45 retail outlets and stations.

Customer Flow Management

Systematic and continuous oversight of customer flow and traffic at retail outlets was one of the focal points of customer experience management for Aramex in 2014.
Serving and waiting times have been consistently monitored and reviewed, benchmarking against international standards to ensure a smooth customer experience, as well as anticipate trends and traffic.

Contact center

Capitalizing on our customer centricity strategy, a complete revamp of our contact center training, auditing and coaching took place, driven by the customer voice that we are always eager to capture and listen to.

At Aramex we consider technology our backbone, and we are always seeking the latest solutions that will further strengthen the service we provide. This year, we explored and determined on a set of new technical systems that should step up our contact centers' quality of service in 2015. One of the main systems is the contact center agent desktop system that will recognize who the customer is and present all the shipments, collections and cases that are open and related to that customer by the time the call is answered. The system comes with many further features that will add much more to the quality of service provided, and enhance the whole customer experience journey.

2014 witnessed the launch of the biggest regional contact center in Amman to accommodate for the considerable expansion in production from the GCC, UK and US. The new center has a capacity of 210 team members, along with all the facilities needed to run such a center.

Global Case System

Our GCS (Global Case System) is implemented across most of our network to further facilitate our customer feedback and response capabilities. The system is used to handle internal and external communication related to customer service. In reality, GCS has become our customer service index, indicating how well and timely our stations are responding to customers' requests.

During 2014, we continued to focus on GCS by developing the reporting and analysis features enabling users to view and track their performance in real time, hence enhancing acknowledgement and handling times.

GCS integration is ongoing with different systems and portals within Aramex, especially in areas where it was not possible to measure or quantify performance prior to GCS. To increase response efficiency, certain e-mail groups have been developed into customized service desks for different teams to capture customers' enquiries and issues, quantify and plan for traffic and trends, enhance our response time and provide longer coverage of support hours.

Customer Service Training:

We continued to provide customer service training for our frontline employees, including our call center staff, customer management teams, and customer service teams. We conducted training for more than 2043 employees across our network in 2014, honing their basic customer service, communication, telephone handling, and time management skills

Customer Satisfaction

We value customer feedback, and believe it is paramount to improving services and processes. Accordingly, in 2014, we continued expanding the base of surveyed customers and completed three phone surveys in Jordan, Qatar and Saudi Arabia (Riyadh).

These surveys focused on measuring customers' satisfaction in terms of various delivery channels, targeting Shop and Ship, B2B and B2C customers. The results indicated positive levels of satisfaction across the board. Some areas for improvement were identified, and action plans set and implemented across different channels. Surveying and eliciting customer feedback is a practice Aramex will be perpetuating and extending to other locations in 2015, including the rest of Saudi Arabia, Kuwait, Bahrain and Abu Dhabi.

(G4-PR 5)

Additionally, we continue to plan client visits at a frequency that suites the customers' needs, be it daily, weekly or monthly. Through these visits, our agents receive feedback on our services that contribute greatly to enhancing our systems, and developing new processes to ensure customer satisfaction.

Customer Service Certificates

Early in 2014, Aramex Jordan achieved the highest marking in the service excellence assessment called The International Standard for Service Excellence, developed by The International Customer Service Institute (TICSI) in the UK.

The International Standard for Service Excellence encompasses a set of practical customer service guidelines that assist organizations to focus their attention on 'the customer' throughout the delivery process, while at the same time providing recognition of success through an independent third party certification scheme by the British Standards Institution (BSI).

Achieving the International Standard for Service Excellence was the result of a dedicated team effort. This certification is of significant importance to Aramex, and reaffirms our commitment to service excellence and quantified customer service in general. We are pleased to be the first logistics company in the Middle East and Africa to be certified, and we will continue to set ambitious goals and benchmark with international standards in the coming period. To this end, Aramex Qatar and Riyadh – Saudi Arabia will apply for this certification early in 2015.

Mystery Shopping

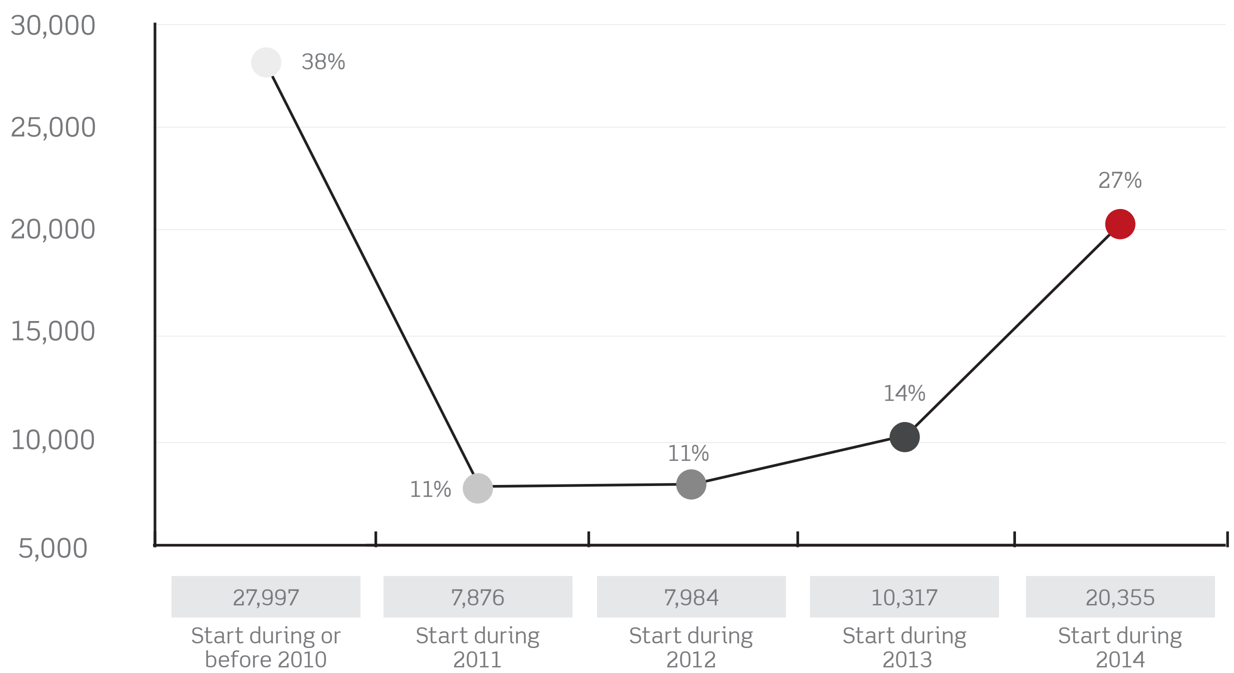
2014 witnessed the evolution of internal audits to include spot checks on retail outlets and contact centers by engaging mystery shoppers of different backgrounds, gender and age groups. Shoppers were trained, provided with different tools and materials, and tasked to visit locations in Jordan, Doha (Qatar) and Riyadh (Saudi Arabia).

Mystery shopping is becoming an ingrained practice in stations' regular reviews, and is considered a powerful tool for visualizing the experience from the customer's point of view and capturing feedback, plus a great opportunity to enhance and improve processes and customer journeys.

Customer retention

We are proactive in our recruitment of new customers, while ensuring the retention of our existing customer base. The below graph outlines our customer retention figures for 2014:

Customer retention figures



Sustainability

We aim to establish mutually beneficial partnerships, rather than form simple donor or sponsor relationships. We evaluate every potential partnership against our sustainability guidelines to ensure compliance with our sustainability policy. This has enabled us to create effective partnerships with communities, social entrepreneurs, governments, NGOs and corporations.

We approach sustainability projects through a vision of partnership and shared value. Therefore, before we embark on a social or sustainability project, we make sure to engage with the local community, holding meetings with members of that community and local NGOs to assess community needs. Through this assessment, we work closely with the community and related organizations to either establish programs or partner with organizations doing work on the ground.

Across the network, we are always actively seeking new sustainability partnerships that address certain challenges or needs within local communities. Currently, we have sustainability initiatives and projects in 90% of our Aramex locations.

We adhere to the principles of the UN Global Compact, Caring for Climate, the World Economic Forum's framework on the decarbonization of the logistics industry, Social Accountability 8000 and the International Labor Organization's convention.

Moreover, we are committed to spending a minimum of 1% of our pre-tax profit on social projects, excluding our spending on environmental investment and expenditure. In 2014, we once again exceeded this goal and spent 1.5% of pre-tax profit.

(G4-EC 8) (G4-SO 1) (G4-15)

Sustainability at a glance

Sustainability projects in 90% of our global operations

659
University Students

505
Athletes

9,527
Child beneficiaries

72
Interns

12,088
Hours of employee community service

541
Trainees

1,283
Startups & SMEs

10,258
Community members

100+
Sustainability partners

16,000
Disaster Relief Aid beneficiaries

16%
Decrease in paper consumption

13%
Decrease in fuel per shipment from our fleet

9%
Decrease in electricity per shipment

Community empowerment

We work closely with our communities through different programs and channels.

Community engagement is part of each our sustainability projects, whether through direct engagement – for example, working with communities on youth education and empowerment and entrepreneurial projects, and providing access to training and capacity building – or through our employees' community service efforts.

We make sure members of the community and civic society are included in planning and executing all our projects and programs, in order to ensure that they reach the largest number of beneficiaries

In 2014, our projects had 10,258 community member beneficiaries.

Ruwwad

Ruwwad Al-Tanmeya is a non-profit community development organization that works with disenfranchised communities through education, youth volunteerism and grassroots organizing. Our approach encompasses an array of programs and initiatives that, together, strengthen agency and facilitate redress to problems prioritized by members of the community.

Three main programs anchor Ruwwad: Child Development, Youth Organizing and Community Support.

Ruwwad is the brainchild of Fadi Ghandour, serial entrepreneur and founder of Aramex International, one of the world's leading logistics companies. A strong advocate of a more public-spirited and decisive presence for the Arab private sector in the sustainable development of the region, in 2005, Fadi mobilized Aramex and brought together a group of likeminded businessmen with the singular aim of deploying entrepreneurship--talent, resources and skills--in the service of community and to help tackle, however modestly, the inequities that pervade the Arab world.

By sheer virtue of its aspirations, Ruwwad embraces pluralism and insists on respect for diversity. Our team's working framework is activist and participatory, in method and as a matter of principle.

Ruwwad's, in fact, is a continuous conversation with the communities' various constituencies, as much to invite freewheeling expression and critical thinking as it is to disrupt the status quo and its entrenched interests.

Youth is at the heart of Ruwwad's mission; they receive university scholarships in return for spending four hours each week in serving their communities.

Between its inception in 2005 and 2014, there have been:

1450 University Students

604 Graduates

450 University students volunteer four hours a week totaling 84,600 hours of community service annually across Jordan, Palestine, Lebanon and Egypt

1400 Children Reached

Regional Expansion:

Currently Ruwwad is working in four countries across several communities.

Jordan	Lebanon	Palestine	Egypt
Amman/Jabal Nathif Population 74,000	**Tripoli/Jabal Mohsen** Population 40,000	**Ramallah/Budrus** Population 2000	**Cairo/Ezbit Khairalla** Population 650,000
Tafeela Population 84,000	**Tripoli/Tabbaneh** Population 65,000	**4 Neighbouring villages (Na'lin, Deir qadis, Sheqba, Qebya)** Population 19,000	
Petra/Beida Beduin tribe			

Ruwwad Tafeela:
In co-operation with the Royana organization, Ruwwad laid the foundations for establishing a community center in Tafeela governorate in Jordan. Full college scholarships were granted to 105 active young people who are conducting four hours of community service on a weekly basis. In 2014, Ruwwad Tafela – in collaboration with Ruwwad Jabal Al-Natheef – held three summer camps called 'My place. My friend.' for 170 children. The theme of the camps was exploring self and identity through arts, music and games. On 18 October, 2014, Ruwwad celebrated the opening of Ruwwad Tafilah in the presence of the chairman of Ruwwad, Fadi Ghandour

Ruwwad Lebanon
Ruwwad Lebanon was established in Tripoli in 2012 and has since granted full scholarships to 160 youths. Its empowerment programs benefit 300 children from the local communities.
Spotlight – Ruwwad Lebanon Current beneficiaries.

Ruwwad Lebanon Current beneficiaries:

107 University Students

300 Children Reached

26 Women supported

The scheme is located in Jabal Mohsen and Tebbaneh, conflicting neighborhoods of Tripoli which both suffer from extreme poverty and youth unemployment, resulting in young people being easily mobilized when armed clashes erupt.

Ruwwad offers a unique approach to conflict resolution through Youth Organizing and Community Support, giving young people an alternative to conflict through empowerment and education. With its unique model, it allows the space for youth and community members to work, study and learn from each other in a safe environment, promoting understanding and co-operation.

Ruwwad Palestine

Ruwwad Palestine, initiated and based in Budrus, has expanded to include five neighboring villages. It has granted 143 full scholarships to young people in these areas.

Ruwwad Egypt

Since being established, Ruwwad Egypt has been able to grant 74 scholarships to the youth of Ezbit Khairalla.

Enrichment Program

The enrichment program is designed to bridge the gap in skills between our youth and what is required by the job market.

The component includes Dardashat, a weekly cultural dialogue forum that offers a safe space to discuss youth-related topics with various speakers and policymakers in addition to screening films once a month. We have recently added a debate club to this program. This component also focuses on developing entrepreneurial skills and offers free courses in English, IT, leadership, communication skills, financial literacy and project management. These business skills are vital for our youth empowerment especially after they graduate.

Community Support Campaigns

Ruwwad utilizes community support as a way to mobilize community members to identify critical challenges in their community, take ownership and organize themselves to address them.

Success Records

673
Number of leadership teams meetings to stop physical abuse against children

1009 working hours
Total number of voluntary working hours given by the campaign community members

170
Number of organizers

165 Safe homes

925
Number of campaigns family members

390 child (less than 18 years old) affected from the campaign journey

29 leadership teams

29 Pledges to stop physical abuse against children

435 house working on securing from physical abuse against children

600 Families and homes participating in the awareness learning circles to secure their homes against physical abuse

841 Number of abuse observations

583 Number of successful interventions

4 Peeks to announce safe homes for the diferent leadership teams

The Community organizing Learning Circle was launched on January 28 2014, and continued throughout the year with a focus on developing the narrative and holding listening house meetings to explore the community problem that the organizers wanted to solve. This issue, as agreed by all, was tackling abuse inside schools, and the impact of that abuse on a child's academic competence, school drop out rates and the mental health of children and teachers. The theory of change for the new campaign focused on solving child abuse in six primary and middle schools in three ways: by legal intervention against school-based abuse; by activating counseling services inside the schools; and by reviewing school discipline instructions in order to develop them into an activated law that becomes binding to the school leadership.

Work continues to recruit the first tier team members, and to develop the organizing sentence. The new campaign has now launched. Its core team comprises the coaches of the Safe Homes campaign, and the community organizing training was held in December.

Aramex Active Citizens program

Community empowerment

Youth Education and Empowerment

Entrepreneurship

Environment

Emergency Relief

12,088 Hours of community service from our employees

Aramex Active Citizens, launched in Q4 of 2013, is an effort to further engage with our employees and support them in their community service efforts. The program helps provide structure to existing volunteer work by our employees: matching them with opportunities; allowing them flexibility to volunteer during working hours; and expanding on the existing spirit of community service. This program also facilitates group volunteering activities, which have included city clean-ups, tree planting and emergency relief campaigns.

Since we launched the Aramex Active Citizens program, we are seeing more and more of our employees involved in community service projects and programs on a voluntary basis.

Our employees are also eager to share their expertise with others. We have found that a large percentage of our employees volunteer in areas related to their fields, or create programs and initiatives related to

Aramex Active Citizens program

their passions. The Aramex Active Citizens program allows us to support them in these projects.

We have a social media page dedicated to the program. On this, employees are able to share their activities, discuss initiative ideas and reflect on their community service experience, alongside our sustainability news and activities.

As of 2015, employee volunteerism will be part of the annual evaluation process, whereby each employee will have to commit to four hours of community service per month. We will support employees in finding opportunities for them to be engaged, guide them with developing their own initiatives, and support them in identifying the appropriate opportunities for their goals and our sustainability strategy.

(G4-EN 29) (G4-EN 34)

Youth education and empowerment

Our Youth Education and Empowerment Programs are designed to address local community needs. They are shaped by the community itself, and supported by our partnerships with local organizations to ensure they are long-lasting, sustainable and impactful.

They include scholarships and schooling support, mentorship, training and internships, and skills development programs. We also make sure we provide students and children with access to educational tools, from libraries to IT centers, school supplies and books. We work closely with the schools we support to ensure the teachers receive adequate training, and the school infrastructure supports a healthy educational experience.

As for our university students, we work with them ensuring they have access to soft skills and employability skills development, plus internships and mentorship when needed.

In 2014

1847	659	541	72	9527
hours of training, mentorship and volunteering with young people by our employees	University Student beneficiaries from scholarship, educational and employability programs	Beneficiaries of trainings	Internships	Children benefitted from educational and development programs and scholarships

Youth education and empowerment

When we started to work with communities in **Kenya** in 2012, we partnered with the **Slums Information and Development Resource Center (SIDAREC)**, a local NGO in Kenya with a mission to improve the lives of those living in informal settlements of Mukuru and Pumwani through three themes: education, sports and economic development.

This partnership had a multi-layer approach, working to address several of the community's needs to ensure that our impact is sustainable.

Through several conversations with the community and SIDAREC, we came to understand that, in many cases, children do not complete their education not only because they cannot afford the tuition but because, often, their families depend heavily on them for income generation.

To address this, we provided scholarships for primary, secondary school and university students. Moreover, in order to make sure these students are able to complete their education, whether secondary or university, we went on to work with their parents and the community. We trained 40 members of the community on business management skills, and provided 10 women with business credit to start their businesses. In addition, where possible, we referred members of the community for employment in our operations.

We decided to take on a similar approach in **Tanzania**, where we partnered with the **Bonnah Education Fund**. We supported 30 students with their fees for secondary school education. Unlike primary school (which is free of charge in Dar Es Salam), secondary school is often paid for, which results in many children missing out on the chance to complete their education due to these fees. Through this partnership, we also supported the students' parents to find economic opportunities. This means they have alternative sources of income, and are more likely to keep their children in school until they complete their education.

In **Uganda**, we worked with **The Nnabagereka Development Foundation (NDF)**. The Foundation's vision is to be the leading organization in education, health and community empowerment, targeting children, youth and women. Our work with NDF provided four female university students with scholarships for their education. We have also partnered with Restless Development to provide scholarships to university students in **Jinja**. As part of these programs, our students must participate in community service activities around their community including working with local schools and NGOs, training and tutoring.

We aim for our support to education to go beyond the students we directly support, and ensure that our projects have a broad and actual impact. This is why we also support the development and enhancement of educational resources, from working with and training teachers, to constructing and replenishing libraries, and renovating and providing infrastructural support for schools when needed. Our educational programs take a holistic approach to retain students and provide them with a valuable educational experience.

Our partnership with NDF includes working closely with the Masooli School, which serves 400 students (ages 6 – 13), all from challenging socio-economic backgrounds. Together with NFT Consult and the Masooli School, we developed a career guidance program to engage both the students and the teachers in the school. This program involved training the teachers, as we believe that they should be wholeheartedly involved in the career sessions. The teachers received a holistic training that included ICT skills, personal finance, team building, time management, workplace leadership skills, career planning, decision making, project planning and diverse life skills, such as stress management, interpersonal skills and critical thinking. The purpose was to equip the teachers with the skills necessary for them to support their students, and to help build their capacity as teachers.

The program was structured as training of trainers, creating a network of trainers and trainees and expanding the reach. For this training, we looked internally to our own capacities: involving our own result, IT employees in providing the ICT training.

Through our partnerships and work with these schools, we get to know more about their needs and examine ways in which we can address them. In Kenya, we provided needed furniture and necessary renovations to SIDAREC and replenished the library with books.

We are also supporting the Masooli School, through providing some infrastructural maintenance and renovation while enriching the school's library. We provided the school with a solar lighting system, along with a water purification system.

Throughout our work with partners, we have found that libraries provide an important educational, recreational and developmental resource for children and students. A library provides them with a safe space to learn, explore and interact with others. Starting with the first library we supported in Ruwwad, in Jabal Al Natheef in Jordan, we saw the library become a multipurpose space for students and children, where they were able to get help with homework from other students, and access resources and programs. Ever since we have therefore been keen on establishing and replenishing libraries, and equipping them with computer centers. In many cases, our employees volunteer in these centers to teach ICT and other soft skills.

We partnered with UNRWA in Lebanon to create the Naher El Bared Education Center and Library in 2011. Since then, we noticed an increasing trend in the usage of the center. Children ages 8-14 are the main users, going there for research, reading, computing and printing needs. The center is equipped with approximately 2000 books and 9 computers.

Supporting Innovation

In addition to the Aramex Innovation Center-RedLAb, page 28, we also support innovation through our partnership with the Arab Innovation Network (AIN), which is a platform to empower and connect innovators from the Arab world in the fields of science and technology. Each year, AIN holds an annual conference (AINAC) that brings together top entrepreneurs, academics and industrialists from the life sciences and healthcare, engineering, and environment sectors to participate in a two-day conference and innovation competition. For the second year in a row, Aramex supported Arab students' participation in the conference through the Aramex AINAC fellowship. In 2014, 32 eligible students from Jordan, Palestine, Lebanon, Algeria and Egypt participated.

Internships, Mentorships and Skills Training

We also strive to make sure that we provide access to programs and opportunities to our students, in order for them to develop their soft and career readiness skills. This empowers and enables them to compete in the job market and find fulfilling careers.

To this end, we have a number of internship, mentorship and skills enrichment programs for students. These programs often involve many of our employees, who share their time and experience with the students.

Our internship programs have proved effective in allowing students and recent graduates the opportunity to develop their real world skills and capacities. They also allow them to explore different sectors of business and engage with practitioners, so they are able to make informed decisions about their career paths. This also benefits us, by giving us access to a pool of eligible candidates for employment. Our interns get the chance to go through our training programs and learn about our business. In turn, we also are able to work closely with them and identify their talents and skills, which then allows us to identify the best candidates to hire full time.

Across our global locations, we had 67 internships in various departments, ranging from HR to Operations, IT, Logistics and Sustainability. This program also encourages young people to come up with their own initiatives, so we can then work with them to identify areas of common collaboration and enhance their experience with Aramex.

Together with the **International Youth Foundation (IYF)** and the **Vocational Education Training Authority (VETA)**, we introduced a project empowering the youth of **Tanzania** through internships. At the end of the program, two out of the five interns were hired full time.

Through our partnership with the **Hope Fund**, we provided five support and internship placements in Lebanon and Jordan to Palestinian refugee students currently studying in the US. These internships help build up the students' work experience and maintain the connection between these students and their families, ensuring a higher rate of return to the region. Moreover, we continued our partnership with **George Washington University**, whereby 20 students from the University volunteer and work with NGOs in the Middle East through the summer. This program provides these NGOs with skills and support from the students, and allows the students to build their on-the-job experience and understanding of the region.

Youth education and empowerment

Our employees are thoroughly engaged in our youth education and empowerment programs, whether facilitated by our partners or through our operations. Throughout 2014, our employees worked with recent graduates and university and school students on mentoring and training. Topics ranged from business to personal and career skills, entrepreneurship, sustainability, ICT, communications, time management and other soft skills. In **Bahrain**, our employees worked with **Tamkeen** conducting several training sessions and proving and internships to Bahraini youth, in coordination with local universities.

Our employees continue to be a part of the Ruwwad Enrichment Program, which is designed to equip students with business and soft skills so they are prepared for the job market. Our employees volunteer to train students on a wide range of topics, from business ethics and code of conduct to interview skills and resu.

We continue our partnership with Injaz regionally. Through our direct support and the involvement of our employees, we work together to train, mentor and reach out to youth in the Arab world, sharing our expertise and help in building the capacity and skills of students from different backgrounds. In 2014, 19 employees volunteered to give 150 hours of training sessions to 245 students.

Through our long-term and strategic partnership with Restless Development, both in Uganda and Tanzania, we provided five internships. Our employees also volunteered to train 150 students.

Our apprenticeship program in the UK continues. The program piloted by our UK team provides mentoring to youth in marginalized urban communities, in association with local school authorities. The mentoring involves coaching sessions on challenges the students would face upon joining the workplace. The program has managed to support four youths in finding employment, and placing four more students in colleges.

Entrepreneurship

Our roots are entrepreneurial. To us, entrepreneurship is a mindset; a set of skills that are leveraged to address the challenges we face. Even more, entrepreneurship is about creating value and solutions, innovating business models and processes, generating new jobs and new wealth, and expanding markets. We believe that no-one is better equipped than private enterprises to lead a movement aimed at creating enabling entrepreneurial ecosystems and craft multi-sectorial partnerships to that end.

1,283 Startups and SMEs supported

At Aramex, we know the importance of enabling and assisting entrepreneurs to create their own opportunities. This is why we have long-term programs and policies aimed at supporting entrepreneurs, startups and small to medium enterprises.

Moreover, Our procurement policy favors local SMEs and startups.

Our employees actively volunteer to mentor, train and assist entrepreneurs in topics related to business support, logistics, customer service, marketing and sustainability.

1,424 hours of mentorship and training given to startups and SMEs by our employees

We also established long-term partnerships with entrepreneurship platforms, incubators and training and mentoring centers.

Aramex and InfoFort SME Program

Through our continual interaction and work with startups and SMEs, and our experience in and knowledge of the market, we know that access to logistical services is particularly important for SME's development and growth. It is an area where many such enterprises face challenges, especially relative to accessing competitive rates, finding customized solutions and connecting with local capacity and expertise related to this industry. Therefore, it is vital to have an efficient and accessible logistics industry in order for these SMEs to be able to compete in the global economy.

In light of this, and in line with our strategy to support entrepreneurship, in 2014, Aramex and Infofort launched the SME program.
This program aims to cater to the needs of startups and SMEs through a three-pronged approach.

1. Access to our customized solutions at a competitive rate
2. Access to business training and mentorship
3. Access to sustainability training and support to integrate sustainability in operations.

The program is being rolled out accross our network

Supporting the growth of startups and SMEs in all our global locations

SME PROGRAM
powered by aramex and InfoFort

Access to customized services at competitive rates

Access to mentorship and training

Support with integration of sustainability in the business process

The program is being rolled out across our network. It is designed to accommodate local needs and markets, and seek out local partners. South Africa, KSA, Jordan, the UAE, Kenya and India are next in line. The program has also gained traction in locations where it has not yet been launched. Through different events and networks, Aramex is reaching out to SMEs worldwide and offering them part of the program.

The program seeks to leverage existing partnerships, while also connecting with organizations, companies and governmental agencies working with entrepreneurs to expand the reach and impact.

So far we have reached 1,283 SMEs and Startups

The Aramex and InfoFort SME program is meant to address the challenges startups and SMEs face when setting up. Aramex has a long history of supporting SMEs: our customizable services, designed with a client to address their specific needs, make it easier for startups to grow their businesses.

The program intersects business and sustainability, whereby the SMEs we train, support and mentor grow with us as clients, creating a mutual benefit. The program underscores sustainability to ensure that we are also helping to grow sustainable businesses in the areas we work in.

We also continued our partnership with **Wamda**, a platform designed to empower entrepreneurs in the MENA region. We partnered with Wamda on the 2014 **Mix N' Mentor Roadshow**, which took place in **Cairo, Amman, Beirut** and **Dubai.** Mix N' Mentor is a community event that brings together promising entrepreneurs with industry experts and investors to discuss specific startup challenges.

Aramex and Wamda are also partnering on a corporate acceleration program, whereby Wamda recommends startups in the region for Aramex to take under our wing and support with services, mentorship and access to networks. We kicked off the acceleration program by working with five startups in Dubai, through different capacities, including mentorship, services and networking. The startups had a chance to have one-to-one sessions with our CEO, Hussein Hachem, who talked to them about business strategy and development. Moving forward, these startups have indicated the type of mentorship and expertise they require, and will be connected with appropriate Aramex mentors and parts of our network.

In 2014, we partnered with a **Startup weekend** in **Al Ain**. Knowing that that startups often face challenges in acquiring in-kind support, which is why we established an incubation/co-working space in our offices in Dubai to house the winners of the startup weekends in the UAE. The winners then have access to our existing infrastructure, and can access our mentors for support while they develop their business.

Also, in 2014, we partnered with **Potential Business Development** on their **SME Evolution Program (SMEEP).** SMEEP aims to connect and train SMEs and entrepreneurs, providing them with access to industry experts, mentors and training material that will help expand their businesses. Much of the training is available through Potential's online platform, which we support and provide content for. In addition, SMEEP events were held in **Dubai, Abu Dhabi** and **Oman** with our support, to provide live training and networking sessions to SMEs.

Through this partnership, SMEs were trained via the live events on business development, marketing, customer service, logistics and supply chain management, customer service, HR, legal, accounting and finance and other relevant topics.

Youth Empowerment and Entrepreneurship

We find it extremely important to teach youth the fundamentals of entrepreneurship. It helps them develop skills that are necessary for their education and empowerment, such as creative thinking, management, planning and other important employability skills. We therefore seek to back entrepreneurial projects that support young people. In 2014, we worked with **Our Company Initiative** in **Jordan**. This initiative works with several schools around the country, helping young people to start companies and run them for a year. We supported the initiative by providing seed funding to eligible projects and startups. Once the businesses are launched and profitable, they are registered in the students' names, and the initial seed investment is paid back into a revolving fund which then redistributes funding to new groups of students to start businesses. In 2014, the initiative interacted with 1000 young people from different schools, launching 200 business and generating more than $400,000 in profits.

Women Entrepreneurs

Society is witnessing the rise of women entrepreneurs in several fields and business sectors. This has shown to have important benefits to communities, and we have been keen to support women entrepreneurs start and grow their businesses. To that end, we have worked closely with women's co-operatives, startups and NGOs, providing seed funding, in-kind support, training and mentorship.

Sidarec Aramex partnership

During our work with SIDAREC on Early Childhood Education, it became clear that the mothers were in need of support in order to earn more income and sustain the family, and provide good nutrition to their children.
The women were taken through business training on how to establish and maintain a business. Currently the businesses are operating within the community. Through these businesses, household incomes have improved and families become more able to keep their children, as well as provide better nutrition for their families.
These women have also been able to form a saving group with other women in business, whereby they encourage a saving culture amongst themselves during their weekly meetings. This group is called the Step-by-Step Saving Women group. During these meetings, the women receive motivational support from each other, and support one another with advice on how best to develop their business. They have also been able to register their members under our MSEP program to improve on their savings.

Following are some of the businesses that the women are operating within Mukuru Kwa Njenga

1. Tailoring and fresh milk selling shop
2. Hair and beauty products
3. Hair braiding
4. Frying and selling chips by the roadside
5. Selling vegetables
6. Making and selling bead work

In the coming year, we are expanding the reach of this program within the community. We will also be applying this model to several other communities within the region.

Ghor El Safi

The women's co-operative in Ghor El Safi, **Jordan** established Safi Crafts, a line of handmade home and personal products and crafts all dyed using natural earth and plant-based material from the surrounding environment. This project supports 12 women. We work closely with them on training support and the marketing of their products. Our employees often volunteer with the women to help develop new products and sell in different markets.

PSFW

The Prince Sultan Fund for Women in **Saudi Arabia** works closely with women to develop their capacity and skills, and to increase their participation in Sustainable Development. Our team in KSA worked with a group of women entrepreneurs in the fund to train them on supply chain management, logistics and shipping. We also provided them with services at competitive rates to help them grow their businesses.
In 2015, we are expanding on our work with women entrepreneurs across our network through commercial, mentorship and training support.

Sports

We believe in the importance of sports in encouraging and representing teamwork and determination, providing a healthy outlet for youths, and promoting a healthy lifestyle for communities. Therefore, we continuously seek programs, partnerships and initiatives that focus on empowerment through sports.

We continue to support the **World Children's Fund** in **Hong Kong**. This is a non-profit, non-governmental organization committed to helping children worldwide who are suffering the effects of poverty, disease, natural disaster, famine, abuse, civil strife and war. Since 2010, Aramex has partnered with a professional physical education trainer to train a group of children on running marathons. As a result, the trained children are always participating in competitions and races. Sports not only promote a healthy lifestyle, but also help children to relieve stress and enhance their self-esteem and confidence.

In 2014, we also continued our partnership of the **Ballyboughal Gaelic Football Club (BGFC)** in **Ireland.** Founded in 1935, this club falls under the umbrella of the Gaelic Athletic Association, which reaches across several towns and villages in Ireland. They provide programs for both genders and all ages, and aim to encourage young people to become involved in sports at an early age.

Through our partnership with **Boost** in **Jordan**, we provided in-kind support for the distribution of sportswear to underprivileged children.

We continue to support Rana Qubbaj and Ruba Sayegh, two top world class **Jordanian Jiu Jitsu** Champions. In 2014, Rana achieved gold medals in her weight and the open weight divisions in both the Jiu Jitsu Internal Masters in Rio de Janeiro, and the World Jiu Jitsu Masters in California. Ruba received gold medals in both her weight and the open weight divisions at the Gold Medal Open in IBJJF Paris International Open Jiu Jitsu Championship, and a Gold Medal in her weight division in the IBJJF Long Beach Open Championship (California, USA).

Aramex continues to support the **Al-Riyadi Basketball Club**, which plays both in **Jordan** and at the regional level. As well as direct financial support, we provide administrative assistance to the club through its management team. Through this partnership, a training program for both girls and boys was set up to teach them how to play basketball.

Sports

We continue to support **Jordanian** marathon runners Salameh Al-Aqra and Mohammed Al-Sweiti. Mohammad came first in the Cyprus Marathon and third in the Four Deserts Marathon. Salameh came first in the Four Deserts, the Wadi Rum Night Marathon and the Oman Marathon, as well as second in the De Sable Marathon and the Austria Ultramarathon race.

As a way to pay back their communities, Salameh and Mohammad are training 20 youngsters from Ruwwad across both genders. They travel each year to check on the level of the runners and their progress, and set schedules with their local trainer.

In 2014 we supported the participation of youth teams in the **Dead to Red** marathon in **Jordan**. The teams included girls and boys from marginalized areas in Jordan.

Our environmental commitment

At Aramex, we are fully aware of our industry's impacts on the environment. This is why we tirelessly look for ways to reduce our environmental and carbon footprint and push for awareness, sustainability and innovation in the environmental field.

Our environmental commitments are focused on industry-based environmental concerns.
Given that we are in the transportation industry, the major impact of our operations results from four areas: emissions released in our operations; the use of our facilities; vehicles; and delivering our shipments. For these reasons, we continually look for ways to optimize operations, reduce resource consumption and source alternative technologies to increase our environmental friendliness.

Moreover, we make an active effort in measuring, reporting and managing our carbon footprint, in order to minimize this impact. Our carbon footprint includes emissions resulting from our employees commuting, and from our operations and services. However, we are aware of the responsibility we have to consider the impacts of climate change on our operations and surroundings.

We have been and still are committed to finding measures to reduce our energy intensity and carbon footprint. We continue to invest in Leadership in Energy and Environmental Design certifications for our warehouses and buildings. In 2014, this totaled $50,000 as part of ongoing certifications. We also continue to invest in Euro 4 and Euro 5 vehicles. We are aware of the risks that climate change poses to our operations and surroundings. From uncertainty related to environmental and energy governmental policies and regulations, to insurance covers and customer needs and concerns.

Aramex takes pride in being the first company in the region to calculate and report on its carbon footprint. We have been members of the World Economic Forum's (WEF) working group tasked with creating a framework for the decarbonization of the logistics industry. In the same spirit, we are continually seeking to expand on improving on the accuracy and scope of our carbon footprint calculations in order to develop the most effective carbon reduction and management plans.

(G4-EC 2) (G4-EN 31) (G4-EN23)

Our environmental commitment

Upcoming carbon taxes, as well as any increase in fuel prices, pose an increased financial burden on our operations. Moreover, there is an ever-increasing need to invest in renewable and alternative energy and technologies, which, due to regulatory uncertainty, have an indeterminate return on investment.

Changing trade routes means having to explore different methods to deliver our services in an efficient and timely manner, while keeping our costs minimal. Furthermore, erratic weather events cause delays in our operations. The risk of an increase in such weather events due to climate change presents us with a challenge: to continue managing our operations despite them.

Moreover, being a light-asset based company, we rely on our suppliers, including airlines, sea liners and land freight operators. Therefore, we do not control our emissions across our entire supply chain. While we are incorporating measures related to supplier evaluation in order to assess suppliers' environmental management efforts, it does leave some uncertainty and additional burden on our footprint if our suppliers do not impose the same controls that we strive to achieve.

However, given our company culture, we aim to find opportunities to better our approach to climate change and to these challenges. From thinking ahead in terms of customer needs and regulations, to working both internally and externally to reduce our footprint, we are actively seeking ways to manage our impact. To that end, we have implemented several measures of environmental compliance, from added supplier evaluation and certifying our own stations to exploring renewable energy options, fleet upgrades and increasing operational efficiency. We are active in anticipating risk and finding creative solutions to minimize it.

Our Carbon Footprint

For the fifth year in a row we have taken active steps to measure and manage our carbon emissions. We report our emissions based on the World Economic Forum's working group accounting tool, The GHG Protocol. The GHG Protocol is the most widely-used framework through which businesses, governments and other organizations quantify their emissions. The GHG Protocol tools allow us to measure our emissions as CO2 equivalent, which is the unit used for the global warming potential of each of the six greenhouse gases represented as a unit of CO2e. In addition, we measured and reported energy consumption within our operations for 2014, which related to our direct and electricity emissions. We ensure to use the most up-to-date GHG Protocol provided tools and emission factors for our calculations, following methodologies provided by the Protocol to ensure accuracy and comprehensiveness.

(G4-EN 15) (G4-EN 16) (G4-EN 17) (G4-EN 18) (G4-EN 19) (G4-EN 30)
(G4-EN21) (G4-EN32) (G4-EN33) (G4-EN34) (G4-EN10) (G4-EN3) (G4-EN8) (G4-EN23)

Our emissions for 2014 are detailed below:

Year	2013	2014
Scope 1	38,358	38655
Scope 2	22,078	22407
Scope 3	479,828	591876
Freight	387,719	474390
Express	70,801	95086
Commuting	20,202	21657
Business Travel	1,106	743
Total Emissions	540,264	652938
Total Emissions (kg)/ Shipment	13.5	14.2

We were able to reduce our scope 1 and scope 2 emissions by 13% and 12% per shipment respectively.

Our number of shipments increased 15%. This was coupled with an increase in average shipment weight, which is reflected in an increase in our scope 3 emissions related to the line haul of our shipments.

Overall, The total emissions per shipment in 2014 were 14.2 kg CO2e, increasing by 5%, reflecting the increase in the average weight of our shipments. Details on our emissions and efforts can be found below:

Emissions from our fuel (Scope 1) were 38655 tons of CO2e
Per shipment, our scope 1 emissions fell by 13%
Our fuel consumption per shipment fell by 13%

(G4-EN 5) (G4-EN5) (G4-EN 27)

What are we doing?[1]

Fuel efficient vehicles

Where possible, we continue to update and convert our fleet to more environmentally friendly vehicles, including Low Emission Vehicles as well as complying with Euro 4 and Euro 5 vehicle emissions standards. We also continue to utilize vehicles that rely on natural gas to further reduce our emissions.

Fleet composition:

Operational Efficiency

We are continually enhancing our operational efficiency through accurate address capturing and route optimization in order to save fuel and time.

Alternative fuel and technologies

We are always ready to try out and adapt alternative fuels and fuel efficiency technologies, where available.

Eco-driving training

In 2014, we piloted our Eco-driving training in Dubai. This training includes different ways to reduce emissions from fuel through driving techniques. We are currently measuring the effectiveness of the training on our fuel consumption, and plan to expand the scheme in 2015, based on results.

(G4-EN 5) (G4-EN 6) (G4-EN 27)

Emissions from our electricity (scope 2) were 22,407 tons of CO2e,
Per shipment, our scope 2 emissions fell by 12%
Our electricity consumption per shipment fell by 9%

What are we doing?

Our Leadership in Energy and Environmental Design certified warehouses and facilities have been proven to lower our electricity consumption significantly. We are committed to building according to the LEED certification. Our facilities in Dubai have achieved LEED Gold Certification, and facilities in Amman are going through the certification process. Moving forward, we are planning two more LEED expansions in Egypt and the UAE, as well as a new LEED warehouse in Oman.

We continue to update and certify our facilities according to the ISO 14001 Environmental Management System.

Our procurement policies state that we must purchase energy efficient electronics, where available. We aim to retrofit and update our facilities with energy efficient electronics, lighting systems and technologies in order to lower our footprint. For example, we utilize large ceiling fans in our warehouses that lower temperature at an efficient and effective rate.

Internal awareness

We continue our efforts to raise environmental awareness with all our employees.

Scope 3 emissions were 591,876 tons of CO2e,

Our freight-related emissions were 474,390 tons of CO2e.
Our express shipments related emissions were 95,086 tons of CO2e.

Employee commuting emissions were 21,657 tons of CO2e,

Emissions resulting from employee commuting rose 7%, in response to the 10% increase in our global workforce.

(G4-EN 5) (G4-EN 6) (G4-EN 27)

Through internal awareness and information sharing, we discuss with employees techniques to reduce their commuting footprint, such as utilizing public transportation, carpooling and bicycles.

Business travel emissions were 743 tons of CO2e,
Our Business Travel related emissions decreased by 33%, as a result of using teleconferencing to reduce the number of business trips across the network.

Paper and material consumption
Our paper consumption for 2014 decreased by 16%

What are we doing?

- Utilizing e-tools and e-communication in order to reduce the number of papers printed.
- Our stations undertook a number of initiatives to promote paper reduction, and expand the use of e-tools in our offices and by our customers.
- We continue to utilize degradable pouches for our shipments. These pouches degrade and thus reduce accumulation of waste over time.
- We remain committed to using recycled and recyclable packaging in order to further reduce negative impacts from our material use.
- Where available, we ensure that our facilities recycle materials.
- We initiated work on e-waste recycling, where certified services are available in order to ensure our waste management procedures reflect our environmental commitments.

Environmental Compliance

We continually work on expanding our compliance and policies to include environmental considerations. This includes updating our sustainable procurement policies, adding questions pertaining to environmental management on our supplier and franchisee evaluation questionnaire. In cases where a supplier does not have environmental management systems or controls, we work to help them implement them.

Our adherence to our environmental objectives and policies ensured that we did not receive any non-compliance fines or sanctions in 2014 related to the environment, nor did we receive any environmental grievances.

(G4-EN 29) (G4-EN 34)

Advocacy

Aramex is a signatory of **Caring for Climate**, a UN initiative aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes.

We remain members of the **Jordan Green Building Council**, and aim to support their mission through different channels, including facilitating training and partnering on events.

In addition, we have a longstanding partnership with the **Arab Forum for Environment and Development**. Aramex is a member of the forum and supports events, publications and provides in-kind support.

Engaging our employees and communities in our environmental commitments

Environmental Awareness

All new recruits undergo an environmental training session during our Basic Training Program. The session covers our environmental initiatives, environmental concerns related to our industry, awareness on climate change and pollution and information on how to be environmentally responsible in the office and at home.
We periodically share green tips via our communication channels. These tips focus on four themes: Electricity, Fuel, Recycling, Water and Paper Use, and contain ideas on how to reduce consumption and waste around the office. We also circulate our Green Office Handbook, which contains information on the importance of environmental friendliness and further ideas on reduction of impact.

Green Champions Program

Our Green Champions are employees who volunteer to help us spread environmental awareness within our operations, come up with initiatives to reduce our footprint and undertake different tasks around the office to reduce resource consumption. The program aims to shift behaviors to more environmentally friendly ones. The idea is to promote a peer-to-peer conversation about the environment, in order to instill a spirit of environmental responsibility.

(G4-EN29) (G4-EN 34) (G4-EN3) (G4-EN8) (G4-EN10) (G4-40) (G4-41)

Celebrating Earth Day across the Globe

In 2014, our offices around the world celebrated **Earth Day**, by carrying out different types of environmental activities around the offices and with surrounding communities. These ranged from city clean-ups to tree planting, recycling competitions and 'lights out' at the offices. The goal of these celebrations was for our employees to interact with their surrounding environment, and work together on an outdoor activity to instill a sense of appreciation for environment and nature. Due to the popularity of the celebrations and based on feedback from our employees, we will be repeating the celebration in 2015.

(G4-EN 29) (G4-EN 34)

Sustainability support and advocacy

We are firm believers in sustainability, because it is part of our corporate culture, and has grown as Aramex has grown. We also see the benefits we reap from integrating sustainability in our operations.

We have substantial evidence of the value sustainability has in our company: from adopting sustainable procurement policies to investing in Environmental Management System certification and LEED; from adhering with international and local policies to being part of the UN Global Compact; from working closely with our communities and engaging our employees in community service to publishing our annual report. This is why we want to leverage our experience to advocate the benefits that lie in sustainability.

This is done through supporting and expanding sustainability networks with other private sector companies, governmental agencies and NGOs.

We work closely with the UN Global Compact to set up and launch local networks in areas where they do not exist.

> The launch of the Tanzania UNGC local network came through a partnership between Aramex, the UNGC and the Chamber of Commerce, through an event that included 60 different companies, NGOs and governmental entities.

We share our experience and capacity relevant to developing strong sustainable projects with fellow private sector companies, and volunteer our reporting expertise to assist them in developing and publishing their sustainability reports.

Emergency relief

We are committed to leverage our operations, network and resources to help communities in cases of emergency. Given our line of business, we are able to mobilize our resources to respond to the call of emergency and disaster relief.

Our work in emergency relief relies on different channels

Our operations

We utilize our operations and capacity to support via

- In Kind support
- Financial aid

Our employees

Our employees often volunteer, donate and contribute to emergency relief efforts, from preparing packages, to distribution, to coming up with their own initiatives to support those who might have been affected by disaster

Our network

Business and community partners to support in relief efforts

Gaza Campaign

Contributions from Aramex and its employees worldwide reached a total of 100,000 USD. The funds were used to purchase badly-needed essentials such as food and medicine in Gaza. 1200 food boxes and more than 8000 units of medicine such as antibiotics, antiseptics, heart medications and first aid supplies were packed by Aramex employee volunteers and shipped. A single box of food containing assorted canned goods, oil and food staples is enough to feed an entire family of five for one consecutive week. In addition, 2000 school bags were also delivered as part of the aid relief for children in need of educational supplies.

Mosel Campaign

Our offices in Iraq collected and distributed aid and supplies to refugees from Mosul.

Syrian Refugees Support

We provided in-kind shipping and logistics services for aid and supplies to Syrian refugees collected from several countries.

Associations and memberships[1]

We belong to a wide array of industry forums, NGOs and foundations. These range from membership of international bodies such as the World Economic Forum (WEF), through to being IATA-approved freight agents and a founding member of the Express Global Distribution Alliance (GDA)

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, Singapore, Slovakia, Sri Lanka, Sudan, Switzerland, Syria, Turkey, UAE, UK, USA, and Vietnam. Some main stations are individual members, while the remaining stations are in the process of becoming IATA-approved.
	The International Air Cargo Association (TIACA)	Member
	Fédération Internationale des Associations de Transitaires et Assimilés/International Federation of Freight Forwarders Associations (FIATA)	Founder
	World Freight Alliance (WFA)	President
	Freight Forwarding Syndicate	Member
	Air Cargo Netherlands (ACN)	Member
	Fenex	Member
	EVO (Netherlands)	Member

(G4- 15) (G4-16) Excludes local memberships

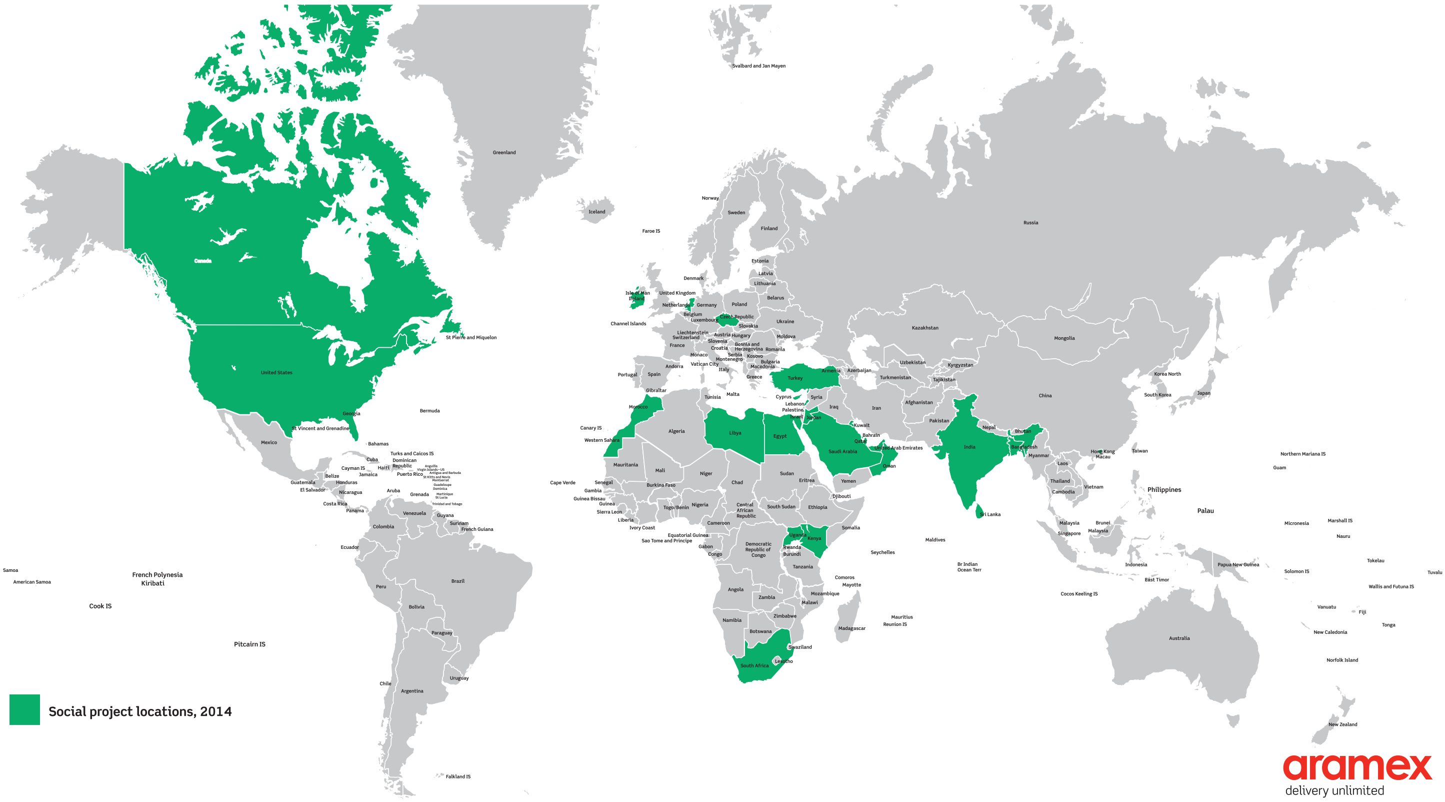
Associations and memberships

Logistics and Ground Operations	Supply Chain and Logistics Group	Member
Express	Global Distribution Alliance (GDA	Founder
	Express Delivery and Logistic Association	Member
Information Technology	Information Technology Association of Jordan (INTAJ)	Member
Business Improvement and Efficiency	BSI Registered (British Standards Institute)	Member
Security	Transported Assets Protection Association (TAPA) – Jordan	Member
	Transportation Security Association (TSA) – USA	Aramex is an indirect air carrier
	Customs Trade Partnership Against Terrorism (C-TPAT) – USA / Customs Dept.	Aramex NYC is a member
	Department for Transport (DfT) – UK	TwoWay and Priority are listed agents
Environment	Arab Forum for Environment and Development (AFED)	Member
	Jordan Green Building Council (JGBC)	Member
	Abu Dhabi Sustainability Group (ADSG)	Member
Others	KAMCO: Brokerage – USA	Member
	ABANA: Association of Arab Banks for North America	Member
	MCAA: Messenger Courier Association of America	Member

Associations and memberships

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

Certifications
ISO 14001 Environmental Management Systems
OHSAS 18001 Occupational Health and Safety Management Systems
ISO 9001 Quality Management Systems
Leadership in Energy and Environmental Design


Social project locations, 2014

Governance

The current Aramex Board of Directors, which was elected by our Annual General Assembly in March 2013, consists of the following members:

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

Aramex's nine-member board of directors strives to cement the company's position as a leader in corporate governance by implementing and upholding its Charter and Corporate Governance Guidelines. Six of the Board members (67%), including its chairman, are independent non-executive directors, two members are a non-independent non-executive directors and one member is a management representative: Hussein Hachem, CEO of Aramex.

G38- composition of the highest governance body

Members	Position	Independence	Exec/non-execs	Gender	Age	Tenure	Nationalities	Other Commitments
Mr. Abdullah M. Mazrui	Chairman	Independent	Non-Executive	Male	62	Since Inception	Emirati	Chairman (3 Company boards) Director (2 Company boards)
Mr. Fadi Ghandour	Founder and Vice Chairman	Non-Independent	Non-Executive	Male	55	2005	Jordanian	Director (1 Company board)
Mr. Hussien Hachem	Chief Executive Officer and Director	Non-Independent	Executive	Male	45	2011	Canadian	None

(G4-34) (G4-7) (G4-38)

Mr. Helal Al-Marri	Director	Independent	Non-Executive	Male	38	Since Inception	Emirati	General Director (1 Company) CEO (1 Company) Chairman (1 Company board) Chairman (1 committee) Director (4 Company boards)
Mr. Ahmed Al-Badi	Director	Independent	Non-Executive	Male	58	Since Inception	Emirati	Chairman (1 Company board) Director (13 Company boards)
Mr. Arif Naqvi	Director	Independent	Non-Executive	Male	54	2005	Pakistani	Director (1 Company board)
Mr. Charles El Hage	Director	Independent	Non-Executive	Male	57	2011	French	None
Mr. Ayed Aljeaid	Director	Non-Independent	Non-Executive	Male	58	Since Inception	Saudi	None
Mr. Mana Al-Mulla, Director	Director	Independent	Non-Executive	Male	38	2010	Emirati	CEO, VP and Director (1 Company board) Director (5 Company boards)

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

Aramex governance guidelines was structured in accordance with Federal Law No. 8 of 1984 regarding the Commercial Companies Law, and the new Corporate Governance Code for Joint Stock Companies and the Institutional Discipline Criteria to assist the Board and its committees in the exercise of their responsibilities. Our governance includes the Nomination, and Remuneration Committee and the Audit Committee.

(G4-39) (G4-40)(G4-41)

Board of directors Selection Process

Boards of Directors:

- The General Assembly should elect members of the Board of Directors by secret ballot. The majority of the members of the Board of Directors must be holders of a Gulf Corporation Council nationality, and must not be convicted of a crime of honor unless the competent authorities have pardoned him/her.
- The Board of Directors shall elect from amongst its members a Chairman and a Vice Chairman who will act on behalf of the Chairman in his absence. The Chairman must be a national of the Gulf Corporation Council states.
- At least one third of Directors shall be Independent Directors, while the majority of Directors shall be Non-Executive Directors, who shall have experience and technical skills to the best interest of the company.
- In all cases, elected Non-Executive Directors shall be able to dedicate enough time and attention to the Board, their directorship of the Board of Directors must not conflict with any of their other interests.
- The position of Chairman of the Board of Directors and the Company's Chief Executive Officer may not be held by the same person.
- The Board is responsible for reviewing the requisite skills and characteristics of new Board members, as well as the composition of the Board as a whole. This assessment will include members' qualification, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board.
- Below is a description of the desirable characteristics that the Board should evaluate when considering candidates for nomination as Directors. The Board will review such characteristics at least annually and perform any appropriate changes thereto.

Personal Characteristics:

- Integrity and Accountability: High ethical standards, integrity and strength of character in his or her personal and professional dealings, and a willingness to act on and be accountable for his or her decisions.
- Informed Judgment: Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, express reservations and voice dissent.
- Financial Literacy: Ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating Company performance.

- Mature Confidence: Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- High Standards: History of achievements that reflect high standards for himself or herself and others.

Core Competencies:

- Accounting and Finance: Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- Business Judgment: Record of making good business decisions and evidence that duties as a Director will be discharged in good faith and in a manner that is in the best interests of the company.
- Management: Experience in corporate management. Understand management trends in general and in the areas in which the company conducts its business.
- Crisis Response: Ability and time to perform during periods of both short-term and prolonged crisis.
- Industry/Technology: Unique experience and skills in an area in which the company conducts its business, including science, manufacturing and technology relevant to the company.
- International Markets: Experience in global markets, international issues and foreign business practices.
- Leadership: Understand and possess skills and have a history of motivating high-performing, talented managers.
- Strategy and Vision: Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the company to sharpen its vision.

Commitment to the Company:

- Time and Effort: Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. Encouraged to attend all annual meetings of shareholders. A willingness to rigorously prepare prior to each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.
- Awareness and Ongoing Education: Possess, or be willing to develop, a broad knowledge of both critical issues affecting the company (including industry–, technology– and market–specific information), and Director's role and responsibilities (including the general legal principles that guide Board members).
- Other Commitments: In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and annual meetings of the shareholders, and a willingness to do so.

Team and Company Considerations:

- Balancing the Board: Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- Diversity: Contributes to the Board in a way that can enhance perspective and experiences through diversity in gender, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors). Nomination of a candidate should not be based solely on these factors.

Boards Committees:

- The Board has established the following standing committees: the Audit Committee and the Nomination and Remuneration Committee. The Board may, from time to time, establish additional committees as necessary or appropriate.
- Committee members will be appointed by the Board. Consideration should be given to rotating committee members periodically, although such is not mandatory.
- Each committee will have its own charter; the charters will set forth the purposes, goals and responsibilities of the committees as well as committee structure and operations and committee reporting to the Board.
- Committees shall be formed of not less than three Non-Executive Directors, at least two of which shall be Independent Directors, including one as Committee Chairman. The Chairman of the Board of Directors may not be a member of those committees

In order to avoid conflict of interest within the board

- Director tasks shall include: To ensure that the priority shall be given to the company's and shareholders' interests in case of conflict of interests.
- Any Board member, having an interest in conflict with that of the company in respect of certain transactions presented to the Board for consideration and approval, shall have to report it to the Board. Such report must be documented in the meeting minutes, whereas the involved Director is excluded from participating in voting on the decision concerning the said transaction, and the exclusion is to be explicitly documented in the meeting minutes.
- In all cases, elected Non-Executive Directors shall be able to dedicate enough time and attention to the Board, their directorship of the Board of Directors must not conflict with any of their other interests.
- Directors must notify the Chairman or the General Counsel in a timely fashion before accepting an invitation to serve on the Board of another company. This prior notice is to allow discussion with the

Chairman and/ or the General Counsel to review whether such other service will interfere with the Director's service on the company's Board, or create an actual or apparent conflict of interest for the Director.

- Any matters related to conflict of interest and/or related party are documented and reported in the Annual Corporate Governance Report which is published on the company's website. This report is also reviewed by SCA (Securities and Commodities Authority of Dubai Financial Market) and published on their website.

The Board meets once every two months, at least, in accordance to our Market Corporate Governance Code and Board's Charter, while shareholders are entitled to raise issues with the Board during the Annual General Meeting. Two standing committees – the Audit Committee and the Nomination and Remuneration Committee – have their own charters that stipulate their responsibilities and tasks. The Nomination Committee meets once a year. The Audit Committee meets once every three months at least, and receives direct reports from Aramex's internal audit function and briefs the Board accordingly. This is in compliance with the corporate governance code of the Securities and Commodities Authority (SCA). The internal audit is an independent activity designed to add value and improve the company's operations. It employs a systematic and disciplined approach to the evaluation and improvement of the company's effectiveness in the areas of risk management, control, and governance. Operating under the International Standards for the Professional Practice of internal auditing set forth by the Institute of Internal Auditors, the internal audit provides the Board of Directors, the Audit Committee and management with independent assurance that financial and operational mechanisms are functioning as intended. It also serves to reassure members that appropriate control mechanisms are in place to manage areas of high-risk and implement benchmark policies, procedures and activities to achieve best practices.

The board of directors will:

- Review, evaluate and approve, on a regular basis, long-term plans for the company.
- Review, evaluate and approve the company's budget and forecasts.
- Review, evaluate and approve major resource allocations and capital investments in accordance with the company's Delegation of Authority Matrix.
- Review the financial and operating results of the company.

- Director tasks shall include: to participate in the meetings of the board of directors and to provide independent opinion on strategic matters, policy, performance, accountability, resources, basic appointments and activity criteria.

(G4-42) (G4-35) (G4-36) (G4-43) (G4-44) (G4-48) (G4-45) (G4-46) (G4-47) (G4-48)

- The company shall work on implementing an environmental and social policy to favor the local community.

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

Aramex continues to engage top management and its Board of Directors with the sustainability strategy and all activities. Aramex top management members, along with the Chief Sustainability Officer and dedicated sustainability team, continue to plan and manage partnerships with the public and private sectors and civil society in order to expand and improve Aramex's sustainability activities, impact and reach. Moreover, active stakeholder engagement through sessions and continuous meetings ensure that our activities are in line with our stakeholders' needs.

The Board sets the strategy for risk management, due diligence procedures related to economic, environmental and social impacts. These strategies are then delegated to the team for implementation. Through periodic updates from the CSO, internal audit and compliance team, the Board reviews the sustainability strategy and recommends amendments or changes where needed.

Moreover, Aramex Executive management reviews and approves the annual sustainability report.
Since 2013, we have initiated the structuring of a risk management function with major focus on compliance risk; in addition, the company is relying on the risk assessment prepared by the internal audit function.

Precautionary principle

Controls are defined and built into a process/product/system etc. from the outset, and designed to ensure that risk mitigation is carried out effectively.

Only existing controls will be considered in the assessment of a risk. Planned controls have no relevance in the assessment (other than as part of the action planning process) as their effectiveness is unproven.

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Most controls are designed to prevent the risk event actually occurring. Alternatively, controls may be designed to identify and highlight that a risk event has occurred, or to help limit the severity of impacts. Controls will generally be one of these types (although it is possible for a control to be more than one type).

During a risk assessment, the effectiveness of individual and groups of existing controls is evaluated. This helps inform the assessment of the likelihood of a risk event occurring and its impact(s), should it occur.

Where action is deemed necessary (i.e. to avoid, reduce or transfer/share the risk), an appropriate action plan must be established.

This action plan documents the assignment of specific actions to individuals, with agreed target dates for completion.

Action plan progress is monitored centrally and the status of pending/completed actions is reported regularly to senior management.

Completion of an action should lead to a re-assessment of a risk (although, in the case of the introduction of new controls, it may be necessary to allow a period of time for sufficient evidence to be compiled on the effectiveness of those new controls).

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

Each year the company's shareholders receive the Board's recommendation regarding the remuneration to be paid to the company's directors. For the year ending in December 31, 2014, the company's shareholders approved the Board's recommendation that directors would receive US $68,000 each. In order to automatically succeed in placing an item on the Board's agenda, a shareholder must possess a holding of at least 10% of the company's shares. At present, the highest holding is less than 10%, which means items for discussion are tabled at the Board's discretion.

Aramex is listed on the Dubai Financial Market (DFM), and complies with the Securities and Commodities

(G4-14) (G4-24) (G4-25) (G4-26) (G4-27)

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

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

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

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

During 2014 Aramex did not face any anti-competitive or anti-trust legal actions.

The internal audit function devises a three-year internal audit plan to cover the network as a whole based on a risk assessment that is approved by the Audit Committee. The audits range from financial to operational, information technology, physical security and other areas that prove to have identified inherent risk. Although not responsible for the detection of fraud, the internal audit function is sensitive towards lack of segregation of duties and other fraud indicators through the aforementioned assurance engagements.

Aramex policy dictates that the company shall not accept any funds from governments or political parties, and no such funds were received during 2014; neither did the company lend its support to any political party or movement.

- The internal audit function is responsible for reporting critical concerns to the Audit Committee of the Board through quarterly reporting. In 2014, all critical and major issues were reported to the Audit Committee, and were adequately covered by management action plans for their prompt and effective resolution. (G4-50)

(G4-14) (G4-SO7)

- The Audit Committee of the Board will report the activities and findings of the internal audit function to the Board of Directors.
- The internal audit is an independent, objective assurance and consulting activity designed to add value and improve Aramex's operations. It helps Aramex to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of Aramex's governance, risk management and internal controls process, as well as the quality of performance in carrying out assigned responsibilities to achieve Aramex's stated goals and objectives.
- The internal audit function continuously follows up with management with regards to the implementation of the agreed-upon action plans to resolve the findings, issues and concerns of internal audit.
- On a quarterly basis, the internal audit function reports the status of management's action plans implementation

(G4-SO6) (G4-EC4) (G4-49) (G4-50)

Key non-financial goals

Key Area	2014 Goals	Status	2015 Goals
Employees			
Human Resources Management System	Finalize 7 more locations	Target achieved	Expand to 100% coverage
Employee Satisfaction and Motivation	Continue working on action plans	Continue working on action plans	Running a new engagement Survey to work on bridging the gaps
Code of Conduct training	Continue implementing our training for the rest of the employees and focusing on the new hires		
	Continue implementing our training for the rest of the employees and focusing on the new hires	Trained more than 14000 employees	Revamp and enhance training and use to train at least 80% of Aramex employees on Aramex compliance program and code of conduct that includes a comprehensive coverage of Anti-bribery and corruption
Training Quality	Continue work	Revisited most of the corporate training presentations under Human Resources, Learning & Development falling under our Basic Training Program and ensured that they are kept up to date. Reviewing training material is a regular task performed by the Corporate University (ongoing).	Revisit our Training porgrams structure .Give more attention to the technical topics. Accommodate the needs of South Africa & Australia to be more in compliance with their local laws when it comes to requirements in develeopment. Make sure to have new presentations for Freight , Express and Domestic with Videos and Quizzes.
	Continue work	During 2013 and 2014, in-house trainers from the Corporate University visited several stations to deliver soft skills training under the theme of Customer Service (Stations covered include Kuwait , Lebanon , Jordan , Sri Lanka , India , Singapore , Malaysia ,Muscat, Bahrain & Dubai) .Empowering and training local trainers to deliver these same sessions on their own was among the objectives of the CU stations visit.	add one module on the 4 modules " Handling Angry Customers" . Train the Trainers in selected stations, revise the content of the current 4 modules. Set a plan to train stations on the new module during 2015. Rerun this program after setting a target number of employees in each of the follwing stations: Amman , Egypt, KSA , Muscut, India, Kuwait,Beirut , Bahrain and UAE. Have a quiz to measure ROI in these 5 modules.
	Continue Work	In order to maintain qualified internal trainers across all stations (In-house trainers), the Corporate University have set a list of 10 competencies needed by the trainer to better perform in a learning session. A master sheet, which included a dictionary defining these 10 competencies, was created by the Corporate University to guide CU evaluators in measuring the performance of local trainers in sessions at stations.Mater sheet is saved on the CU server and is used during stations visits.	Evaluate 90% of the existing lecturers in the network against the 10 competencies set by the GSO CU (either through CU Visits or by attending the session remotely via MS Lync)

Key non-financial goals

Implement Online Education Practices	Continue the roll out		New approach of e-learning at Aramex : In order to keep our workforce trained and ready , an important goal of the CU for 2015 is to use more effective training methods through a team who should be able to conduct a broader range of training, including on-the-job & coaching. The CU will invest in a Learning Management System where our training programs will be blended using an online platform in addition to traditional classrooms. This same LMS will be used by the CU as a knowledge assessment platform where results can be a good indicator of how well trainees understand information in different training programs. Test an online solution to test knowledge of Customer Service frontline employees in the follwing stations : Amman , Beirut , Dubai and Jeddah Customer Service Center.
Leadership Development Program	Pilot rolled out in Egypt	Launch of Global LDP: More than 316 leader in 19 location have gathered in assessment centres for case study analysis and discussions with a committee of thirteen certified assessors .Selected leaders will be then gathered into teams to participate in a two years progressive leadership project.	Assessing employees for key positions: The newly established assessment centres will not only evaluate participants in Global Leadership Development Program but will enable Regional CEOs to make reliable decisions on potential station managers who will be subject to assessments that contribute to an individual's learning and will help potential managers progress in the career path they want to pursue. Organize the 316 Leader into teams and launch the LDP phase 2 in the 19 location.
Environment			
Internal Awareness	Continue to across the network covering all old and new employees	Training material revamped, remains part of basic training program	Continue inclduing new employees and stations
	Expand Green Champions to 10 stations	Target achieved	continue expanding program to remaining stations and engaging employees with environmental projects and awareness
Materials	Expand to 10 more stations	Faced issues in finding verifieable recyclers in certain locations.	Continue to expand on recycling projects upon availability
	Include Electronic waste management	Pilot initiated	Expand where available
Performance	Continue reporting and carbon footprint reduction	reduction in consumption of electricity and fuel per shipment	Continue on reductions accoridng in working towards our 10 year goal of 20% reduction of electricity and fuel per shipment
	Roll out Carbon footprint data management system to all major stations	Initiated	Expand to warehouses under construction
Facilities	Finalize certification for all warehouses under construction		
		New	Equipe one location with renewable energy systems
	Continue work	6 renewed and 2 new certifications achieved	2 renweals planned, continue with expanding to other stations
Corporate Activism			
Engagement	Conduct 1 session	two sessions conducted	seven sessions planned

Key non-financial goals

Reach	Continue to expand	Increased coverage to reach 90%	expand to 95%
	Support 500+ students	supported 600+ students	Increase to 800
	New	Supported 9000+	Support 10,000+
	New	12,000+ hours of community service	reach 20,000+ hours
Entrepreneurship support	Reach 200 SME in 2014	Reached 1000+ SMEs	Reach 2000 +
Program to support corporates in their sustainability practices	Support 50 Corporate across the network	Target achieved	Expand to reach 75
Aramex technology program for the women and youth empowerment	Empower 100 women and youth across the network	Taregt achieved	Expand to 200 women
Nationalization	Design new programs in each country of operation where nationalization is an issue	initiatilzed the Njoum program in UAE	Working on increasing the percentage of nationals
Customers			
Customer Satisfaction Surveys	Continue to improve	A unified customer satisfaction measure is used across the network and is benchmarked against global satisfaction standards.	Continue to improve on customer satisfaction tools, and ensure suitability for different customer groups.
	Implement across remaining network	3 New locations have been surveyed in 2014.	Targeting 5 new locations in the GCC in 2015, and we will continue to implement action plans and improve in the 3 locations where the surveys have already been conducted in 2014.
Service Excellence	Continue to improve	Customer service policies and procedures have been revised, and visual process maps have been created to clarify responsibility and KPIs	Continue to improve
	Continue to improve	A centralized quality dashboard for the network has been launched in 2014 measuring the quality of service provided through our frontline teams at the contact center.	Continue to improve, and revamp the training and auditing procedures.
			New goal for 2015: New effective standards for coaching and mentoring of frontline teams at the contact center.
	Continue to improve	More than 2043 employees have been trained across our network in 2014, honing their basic customer service, communication, telephone handling, and time management skills.	Continue to improve and ensure satisfactory coverage of training for frontline employees. A new training to be developed for retail outlet teams covering advanced customer service skills.
			New goal for 2015: Become certified according to the International Standard in Service Excellence (TISSE) in key locations in the GCC.
Customer Engagement	Continue to improve		

Compliance

The Aramex Compliance Program strives to ensure that Aramex maintains a culture of respect, honesty and integrity. By providing a framework for the management of compliance issues, the Program helps ensure that each employee is able to recognize and avoid situations that might compromise Aramex's integrity. The Program has the support of leadership, demonstrated by a reporting structure that gives Aramex's Compliance Officer direct access to senior leadership and the Board. The Program has been created to provide the support and tools necessary to fulfill expectations that every staff member acts with honesty and integrity while performing their work.

Aramex's code of conduct sets forth our endeavor to build an organizational culture that guides our actions and decision-making in a way that is rooted in what is fair and ethical, and what promotes a dignified life for all people. Aramex's code of conduct is the platform that paves the way for operating globally and interacts with our employees, agents, suppliers, customers and all our stakeholders, resulting in:

- Accountable, transparent, respectful, fair and professional business practices.
- Reliability and integrity of financial and operational information.
- Safeguarding of assets.
- Compliance with laws, regulations, policies, procedures and contracts.
- Healthy and sustainable growth of business.
- Incorporation of compliance into the day-to-day operations in every aspect of the business (i.e. culture, people, communication, policies, procedures, governance and strategy).
- Safe, equitable, secure, fair and healthy working conditions.

Moreover, with the assistance of a reputable independent audit firm, Aramex has expounded the code of conduct into single policies to ease the embedment of compliance into the day-to-day work and enhance the internal learning process. The single policies are as follows:

a. Trade Compliance.
b. Improper gifts entertainment and payments.
c. Legal Licensing.
d. Human and labor rights.
e. Conflict of interest.
f. Anti-competition and anti-trust.
g. Confidentiality.
h. Charitable donations and sponsorships.
i. Money laundering.
j. Due Diligence.

(G4-56)

k. Non-discrimination and equal opportunity.
l. Political contributions and involvement.

Where policies, procedures and internal controls do not offer clear guidance for a particular course of action, employees and leaders are expected to honor the spirit of the code, and/or to seek advice.

Along with publishing mentioned policies and the code of conduct on all Aramex internal and external websites, Aramex management decided that the best way to relay the material and gain a better understanding of our ethics is to hold training sessions for all Aramex employees. To that end, over the past three years, we trained 87.7% of our employees on all the topics included in our code of conduct, such as training on human and labor rights and anti-corruption policies. Moreover, to ensure complete understanding of these policies, an aggressive classroom training plan is formulated during 2015 for all the employees in 38 locations globally, covering various aspects of trade compliance in addition to the code of conduct.

Code of Conduct Classroom training summary	
Total Head Count as of Dec. 31, 2014	16,273* (includes subcontractors)
Total Trained phase 1	5,505
Total Trained Phase 2	4,943
Total Trained Phase 3	3,838
Total Trained	14,286
Remaining	1,988

We have demonstrated our genuine beliefs in our code of conduct by complying with international and national regulations and standards, which include (but are not limited to):

- The World Economic Forum's Partnering Against Corruption Initiative (PACI) which was launched in 2004 with the aim of consolidating industry efforts to fight corruption.
- UK bribery act.
- U.S foreign corruption practice act (FCPA).
- AccountAbility principles standards AA1000.
- International Labor Organization (ILO).
- Other international and local laws.
- UN Declaration on Human Rights.
- Environmental standards.

(G4-HR 2) (G4-SO3) (G4-SO4) (G4-SO5)

Compliance

In 2014, our compliance program continued to refine its infrastructure, address active compliance issues, create new policies to minimize risk, and enhance formal and informal lines of communications in order to foster a culture of compliance at Aramex.

It is anticipated that unknown or underappreciated issues may still exist, so it is important to note that the Program's process of assessing and prioritizing compliance threats is ongoing and dynamic, allowing for strategic changes during the Work Plan year as unforeseen threats emerge.

This is an exciting time for the Program, as existing management systems are increasingly utilizing the Program as a resource. We will continue on enhancing the Program and spreading awareness while concentrating on active assessment and monitoring of compliance risks.

As part of our commitment to uphold human rights, all Aramex locations across the globe were assessed for human rights, ensuring that there are no violations. Moreover, Aramex's security team has received code of conduct training that includes a whole section about human and labor rights. We have also assessed our operations for risks related to human and labor rights violations, as well as risks related to corruption. We do not offer training to suppliers and/or customers. However, we have initiated the processes of adding the human rights clauses along with other code of conduct related clauses to our contracts, and in the form of a questionnaire to suppliers and subcontractors. This includes any third party security providers.

In 2014, we continued implementing our Supplier Evaluation Form, which surveys our suppliers' compliance-related issues including human and labor rights, anti-corruption and bribery, as well as social and environmental criteria such as the application of environmental management systems and community engagement. Moreover, we ensured the evaluation of the new major suppliers with the use of a supplier evaluation questionnaire. Since June 2013, Aramex's major locations are dedicated to utilize the suppliers' questionnaire during the commencement process. Furthermore, we circulated the same to our major current suppliers. We are planning to expand our coverage through 2015.

The purpose of this questionnaire is to ensure that our suppliers and subcontractors are in compliance with internationally-recognized human and labor rights, anti-corruption and bribery laws and standards in all their business and non-business areas. Where we find gaps in the application of such controls, we work with the suppliers to set plans to amend them. Moreover, we make sure to share our policies against the use of forced or child labor with our business partners, and to raise awareness on the matter throughout our business circles.

(G4-HR9) (G4-HR7) (G4-HR9) (G4-PR6) (G4-PR7) (G4-PR8) (G4-PR9)
(G4-EN 32) (G4-LA 14) (G4-SO9) (G4-HR1) (G4-HR10) (G4-LA15)(G4-HR11)(G4-HR12)(G4-HR5) (G4-HR6)(G4-EN33)(G4-LA14)(G4-SO10)(G4-SO11)

We should conclude this exercise towards the end of 2015. We plan to extend this evaluation to include a third party audit mechanism for our suppliers to ensure their compliance. Also, we are engaging with a reputable service provider during 2015 to screen our existing supplier database against the global trade compliance sanctions and export controls.

As far as we are aware, there have been no cases of human rights, child labor or compulsory and forced labor violations within our supply chain. In addition, in 2014, we did not have any human rights, forced or child labor grievances or concerns related to our operations. Furthermore, we are not aware of any concerns of human rights, forced or child labor violations related to our suppliers, we did not receive any through our formal grievance channels, nor did we identify or receive any complaints of negative social impacts due to our operations or in our supply chain. We did not identify any issues of significant negative impacts on the environment, beyond the emissions that result from the use of airlines, sea lines and road freight to transport our shipments and provide services to our clients. However, we account for these impacts along our supply chain through our calculation of our scope 3 carbon footprint.

Whistleblowing Policy

Aramex's whistle-blowing policy provides guidelines to Board Members, employees, customers and stakeholders with respect to the reporting of possible fraud, irregularities and grievances related to our code of conduct and social and environmental performance at Aramex. We encourage our employees and stakeholders to use the whistle-blowing system and provide sufficient training for them to report on whatever incident they encounter. For external concerns and complaints, we have a dedicated email for the general public to use in order to report any issue. These grievances are dealt with in the same mechanism as internal ones.

Cases that are reported in the Aramex whistle-blowing system are dealt with immediately by an independent committee. The investigation process involves an internal committee to reach the ultimate decision.

After the investigation is complete, the HR representative will discuss the results of the investigation with the complainant and the accused. In case any party is dissatisfied, the party has the right to appeal within 10 working days from the date of completing the investigation. The appeal will be forwarded to the Regional HR Manager and/Regional Area Manager.

(G4-57) (G4-58)

Corrective action includes (but is not limited to):

- Oral/written warning.
- Requirement to provide a written apology.
- Requirement to take Business Ethics training sessions or any training deemed necessary or related.
- Suspension without pay for a maximum period of 60 working days.
- Loss of employment.
- Civil and criminal liability and local legalities.

During 2014, Aramex Emirates LLC, a subsidiary of Aramex PJSC, was fined for the re-exporting of two shipments of U.S. origin network devices and software from Dubai to Syria. The two shipments were sent without obtaining certain required licenses, as per the U.S. Department of Commerce's Bureau of Industry and Security (BIS); and as such, in March 2014, Aramex agreed to enter into a final settlement agreement with the BIS and pay a US$125,000 civil penalty.

Since then, Aramex has revamped its compliance procedures, and is currently in the process of conducting training for all relevant staff regarding international regulatory restrictions. Aramex shall further work with all relevant parties to ensure a better understanding of such laws and regulations in order to avoid such incidents in the future.

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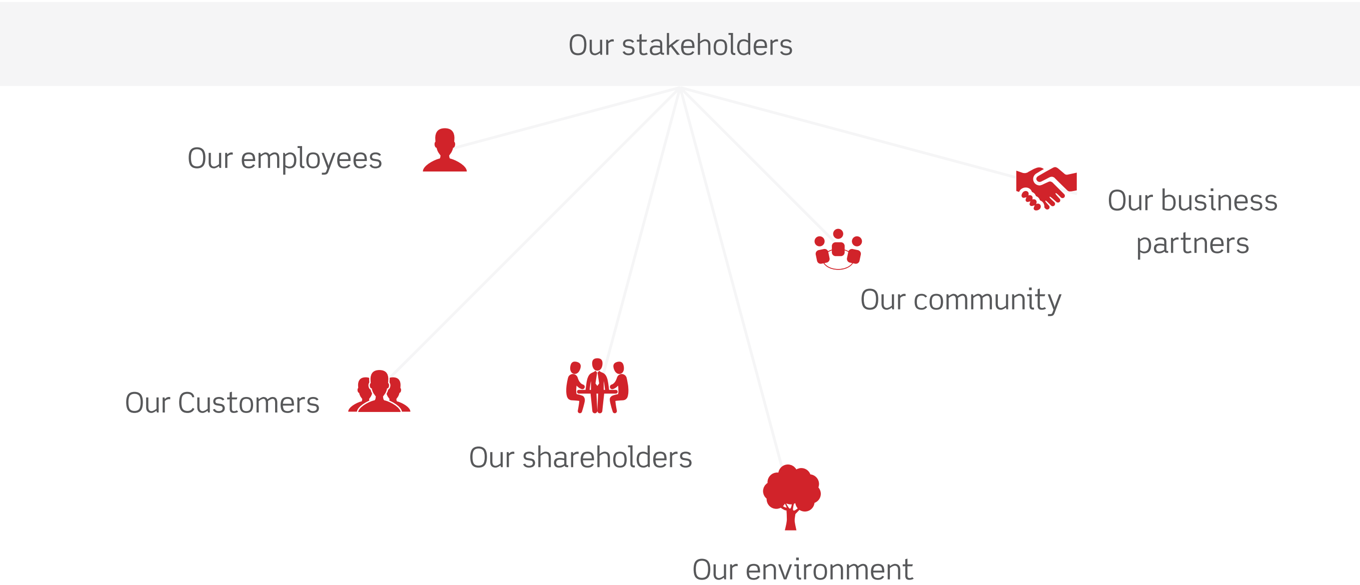
(G4-SO8) (G4-PR6) (G4-18) (G4-19) (G4-20) (G4-21)(G4-24) (G4-25)(G4-26)(G4-27)

Stakeholder engagement

"Our goal is to better understand and effectively help in managing the impacts of current or future global challenges on stakeholders by finding and developing effective solutions."

Aramex's global presence ensures that we have many stakeholders vested in our sustainability. Through our different channels, we actively engage and interact with our stakeholders, who are defined as entities and individuals whom we interact with, whether directly or indirectly, and are in our sphere of impact, by assessing our operations and their reach.



(G4-DMA)

Stakeholder engagement

Our sustainability performance is a vital determinant of our relationship with our employees, customers, business partners, shareholders, members of the communities we serve and the environment, which directly impacts our long-term growth. Therefore we proactively engage with all our stakeholder groups through different channels to understand their needs and concerns, and in return ensure we address these in our decision-making process.

Our goal is to better understand and effectively help in managing the impacts of current or future global challenges on stakeholders by finding and developing effective solutions. Thus, we aim to keep our engagement strategy transparent, publicly disclosing key sustainability information in our annual report and through our online channels, whilst also entering into more detailed dialogues with key stakeholders.

In 2014, we held two multi-stakeholder engagement and consultation workshops in Lebanon and Jordan. We also conducted a worldwide stakeholder survey to further our reach. Feedback and discussion from the workshops and the survey helped guide our goals and priorities for our sustainability performance and strategy.

Stakeholder Engagement in determining Materiality

Through our engagement workshops and stakeholder survey, we asked our stakeholder to evaluate which aspects and reporting indicators are most important to them and what they expect us to report on as it relates to our operations. Once we received their feedback, we identified the scope and boundaries of each aspect and indicator and incorporated the results in order to set priorities based on our operations and the significance on our economic, environmental and social impacts. We made sure to choose a representative sample from each stakeholder category to survey. Therefore, we extended the survey to our top clients, current and previous employees, NGO and civil society members and governmental sectors.

Moreover, input from our stakeholders was instrumental in designing our communication strategy for our sustainability, including this report. Our stakeholders weighed in on materiality and priority areas for them, as well as how they would like the information to be presented to them. This included requests for more visual and concise communication of our sustainability performance. To that end, we created an executive report and utilized several data visualization techniques and graphics to communicate our activities for 2014.

> We remain active in finding new ways to engage our stakeholders, from weekly customer visits to client workshops and meetings, in order to further align our business practices with their needs and aspirations.

(G4-DMA)

We engage with members of the civil society and community through our NGO partners and partnerships, ensuring that we consistently deliver on our commitment to positively impact the communities we serve.

Our employees

Our diverse workforce comprises over 12,943 direct and around 3330 indirect employees across the globe; further enriching the diversity of our workforce and increasing the number of nationalities employed in Aramex to 91 nationalities.

- Frequency of Engagement.
- Annual Performance reviews.
- Weekly–Monthly–Quarterly team meetings, depending upon need.
- Senior Management meets at least quarterly

Type of Engagement

- Operational meetings.
- Station meetings, functional meetings and regional meetings.
- Team brainstorming sessions.
- Individual performance appraisals.
- Internal surveys.
- Employee social events.
- Employee satisfaction surveys.
- Management retreats.
- Annual leaders' conferences.
- Online communication (social media, email shots, video channels).
- Internal collaboration tools.

Priorities

- Job security and safety.
- Competitive salaries and benefits.
- Career and skills development through internal training, executive education and workshops.

(G4-DMA)

- Knowledge sharing.
- Empowerment and ownership of work.
- Opportunities for performance-based progression.
- Healthy work environment.
- Maintaining a strong corporate culture, values and reputation.
- Increasing employee engagement.
- Use of 360 evaluations

Efforts and Outcomes

- Feedback-based enhancements to several Aramex functions, such as the Corporate University, to improve the quality and effectiveness of training and career development.
- Strategy meetings with all team leaders across the network were held during the year to define the future strategy of the company.
- Leadership Development Program.
- Celebrating our frontline employees on 'Aramex Courier Day'.
- More frequent regional leaders' meetings held in various areas of operation.
- Organized sports events, such as the Aramex Gulf Cup Football tournament and Jordan Football Championship.
- Internal promotions of regional and national managers.
- We have launched an interactive internal newsletter for all employees, and we continually work on enhancing internal communication channels.
- While we do not utilize 360 evaluations, we have several types of comprehensive evaluations for our employees. All our employees have at least one evaluation per year.

Our customers

We serve over 74,000 customers spanning the Middle East, Africa, Europe, Asia, and North America. 1*

(G4-DMA)

Frequency of Engagement

Depending on clients' needs and client agreements, visits from Aramex agents and representatives occur daily, weekly, monthly or quarterly.

Type of Engagement

- Weekly personal feedback meetings.
- Online communication forums, social media and live chats.
- Branches and outlets.
- Contact centers.
- Stakeholder engagement events.

Priorities

- Provision of customized services that cater to customers' needs.
- High-quality service and responsive customer support.
- Cost-effective solutions that offer competitive value for money.
- On-time delivery.
- Safety and privacy.
- More effective follow-up and feedback mechanisms.

Efforts and outcomes

- On-going enhancements to the customer complaint system to drive active operational improvements and full integration with our accounting and quality management systems.
- Enhancement of the Global Case system and addition of new modules fostering cross channel integration.
- Rollout of Customer Satisfaction surveys in Levant and the GCC from 2014 onwards, to ensure consistent feedback capturing and enhancement.
- Rollout of Mystery Shopping programs in Levant and the GCC from 2014 onwards, to capture customer feedback (especially in relation to retail outlets) and to build action plans for improvement.
- Introduction of new measures to gauge communications success, and ensure first time resolution as well as quality of response.
- Creation of dedicated support teams in certain areas for expedited response, and extended working hours in collaboration with the operational backbone in these locations.
- Enhanced customer service through social media, web and desktop tools, iPhone application, and live chat.
- Continued deployment of a state-of-the-art Aramex Contact Center system that centralizes communications, provides automated integration with the global customer database, and logs workflow activity for quality analysis and assurance purposes.

(G4-DMA)

- Continuation and expansion of customer service training and coaching of our frontline employees, as well as introducing new topics that focus on certain customer service elements.
- Trained more than 14,000 employees on compliance-related issues to make sure that we fulfill our customers' needs, and do not expose them to any non-compliance risk that might result from our operations.

Our business partners

Our business partners include airlines, sea cargo carriers, vehicle leasing companies, subcontractors, suppliers and NGOs.

Frequency of Engagement

- On-going

Type of Engagement

- Ongoing negotiations, transactions and service provision.
- Long-term business relationships with Aramex.

Priorities

- Accessibility of 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 through our SME Program.
- Implementation of a supplier evaluation form.

(G4-DMA)

Our shareholders

As of year-end 2014, Aramex had 22,640 shareholders, with the largest individual shareholder owning less than 10 percent

Frequency of Engagement

Annual meeting, updates through formal channels, and upon their need.

Type of Engagement

- 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 and brand reputation.
- Sustainable and long-term growth.
- High integrity and transparency.

Efforts and Outcomes

- Consistent shareholder engagement through investor calls and meetings.
- Sustained profitability and growth.
- Sound business integrity

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Our community

The broader society to which Aramex services and connections extend.

Frequency of Engagement

- Year round through our projects.
- Direct meetings.
- Upon need.
- Ongoing interaction through social media channels.

Type of Engagement

- Direct and indirect feedback from local communities, customers, employees, and their families.
- Attendance of several events to spread awareness of the importance of civic engagement in the region.
- Participation and investment in community events.
- Focus groups to address specific community issues (such as noise pollution, traffic congestion and road safety).
- Partnering with national sports organizations to promote various sporting activities.
- Expanding our Ruwwad model to other geographic areas.

Priorities

- Remain an engaged and proactive corporate citizen by creating shared values, responding to community needs, forging partnerships to address challenges and contributing to sustainable development.
- Job creation, local recruitment and competitive wages.
- Disaster response and facilitating individual contributions towards disaster relief.
- Noise management.
- Road safety and traffic reduction.
- Inclusion of marginalized communities.
- Need for increased communication on sustainability activities.

Efforts and Outcomes

- Direct community engagement via major initiatives (for more information refer to sustainabilitPy

(G4-DMA)

section). Promoting community-based entrepreneurship through our SME Program, regional partnerships with entrepreneurship platforms, incubators and accelerators.

- Regional partnerships to provide local schools and universities with volunteers drawn from Aramex employees in the regions where we work.
- Actively working on a communication strategy and plan with an outside supplier that is going to be implemented during 2015.
- Utilization of Aramex's logistics network for emergency relief efforts where needed.
- Encouragement and support of employee community service efforts through the Active Citizens Program and partnerships such as the Ruwwad enrichment program.
- Actively identifying and reaching out to new partners in the areas where we have launched new operations.
- Partnerships with local traffic authorities to train our couriers in road safety

Our environment

Our direct and indirect spheres of impact include environmental organizations and partners, as well as stakeholders concerned with our carbon footprint.

Frequency of Engagement

Year round through our projects.

Type of Engagement

- Direct meetings.
- Upon need, ongoing interaction through social media channels.
- Continuing and expanding our internal environmental training and awareness campaigns.
- Ongoing communication with NGOs to proactively respond to any concerns or enquiries.
- Collaboration with institutions and networks, focusing on the environment.
- Use of Aramex premises as a training model for environmental organizations.
- Measuring and managing our carbon footprint.

(G4-DMA)

Stakeholder engagement

Priorities

- Increased environmental awareness.
- Carbon footprint reduction strategies.
- Green building operation and investments.
- Regulatory compliance
- Need to increase communication on environmental effort s and outcomes.

Efforts and Outcomes

- Achieving and seeking LEED certification at several of our owned warehouses and buildings.
- Testing different means of reducing fuel consumption through route optimization and consolidation centers.
- Internal awareness campaigns and engagement of employees in environmental projects.
- Reporting annually on our carbon footprint and environmental activities.
- Certifying our entities in ISO 14001: Environmental Management Systems.
- Ongoing environmental partnerships, initiatives and projects.
- Introduction of alternative technologies in our ground transportation fleet, including hybrid electric and battery operated scooters, e-invoicing and route optimization.
- We are working on a communication strategy and plan with an outside supplier that is going to be implemented during 2015.
- Continued support for the Arab Forum for Environment and Development (AFED) magazine and platform.

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DIRECTOR'S REPORT

Dear Shareholders,

Our performance this past year was quite strong in many regards. We posted solid growth, significantly increased bottom line profits and, like the previous year, we finished the year stronger than we started it - reflecting our robust business model, financial strength and our commitment to growing shareowner value.

In 2014 our revenues reached AED 3,650 million of revenues, up by 10% compared to AED 3,321 million in the previous year. Our net profits grew by 15% to AED 318.4 million, driven by robust growth primarily in international express and supply chain services across our key geographies in the Middle East, Africa and Asia.

This year's profits were driven by organic growth. While we are pursuing an aggressive acquisition strategy in emerging markets, our growth in 2014 was underpinned by the rapid development of our ecommerce business and the strength of our network across core markets.

Aramex remains bullish on its outlook for its markets across Asia, the Middle East and Africa in particular, and remains committed to further extending its industry supply chain solutions and services in these regions, building its franchise and operations and strengthening its footprint through new acquisitions.

2014 was another important year for us, and we are confident that we will continue to deliver at the level you expect of us - holding ourselves, our business practices and our culture to the highest standards.

During the year ahead, we look forward to sharing with you our new milestones and accomplishments as we lead the company through its next stage of growth. On behalf of the Board of Directors and the entire management team, we would like to thank our customers, suppliers, distributors, employees and shareholders for their continued support.

Sincerely,

A-Mazrui

Abdullah M. Mazrui
Chairman

Hussein Hachem
Chief Executive Officer

EY
Building a better working world

Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

90
Years in MENA

Independent Assurance Statement

23rd April, 2015

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

EY (Jordan) was retained by Aramex PJSC ("the Company") to provide independent assurance on its Corporate Sustainability information, forming part of its Integrated Report ("the Report") for the calendar year 2014. The Report has been prepared by the management of Aramex, who are responsible for the collection and presentation of information reported. Our responsibility, in accordance with management's instructions, is to provide a limited assurance on the completeness and accuracy of selected sustainability information presented in the Report. Our responsibility in performing our assurance activities is to the management of the Company only. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk. This assurance statement should not be taken as a basis for interpreting the Company's overall sustainability performance, except for the aspects outlined in the scope below.

Scope of Assurance

The scope of our assurance covers the following:

- Data and information relating to the Company's sustainability performance contained within the Global Reporting Initiative (GRI) G4 framework for the period 1 January 2014 to 31 December 2014, specifically the sustainability performance indicators listed in Annex-A for the Company's two selected sites, i.e., Lebanon (Beirut) and Dubai (UAE);
- The Company's internal processes and controls relating to the collection and collation of relevant sustainability performance data; and
- Carbon footprint data, including Scope 1, 2 and 3 data, according to World Business Council on Sustainable Development (WBCSD) GHG Protocol (2008).

Level of Assurance and Criteria used

This assurance engagement was planned and performed in accordance with International Federation of Accountants' International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence gathering process was designed to obtain a 'limited' level of assurance as set out in ISAE 3000 on which to base our conclusions. We used the criteria of the reporting principles and indicators of the GRI 2013 guidelines (GRI G4) in reviewing selected sustainability performance indicators and data and the WBCSD GHG Protocol (2008) framework for reviewing carbon footprint related data.

Our Approach and Methodology

In order to understand the process used by the Company to ascertain key sustainability issues and impacts, we reviewed the stakeholder engagement survey that was performed by the Company. Further, our assurance team visited the Company's stations in Beirut (Lebanon) and Dubai (UAE) to review the selected sustainability performance indicators outlined in *Scope of Assurance* above to review systems and processes for collecting, collating and reporting sustainability and carbon footprint data. Evidences in support of the selected claims made in the Report were reviewed and clarifications sought where necessary. Our key steps were as follows:

- Engagement with key selected personnel to understand existing processes and controls for related sustainability activities;
- Engagement with the Chief Sustainability Officer and the Sustainability Team to understand current status of sustainability activities and progress against 2014 targets;
- Review of selected sustainability performance data as per GRI G4 which are listed in Annex-A for the specified locations as well as a review of the processes for collecting, collating and reporting of the same at corporate and station level;
- Review of carbon footprint assessment, including conversion factor application, data review and scope/boundary application as per WBCSD GHG Protocol (2008) for the purpose of the carbon footprint data contained in the Report.

Our Assurance Team

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our MENA Clean Energy and Sustainability team, who have undertaken similar engagements with a number of regional and global businesses.

Limitations of Assurance

The assurance scope excludes:

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

Observations

Our observations on the Report are as follows:

- The Company engaged their internal and external stakeholders by conducting one workshop a each in Beirut and Amman, to enhance the engagement and involvement of their stakeholders and to identify the material sustainability issues;
- The Company developed a new survey procedure to collect information, which helped in calculating their commuting scope #3 emissions with greater accuracy than previous year

- In line with the concept of integrated reporting, the Company, after publishing sustainability report for several years, going forward, may consider focusing on the financial impacts of its sustainability activities and performance.

Our Conclusion

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

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

For EY

Annex - A

GRI G4 Indicator No.	Indicator Description
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation
G4-EC9	Proportion of spending on local suppliers at significant locations of operation
G4-EN3	Energy consumption within the organization
G4-EN6	Reduction of Energy Consumption
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)
G4-EN21	NOx, SOx & other significant air emissions
G4-LA1	Total number & rates of new employee hires and employee turnover by age group, gender, and region
G4-LA3	Return to work and retention rates after parental leave, by gender
G4-LA6	Type of injury & rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA9	Average hours of training per year per employee by gender, and by employee category
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
G4-SO1	Percentage of operations with implemented local community engagement, impact assessment, and development programs

Reporting process

This is Aramex's fifth integrated report, combining our financial and nonfinancial data for the calendar year 2014.

Our reporting process displays a robust and focused coverage of the different aspects of our operations and management techniques.

The report has been prepared 'In accordance' comprehensive option with the GRI G4 Guidelines. With this report, we hope to cover topics of stakeholder interest, while improving our integration of financial and non-financial data. For more information on this guideline, refer to the GRI Content Index.

Scope of the report

Determining our priority issues

Materiality: We have sought to cover all topics that would substantively influence the assessments and decisions of stakeholders, providing a wealth of information concerning the organization's compliance as well as any significant economic, environmental and social impacts. This report is not only for the sake of our stakeholders, but is also a tool we use to measure and monitor our operations. Therefore, we identified priority issues for our operations, and crossed checked those with the aspects prioritized by our stakeholders. This determined our material topics and their scope.

Moreover, these topics include major issues reported on by our peers, under broadly-accepted standards and guidelines including the GRI G4 Reporting Guidelines and the GRI Logistics and Transportation Sector Supplement regulations and laws in our countries of operation. They also examine critical factors for enabling success, including our corporate culture, the state of existing systems within the company, and the potential of our core competencies to contribute to sustainable development.

We carefully assessed where each aspect's boundary lies, by analyzing the aspect and its impact on our stakeholders, to determine whether the impacts occur within or outside our organization, or both. For aspects whose boundaries occur within our operations, this includes all entities, except our franchisees. Aspect boundaries, whether within or outside of operation occur across all geographical locations.

Stakeholder inclusiveness: We have meticulously ensured that we identify and engage with our stakeholders through different channels and efforts. We believe that we have accurately identified all of our key stakeholders and have sought to explain the ways in which we engage them, our understanding of their interests and expectations, and the details of our related responses. To ensure full stakeholder

(G4-18) (G4-19) (G4-20) (G4-21) (G4-DMA) (G4-EC7) (G4-EC9) (G4-EN3) (G4-EN8) (G4-EN10) (G4-EN23) engagement throughout our reporting process, we asked key stakeholders to weigh in on what aspects are most important to report on, according to their perspective. We kept this input in mind and made sure to comprehensibly report on all aspects that are significant to our stakeholders and relevant to our industry. Moreover, we held two stakeholder engagement and consultation workshops in which our stakeholders worked closely with us and a third party consultant to determine material issues and provide feedback on our sustainability efforts and report. For more details on our stakeholder engagement efforts please refer to the stakeholder engagement section, page 104

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

Ensuring Quality in our Sustainability Reporting: We utilize the GRI Reporting Principles for Defining Quality, including the following elements**:**

- **Balance:** We have achieved balance by reporting and evaluating our performance based on material issues and future targets, presenting both our positive performance, as well as focus areas that require improvement and re-evaluation.
- **Comparability:** We have provided year-on-year data and followed GRI Indicator Protocols wherever appropriate.
- **Accuracy:** We aim to achieve maximum accuracy in our data, and always clearly identify where estimations or limitations in our published figures exist.
- **Timeliness:** We are now committed to reporting our sustainability performance on an annual basis.
- **Clarity:** Throughout the report, we clearly illustrate our sustainability performance and related projects. This year we measured against the targets established by previous reports.
- **Reliability:** This report has undergone third-party assurance, according to the parameters expressed in the assurance statement.

The Aramex Carbon Footprint Report: Released for the first time in 2010 and augmented by this Annual Report, the Aramex Carbon Footprint Report provides a comprehensive and transparent review of our total emissions. In calculating our carbon footprint, we have adhered to the principles contained in the Greenhouse Gas (GHG) Protocol accounting tool employed by World Business Council for Sustainability Development (WBCSD) and World Resources Institute (WRI). Moreover, we utilize an operational control approach to measure our emissions.

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

Limitations: In general, Aramex utilizes the services of transportation providers, such as airlines, instead of maintaining heavy assets itself. The company also leases the majority of its vehicles (although it does maintain a small fleet of its own). Aramex also sub-contracts the pickup and delivery of express packages to local companies in certain markets – most notably India. At present, our fuel consumption calculations (from which emissions are derived) include only fuel used for our owned and leased vehicles.

Moreover, we actively measure our scope 3 emissions, which account for emissions that take place outside our company as a direct result of our operations.

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

(G4-DMA)

Reporting process
Materiality Table

Material Aspects			Section	Materiality	Aspect Boundary
DMA			Reporting Process, Stakeholder Engagement		
Economic					
Economic Performance					
EC	1	Direct economic value generated & distributed	Financials	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders
EC	2	Financial implications & other risks and opportunities for the organization's activities due to climate change	Environment	Material	within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate
EC	3	Coverage of the organization's defined benefit plan obligations	Financials, Our People	Material	within our entire operations
EC	4	Financial assistance received from government	Governance	Material	within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate
Market Presence					
EC	5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our People	Material	within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate
EC	6	Proportion of senior management hired from the local community at significant locations of operation	Our People	Material	within our entire operations

Reporting process
Materiality Table

Indirect Economic Impacts					
EC	7	Development & impact of infrastructure investment & services supported	Overview	Immaterial	
EC	8	Significant indirect economic impacts, including the extent of impacts	Sustainability	Material	within our entire operations and outside as it relates to the communities that we work in
Procurement Practices					
EC	9	Proportion of spending on local suppliers at significant locations of operation	Overview	Material	within our entire operations and outside of as it relates to our suppliers in the countries where we operate in
Environmental					
Materials					
EN	1	Materials used by weight or volume	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services
EN	2	Percentage of materials used that are recycled input materials	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services
Energy					
EN	3	Energy consumption within the organization	Environment	Material	Within our entire operations, except our franchisees
EN	4	Energy consumption outside of the organization		Immaterial	

(G4-EN3) (G4-EN8) (G4-EN10) (G4-EN23) (G4-EC7)

Reporting process
Materiality Table

EN	5	Energy intensity	Environment	Material	Within our entire operations, except our franchisees
EN	6	Reduction of energy consumption	Environment	Material	Within our entire operations, except our franchisees
EN	7	Reductions in energy requirements of products & services	Environment	Immaterial	
Water					
EN	8	Total water withdrawal by sources	Environment	Material	Within our entire operations, except our franchisees
EN	9	Water sources significantly affected by withdrawal of water	Environment	Immaterial	
EN	10	Percentage & total volume of water recycled and reused	Environment	Material	Within our entire operations, except our franchisees, outside as it relates to the municipalities and companies that provide us with services related to water re-use and recycle
Biodiversity					
EN	11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment	Immaterial	
EN	12	Description of significant impacts of activities, products, & services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environment	Immaterial	
EN	13	Habitats protected or restored	Environment	Immaterial	

(G4-EN3) (G4-EN8) (G4-EN10) (G4-EN23)

En	14	Total number of IUCN Red List species and national conservation list specie with habitats in areas affected by operations, by level of extinction risk	Environment	Immaterial	
Emissions					
EN	15	Direct greenhouse gas (GHG) emissions (Scope 1)	Environment	Material	Within our entire operations, except our franchisees
EN	16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environment	Material	Within our entire operations, except our franchisees, outside as it relates to electricity providers
EN	17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environment	Material	Inside our operations as it relates to our business relates travel. Outside our operations as it relates to our suppliers, our employees commuting
EN	18	Direct greenhouse gas (GHG) emissions intensity	Environment	Material	within our entire operations, except our franchisees, outside as it relates to our scope 3 emissions
EN	19	Reduction of greenhouse gas (GHG) emissions	Environment	Material	within our entire operations, except our franchisees
EN	20	Emissions of ozone-depleting substances (ODS)	Environment	Immaterial	
EN	21	Knox, Sox & other significant air emissions	Environment	Material	within our entire operations, except our franchisees
Effluents and Waste					
EN	22	Total water discharge by quality and destination	Environment	Immaterial	

(G4-EN3) (G4-EN8) (G4-EN10) (G4-EN23)

Materiality Table

EN	23	Total weight of waste by type & disposal method	Environment	Material	Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services
EN	24	Total number & volume of significant spills	Environment	Immaterial	
EN	25	Weigh of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basal Convention Annex I, II, III, and VIII, & percentage of transported waste shipped internationally	Environment	Immaterial	
EN	26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Environment	Immaterial	
Products and Services					
EN	27	Extent of impact mitigation of environmental impacts of products and services	Environment	Material	within our entire operations, and outside as it relates to the environment and our stakeholders
EN	28	Percentage of products sold and their packaging materials that are reclaimed by category	Environment	Immaterial	

Reporting process
Materiality Table

Compliance					
EN	29	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environment	Material	Within our entire operations
Transport					
EN	30	Significant environmental impacts of transporting products and other goods & materials for the organization's operations, and transporting members of the workforce	Environment	Material	within our entire operations and outside as it relates to our suppliers
Overall					
EN	31	Total environmental protection expenditures and investments by type	Environment	Material	within our entire operations, except franchisees
Supplier Environmental Assessment					
EN	32	Percentage of new suppliers that were screened using environmental criteria	Compliance	Material	outside our operations as it relates to our supply chain
EN	33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Compliance	Material	outside our operations as it relates to our supply chain
Environmental Grievance Mechanisms					
EN	34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environment	Material	within and outside our operations as it relates to our supply chain

Reporting process
Materiality Table

Social					
Labor Practices and Decent work					
Employment					
LA	1	Total number & rates of new employee hires and employee turnover by age group, gender, and region	Our People	Material	within our entire operations, except franchisees
LA	2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Our People	Immaterial	
LA	3	Return to work and retention rates after parental leave, by gender	Our People	Material	within our entire operations, except franchisees
Labor/Management Relations					
LA	4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Our People	Material	within our entire operations, except franchisees
Occupational Health and Safety					
LA	5	Percentage of total workforce represented in formal joint management-worker health & safety committees that help monitor and advice on occupational health & safety programs	Our People	Material	within our entire operations, except franchisees
LA	6	Type of injury & rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our People	Material	within our entire operations, except franchisees

LA	7	Workers with high incidence or high risk of diseases related to their occupation		Immaterial	
LA	8	Health & safety topics covered in formal agreements with trade unions		Immaterial	
Training and Education					
LA	9	Average hours of training per year per employee by gender, and by employee category	Our People	Material	within our entire operations, except franchisees
LA	10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our People	Material	within our entire operations, except franchisees
LA	11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Our People	Material	within our entire operations, except franchisees
Diversity and Equal Opportunity					
LA	12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Our People	Material	within our entire operations, except franchisees
Equal Remuneration for Women and Men					
LA	13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Our People	Material	within our entire operations, except franchisees

Supplier Assessment for Labor Practices					
LA	14	Percentage of new suppliers that were screened using labor practices criteria	Compliance	Material	outside our operations as it relates to our supply chain
LA	15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Compliance	Material	within and outside our operations as it relates to our supply chain
Labor Practices Grievance Mechanisms					
LA	16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Our People	Material	within and outside our operations as it relates to our supply chain
Human Rights					
Investment					
HR	1	Total number & percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Compliance	Material	outside our operations as it relates to our supply chain
HR	2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Our People	Material	within our operations, except franchisees
Non-discrimination					
HR	3	Total number of incidents of discrimination and corrective actions taken	Our People	Material	within our operations, except franchisees
Freedom of Association and Collective Bargaining					

HR	4	Operations & suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Our People	Material	within and outside our operations as it relates to our supply chain
Child Labor					
HR	5	Operations & suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Compliance	Material	within and outside our operations as it relates to our supply chain
Forced or Compulsory Labor					
HR	6	Operations & suppliers identified as having significant risk for incidents of forces or compulsory labor, and measures taken to contribute to the elimination of all forms or forced or compulsory labor	Compliance	Material	within and outside our operations as it relates to our supply chain
Security Practices					
HR	7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Compliance, Our People	Material	within and outside our operations as it relates to our suppliers
Indigenous Rights					
HR	8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		Immaterial	

Assessment					
HR	9	Total number & percentage of operations that have been subject to human rights reviews or impact assessments	Compliance	Material	within our operations
Supplier Human Rights Assessment					
HR	10	Percentage of new suppliers that were screened using human rights criteria	Compliance	Material	outside our operations as it relates to our supply chain
HR	11	Significant actual & potential negative human rights impacts in the supply chain and actions taken	Compliance	Material	within and outside our operations as it relates to our supply chain
Human Rights Grievance Mechanisms					
HR	12	Number of grievances about human rights impacts files, addressed, and resolved through formal grievance mechanisms	Compliance	Material	within and outside our operations as it relates to our supply chain
Society					
Local Communities					
SO	1	Percentage of operations with implemented local community engagement, impact assessment, and development programs	Social Section	Material	Inside and outside our operations in the countries where we operate
SO	2	Operations with significant actual or potential negative impacts on local communities		Immaterial	

Anti-Corruption					
SO	3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Compliance	Material	within our entire operations
SO	4	Communications and training on anti-corruption policies and procedures	Compliance, Governance, Our People	Material	within our entire operations
SO	5	Confirmed incidents of corruption and actions taken	Compliance	Material	within our entire operations
Public Policy					
SO	6	Total value of political contributions by country and recipient/ beneficiary	Governance	Material	within our entire operations
Anti-competitive Behavior					
SO	7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Compliance	Material	within our entire operations
Compliance					
SO	8	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with laws and regulations	Compliance	Material	within our entire operations
Supplier Assessment for Impacts on Society					
SO	9	Percentage of new suppliers that were screened using criteria for impacts on society	Compliance	Material	outside our operations related to our supply chain
SO	10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Compliance	Material	outside our operations related to our supply chain

Grievance Mechanisms for Impacts on Society					
SO	11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Compliance	Material	within and outside our operations as it relates to our supply chain
Product Responsibility					
Customer Health and Safety					
PR	1	Percentage of significant product and service categories for which health & safety impacts are assessed for improvement		Immaterial	
PR	2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		Immaterial	
Product and Service Labeling					
PR	3	Type of product & service information required by the organization's procedures for product and services information and labelling, and percentage of significant product and service categories subject to such information requirements		Immaterial	

PR	4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes		Immaterial	
PR	5	Results of surveys measuring customer satisfaction	Our Customers	Material	within our entire operations and outside as it relates to our customers
Marketing Communications					
PR	6	Sale of banned or disputed products	Compliance	Material	within our entire operations and outside as it relates to the international and national laws and regulations
PR	7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Compliance	Material	outside our organization as it relates to international and national laws and regulations
Customer Privacy					
PR	8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Compliance, Our Customers,	Material	within our organization and outside as it relates to our customers
Compliance					
PR	9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance, Our Customers,	Material	within our organization and outside as it relates to our customers and international and national laws and regulations

Appendix

	Age	16-25		26-40		41+	
	Gender	Female	Male	Female	Male	Female	Male
	Operations	13	154	24	365	7	27
	CRM	30	20	58	39	5	4
Breakdown of new hires by region, gender, age and team							
Africa	HR	0	2	8	5	0	0
	Acc & Fin	2	6	16	25	1	2
	Admin & Mang	4	4	13	18	3	3
	IT	0	6	1	5	0	0
Europe & North America	Operations	7	25	15	29	5	16
	CRM	3	5	6	4	1	5
	HR	1	0	1	0	0	0
	Acc & Fin	0	4	6	1	0	0
	Admin & Mang	1	0	2	3	1	0
	IT	0	1	1	2	0	1
Far east, Asia & Indian Subcontinent	Operations	4	51	2	70	0	15
	CRM	14	18	32	47	1	6
	HR	3	0	4	3	0	2
	Acc & Fin	4	10	10	16	1	1
	Admin & Mang	0	4	1	2	1	1
	IT	0	1	0	3	0	0
GCC & Levant	Operations	23	393	21	585	0	62
	CRM	112	120	64	124	5	5
	HR	6	3	3	6	1	1
	Acc & Fin	9	30	6	39	0	2
	Admin & Mang	5	17	10	31	0	6
	IT	7	11	1	3	0	0

(G4-LA1)

Appendix

Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

Country	USD / Month	Ratio
Jordan		
Minimum wage	268.89	
Entry Level		
Female	353.81	1.39
Male	254.74	1
5-Years' Experience		
Female	566.09	1.03
Male	551.94	1
UAE		
Minimum wage	Not Specified	
Entry Level		
Female	1361.29	1
Male	1361.29	1
5-Years' Experience		
Female	2014.7	1.17
Male	1715.22	1
SA		
Minimum wage	338.633	
Entry Level		
Female	450.55	1
Male	450.55	1
5-Years' Experience		
Female	765.4	1
Male	765.4	1
India		
Minimum wage	99.37	
Entry Level		
Female	296.44	1
Male	296.44	1
5-Years' Experience		
Female	435.01	1
Male	435.01	1

(G4-LA13) (G4-EN23)

Appendix

Egypt		
Minimum wage	172.38	
Entry Level		
Female	172.19	1
Male	172.19	1
5-Years' Experience		
Female	240.35	
Male	240.35	

Material use for 2014

Material	Unit	
Paper	109638	Recyclable
Pouches	45547530	degradable
AWB	12101	Recyclable
Boxes	27979	Recycled/ Recyclable/ Reusable
Envelope	7303	Recycled/ Recyclable
Flyers	28056	Recycled/ Recyclable
Labels	4102	N/A
Stickers	10291	N/A
Tape	2437	N/A
Bag Seals	4693	N/A
TOTAL	45647061	

Waste recycled

Paper (kg)	Plastic (kg)	aluminum/ metal cans (kg)	Cardboard (kg)	Aramex Packaging material (kg)	Aramex Envelopes (kg)	Electronics (kg)	Wood (kg)	Other (general trash) (kg)
44836.45	359.65	385.1	20278.75	141.85	128.5	125.25001	9925	9484.25

(G4-EN1)(G4-EN2)

UN Global Compact Index

Principle	Location
Human Rights	
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2	29,90-92
Labor	
3	26,90-92
4	90-92
5	90-92
6	90-92
Environment	
7	61-68
8	61-68
9	61-68
Anti-Corruption	
10	90-92

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SERVICE

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Strategy and Analysis			
G4-1	CEO Letter,4		No
G4-2	CEO Letter, Strategic Direction,4, 18		No
Organizational Profile			
G4-3	CEO Letter, Overview,4, 7		Yes 115
G4-4	Overview,7		Yes 115
G4-5	Overview,7		Yes 115
G4-6	Overview,7,16		Yes 115
G4-7	Overview, Governance,7,86		Yes 115
G4-8	Overview,7		No
G4-9	Overview, CEO Letter,Our people,4,7,22		Yes 115
G4-10	Our People, Appendix,22		Yes 115
G4-11	Our People,Materiality Table,22		No
G4-12	Overview,15		No
G4-13	There have been no significant operational or organizational changes in 2013		No
G4-14	Governance,93,94		No
G4-15	Memberships and Associations, Sustainability, 49,82,There have been no changes		No
G4-16	Memberships and Associations, Sustainability ,82		No
Identified Material Aspects and Boundaries			
G4-17	8,Financials, Does not include new acquisitions in Australia and South Africa as they are still not integrated in our systems and were acquired in the end of the year		No
G4-18	Reporting Process, Materiality Table, Stakeholder Engagement ,103,114		No
G4-19	Reporting Process, Materiality Table, Stakeholder Engagement,Aspects, materiality and boundaries are located in the reporting process,103,114		Yes
G4-20	Reporting Process, Materiality Table, Stakeholder Engagement,103,114		No
G4-21	Reporting Process, Materiality Table, Stakeholder Engagement,103,114		No
G4-22	103		No
G4-23	103		Yes 115
Stakeholder Engagement			
G4-24	Stakeholder Engagement,93		Yes 115
G4-25	Stakeholder Engagement,93		Yes 115
G4-26	Stakeholder Engagement,93		Yes 115
G4-27	Stakeholder Engagement93		No
Report Profile			
G4-28	2013		Yes 115

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G4-29	2012		Yes 115
G4-30	Annual		Yes 115
G4-31	Raji.Hattar@aramex.com		Yes 115
G4-32	Comprehensive		Yes 115
G4-33	116,Assurance Letter,The sustainability report is a tool used not only to inform our stakeholders, but also as a tool for us to monitor our operations, it is important for us to have external assurance on our material KPI's. It has been our policy to seek third-party assurance for KPI's that are related to/ and occur within our direct operations. The CSO is highly involved in the process of seeking third party assurance for the report		Yes 115
Governance			
G4-34	Governance,86		Yes 115
G4-35	Governance,91,92		No
G4-36	Governance,91,92,Chief Sustainability Officer		Yes 115
G4-37	Governance,92		No
G4-38	Governance,86		Yes 115
G4-39	Governance,86,The Chair of the highest governance body is non-executive		No
G4-40	Governance,87		No
G4-41	Governance,87		Yes 115
G4-42	Governance,91		Yes
G4-43	Governance,91,92		No
G4-44	Governance,91,92		No
G4-45	Governance,91,92		No
G4-46	Governance,91,92		No
G4-47	Governance,91,92		No
G4-48	Governance,91		Yes 115
G4-49	Governance,95		No
G4-50	Governance,95		No
G4-51		Confidentiality constraints due to which we will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.	No
G4-52		Confidentiality constraints due to which we will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.	No
G4-53		Confidentiality constraints due to which we will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.	No
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G4-55		Confidentiality constraints due to which we will not be able to declare our executive committee remuneration analysis since it is not a business norm in the markets where we operate.	No
Ethics and Integrity			
G4-56	Compliance,99		Yes 115
G4-57	Compliance,102		No
G4-58	Compliance,102		No

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Specific Standard Disclosures				
Material Aspects	DMA and Indicators	Page Number	Omissions	External Assurance
Economic				
Economic Performance				
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement		No
	G4-EC1	Financials, CEO Latter, Our People 4,24MaterialWithin our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholdersOur direct economic value generated is an important performance indicator for our operations and our stakeholders as it signifies our economic sustainability and potential for growth		No
	G4-EC2	Environment,24,72Materialwithin our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate Climate change poses ubiquitous risks and threats, especially given our type of industry-transportation, which is responsible for 14% of global emissions, therefore, we must be forward looking in our strategies related to climate change risks and mitigation, this is particularly important in terms of financial implications of climate change. It is important for our stakeholders as well, to know what approach we are taking related to climate change and its implications on our operations and our surroundings		No
	G4-EC3	Financials, Our People,24Material within our entire operations Direct impact on our business, stakeholders, especially employees		No
	G4-EC4	Governance,95,Material within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate Aramex has a strict policy against receiving and giving any government assistance. It is important for our stakeholders to ensure that our company is not affiliated with any political or governmental system		No
Market Presence				
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement		No
	G4-EC5	Our People,23,Material,within our entire operations and outside the organization as it related to our stakeholders, the governments and policies of the countries where we operate At aramex, employee morale, satisfaction and retention is very important, since employees are an integral part of our success and the quality of our services. We aim to offer competitive wages to our employees are equal and often exceeding the local minimum wage to our entry level employees. Our wages are important to our employees as well as other stakeholders as they are indicative of our impact on the community.		No
	G4-EC6	Our People,23Material within our entire operationsWe aim to employee members of the local communities that we operate in, it is important to us that we have a healthy percentage of senior management hired from the local community, since they have an understanding of the local market. Moreover, this is important for our stakeholders because it indicates our investment in the capacity of the communities we are in,		Yes 115
Indirect Economic Impacts				
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement		No
	G4-EC7	123,Materiality Table, we are a light asset based company, we do not have significant investments related to infrastructure		No
	G4-EC8	Overview,49,Material within our entire operations and outside as it relates to the communities that we work in Impacts our stakeholders and helps in the development of the communities we are operating in		No
Procurement Practices				
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement		No
	G4-EC9	7,119Overview, Index, Materiality Table ,Material within our entire operations and outside of as it relates to our suppliers in the countries where we operate in Impacts our stakeholders and helps in the development of the communities we are operating in The majority of our spending is on local suppliers, in fact, for 2014, on average, 85% of our spending was on local suppliers		Yes 115

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Environmental			
Materials			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN1	138 Environment,Appendex ,Material Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services In our operations, our pouches are used for 99% of our shipments, therefore, they make up a large proportion of the materials we use. Other materials include envelopes, labels, AWBs, canvas and bag tags. The amount of materials we use in our operations is important due to the environmental impacts of these materials, especially since they are mainly made of plastics or paper.explain why materials used (pouches) are material to Aramex	No
	G4-EN2	138 Environment,Appendex, MaterialWithin our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services Given that most of the materials we use in our operations are sourced from plastics (non-renewable) and paper, both have environmental impacts, it is important that we work to recycle these materials in order to reduce our environmental impacts. explain why materials used (pouches) are material to Aramex	No
Energy			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN3	"73,119,Environment,Materiality Table,Material,Within our entire operations, except our franchisees Our energy consumption is important to our operations since it has an impact on our environmental and carbon footprint and it also is an important factor it monitor and manage in order to reduce our operational costOur total energy consumption inside the organization is 33742640 kw and 15860838 liters of fuel	Yes 115
	G4-EN4	Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions Given that we rely on third party suppliers, the energy consumed outside our organization is unavailable, however, using the GHG protocol, we account for the impact of the energy use outside our organization through our scope 3 emissions	No
	G4-EN5	Environment, 74,75,76MaterialWithin our entire operations, except our franchisees This is an important measure of our energy footprint, since the energy intensity per shipment is a strong indicator of how this footprint relates to the context and growth of our operations. Energy intensity gives our stakeholders a better understanding of how our energy consumption is related to our operations.	No
	G4-EN6	Environment, 75,76MaterialWithin our entire operations, except our franchisees The amounts of reductions in our energy consumption is an important measure of our environmental and efficiency initiatives	Yes 115
	G4-EN7	we report on our overall energy and emissions trends and consumption	No
Water			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN8	73,119,Environment,Materiality Table,Material Within our entire operations, except our franchisees Our use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to measure our consumption	No
	G4-EN9	Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	No
	G4-EN10	73,119,Environment,Materilaity Table,Appendex X,Material,Within our entire operations, except our franchisees, outside as it relates to the municipalities and companies that provide us with services related to water re-use and recycleOur use of water is restricted to municipal use, however, given that water is important and exceedingly scarce, we make sure to reuse and recycle our water where possible.	No
Biodiversity			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN11	we ensure not to lease or own land adjacent to protected of high biodiversity areas	No

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	G4-EN12	We are a service oriented company, therefore, we do not manufacture products, the pouches we use for our services are degradable	No
	G4-EN13	We were not involved in any habitat protection or restoration activities	No
	G4-EN14	Since we ensure that we ensure that our operations are not in areas with protected or endangered species	No
Emissions			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN15	Environment, 73MaterialWithin our entire operations, except our franchisees Due to environmental impacts	Yes 115
	G4-EN16	Environment, 73MaterialWithin our entire operations, except our franchisees, outside as it relates to electricity providers Due to environmental impacts	Yes
	G4-EN17	Environment, 73MaterialInside our operations as it relates to our business relates travel. Outside our operations as it relates to our suppliers, our employees commutingDue to environmental impactsOur number of employees grew by 2%, therefore, our commuting footprint grew by the same,	
	G4-EN18	Environment, 73Materialwithin our entire operations, except our franchisees, outside as it relates to our scope 3 emissionsDue to environmental impacts	No
	G4-EN19	Environment, 73Materialwithin our entire operations, except our franchiseesDue to environmental impacts	No
	G4-EN20	Environment We do not emit any ODS	No
	G4-EN21	Environment, 73 Materiality TableMaterialwithin our entire operations, except our franchiseesNox and Sox have negative environmental and health impacts, given that they are a by-product of the burning of fossil fuels, it is important to measure and report on the amount our operations produce. Our efforts to reduce our GHG emissions are also aimed at reducing our SOX and NOX emissions are 21714ton,	Yes 115
Effluents and Waste			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN22	Our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	No
	G4-EN23	73,119 Environment,Materiality Table,Material Within our entire operations and outside as it relates to the suppliers of our materials and the companies and municipalities that provide us with waste management and recycling services Due to environmental impacts	No
	G4-EN24	We do not handle any hazardous or toxic substances, nor have had any significant spills in any of our warehouses and operations	No
	G4-EN25	We do not handle any hazardous or toxic substances, nor have had any significant spills in any of our warehouses and operations	No
	G4-EN26	All our water is discharged through municipal sewage systems	No

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Products and Services			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN27	Environment, 74,75,76Material within our entire operations, and outside as it relates to the environment and our stakeholdersThis is important to our operations and to our stakeholders	No
	G4-EN28	We do not sell any products, our pouches which make up 99% of our packaging material are degradable	No
Compliance			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN29	Environment,57,77,78,79MaterialWithin our entire operationsThis is important to our operations and to our stakeholderswe didn't receive any monetary fines or sanctions for non-compliance with environmental laws and regulations	No
Transport			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN30	Environment,73Material within our entire operations and outside as it relates to our suppliersThis is important to our operations and to our stakeholders	Yes 115
Overall			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN31	Environment, 72Material within our entire operations, except franchiseesThis is important to our operations and to our stakeholders	No
Supplier Environmental Assessment			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-EN32	Compliance, Environment73,101Materialoutside our operations as it relates to our supply chain This is important to our operations and to our stakeholders	No
	G4-EN33	Compliance, Environment73,101Materialoutside our operations as it relates to our supply chain This is important to our operations and to our stakeholders	No
Environmental Grievance Mechanisms			
	G4-DMA	113 Reporting Process, Stakeholder Engagement	No
	G4-EN34	Environment,73,Material within and outside our operations as it relates to our supply chain This is important to our operations and to our stakeholders	No
Social			
Labor Practices and Decent work Employment			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	
	G4-LA1	Our People, 22Material within our entire operations, except franchiseesDirect impact on our business, stakeholders, especially employeesWe are currently deploying our new automated HR system and added 12 entities to this system we are currently working on adding the rest, until this is completed, we are unable to report on our employee turnover	Yes 115
	G4-LA2	Our throughout 2013, we did not have any part-time employees	No
	G4-LA3	Our People , 24Material within our entire operations, except franchiseesWe aim to provide a comfortable and unique working environment for our employees, and we invest in them and their capacity, which is why employee retention is important to us. Moreover, in aramex we seek to provide flexibility for our female employees after their maternity leave to encourage their return to work	Yes 115

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Labor/Management Relations			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA4	Our People, index,27Material within our entire operations, except franchiseesDirect impact on our business, stakeholders, especially employeesWhile we do not prevent any collective bargaining agreements, we currently do not have any collective bargaining agreements. Moreover, whenever we have any operational changes, we meet with related stakeholders to set a plan for the roll out of these changes	No
Occupational Health and Safety			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA5	Our People , 27Materialwithin our entire operations, except franchiseesthe high level of representation of our employees in formal health and safety committees is important some it allows for better decision making in incident prevention mechanisms. We seek to have a safe and healthily environment for our employees. This is important for our stakeholders and the sustainability of our operations.	No
	G4-LA6	Our People , 35Materialwithin our entire operations, except franchiseesDirect impact on our business, stakeholders, especially employees	Yes 115
	G4-LA7	In our operations, we employ strict health and safety measures, our employees do not handle any hazardous or toxic substances and are not exposed to any disease risk factors while on the job.	No
	G4-LA8	We currently do not have any formal agreements with trade unions	No
Training and Education			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA9	Our People, 29Materialwithin our entire operations, except franchiseesEmployee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments	Yes 115
	G4-LA10	Our People,29Materialwithin our entire operations, except franchiseesEmployee training is extremely important for our operations, we are actively engaging our employees and building their capacity, in order to improve our business processes and quality of services. Moreover, investing in our employees capacity promotes employee retention and more productive working environments	No
	G4-LA11	Our People,29Material within our entire operations, except franchiseesDirect impact on our business, stakeholders, especially employees100% of our employees receive annual performance reviews as per our HR policies	No
Diversity and Equal Opportunity			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA12	Our People, 22,23Materialwithin our entire operations, except franchiseesAramex is a global operation, diversity is vital to the success of our operations, it ensures that the different regions we operate in are represented in our workforce. Diversity is an important aspect of our sustainability and integration into the communities that we work in	No
Equal Remuneration for Women and Men			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA13	Our People,23,24, Appendix Materialwithin our entire operations, except franchiseesDirect impact on our business, stakeholders, especially employees	No

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Supplier Assessment for Labor Practices			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-LA14	Compliance, index, 101Material outside our operations as it relates to our supply chain Labor rights are important to us, we strive to ensure that all our employees and workforce have their rights as per country and international laws and regulations. To that end, we began screening our suppliers, so that we align our supply chain to our principles and standards	Yes 115
	G4-LA15	Compliance, Index , 101Materialwithin and outside our operations as it relates to our supply chain It is important to act on any violations we find while evaluating our supply chain for labor rights, in 2013, our screening did not raise any red flags related to labor practice violations	No
Labor Practices Grievance Mechanisms			
	G4-LA16	Our People,25 , 30Material within and outside our operations as it relates to our supply chain We make an effort to ensure that we safe keep the labor rights of all our workforce, therefore, we ensure to have a clear labor rights policy along with a whistleblowing system to report any concerns or grievances, whether related to our operations or those of our suppliers, in order to remediate the issues immediately	No
Human Rights			
Investment			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR1	Compliance, 101Material outside our operations as it relates to our supply chain human rights are vital to us, we strive to uphold human rights in all our operations, therefore, we evaluate our suppliers compliance with international laws and conventions related to human rights to ensure there are no violations in our supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent	No
	G4-HR2	Our People, 100Material within our operations, except franchiseesIn order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations	Yes 115
Non-discrimination			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR3	Our People, 30Material within our operations, except franchiseesWe aim to provide a comfortable working environment for our employees, therefore, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.	No
Freedom of Association and Collective Bargaining			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR4	Our People, index, 27Material within and outside our operations as it relates to our supply chain It is important for our stakeholders that aramex does not employ any policies that prevent our employees or suppliers the right to join in collective bargaining agreements, as we maintain the freedom for our suppliers and employees to join in countries that allow for this. Formal agreements and collective bargaining can protect employees and safeguard their rights	No
Child Labor			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR5	Compliance, 101Materialwithin and outside our operations as it relates to our supply chain Direct impact on our business and stakeholders	No
Forced or Compulsory Labor			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR6	Compliance, 101Materialwithin and outside our operations as it relates to our supply chain Direct impact on our business and stakeholders	No

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Security Practices			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR7	Our People 30,101Material within and outside our operations as it relates to our suppliers In order to ensure human rights are upheld, we make sure to communicate with our employees on the importance of their importance and how they relate to our code of conduct. We make sure to keep our employees informed in order to avoid any violations, this includes our security staff as they are an important aspect of our operations and are constantly on-site, therefore, they have a high potential to prevent and report any violations	No
Indigenous Rights			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR8	We do not own or lease land in areas with indigenous populations or that have indigenous rights	No
Assessment			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR9	Compliance , 101Materialwithin our operationshuman rights are vital to us, we strive to uphold human rights in all our operations, therefore, we assess our operations compliance with international laws and conventions related to human rights to ensure there are no violations in our operations of supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why this is important for us to keep track of and prevent	No
Supplier Human Rights Assessment			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR10	Compliance, 101Materialoutside our operations as it relates to our supply chain Direct impact on our business and stakeholders	No
	G4-HR11	Compliance, 101Materialwithin and outside our operations as it relates to our supply chainDirect impact on our business and stakeholders	No
Human Rights Grievance Mechanisms			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-HR12	Compliance, 101Materialwithin and outside our operations as it relates to our supply chainGiven that we place high value on Human Rights, we ensure that our stakeholders are aware of the channels available to report any discrimination cases in order for us to investigate and remediate them.	No
Society			
Local Communities			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO1	Sustainability ,49MaterialInside and outside our operations in the countries where we operate Aramex strives to leave a positive impact in all areas we operate, we believe it is vital to engage with local communities and empower them. Our social and sustainability initiatives impacts the community's well being and enhances our relationships with our stakeholders	Yes 115
	G4-SO2	Given the nature of our operations, since we do not operate any factories or manufacturing facilities that pose health risks, nor do we mine or extract resources, we ensure that our operations do not pose any negative social impacts and have mechanisms in place to report any issues or concerns.	No
Anti-Corruption			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO3	Compliance,100Materialwithin our entire operationsCorruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex's compliance and internal audit functions are dedicated towards the reduction of risks related to corruption	No
	G4-SO4	Compliance,100Materialwithin our entire operationsCorruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas where we operate, which is why aramex's compliance and internal audit functions are dedicated towards the reduction of risks related to corruption and ensure that our employees are trained and aware of our code of conduct and anti-corruption policies	No

	G4-SO5	Compliance,100Materialwithin our entire operationsGiven the importance of keeping our operations corruption free- we have formal channels to report any cases, and a comprehensive procedure to take investigate and take action against perpetrators	No
Public Policy			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO6	Governance, 95Material within our entire operationsWe have strict policy against giving political contributions to governments, as we do not affiliate our selves with any political or governmental system	No
Anti-competitive Behavior			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO7	Compliance, Governance ,94Material within our entire operationsDirect impact on our business and stakeholdersIn 2013, we did not have any legal actions for anti-competitive behavior, anti-trust, and monopoly practices filed against us	No
Compliance			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO8	Compliance,103Materialwithin our entire operationsDirect impact on our business and stakeholdersIn 2013, we didn't receive any fines or non-monetary sanctions for non-compliance with laws and regulations, since we did not face any issues of non-compliance	No
Supplier Assessment for Impacts on Society			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO9	Compliance,101Materialoutside our operations related to our supply chainIt is in line with our values and sustainability to ensure that our supply chain does not bear negative social impacts, therefore, we began evaluating our supplier on matters related to our code of conduct, which include social issues such as human, labor and child rights	No
	G4-SO10	Compliance,101Materialoutside our operations related to our supply chainDirect impact on our business and stakeholders	No
Grievance Mechanisms for Impacts on Society			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-SO11	Compliance,101Materialwithin and outside our operations as it relates to our supply chainDirect impact on our business and stakeholders	No
Product Responsibility			
Customer Health and Safety			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-PR1	We do not produce any products or services that require health and safety impact assessment	No
	G4-PR2	We do not produce any products or services that require health and safety impact assessment	No
Product and Service Labeling			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-PR3	We do not produce any products or services that require specific labeling	No
	G4-PR4	We do not produce any products or services that require specific labeling	No
	G4-PR5	Our Customers,46Materialwithin our entire operations and outside as it relates to our customersCustomer satisfaction is important to aramex, therefore, measuring customer satisfaction through these surveys allows us to know more about our services and identify any gaps or needs for improvement in order to maintain positive long term relationships with our customers	No

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Marketing Communications			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-PR6	Compliance , 101Material within our entire operations and outside as it relates to the international and national laws and regulationsWe have strict policies against the sale or transportation of banned or disputed product and we have controls to ensure shipment contents	No
	G4-PR7	Compliance,101Material outside our organization as it relates to international and national laws and regulations Direct impact on our business and stakeholders	No
Customer Privacy			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-PR8	Compliance, Our Customers,37,101Materialwithin our organization and outside as it relates to our customersDirectly impacts our customers and our businessIn 2013 we did not have any cases	No
Compliance			
	G4-DMA	104,119 Reporting Process, Stakeholder Engagement	No
	G4-PR9	Compliance, Our Customers,37,101Materialwithin our organization and outside as it relates to our customers and international and national laws and regulationsDirect impact on our business and stakeholders	No

Acronyms

ABANA	Arab Banks of North America	HR	Human Resources
ADSG	Abu Dhabi Sustainability Group IST Istanbul	IST	Istanbul
AED	United Arab Emirate Dirham IUCN International Union for Conservation of Nature	IUCN	International Union for Conservation of Nature
AFED	Arab Forum for Environment and Development JEBA Jordan European Business Association	JEBA	Jordan European Business Association
AMCHAM	The American Chamber of Commerce in Jordan JED Jeddah	JED	Jeddah
ASLG	Arab Sustainability Leadership Group KG Kilograms	KG	Kilograms
AMM	Amman	KPI	Key Performance Indicator
AUH	Abu Dhabi KRT Khartoum	KRT	Khartoum
BAH	Bahrain	KWI	Kuwait
BEY	Beirut LBG London Benchmarking Group	LBG	London Benchmarking Group
BOM	Bombay	LEV	Low Emission Vehicles
C-TPAT	Customs Trade Partnership Against Terrorism LPG Liquid Petroleum Gas	LPG	Liquid Petroleum Gas
CAI	Cairo	MCAA	Messenger Courier Association of America
CAS	Casablanca	MCT	Muscat
CEO	Chief Executive Office	MKYEF	Mousab Khourma Youth Empowerment Fund
CH4	Methane	N/A	Not Applicable
CMB	Colombo	NGO	Non-Governmental Organization
CMT	Customer Management Team	NOx	Nitro Oxide
CO2	Carbon Dioxide	PJSC	Public Joint Stock Company
CTS	Click to Ship	PZEV	Partial zero-emissions vehicle
DAM	Damascus	RUH	Riyadh
DFT	Department for Transport	SMS (TEXT)	Short Message Service
DHA	Dhahran	SO2	Sulfur Dioxide
DOH	Doha	SSN	Shipment Status Notification
DQMS	Data Quality Management System	SULEV	Super Ultra Low Emission Vehicles
DXB	Dubai	TAPA	Transported Asset Protection Association
EDI	Electronic Document Interchange	THR	Tehran
EINVOICE	Electronic Invoice	TIP	Tripoli
EMS	Electronic Management System	TSA	Transportation Security Administration
EPOD	Electronic Proof of Delivery	UAE	United Arab Emirates
GCC	Gulf Cooperation Council	UK	United Kingdom
GDA	Global Distribution Alliance	ULEV	Ultra Low Emission Vehicles
GHG	Greenhouse Gases	UN	United Nations
GPS	Global Positioning System	UNICEF	United Nations Children's Fund
GRI	Global Reporting Initiative	US	United States
GSO	Global Support Office	USD	United States Dollars
H&S	Health and Safety	VP	Vice President
HKG	Hong Kong	YEA	Young Entrepreneurs Association
HQ	Headquarter		

GLOSSARY

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

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

G3 Reporting Guidelines: is a framework for reporting on an organization's economic, environmental, and social performance. Global Distribution Alliance (GDA): is a partnership of more than 40 leading logistics and transportation companies. With operations throughout the world, the GDA is strategically positioned to provide swift and reliable global transportation solutions. Each member of the alliance provides extensive coverage and expertise in each region of the world.

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

ISO14000: is a set of international environmental management standards that brings world- wide focus to the environment, encouraging a cleaner, safer, healthier world for us all. As part of the ISO standards, ISO14000 exists to help organizations minimize how their operations negatively affect the environment (cause adverse changes to air, water, or land), and comply with applicable laws, regulations, and other environmentallyoriented 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 2014

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC

Report on the Consolidated 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 2014, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Articles of Association of the Company and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2014, 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, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Group or on its financial position.

Signed by
Ashraf Abu- Sharkh
Partner
Registration No. 690
For Ernst and Young

3 March 2015
Dubai, United Arab Emirates

Financials

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 AED'000	2013 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	530,616	541,577
Goodwill	5	1,087,646	973,629
Other intangible assets	6	32,839	23,912
Investments in joint ventures and associates	9, 10	47,548	49,718
Deferred tax assets	11	3,365	2,382
Other non-current assets		6,801	6,801
		1,708,815	1,598,019
Current assets			
Accounts receivable, net	12	686,677	603,901
Other current assets	13	191,766	126,930
Bank balances and cash	14	619,991	656,972
		1,498,434	1,387,803
TOTAL ASSETS		**3,207,249**	**2,985,822**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1,464,100	1,464,100
Statutory reserve	16	170,632	145,254
Foreign currency translation reserve	16	(151,421)	(90,579)
Reserve arising from acquisition of non-controlling interests	16	(28,268)	(15,763)
Cash-flow hedge reserve	17	2,056	10
Retained earnings	18	708,001	586,953
Equity attributable to equity holders of the Parent		**2,165,100**	**2,089,975**
Non-controlling interests		24,476	36,870
Total equity		**2,189,576**	**2,126,845**
Non-current liabilities			
Interest-bearing loans and borrowings	19	97,286	128,095
Employees' end of service benefits	20	117,717	103,066
Employees' benefit liability	24	8,336	-
Deferred tax liabilities	11	2,093	1,425
		225,432	232,586
Current liabilities			
Accounts payable	21	178,587	163,159
Bank overdrafts	22	12,922	-
Interest-bearing loans and borrowings	19	53,939	49,302
Other current liabilities	23	546,793	413,930
		792,241	626,391
Total liabilities		**1,017,673**	**858,977**
TOTAL EQUITY AND LIABILITIES		**3,207,249**	**2,985,822**

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 3 March 2015.

Abdullah Al Mazrui	**Hussein Hachem**	**Bashar Obeid**
(Chairman)	(Chief Executive Officer)	(Chief Financial Officer)

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

		2014	2013
Continuing operations	Notes	AED'000	AED'000
Rendering of services	25	3,649,502	3,320,742
Cost of services	26	(1,646,771)	(1,521,764)
Gross profit		2,002,731	1,798,978
Share of results of joint ventures and associates	9, 10	(3,656)	(4,974)
Selling and marketing expenses		(180,125)	(152,497)
Administrative expenses	27	(704,147)	(633,803)
Operating expenses	28	(735,950)	(663,353)
Other income	29	4,338	5,868
Operating profit		383,191	350,219
Finance income		7,675	6,281
Finance expense		(7,065)	(8,469)
Profit before tax from continuing operations		383,801	348,031
Income tax expense	11	(36,760)	(32,098)
Profit for the year from continuing operations		347,041	315,933
Discontinued operations			
Loss after tax for the year from discontinued operations	8	(85)	(805)
Profit for the year		346,956	315,128
Attributable to:			
Equity holders of the Parent			
Profit for the year from continuing operations		318,483	278,826
Loss for the year from discontinued operations		(85)	(868)
		318,398	277,958
Non-controlling interests			
Profit for the year from continuing operations		28,558	37,107
Profit for the year from discontinued operations		-	63
		28,558	37,170
		346,956	315,128
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share	31	AED 0.217	AED 0.190

The attached notes from 1 to 37 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	2014 AED'000	2013 AED'000
Profit for the year		346,956	315,128
Other comprehensive income to net of tax			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(61,330)	(56,371)
Foreign currency gain from disposal of a subsidiary		242	-
Gain on cash flow hedge	17	736	1,460
Cash flow hedge expense recycled to consolidated income statement	17	1,310	1,510
Net other comprehensive income to be reclassified to Profit or loss in subsequent periods		(59,042)	(53,401)
Other comprehensive loss for the year, net of tax		(59,042)	(53,401)
Total comprehensive income for the year		287,914	261,727
Attributable to:			
Equity holders of the Parent		259,602	224,992
Non-controlling interests		28,312	36,735
		287,914	261,727

The attached notes from 1 to 37 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to equity holders of the Parent								
	Share capital	Statutory reserve	Foreign currency translation reserve	Reserve arising from acquisition of non-controlling interests	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
For the year ended 31 December 2014									
At 1 January 2014	1,464,100	145,254	(90,579)	(15,763)	10	586,953	2,089,975	36,870	2,126,845
Total comprehensive income for the year	-	-	(60,842)	-	2,046	318,398	259,602	28,312	287,914
Directors fees paid (note 18)	-	-	-	-	-	(3,600)	(3,600)	-	(3,600)
Dividends of subsidiaries	-	-	-	-	-	-	-	(40,063)	(40,063)
Non-controlling interests	-	-	-	-	-	-	-	1,102	1,102
Acquisition of non-controlling interests (note 3)	-	-	-	(12,505)	-	-	(12,505)	(1,745)	(14,250)
Dividends paid to shareholders (note 18)	-	-	-	-	-	(168,372)	(168,372)	-	(168,372)
Transfer to statutory reserve	-	25,378	-	-	-	(25,378)	-	-	-
At 31 December 2014	1,464,100	170,632	(151,421)	(28,268)	2,056	708,001	2,165,100	24,476	2,189,576
For the year ended 31 December 2013									
At 1 January 2013	1,464,100	121,886	(34,643)	(16,011)	(2,960)	481,271	2,013,643	32,428	2,046,071
Total comprehensive income for the year	-	-	(55,936)	-	2,970	277,958	224,992	36,735	261,727
Directors fees paid (note 18)	-	-	-	-	-	(2,250)	(2,250)	-	(2,250)
Dividends of subsidiaries	-	-	-	-	-	-	-	(33,167)	(33,167)
Non-controlling interests	-	-	-	-	-	-	-	874	874
Dividends paid to shareholders (note 18)	-	-	-	-	-	(146,410)	(146,410)	-	(146,410)
Transfer to statutory reserve	-	23,368	-	-	-	(23,368)	-	-	-
Disposal of a subsidiary	-	-	-	248	-	(248)	-	-	-
At 31 December 2013	1,464,100	145,254	(90,579)	(15,763)	10	586,953	2,089,975	36,870	2,126,845

The attached notes from 1 to 37 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Notes	2014 AED'000	2013 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		383,801	348,031
Loss before tax from discontinued operations	8	(85)	(771)
Profit before tax		383,716	347,260
Adjustment for:			
Depreciation of property, plant and equipment	4	77,926	77,248
Amortisation of other intangible assets	6	3,573	3,339
Provision for employees' end of service benefits	20	24,365	22,685
Provision for doubtful accounts, net	12	10,252	7,559
Net finance (income) expense		(610)	2,188
Share based payment expense	24	8,336	-
Share of results of joint ventures and associates		3,656	4,974
Loss (gain) on disposal of property, plant and equipment		1,501	(277)
Loss on disposal of the discontinued operations	8	85	-
Write off of property , plant and equipment	4	26,473	-
Working capital adjustments:			
Accounts receivable		(77,412)	(31,047)
Accounts payable		2,535	8,866
Other current assets		(63,676)	7,123
Other current liabilities		102,643	30,401
Cash from operations		503,363	480,319
Employees' end of service benefits paid	20	(9,641)	(10,012)
Income tax paid		(34,710)	(25,633)
Net cash flows from operating activities		459,012	444,674
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(106,382)	(67,001)
Proceeds from sale of property, plant and equipment		3,253	3,068
Interest received		7,675	6,281
Proceeds from sale of a subsidiary, net of cash	8	225	460
Other non-current assets		-	28
Acquisition of non-controlling interests	3	(14,250)	-
Margin deposits		(445)	1,309
Investments in joint ventures and associates		(2,708)	(4,042)
Acquisition of subsidiaries, net of cash acquired	3	(137,802)	-
Net cash flows used in investing activities		(250,434)	(59,897)

The attached notes from 1 to 37 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the year ended 31 December 2014

	Notes	2014 AED'000	2013 AED'000
FINANCING ACTIVITIES			
Interest paid		(7,065)	(8,469)
Proceeds from loans and borrowings		6,825	149,326
Repayment of loans and borrowings		(34,234)	-
Dividends paid to non-controlling interests		(40,063)	(33,167)
Non-controlling interests		1,102	874
Directors' fees paid		(3,600)	(2,250)
Dividends paid to shareholders		(168,372)	(146,410)
Net cash flows used in financing activities		(245,407)	(40,096)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(36,829)	(344,681)
Net foreign exchange difference		(13,519)	(8,744)
Cash and cash equivalents at 1 January	14	645,444	309,507
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	595,096	645,444

The attached notes from 1 to 37 form part of these consolidated financial statements

1 CORPORATE INFORMATION

Aramex PJSC (the "Parent Company") is a Public Joint Stock Company registered in the Emirate of Dubai, United Arab Emirates on 15 February 2005 under UAE Federal Law No 8 of 1984 (as amended). The consolidated financial statements of the Company as at 31 December 2014 comprise the Parent Company and its subsidiaries (collectively referred to as the "Group" and individually as "Group entities").

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The Principal activities of the Group are to invest in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company's registered office is, Business Center Towers, 2302A, Media City (TECOM), Sheikh Zayed Road, Dubai, United Arab Emirates.

The consolidated financial statements were authorised for issue by the Board of Directors on 3 March 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Law No. 8 of 1984 (as amended).

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

The consolidated financial statements have been prepared under a historical cost basis, except for derivative financial instruments and employees' benefit plan that have been measured at fair value.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.2 Basis of consolidation (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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective as of 1 January 2014:

The nature and the impact of each new standard and amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not novated its derivatives during the current or prior periods.

IFRIC 21 Levies
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment,

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.3 Changes in accounting policies and disclosures (continued)

as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Group.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Group, since the Group is an existing IFRS preparer.

2.4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.4 Standards issued but not yet effective (continued)

application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.4 Standards issued but not yet effective (continued)

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.4 Standards issued but not yet effective (continued)

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.4 Standards issued but not yet effective (continued)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.4 Standards issued but not yet effective (continued)

any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

2.5 Significant accounting judgments, estimates and assumptions

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

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Capital management — Note 35
- Financial risk management and policies — Note 35
- Sensitivity analyses and disclosures — Note 35

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in note 37. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.6 Summary of significant accounting policies

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.5 Significant accounting judgments, estimates and assumptions (continued)

Property, plant and equipment

Construction in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and 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 depreciates them separately based on their specific useful lives. 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 profit or loss as incurred.

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

• Leasehold improvements	over 4-7 years
• Buildings	over 8-50 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic 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 when the asset is derecognised.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment 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 interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred 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, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for 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 interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

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

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

Fair value measurement
The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value related disclosures for financial instruments and that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Note 36
- Quantitative disclosures of fair value measurement hierarchy Note 36

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

period and the amortisation method for an intangible asset with a finite useful life are 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 are considered to modify 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 as the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives which are between 3 to 15 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated income statement when the asset is de-recognized.

Investments in associates and joint ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated income statement reflects the Group's share of the results of operations of the

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated income statement.

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

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

Impairment of non-financial assets
Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 37
- Goodwill Note 5

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

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 of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. 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 companies 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 CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Cash and short-term deposits
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management, and cash margin.

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

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

Transactions and balances

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition.

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

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss).

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

Any goodwill arising on the acquisition of a foreign operation 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 spot rate of exchange at the reporting date.

Loans and borrowings and other financial liabilities
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss 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 amortisation is included in finance costs in the consolidated income statement.

Other financial liabilities including deferred consideration on acquisition of subsidiaries are measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated income statement.

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.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' end of service benefits

The provision for employees' end of service benefits, disclosed as a long-term liability, is calculated

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

in accordance with IAS19 for Group's entities where their respective labour laws require providing indemnity payments upon termination of relationship with their employees.

Share-based payments
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Cash-settled transactions
The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 24. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense (note 24).

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.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which the employees' service relates.

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

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

The specific recognition criteria described below must also be met before revenue is recognised.

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

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

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

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

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

Interest income

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. 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.

Taxes

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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Management periodically evaluates position taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Sales tax
Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Derivative financial instruments and hedge accounting

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

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when hedge item affects profit or loss.

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

For the purpose of hedge accounting, the Group's interest rate swaps are classified as cash flow hedges, as the Group is hedging the exposure to variability in cash flows that is either attributable to a particular

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

risk associated with a recognized asset or liability or a highly probable forecast transaction.

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

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

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income.

The Group uses interest rate swap contracts as hedges of its exposure to interest rate risk. The ineffective portion relating to interest rate swap contracts is recognized in finance cost.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial expense is recognized.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the interest rate firm commitment is met .

Current versus non-current classification
The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Impairment and uncollectability of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 2

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred '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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)
2.6 Summary of significant accounting policies (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs
- Classified as held for sale or distribution or already disposed in such a way, or
- A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

3 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

Business combination

2014

Acquisition of Mail Call Couriers PTY Limited (Australia)

On 1 June 2014, the Group acquired 100% of the voting shares of Mail Call Couriers Pty Limited, an unlisted Company based in Australia and specializing in domestic business. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Mail Call Couriers Pty Limited, as at the date of acquisition were:

	Fair value recognised on acquisition AED'000	Carrying value AED'000
Assets		
Property, plant and equipment	1,949	1,949
Trade and other receivables	11,049	11,049
Bank balances and cash	2,988	2,988
Intangible assets	9,307	-
	25,293	15,986
Liabilities		
Trade and other payables	(7,697)	(7,697)
Employees end of service benefits	(614)	(614)
	(8,311)	(8,311)
Total identifiable net assets at fair value	16,982	7,675
Goodwill arising on acquisition*	96,663	
Purchase consideration	113,645	
Purchase consideration		AED'000
Cash paid		82,651
Contingent consideration liability		30,994
Total consideration		113,645

3 BUSINESS COMBINATION AND ACQUISITION OF NON–CONTROLLING INTERESTS (continued)

Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	2,988
Cash paid	(82,651)
Net cash outflow on acquisition (included in cash flows used in investing activities in the statement of cash flows)	(79,663)

* The goodwill of AED 97 million comprises the value of the expected synergies arising from the acquisition goodwill and is allocated entirely to the domestic segment.

Contingent Consideration

As part of the purchase agreement with the previous owner of Mail Call Couriers Pty, a contingent consideration has been agreed where there will be additional cash payment to the previous owner. At the acquisition date, the fair value of the contingent consideration was estimated to be AED 31 million, which has been reduced to AED 27 million as of Dec, 31 2014.

From the date of acquisition, the acquired company has contributed AED 58.2 million of revenue and AED 8.7 million to the net profit before tax from continuing operations of the Group. If the acquisition had taken place at the beginning of the year, group's revenue from continuing operations would have been AED 3,689 million and the profit from continuing operation before non-controlling interest for the year would have been AED 350.3 million.

Transaction costs of AED 5,642 thousand have been expensed and included in administrative expenses in the statement of income and part of operating cash flows in the statement of cash flows.

3 BUSINESS COMBINATION AND ACQUISITION OF NON–CONTROLLING INTERESTS (continued)

Business combination (continued)

Acquisition of Post Net PTY Limited (South Africa)

On 11 December 2014, the Group acquired 100% of the voting shares of Post Net PTY Limited, an unlisted Company based in South Africa and specializing in domestic business among other services. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Post Net Pty Limited, as at the date of acquisition were:

	Provisional fair value recognised on acquisition AED'000	Carrying value AED'000
Assets		
Property, plant and equipment	3,114	3,114
Trade and other receivables	5,231	5,231
Bank balances and cash	2,633	2,633
Intangible assets (provisional)*	3,193	-
	14,171	10,978
Liabilities		
Trade and other payables	(5,480)	(5,480)
Interest bearing loan	(1,238)	(1,238)
	(6,718)	(6,718)
Total identifiable net assets at fair value	7,453	4,260
Goodwill arising on acquisition (provisional)**	53,319	
Purchase consideration transferred	60,772	
		AED'000
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiaries		2,633
Cash paid		(60,772)
Net cash outflow on acquisition (included in cash flows used in investing activities in the statement of cash flows)		(58,139)

* Additional information is required to determine fair value of intangible assets at the acquisition date. The intangible assets may be subsequently adjusted with a corresponding adjustment to goodwill prior to 11 December 2015 (one year after the transaction)

** The goodwill of AED 53 million comprises the value of the expected synergies arising from the acquisition goodwill is allocated entirely to the domestic segment.

3 BUSINESS COMBINATION AND ACQUISITION OF NON–CONTROLLING INTERESTS (continued)

From the date of acquisition, the acquired company has contributed AED 0.8 million of revenue and AED 0.2 million to the net profit before tax from continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 3,663 million and the profit from continuing operation before non-controlling interest for the year would have been AED 350.2 million.

Transaction costs of AED 260 thousand have been expensed and included in administrative expenses in the statement of income and part of operating cash flows in the statement of cash flows.

Acquisition of non-controlling interests

Aramex (Malaysia) SDN.BHD

On 1 January 2014, the Group acquired an additional 29% interest in the voting shares of Aramex (Malaysia) SDN. BHD, increasing its ownership interest to 80%. Cash consideration of AED 10.6 million was paid to the non-controlling shareholders. The carrying value of the net assets of Aramex (Malaysia) SDN. BHD at the acquisition date was AED 7 million, and the carrying value of the additional interest acquired was AED 2 million.

Following is a schedule of additional interest acquired in Aramex Malaysia:

	AED'000
Cash consideration paid to non-controlling shareholders	10,577
Carrying value of the additional interest in Aramex (Malaysia) SDN.BHD	(2,038)
Difference recognized as a reserve from acquisition of non-controlling interests	8,539

3 BUSINESS COMBINATION AND ACQUISITION OF NON–CONTROLLING INTERESTS (continued)

Ramallah Modern International Express Transport Co. Limited

On 1 September 2014, the Group acquired an additional 10% interest in the voting shares of Ramallah Modern International Express Transport Co. Limited, increasing its ownership interest to 70%. Cash consideration of AED 3.7 million was paid to the non-controlling shareholders. The carrying value of the net assets of Ramallah Modern International Express Transport Co. Limited at the acquisition date was AED 2.9 million, and the carrying value of the additional interest acquired was a liability of AED 0.3 million.

Following is a schedule of additional interest acquired in Aramex Ramallah:

	AED'000
Cash consideration paid to non-controlling shareholders	3,673
Carrying value of the additional interest in Aramex Ramallah Modern International Express Transport Co. Limited	293
Difference recognized as a reserve from acquisition of non-controlling interests	3,966

4 PROPERTY, PLANT AND EQUIPMENT

2014 -	Land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Warehousing racks AED'000	Office equipment AED'000	Computers AED'000	Vehicles AED'000	Capital work in progress AED'000	Total AED'000
Cost:										
At 1 January 2014	41,426	65,045	328,443	29,765	65,865	96,020	110,604	103,231	-	840,399
Acquisitions of subsidiaries	-	175	2,251	208	-	2,706	3,897	717	-	9,954
Additions	-	12,242	1,358	4,585	7,833	13,663	19,877	30,013	16,811	106,382
Transfers	-	195	(59)	(198)	17	(1,034)	1,026	53	-	-
Disposals	-	(1,892)	-	(1,689)	(71)	(4,075)	(6,463)	(12,792)	-	(26,982)
Assets written off*	-	(65)	(30,604)	(128)	(10,687)	(1,460)	(61)	-	-	(43,005)
Exchange differences	(3,420)	(2,574)	(6,020)	(774)	(1,111)	(1,897)	(2,283)	(3,657)	-	(21,736)
At 31 December 2014	38,006	73,126	295,369	31,769	61,846	103,923	126,597	117,565	16,811	865,012
Depreciation:										
At 1 January 2014	-	35,776	44,315	15,553	20,927	49,577	72,368	60,306	-	298,822
Acquisitions of subsidiaries	-	58	86	113	-	1,916	2,351	367	-	4,891
Charge for the year	-	8,601	12,756	3,272	4,225	11,169	15,844	22,059	-	77,926
Transfers	-	66	(4)	(172)	6	(653)	710	47	-	-
Disposals	-	(1,408)	-	(1,111)	(64)	(2,465)	(5,802)	(11,378)	-	(22,228)
Assets written off*	-	(14)	(10,672)	(88)	(4,587)	(1,123)	(48)	-	-	(16,532)
Exchange differences	-	(1,508)	(525)	(467)	(469)	(1,174)	(1,789)	(2,551)	-	(8,483)
At 31 December 2014	-	41,571	45,956	17,100	20,038	57,247	83,634	68,850	-	334,396
Net carrying amount:										
At 31 December 2014	38,006	31,555	249,413	14,669	41,808	46,676	42,963	48,715	16,811	530,616

Property, plant and equipment include vehicles with a net book value of AED 21.79 million (2013: AED 15.63 million) have been obtained under finance leases (note 19).

* During August 2014, a warehouse of the Group's subsidiary (Infofort Dubai) was destroyed by fire. The total net book value of impaired assets resulting from the fire incident amounted to approximately AED 26.4 million, the impaired assets were written off, while the Group was reimbursed AED 41.5 million by the insurance Company, of which an amount of AED 12.2 million was booked as a provision for expected future claims and maintenance. The remaining amount of AED 29.3 million was booked as other income.

4 PROPERTY, PLANT AND EQUIPMENT (continued)

2013 -	Land AED'000	Leasehold improvements AED'000	Buildings AED'000	Furniture and fixtures AED'000	Warehousing racks AED'000	Office equipment AED'000	Computers AED'000	Vehicles AED'000	Total AED'000
Cost:									
At 1 January 2013	43,330	59,327	333,940	28,599	64,030	94,525	108,778	102,903	835,432
Additions	-	8,526	2,974	3,983	3,816	8,862	14,586	24,254	67,001
Transfers	-	(51)	-	79	(11)	(196)	270	(91)	-
Disposals	-	(1,739)	(2,237)	(1,872)	(582)	(4,321)	(9,697)	(18,158)	(38,606)
Exchange differences	(1,904)	(1,018)	(6,234)	(1,024)	(1,388)	(2,850)	(3,333)	(5,677)	(23,428)
At 31 December 2013	41,426	65,045	328,443	29,765	65,865	96,020	110,604	103,231	840,399
Depreciation:									
At 1 January 2013	-	29,881	33,350	14,522	17,306	43,280	68,754	58,463	265,556
Charge for the year	-	7,978	13,262	3,447	4,197	11,524	14,789	22,051	77,248
Transfers	-	(30)	-	36	(10)	(166)	216	(46)	-
Disposals	-	(1,617)	(2,237)	(1,691)	(377)	(3,974)	(9,251)	(16,668)	(35,815)
Exchange differences	-	(436)	(60)	(761)	(189)	(1,087)	(2,140)	(3,494)	(8,167)
At 31 December 2013	-	35,776	44,315	15,553	20,927	49,577	72,368	60,306	298,822
Net carrying amount:									
At 31 December 2013	41,426	29,269	284,128	14,212	44,938	46,443	38,236	42,925	541,577

5 GOODWILL

	2014 AED'000	2013 AED'000
At 1 January	**973,629**	999,152
Acquisition of subsidiaries (Note 3)	**149,982**	-
Exchange differences	**(35,965)**	(25,523)
At 31 December	**1,087,646**	973,629

The Group performed its annual impairment test on 31 December 2014 and 2013. The Group considers the relationship between its market capitalization and its book value among other factors, when reviewing for indicators of impairment. As at 31 December 2014, the market capitalization of the Group was above its equity. The recoverable amounts of the cash generating units have been determined using cash flow projections from financial budgets approved by senior management covering a five year period.

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

	2014 AED'000	2013 AED'000
Express shipping	**288,651**	297,253
Freight forwarding	**178,547**	183,868
Domestic shipping	**421,728**	291,398
Logistics	**80,145**	82,535
Documents storage	**109,388**	109,388
Publication and distribution	**9,187**	9,187
	1,087,646	973,629

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions
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.

5 GOODWILL (continued)

Discount rates - Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) for the industry which is 12% (2013: 12%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates – Growth rate used of 3% (2013: 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.

6 OTHER INTANGIBLE ASSETS

	2014 **AED'000**	2013 AED'000
Cost:		
At 1 January	**37,200**	36,855
Acquisition of subsidiaries (Note 3)	**12,500**	-
Adjustments	**-**	345
At 31 December	**49,700**	37,200
Amortisation:		
At 1 January	**(13,288)**	(9,949)
Amortisation during the year	**(3,573)**	(3,339)
At 31 December	**(16,861)**	(13,288)
Net carrying amount at 31 December 2014	**32,839**	23,912

7 MATERIAL PARTLY – OWNED SUBSIDIARIES

The Group has one subsidiary in the Middle East with material non-controlling interests.

Financial information of the subsidiary that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

	2014	2013
	%	%
	50%	50%
	2014	2013
	AED'000	AED'000
Accumulated balances of material non-controlling interest:	**26,029**	32,379
Profit allocated to material non-controlling interest:	**29,146**	33,897

7 MATERIAL PARTLY – OWNED SUBSIDIARIES (continued)

The summarised financial information of this subsidiary are provided below. This information is based on amounts before intra-group eliminations.

Summarised income statements for 2014 and 2013:

	2014 AED'000	2013 AED'000
Revenue	**592,293**	535,253
Cost of sales	**(292,382)**	(266,952)
Administrative, selling and operating expenses	**(231,557)**	(190,816)
Other expenses	**(7,878)**	(6,942)
Profit before tax	**60,476**	70,543
Income tax	**(2,185)**	(2,749)
Profit for the year	**58,291**	67,794
Total comprehensive income	58,291	67,794
Attributable to non-controlling interests	**29,146**	33,897
Dividends paid to non-controlling interests	**37,095**	29,517

Summarised statements of financial position as at 31 December 2014 and 2013:

	2014 AED'000	2013 AED'000
Cash and bank balances	**53,661**	46,802
Property, plant and equipment	**47,003**	38,328
Other current assets	**151,225**	136,594
Trade and other payable (current)	**(142,666)**	(109,725)
Interest-bearing loans and borrowing and deferred tax	**(22,649)**	(16,185)
Liabilities (non-current)	**(34,516)**	(31,056)
Total Equity	52,058	64,758
Attributable to:		
Equity holders of parent	**26,029**	32,379
Non-controlling interests	**26,029**	32,379

7 MATERIAL PARTLY – OWNED SUBSIDIARIES (continued)

Summarised cash flow information for the year ended 31 December:

	2014 **AED'000**	2013 AED'000
Operating	**87,463**	84,919
Investing	**(9,611)**	(7,569)
Financing	**(70,992)**	(65,154)
Net increase in cash and cash equivalents	**6,860**	12,196

8 DISCONTINUED OPERATION

2014

Disposal of Aramex Cyprus Limited

On 2 January 2014, the Group disposed of 100% of its interest in Aramex Cyprus Limited for AED 538 thousand in cash and an amount of AED 583 thousand as a receivable. The cash flows generated by the sale of the discontinued operation during 2014 have been considered in the statement of cash flows as part of the investing activities.

The Aramex Cyprus Limited segment is no longer presented in the segment note.

The results of Aramex Cyprus Limited for the year are as follows:

	2014 AED'000 up to date of disposal	2013 AED'000
Revenue	-	4,096
Cost of services	-	(1,774)
Gross profit	-	2,322
Less: Overheads	-	(3,067)
Operating loss	-	(745)
Less: expenses	-	(246)
Loss after tax for the year from the discontinued operations	-	(991)
Loss on disposal of the discontinued operations	**(85)**	-
Total	**(85)**	**(991)**
Cash outflow on sale:		
Consideration received	**538**	
Cash included as cash and cash equivalents at 2 January 2014 in the statement of cash flows	**(313)**	
Net cash outflow	**225**	

8 DISCONTINUED OPERATION (continued)

The net cash flows incurred by Aramex Cyprus Limited are as follows:

	2014 AED'000	2013 AED'000
Operating	-	128
Investing	-	(74)
Net cash inflows	-	54

2013

Disposal of Aramex International GMBH (Germany)

On 30 April 2013, the Group disposed of 100% of its interest in Aramex International GMBH (Germany) for AED 931 thousand in cash and an amount of AED 80 thousand as a receivable. The cash flows generated by the sale of the discontinued operation during 2013 have been considered in the statement of cash flows as part of the investing activities.

The Aramex International GMBH segment is no longer presented in the segment note.

The results of Aramex International GMBH (Germany) for the period are as follows:

	2013 AED'000 up to date of disposal
Revenue	6,634
Cost of services	(5,204)
Gross profit	1,430
Less: Overheads	(1,442)
Operating loss	(12)
Other income	41
Profit for the period from the discontinued operation	29
Cash inflow on sale:	
Consideration received	931
Cash included as cash and cash equivalents at 30 April 2013 in the statement of cash flows	(351)
Net cash inflow	580

8 DISCONTINUED OPERATION (continued)

The net cash flows incurred by Aramex International GMBH (Germany) are as follows:

	2013 AED'000
Operating	299
Investing	-
Net cash inflow	299

8 DISCONTINUED OPERATION (continued)

Disposal of Fallouh Trade and Express Services (Syria)

On 31 July 2013, the Group disposed of 100% of its interest in Fallouh Trade and Express Services (Syria).

The Aramex International Damascus segment is no longer presented in the segment rate.

The results of Fallouh Trade and Express Services (Syria) for the period are as follows:

	2013 AED'000 up to date of disposal
Revenue	2,415
Cost of services	(1,023)
Gross profit	1,392
Less: Overheads	(1,664)
Operating loss	(272)
Other income	463
Profit before tax from the discontinued operation	191
Income tax expense	(34)
Profit after tax for the period from the discontinued operation	157
Cash outflow on sale:	
Consideration received	-
Cash included as cash and cash equivalents at 31 July 2013 in the statement of cash flows	(120)
Net cash outflow	(120)

The net cash flows incurred by Aramex International Damascus (Syria) are as follows:

	2013 AED'000
Operating	(1,428)
Investing	-
Net cash outflow	(1,428)

9 INVESTMENTS IN JOINT VENTURES

The details of the investments in joint ventures were as follows:

	Ownership percentage		Country of incorporation	Nature of activity	Book value	
	2014	2013			**2014**	2013
	%	%			**AED'000**	AED'000
Aramex Mashreq for Logistics Services S.A.E	**75%**	75%	Egypt	Logistics services	**43,206**	42,828
Aramex Sinotrans Co. LTD	**50%**	50%	China	Express, freight and logistics services	**2,828**	2,481
PT-Global Distribution Alliance	**50%**	50%	Indonesia	Express services	**1,379**	1,291
Aramex Logistics LLC	**50%**	50%	Oman	Logistics services	**-**	3,032
					47,413	49,632

9 INVESTMENTS IN JOINT VENTURES (continued)

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarized financial information of the joint ventures, based on its IFRS financial statements, are set out below:

	2014				
	Aramex Mashreq for Logistics Services	Aramex Sinotrans Co. LTD	PT- Global Distribution Alliance	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Non-current assets	74,320	561	169	40,234	115,284
Current assets*	17,714	18,453	4,459	2,824	43,450
Non-current liabilities	(17,848)	-	(421)	(40,856)	(59,125)
Current liabilities**	(16,578)	(13,358)	(1,448)	(2,202)	(33,586)
Equity	57,608	5,656	2,759	-	66,023
Proportion of the Group's ownership	75%	50%	50%	50%	
Carrying amount of the investment	43,206	2,828	1,379	-	47,413

* The current assets of Aramex Mashreq include cash at banks amounted to AED 2.8 million, accounts receivable amounted to AED 8.3 million and other current assets amounted to AED 6.6 million.

** The current liabilities of Aramex Mashreq include deferred tax liabilities amounted to AED 1.4 million, accruals amounted to AED 1.3 million, loans and borrowing amounted to AED 5.2 million, finance lease obligation amounted to AED 4.9 million and other current liabilities amounted to AED 3.8 million.

9 INVESTMENTS IN JOINT VENTURES (continued)

	2013				
	Aramex Mashreq for Logistics Services	Aramex Sinotrans Co. LTD	PT- Global Distribution Alliance	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Non-current assets	64,382	659	3,311	31	68,383
Current assets*	24,325	11,322	1,092	27,136	63,875
Non-current liabilities	(23,616)	-	(256)	(13,514)	(37,386)
Current liabilities**	(7,987)	(7,018)	(1,565)	(7,591)	(24,161)
Equity	57,104	4,963	2,582	6,062	70,711
Proportion of the Group's ownership	75%	50%	50%	50%	
Carrying amount of the investment	42,828	2,481	1,291	3,032	49,632

* The current assets of Aramex Mashreq include cash at banks amounted to AED 5.4 million, accounts receivable amounted to AED 6.9 million and other current assets amounted to AED 12 million.

** The current liabilities of Aramex Mashreq include deferred tax liabilities amounted to AED 0.9 million, accruals amounted to AED 0.8 million, finance lease obligation amounted to AED 1.2 million and other current liabilities amounted to AED 4.5 million.

9 INVESTMENTS IN JOINT VENTURES (continued)

Summarized statement of profit or loss of the joint ventures:

	2014				
	Aramex Mashreq for Logistics Services	Aramex Sinotrans Co. LTD	PT- Global Distribution Alliance	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	44,774	54,455	5,978	312	105,519
Cost of sale	(16,301)	(45,818)	(3,216)	(340)	(65,675)
Administrative expenses*	(24,663)	(12,340)	(2,634)	(6,036)	(45,673)
Profit (loss) before tax	3,810	(3,703)	128	(6,064)	(5,829)
Income tax expense	(1,687)	-	45	-	(1,642)
Profit (loss) for the year	2,123	(3,703)	173	(6,064)	(7,471)
Group's share of profit (loss) for the year	1,592	(1,851)	87	(3,032)	(3,204)

* The administrative expenses of Aramex Mashreq include depreciation expense amounted to AED 4.5 million.

The joint ventures have capital commitments of AED 0.6 million (2013: AED 7 million) towards construction of property, plant and equipment.

9 INVESTMENTS IN JOINT VENTURES (continued)

	2013				
	Aramex Mashreq for Logistics Services	Aramex Sinotrans Co. LTD	PT- Global Distribution Alliance	Aramex Logistics LLC	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	35,162	30,008	4,533	-	69,703
Cost of sale	(15,087)	(25,599)	(2,311)	-	(42,997)
Administrative expenses*	(19,322)	(10,970)	(2,945)	(1,602)	(34,839)
Profit (loss) before tax	753	(6,561)	(723)	(1,602)	(8,133)
Income tax expense	(355)	-	42	-	(313)
Profit (loss) for the year	398	(6,561)	(681)	(1,602)	(8,446)
Group's share of profit (loss) for the year	299	(3,281)	(341)	(801)	(4,124)

* The administrative expenses of Aramex Mashreq include depreciation expense amounted to AED 3.9 million.

10 INVESTMENTS IN ASSOCIATES

The Group has a 49% interest in Aramex Tunisia Limited and a 49% interest Aramex Thailand Co. Limited.

Aramex Tunisia Limited is involved in the business of freight forwarding while Aramex Thailand Co. Limited is involved in logistics and all transportation solutions.

Aramex Tunisia Limited and Aramex Thailand are private entities that are not listed in any public exchange.

The associates are accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the Group's investments in associates:

	2014		
	Aramex Tunisia	Aramex Thailand	Total
	AED'000	AED'000	AED'000
Non-current assets	1,558	449	2,007
Current assets	6,426	276	6,702
Non-current liabilities	(835)	(224)	(1,059)
Current liabilities	(8,940)	(225)	(9,165)
Equity	(1,791)	276	(1,515)
Proportion of the Group's ownership	49%	49%	
Group's share	(878)	135	(743)
Add: Embedded goodwill	878	-	878
Carrying amount of the investment	-	135	135

10 INVESTMENTS IN ASSOCIATES (continued)

	2013		
	Aramex Tunisie	Aramex Thailand	Total
	AED'000	AED'000	AED'000
Non-current assets	208	-	208
Current assets	2,081	-	2,081
Non-current liabilities	-	-	-
Current liabilities	(3,905)	-	(3,905)
Equity	(1,616)	-	(1,616)
Proportion of the Group's ownership	49%	-	
Group's share	(792)	-	(792)
Add: Embedded goodwill	878	-	878
Carrying amount of the investment	86	-	86

The associates have no contingent liabilities or capital commitments as at 31 December 2014 and 2013.

10 INVESTMENTS IN ASSOCIATES (continued)

	2014		
	Aramex Tunisie	**Aramex Thailand**	**Total**
	AED'000	**AED'000**	**AED'000**
Revenue	**17,342**	**234**	**17,576**
Cost of sale	**(14,007)**	**(111)**	**(14,118)**
Administrative expenses	**(5,401)**	**(866)**	**(6,267)**
Loss before tax	**(2,066)**	**(743)**	**(2,809)**
Income tax expense	**(33)**	**-**	**(33)**
Loss for the year	**(2,099)**	**(743)**	**(2,842)**
Group's share of loss for the year	**(88)**	**(364)**	**(452)**

	2013		
	Aramex Tunisie	Aramex Thailand	Total
	AED'000	AED'000	AED'000
Revenue	4,003	-	4,003
Cost of sale	(2,234)	-	(2,234)
Administrative expenses	(3,500)	-	(3,500)
Loss before tax	(1,731)	-	(1,731)
Income tax expense	(4)	-	(4)
Loss for the year	(1,735)	-	(1,735)
Group's share of loss for the year	(850)	-	(850)

11 INCOME TAX

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

Consolidated income statement

	2014	2013
	AED'000	AED'000
Current income tax expense	**35,925**	31,682
Deferred tax	**931**	553
Foreign exchange	**(96)**	(137)
Income tax expense reported in the consolidated income statement	**36,760**	32,098

Deferred tax relates to the following:

	2014	2013
	AED'000	AED'000
Provision for doubtful accounts	**1,210**	492
Depreciation	**(996)**	(134)
Employees' end of service benefits	**(1,011)**	(230)
Net operating losses carried forward	**11**	432
Capital allowance	**(410)**	(302)
Others	**2,468**	699
	1,272	957
Recognised as follows:		
As deferred tax assets	**3,365**	2,382
As deferred tax liabilities	**(2,093)**	(1,425)
	1,272	957

11 INCOME TAX (continued)

Reconciliation between accounting profit and taxable profit:

	2014	2013
	AED'000	AED'000
Accounting profit before income tax	**383,801**	348,031
Non-deductible expenses	**7,714**	49,082
Taxable profit	**391,515**	397,113
Income tax expense reported in the consolidated income statement	**36,760**	32,098
Income tax attributable to a discontinued operation	**-**	34
Effective income tax rate	**9.58%**	9.22%

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.

12 ACCOUNTS RECEIVABLE

	2014	2013
	AED'000	AED'000
Trade receivables	**739,460**	653,231
Less: allowance for doubtful accounts	**(52,783)**	(49,330)
	686,677	603,901

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

	2014	2013
	%	%
- Middle East and Africa	**76**	79
- Europe	**13**	13
- North America	**2**	1
- Asia and others	**9**	7

As at 31 December 2014, trade receivables at nominal value of AED 52,783 thousand (2013: AED 49,330 thousand) were impaired. Movements on allowance for impairment of receivables were as follows:

	2014	2013
	AED'000	AED'000
At 1 January	**49,330**	47,398
Charge for the year	**10,786**	8,288
Unused amounts reversed	**(534)**	(729)
Amounts written-off	**(6,799)**	(5,627)
At 31 December	**52,783**	49,330

12 ACCOUNTS RECEIVABLE (continued)

As at 31 December, the ageing analysis of trade receivables was as follows:

		Past due but not impaired				
	Total	0-60 days	61-90 days	91-180 days	181-365 days	More than 1 year
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
2014	**686,677**	**570,074**	**67,436**	**34,121**	**15,046**	**-**
2013	603,901	489,298	64,720	36,314	13,569	-

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

See Note 35 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

13 OTHER CURRENT ASSETS

	2014	2013
	AED'000	AED'000
Prepaid expenses	**48,494**	42,054
Advances and other receivables *	**143,272**	84,876
	191,766	126,930

* Advances and other receivables include an amount of AED 4 million (2013: AED 6 million) due from a related party in connection with employees participating in an incentive plan as at 31 December 2014 and 2013.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2014	2013
	AED'000	AED'000
Cash and short term deposits	**619,991**	656,972
Less: cash margin	**(11,973)**	(11,528)
Less: bank overdrafts (note 22)	**(12,922)**	-
	595,096	645,444

Included in cash and short term deposits are amounts totalling AED 272,114 thousand with an average interest rate of 1.4% (31 December 2013: AED 199,703 thousand with an average interest rate of 1.3%) held at foreign banks abroad.

15 SHARE CAPITAL

	2014	2013
	AED'000	AED'000
Authorised, issued and paid up 1,464,100,000 ordinary shares of AED 1 each (2013: 1,464,100,000 ordinary shares of AED 1 each)	**1,464,100**	1,464,100

16 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.

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.

17 HEDGING ACTIVITIES AND DERIVATIVES

During January 2012, the Group entered into a loan agreement with Arab Bank for an amount of USD 50 million. The loan bears interest at USD three month LIBOR plus 225 basis points per annum. The Group had drawn down the loan during January 2013. The purpose of the loan is to finance expected acquisition costs. The loan is repayable in 20 consecutive equal quarterly instalments of USD 2.5 million each, commencing after withdrawal of the full loan amount.

Derivative financial instruments - interest rate swaps

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

17 HEDGING ACTIVITIES AND DERIVATIVES (continued)

rate of interest on the same notional principal balance equals to USD three month LIBOR.

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

As of 31 December 2014, the cash flow hedges were assessed to be highly effective and an unrealized gain of AED 736 thousand (2013: AED 1,460 thousand) was included in other comprehensive income, while an expense of AED 1,310 thousand (2013:AED 1,510 thousand) was reclassified from other comprehensive income to the consolidated income statement and the corresponding negative fair value of the interest rate swap deal amounted to AED 764 thousand (2013: AED 1,500 thousand) was recorded as a liability in the consolidated statement of financial position.

18 RETAINED EARNINGS

Dividends

The General Assembly approved in its meeting held on 16 April 2014 a cash dividend for 2013 of 11.5% of the Company's share capital.

The General Assembly approved in its meeting held on 16 April 2013 a cash dividend for 2012 of 10% of the Company's share capital.

Directors' fees paid

Directors' fees of AED 3.6 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2013 were paid in 2014 (2013: AED 2.25 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2012 were paid in 2013).

19 LOANS AND BORROWINGS

	2014	2013
	AED'000	AED'000
Non-current		
Term loan*	86,812	120,679
Notes payable	86	83
Finance lease obligations (a)	10,388	7,333
	97,286	128,095
Current		
Term loan*	41,412	38,464
Notes payable	266	1,987
Finance lease obligations (a)	12,261	8,851
	53,939	49,302

* During January 2012, the Group entered into a loan agreement with Arab Bank for an amount of USD 50 million (AED 184 million). The loan bears interest at USD three month LIBOR plus 225 basis points per annum. The Group had drawn down the loan during January 2013. The purpose of the loan is to finance expected acquisitions. The loan is repayable in 20 consecutive equal quarterly instalments of USD 2.5 million (AED 9 million) each, the first instalment was due in April 2013.and the last instalment is due in January 2018.

19 LOANS AND BORROWINGS (continued)

(a) Finance lease obligation

Future minimum annual payments under all non-cancellable finance leases together with the present value of the net minimum lease payments are as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments
2014 -	AED'000	AED'000	AED'000
Within one year	**13,603**	**1,342**	**12,261**
After one year but not more than five years	**10,984**	**596**	**10,388**
Total	**24,587**	**1,938**	**22,649**
2013 -			
Within one year	9,907	1,056	8,851
After one year but not more than five years	7,694	361	7,333
Total	17,601	1,417	16,184

Finance lease obligations have maturities till 2017. Interest rate on finance lease obligations is 8%. (2013: 8%).

20 EMPLOYEES' END OF SERVICE BENEFITS

Movements on provision for employees' end of service benefits were as follows:

	2014	2013
	AED'000	AED'000
Provision as at 1 January	**103,066**	91,166
Provided during the year	**24,365**	22,685
Paid during the year	**(9,641)**	(10,012)
Acquisition of subsidiaries	**614**	-
Disposal of a subsidiary	**-**	(307)
Exchange differences	**(687)**	(466)
Provision as at 31 December	**117,717**	103,066
Actuarial gains and losses	**-**	-
Present value of the defined benefit obligations	**117,717**	103,066

21 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.

22 BANK OVERDRAFTS

The Group maintains overdrafts and lines of credit with various banks. Aramex International Limited (AIL) has provided a corporate guarantee of AED 1.8 million to Audi Bank in Lebanon to secure the bank facilities given for the Aramex subsidiary in Lebanon. The outstanding balance of the overdrafts and lines of credit amounted to AED Nil as of 31 December 2014 (2013: AED Nil).

South Africa (Berco Express Limited) has outstanding lines of credit from (ABSA – Member of the BARCLAYS Group) of AED 5,481 thousand as of 31 December 2014 (2013: AED Nil).

Aramex Kenya Limited has outstanding bank overdraft from Citi Bank of AED 3,370 thousand as at 31 December 2014 (2013: AED Nil).

Aramex Bahrain has outstanding overdrafts from Arab Bank of AED 4,071 thousand as at 31 December 2014 (2013: AED Nil).

23 OTHER CURRENT LIABILITIES

	2014	2013
	AED'000	AED'000
Accrued expenses	371,574	325,593
Deferred revenue	13,706	16,263
Sales tax and other taxes	29,371	17,074
Income taxes payable	30,741	28,375
Customers' deposits	42	6,274
Social security taxes payable	8,661	6,791
Contingent consideration	31,000	-
Others	61,698	13,560
	546,793	413,930

24 SHARE-BASED PAYMENT

In February 2014, 37,000,000 phantom shares were granted to senior executives under a long term incentive plan. The exercise price of the options of AED 3 was equal to the market price of the shares on the date of grant. The fair value at grant date was estimated using the binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is six years. The options will be settled in cash.

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The expense recognised for employee services received during the year is shown in the following table:

	2014	2013
	AED'000	AED'000
Expense arising from cash-settled share-based payment transactions	8,336	-

24 SHARE-BASED PAYMENT (continued)

There were no cancellations or modifications to the awards in 2014.

The following tables list the inputs to the models used for the plan for the year ended 31 December 2014:

	2014
	AED'000
Dividend yield (%) *	0
Expected volatility (%)	25
Risk–free interest rate (%)	2.9
Expected life (years)	6
Share price	3

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value of the options granted during the year was AED 0.93. The Group has recognized AED 8,336 thousand of share-based payment expense in the consolidated statement of income, and the corresponding amount was recorded as a non-current liability.

* The participants in the plan shall have no right to receive any dividend during the vesting period.

25 REVENUE

	2014	2013
	AED'000	AED'000
International express	**1,230,531**	1,054,126
Freight forwarding	**1,247,260**	1,233,524
Domestic express	**755,058**	644,929
Logistics	**197,976**	169,648
Publications and distribution	**9,547**	20,272
Others*	**209,130**	198,243
	3,649,502	3,320,742

* 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.

26 COST OF SERVICES

	2014	2013
	AED'000	AED'000
International express	**415,479**	346,863
Freight forwarding	**912,673**	904,312
Domestic express	**244,620**	197,885
Logistics	**41,187**	34,550
Publications and distribution	**6,095**	13,554
Others	**26,717**	24,600
	1,646,771	1,521,764

27 ADMINISTRATIVE EXPENSES

	2014	2013
	AED'000	AED'000
Salaries and benefits	**350,497**	309,801
Rent	**53,500**	49,069
Depreciation	**48,642**	49,459
Communication expenses	**31,094**	29,757
Repairs and maintenance	**16,602**	15,448
Allowance for impairment of receivables (note 12)	**10,252**	7,344
Printing and stationary	**7,980**	8,241
Entertainment	**7,735**	7,138
Vehicle running expenses	**4,304**	4,395
Insurance and security	**14,386**	12,320
Government fees and taxes	**35,598**	30,390
Corporate social responsibility	**6,253**	6,971
Sponsorship	**148**	154
Utilities	**11,605**	11,048
Travel expenses	**17,252**	15,586
Professional fees	**22,843**	18,861
Others	**65,456**	57,821
	704,147	633,803

28 OPERATING EXPENSES

	2014	2013
	AED'000	AED'000
Salaries and benefits	**487,359**	436,664
Vehicle running and maintenance	**84,403**	80,822
Supplies	**28,698**	24,837
Communication expenses	**7,133**	6,815
Depreciation	**29,284**	27,728
Rent	**57,037**	49,003
Others	**42,036**	37,484
	735,950	663,353

29 OTHER INCOME

	2014	2013
	AED'000	AED'000
Exchange gain	**1,334**	2,630
(Loss) gain on sale of property, plant and equipment	**(27,974)**	277
Miscellaneous income	**30,978**	2,961
	4,338	5,868

30 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**	
	Companies controlled by the directors	**2014**	2013
	AED'000	**AED'000**	AED'000
Rent expense	**1,389**	**1,389**	1,718

30 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel of the Group

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

	2014	2013
	AED'000	AED'000
Salaries and other short term benefits	11,105	9,280
End of service benefits	165	346
	11,270	9,626

Directors fees paid were disclosed in note (18)

Employees' share based payment
Senior executive of the Group were granted phantom shares as detailed in Note (24).

Significant subsidiaries of the Group include:
Aramex Jordan Ltd.
Aramex India Private Limited, India
Aramex International Egypt for Air and Local services (S.A.E), Egypt
Aramex Bahrain S.P.C
Aramex Emirates LLC, UAE
Aramex Ireland Limited
Aramex Nederland B.V.
Aramex South Africa PTY Ltd.

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.

30 RELATED PARTY TRANSACTIONS (continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. The outstanding balances as at 31 December 2014 and 2013, are included Notes 12 and 21:

	Sales to related parties	Cost from related parties	Amounts owed by related parties*	Amounts owed to related parties**	Long term loan granted to related parties***
	AED'000	AED'000	AED'000	AED'000	AED'000
Associates:					
2014	**562**	**36**	**318**	**1,555**	**-**
2013	71	-	-	722	-
Joint ventures in which the Parent is a venturer:					
2014	**269**	**11,568**	**4,050**	**6,745**	**6,751**
2013	244	4,572	2,054	1,407	6,751

* These amounts are classified as trade receivables and other current assets.

** These amounts are classified as trade payables.

*** This amount represents a long term loan granted to Aramex Logistics LLC (Oman) to build a warehouse. The loan is unsecured and interest free.

31 EARNINGS PER SHARE

	31 December 2014	31 December 2013
Profit attributable to shareholders of the Parent (AED'000)	318,398	277,958
Weighted average number of shares during the year (shares)	1,464 million	1,464 million
Basic and diluted earnings per share (AED)	0.217	0.190

32 OPERATING LEASES

Group 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 110.54 million for the year ended 31 December 2014 (2013: AED 98.3 million). The Group believes that most operating leases will be renewed at comparable rates to the expiring leases.

Future minimum rental payables under nun-cancellable operating lease as at 31 December are as follows:

	2014	2013
	AED'000	AED'000
Within one year	**122,768**	117,984
After one year but not more than five years	**356,448**	371,470
More than five years	**50,920**	34,956
	530,136	524,410

33 SEGMENTAL INFORMATION

For management purposes, the Group is organised into five operating segments:

- International express: includes delivery of small packages across the globe to both, retail and wholesale customers.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break bulk services.
- Domestic express: includes express delivery of small parcels and pick up and deliver shipments within the country.
- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value added services.
- Other operations: includes catalogue shipping services, document storage, airline ticketing and travel, visa services, and publication and distribution.

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.

33 SEGMENTAL INFORMATION (continued)

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 2014 and 2013, respectively.

	International express	Freight forwarding	Domestic express	Logistics	Others	Elimination	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Year ended 31 December 2014							
Revenue							
Third party	**1,230,531**	**1,247,260**	**755,058**	**197,976**	**218,677**	**-**	**3,649,502**
Inter-segment	**542,502**	**243,913**	**393**	**4,601**	**8,027**	**(799,436)**	**-**
Total revenues	**1,773,033**	**1,491,173**	**755,451**	**202,577**	**226,704**	**(799,436)**	**3,649,502**
Gross profit	**815,052**	**334,587**	**510,438**	**156,789**	**185,865**	**-**	**2,002,731**
Year ended 31 December 2013							
Revenue							
Third party	1,054,126	1,233,524	644,929	169,648	218,515	-	3,320,742
Inter-segment	467,271	265,380	690	4,134	5,970	(743,445)	-
Total revenues	1,521,397	1,498,904	645,619	173,782	224,485	(743,445)	3,320,742
Gross profit	707,262	329,212	447,044	135,098	180,362	-	1,798,978

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.

33 SEGMENTAL INFORMATION (continued)

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.

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

	2014	2013
	AED'000	AED'000
Revenues		
Middle East and Africa	**2,625,756**	2,476,561
Europe	**588,346**	526,394
North America	**66,999**	51,146
Asia and others	**368,401**	266,641
	3,649,502	3,320,742
Assets		
Middle East and Africa	**2,514,175**	2,504,112
Europe	**413,129**	353,071
North America	**30,615**	24,335
Asia and others	**249,330**	104,304
	3,207,249	2,985,822
Non- current assets*		
Middle East and Africa	**519,443**	523,084
Europe	**58,789**	70,257
North America	**5,323**	6,839
Asia and others	**27,448**	15,027
	611,003	615,207
Liabilities		
Middle East and Africa	**802,297**	697,880
Europe	**113,579**	107,297
North America	**14,758**	9,841
Asia and others	**87,039**	43,959
	1,017,673	858,977

33 SEGMENTAL INFORMATION (continued)

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

34 COMMITMENTS AND CONTINGENCIES

Guarantees

	2014	2013
	AED'000	AED'000
Letters of guarantee	**92,004**	74,856

Capital commitments

As at 31 December 2014, the Group has capital commitments of AED 16.8 million (2013: AED Nil) towards purchase/construction of property, plant and equipment.

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 20,260 thousand representing legal actions and claims related to its ordinary course of business (2013: AED 17,179 thousand). The management and their legal advisors believe that the provision recorded of 5,469 thousand as of 31 December 2014 is sufficient to meet the obligations that may arise from the lawsuits (2013: AED 7,546 thousand).

35 RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, bank overdrafts, notes payable and term loans).

To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

35 RISK MANAGEMENT (continued)
Interest rate risk (continued)

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 after the impact of hedge accounting, with all other variables held constant.

	Increase/ (decrease) in basis points	Effect on profit for the year
		AED'000
2014		
Variable rate instruments	**+100**	**2,256**
Variable rate instruments	**-100**	**(2,256)**
2013		
Variable rate instruments	+100	3,705
Variable rate instruments	-100	(3,705)

Credit risk

This is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions. 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.

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

35 RISK MANAGEMENT (continued)
Credit risk (continued)

large number of customers spread across different geographical segments. However, geographically 76 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.

At 31 December 2014 the Group had 5 customers (2013: 5 customers) that accounted for approximately 16% (2013: 16%) of all the receivables outstanding.

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.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or

35 RISK MANAGEMENT (continued)
Liquidity risk (continued)

activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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

Year ended 31 December 2014

	Less than 3 months	3 to 12 months	1-2 year	2-5 years	> 5 years	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Term loans	**13,670**	**30,722**	**40,841**	**49,795**	**668**	**135,696**
Notes payable	**92**	**192**	**88**	-	-	**372**
Finance lease obligations	**3,721**	**9,881**	**8,251**	**2,734**	-	**24,587**
Bank overdraft	**13,142**	-	-	-	-	**13,142**
Trade and other payables	**680,843**	-	-	-	-	**680,843**
	711,468	**40,795**	**49,180**	**52,529**	**668**	**854,640**

35 RISK MANAGEMENT (continued)

Liquidity risk (continued)

Year ended 31 December 2013

	Less than 3 months	3 to 12 months	1-2 year	2-5 years	> 5 years	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Term loans	11,087	31,269	40,345	87,713	-	170,414
Notes payable	705	1,422	139	41	-	2,307
Finance lease obligations	2,703	7,204	6,547	1,147	-	17,601
Trade and other payables	534,046	-	-	-	-	534,046
	548,541	39,895	47,031	88,901	-	724,368

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), South African Rand, Turkish Lira and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, ZAR, TYL 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.

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

35 RISK MANAGEMENT (continued)
Currency risk (continued)

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.

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
2014		
EUR	**+10**	**2,792**
INR	**+10**	**(581)**
GBP	**+10**	**(2,775)**
EGP	**+10**	**(2,253)**
TYL	**+10**	**229**
ZAR	**+10**	**(121)**
2013		
EUR	+10	(217)
INR	+10	(57)
GBP	+10	1,661
EGP	+10	282
TYL	+10	(519)
ZAR	+10	(38)

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

35 RISK MANAGEMENT (continued)

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 2014 and 31 December 2013. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interests and retained earnings, and is measured at AED 2,314,465 thousand as at 31 December 2014 (2013: AED 2,180,544 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 capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling 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.

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

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

The fair values of financial instruments are not materially different from their carrying values.

36 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The fair values of all instruments measured at fair value are determined using level 2 in the fair value hierarchy as per the following table:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2014:

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value:		AED'000	AED'000	AED'000	AED'000
Derivative financial liabilities					
Interest rate swap	**31 December 2014**	**764**	**-**	**764**	**-**

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2013:

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
		AED'000	AED'000	AED'000	AED'000
Liabilities for which fair value are disclosed:					
Derivative financial liabilities					
Interest rate swap	31 December 2013	1,500	-	1,500	-

37 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 739,460 thousand (2013: AED 653,231 thousand) and the provision for doubtful debts was AED 52,783 thousand (2013: AED 49,330 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated 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.

Fair value measurement of contingent consideration

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

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

37 KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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.

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.

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Feedback
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