ANNUAL REPORT 2015

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About Aramex

Aramex has rapidly grown into a global brand, recognized for its customized services and innovative products. Listed on the Dubai Financial Market (DFM) and based in the UAE, Aramex is centrally located at the crossroads between East and West, allowing us to provide effective customized logistics solutions anywhere in the world and reach more businesses and consumers – both regionally and globally.

We are committed to continually enhancing our operations across the region while pursuing opportunities for business growth in emerging markets abroad. This approach is core to the sustainability of our business and commitment to facilitating wider, global trade in an ever-changing world.

We have successfully introduced market leading express delivery and logistics services to the Middle East and other emerging economies. As a leading global provider of comprehensive logistics and transportation solutions, our breadth of services includes express courier; freight; logistics; supply chain management; e-Commerce and record management services.

Our unique, asset-light business model underpins all of the strategic decisions we make. It has proved highly successful, allowing Aramex to swiftly adapt to challenging market conditions, execute last-mile delivery solutions and respond quickly to changing customer preferences.

Innovation in technology is critical to maintaining our asset-light business model and leveraging the Aramex global network. Instead of investing heavily in infrastructure, we acquire or partner with domestic-focused logistics companies that have strong local networks, knowledge and transportation solutions already in place for efficient and effective last-mile delivery. This approach has proven to have significant benefits for both our business and customers and it is why we consider ourselves a technology enterprise - selling transportation and logistics solutions without being encumbered by heavy investments in assets. We also believe that investing in and sourcing new technologies in the field of e-Commerce, in particular, is key to a swifter, more efficient movement of goods and services globally and maintaining our market leading position.

We also recognize that to continue to grow a truly sustainable business we must serve and develop the markets and communities in which we operate. Our "Delivering Good" sustainability platform is active in over 180 educational, social and environmental projects worldwide and we have partnered with a number of international and local organizations devoted to similar causes. We are proud of the close ties we have with the communities where we operate and the contributions we have made to their sustainable economic development.

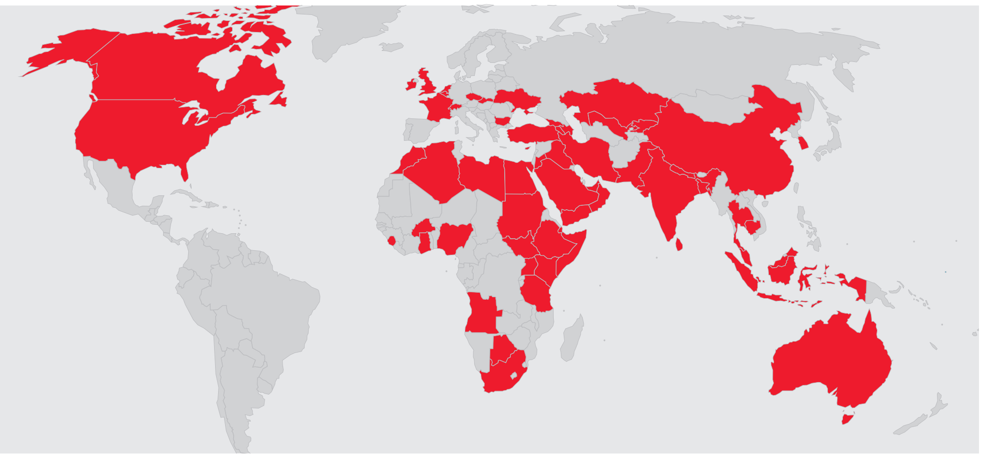
Our business initiatives are always informed by our larger vision of supporting greater trade in and between emerging markets. We believe our future growth will be based on thinking and acting differently, on embracing change as our customers and markets change. We live in an era where technology transforms and influences our daily lives more than ever before. Increasingly, consumers rely on digital connectivity, using it to enhance their lifestyles. This, in turn, presents opportunities for us to serve them better.

To that end, we are investing strategically to harness the power of technology in a variety of ways. This applies to everything, from innovation to investments, acquisitions and the systemic tapping of attractive markets. This is why services related to e-Commerce will also continue to be a key theme of our business expansion, supported by strategic investments in technology.

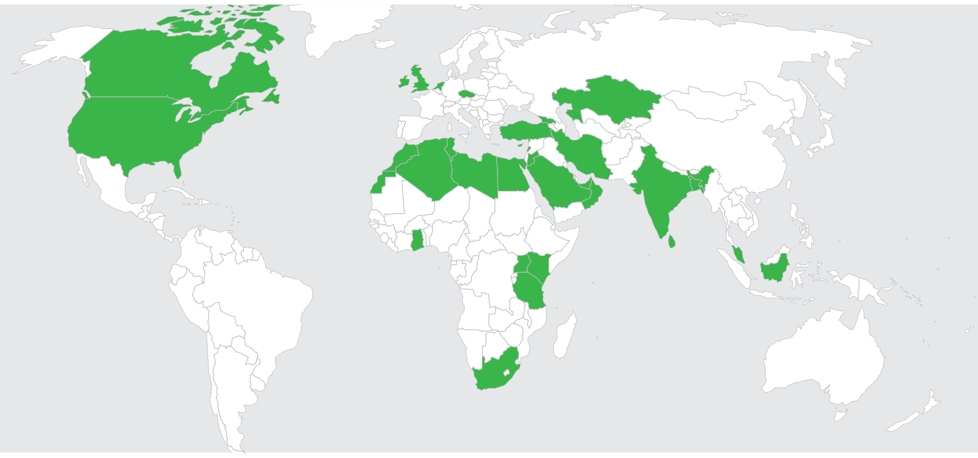
We have actively developed a culture where innovation can thrive. We will continue to invest in our people, technology and infrastructure, as well as implementing innovative solutions to satisfy our customers' evolving needs - while still delivering maximum value to our stakeholders and maintaining our partnerships with local communities.

(G4-3) (G4-4) (G4-5) (G4-6) (G4-7) (G4-8) (G4-9) (G4-12) (G4-EC7) (G4-EC8) (G4-EC9)

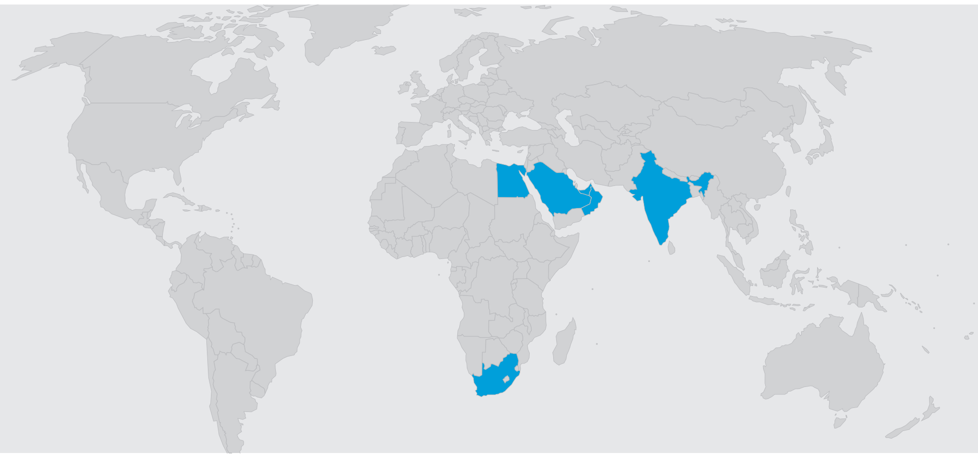
Aramex Locations



Sustainability Coverage



Significant Areas of Operation



Algeria
Azerbaijan
Bahrain
Bangladesh
Bulgaria
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Canada
China
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Cyprus
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Netherlands
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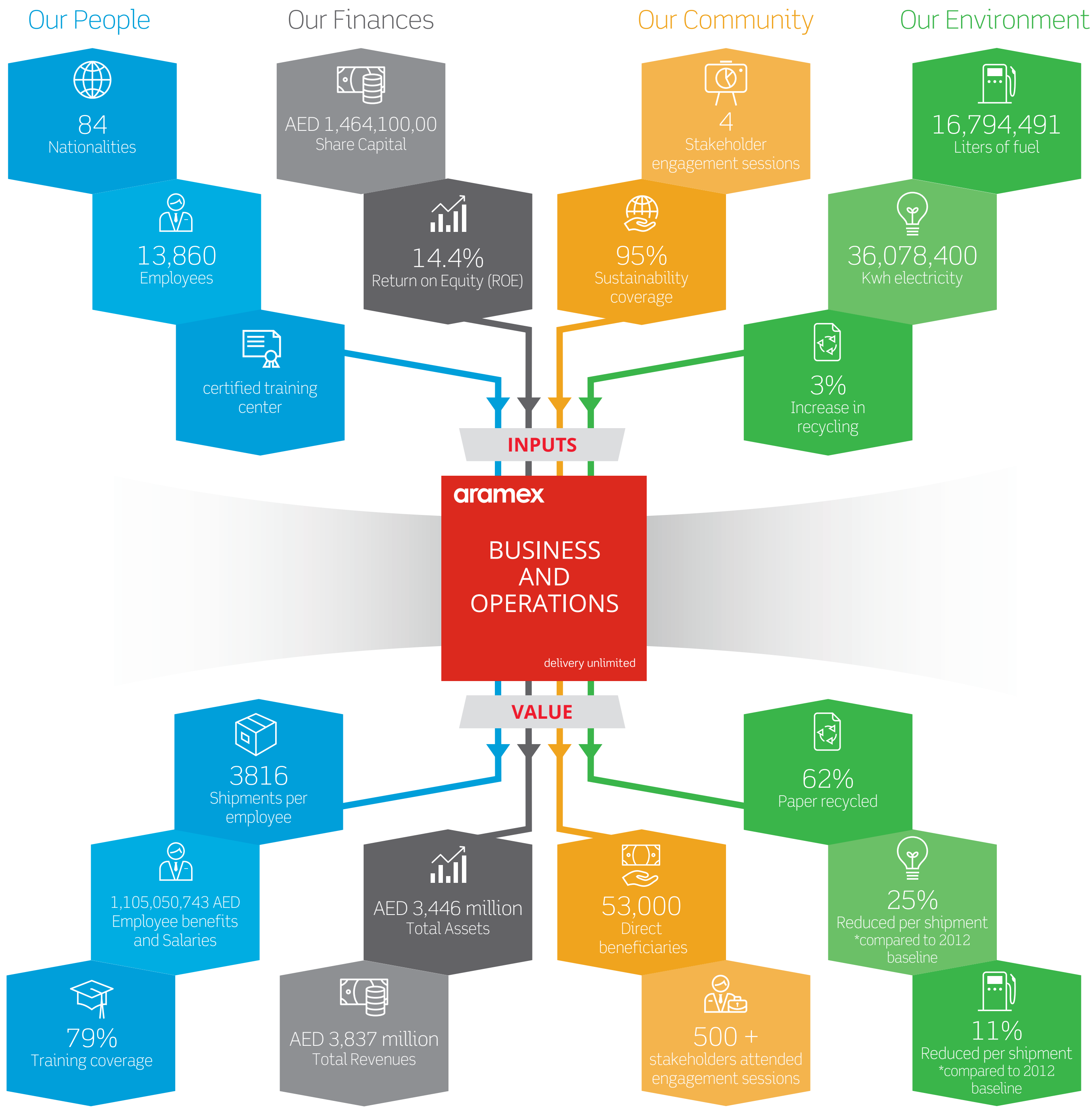
Qatar
Réunion
Saudi Arabia
Seychelles
Singapore
Slovakia
Sri Lanka
Sudan
Switzerland
Syria
Turkey
USA
Ukraine
Vietnam

(G4-SO1)

About Sustainability and this report

Sustainability remains an integral part of our business. We believe in being good corporate citizens and contributing positively to our surroundings. We are continually seeing value from investing in reducing our environmental footprint, working with communities, empowering youth and supporting entrepreneurs. We believe that responsible, sustainable practices will not only benefit our business growth, but also facilitate social and economic development for our stakeholders around the world. We integrate sustainability in all facets of our business, management and operations.



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About Sustainability and this report (continued)

This is our 6th integrated report and 10th sustainability report.

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.

This report communicates our commitments and progress as a company, detailing the innovative policies, procedures and initiatives we have implemented to deliver on our pledges to stakeholders. In sharing this report we hope to foster an ongoing dialogue with our stakeholders.

Letter from the CEO

Dear Stakeholders,

2015 was an exciting year for Aramex. We achieved a number of important milestones, further enhancing our operations in emerging economies and consolidating our position as an innovator and market leader, all against a backdrop of global volatility. 2015 was also important as we laid the groundwork for launching critical development plans, which we are now looking to activate in the year ahead.

I am proud to say that 2015's fiscal performance has prepared us well to execute our 2016 plans. We recorded AED 3,837 million in revenues, up by 5% compared to AED 3,643 million in 2015. This increase was driven by robust growth, primarily in our international and supply chain services across key geographies in the Middle East, Africa and Asia-Pacific. Our net profits decreased by 2% to AED 311 million.

Following a year of positive financial results and careful strategic planning, we are ready to introduce a number of exciting initiatives in 2016.

I believe the key to building on this success in 2016 will be remaining true to our core strategy - staying asset-light. This has always been a competitive differentiator and enables our success, even at times of economic, social and political volatility. To get the most out of this model, we leverage innovative technologies in a way that best integrates with our asset-light approach and allows us to be as relevant and efficient as possible in our diverse markets. This also provides us with the flexibility and agility needed to adapt quickly to customer needs. By continually innovating, we are using technology to pre-empt market changes and stay ahead of the curve. In my opinion, this strategy has enabled Aramex to become the best in the market.

However, effectively leveraging technologies is not easy. This requires careful research and detailed analysis of the economy, industry and consumer trends, in order to identify the appropriate technology for our asset-light model and how best to deploy it. This approach has been critical to selecting and implementing appropriate innovative technologies that are effective and sustainable for our business. It has also accelerated the development of our e-Commerce platform, last mile delivery solutions, business operations and global network. Our use of technologies to better enable our asset-light business model underpins every critical strategic decision that we make.

Our e-Commerce platform is performing at an all-time high. It is the strongest performing segment of our business, accounting for 25% of our annual revenues and currently growing at 30% annually. There is no doubt that leveraging innovation has helped fuel e-Commerce growth. With more shoppers coming online due to growing access to smartphones, consumers are demanding increasingly sophisticated technology solutions to make their experience faster, easier and more enjoyable. New phone apps, for example, allow consumers to place orders and deliveries, pay online and track packages in real-time.

As online shoppers continue to quickly change and adapt their behavior to using new, innovative technologies, we must anticipate and successfully meet these demands.

Our last mile delivery solutions have never been stronger. To improve our overall customer experience, we have implemented technologies to enhance our tracking systems to reach more off-the-grid consumers, deliver packages faster and reduce the likelihood of error or delays. While there are a number of components that make our e-Commerce platform successful, I believe that ensuring customers receive their packages on time and at a location of their choice is what keeps them as long term Aramex clients. We are at the forefront of innovation in the global logistics market and will continue to harness innovative technologies to further enhance our last mile delivery solutions.

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

Letter from the CEO (continued)

Our business operations are becoming increasingly seamless. This is because of our commitment to upgrading and streamlining our technologies, both externally and internally. For customers and clients, our services and employees have become more accessible, visible and efficient due to the deployment of new technologies. Our customer service responses are faster, tracking systems more effective and deliveries more efficient. We have also further optimized our systems by standardizing operations internally through the deployment of new software and programming. This year's deal with SAP Software Solutions will further accelerate this progress. Our finance, procurement, human resources, IT, communications and management teams can now better communicate, streamline and enhance their operations - making the Aramex business healthier, stronger and in a better position to quickly exploit market opportunities as they arise.

Our global network is expanding rapidly. Effective leveraging of technology is also critical to growing our wider Aramex global network and informs our decisions when exploring potential partnerships in markets abroad. Emerging economies worldwide, such as Africa and the Asia-Pacific, are quickly developing and require more efficient and innovative logistics services. Because of this we carefully identify logistics partners who best fit with our technology platforms and have other suitable, scalable synergies with Aramex's asset-light business model in our target markets. We also independently invest the appropriate finances, research, people and time in developing and implementing new technology solutions that satisfy local consumer preferences. We are currently assessing a number of strategic investments across our core markets to further grow the Aramex network and we will be sharing more information as we move forward with our plans.

Another important factor of the success and continuity of our business is the wellbeing and sustainability of the communities where we operate. To support Aramex's ongoing sustainability efforts, over the past year we have officially unveiled our sustainability platform 'Delivering Good', which better enables us to create effective partnerships with communities, social entrepreneurs, governments, NGOs and corporations worldwide. Our strategy is in line with the United Nations' Sustainable Development Goals, focusing on increasing economic growth, access to quality education and fair employment, and taking steps to mitigate climate change and its impacts globally. We also continue to adhere to the United Nations Global Compact by communicating our progress on an annual basis.

Currently, 95% of our locations are actively engaged in sustainability initiatives and projects and identify with at least one of the three focus areas of our Delivering Good platform: Education and Youth Empowerment, Entrepreneurship and Environment.

These sustainability programs are infused with Aramex's unique corporate values of innovation, creativity and disruption, as we encourage people to test ideas, push boundaries and be technologically savvy. We believe that by continuing to adopt innovative technology solutions across all markets and sectors, the world will rely less on natural resources and grow sustainably. This approach also means that we are effectively contributing to communities' efforts to create new jobs and more wealth. We are proud of our achievements this year and it brings me great pleasure to state confidently that we are leading the way in sustainability efforts across the region.

Our future is promising in large part because we have a corporate culture where innovation and creativity is encouraged and thrives. We understand that creating a workplace that celebrates diversity and encourages open dialogue is essential to achieving our core business goals. I encourage all of my colleagues to harness the power of innovative thinking to spark meaningful, disruptive change within the company, across the wider industry and in their communities. Innovation is an important part of our company's history and tradition, and helps us drive a more sustainable, and consequently more successful, business. I have always maintained that our success is built on a strong, capable global team and would like to extend my thanks to all of my colleagues who help to ensure that Aramex takes another step forward every day.

As we move into 2016, it remains unclear how the global economy will perform . Despite this uncertainty we are confident we will effectively execute our strategy and leverage technology in a way that most benefits our business and all of our stakeholders. We must continue to stay at the forefront of global trends and find the optimal ways to enhance our logistics and transportation solutions to match ever-changing customer preferences. This will ultimately help better facilitate the movement of goods and services and encourage greater economic activity globally. Efficient logistics and transportation systems are the lifeline that connects people, goods and services throughout the world, and we will stay committed to keeping this lifeline healthy and strong.

I am truly excited for the year ahead and would like to thank all of our stakeholders for their continuous support as we move forward with our incredible journey. I hope you share our excitement about our path for 2016 and beyond.

Hussein Hachem
Chief Executive Officer

Our services

International Delivery

As a leading international provider of comprehensive logistics and transportation services, Aramex provides global door-to-door shipping solutions for time-sensitive documents and packages to customers across all industries. We offer a range of International Express services to suit clients' 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.

To meet the ever-increasing demand for accurate and customized delivery modern specifications and the ability to maximize operational efficiency have become important factors for our customers. This year, we invested heavily in Automation Systems in India and the UK.

We continued to expand our Express network across the globe, launched new services such as "Aramex Express Box" and partnered with new service providers globally. 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.

E-Commerce business remains a major strategic focus for Aramex, and we will continue to enhance our delivery and customer service capacities and our network-serviced destinations across the globe. In 2015, we opened up new e-Commerce Lanes from US and Europe to Far East destinations. We also enabled international Cash-on-Delivery service in the Middle East and witnessed growth of Domestic e-Commerce in multiple geographies such as India, Saudi Arabia and Africa. To offer best value to our customers, who remain at the heart of our operational strategies, we also continuously adjusted our network capacities to cater for the growth of our e-Commerce business.

Our freight services comprise air, land and sea transportation, and provide cost-effective delivery for heavier and special-handling shipments. Aramex Freight services range from port-to-port shipping to full door-to-door delivery - and cater to all kinds of commodities, from general cargo to time-critical and temperature-controlled shipments. In addition, Aramex offers customs clearance, advanced online tracking, third-party shipping, regional distribution, chartered aircraft or vessel services, and exhibition handling.

In our continuous efforts to develop the freight product and enhance customer experience, Aramex Freight has upgraded its existing services and launched new initiatives to offer improved service to our customers. We introduced a range of key initiatives in 2015:

- We have expanded our AramexBio service to cater for freight business, whereby we now handle clinical trials and temperature controlled samples for clients all over the Middle East and Africa region.
- We also launched an 'Aircraft-on-Group' desk across MEA to cater for urgent shipments for airliner and ocean carriers.
- Aramex also launched 'Aramex-Envoy'. This is a much-needed On-board-Courier solution for our clients who need the safest and shortest possible door-to-door service for their critical shipments.
- Building up on the Multilateral e-AWB Agreement - part of an IATA initiative that we were among the first to sign globally- we signed agreements with one additional carrier and integrated with two more carriers under the Cargo2000 program. On average, Aramex opens a new lane of e-AWB monthly with leading global carriers to increase the penetration of e-AWB within the organization.
- In addition to the previously launched 'Saudi-Fast' multimodal service, which connects Asia to Saudi Arabia, we expanded our regional GCC sea-land service to cover all the countries from Dubai and Bahrain.

(G4-8) (G4-12)

Our services (continued)

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.

Throughout 2015, we continued to enhance the technology and navigation tools used by our couriers. We have also made further 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. 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 a million addresses and instructions through the system in 2015.

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 our customer's inventory leaves their suppliers or factories until it reaches retailers or end-users. This is made possible by our logistics centers, which are strategically located in key areas across the GCC, Middle East, North Africa, Western Europe and Asia. Our logistics centers are powered by cutting edge technologies to ensure world-class security and constant real-time visibility.

We have continued to expand in our core markets and have opened a new 15,000 square meter state-of-the art facility in Muscat, Oman to serve our customers there. We have also upgraded our facilities in South Africa by moving to new logistics warehouses in Johannesburg and Cape Town. We have also continued expansion in Egypt, with an additional 10,000 square meter space to accommodate the growing demand. Other 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, to upgrade our services offered 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 and run more efficient operations in our facilities. This year we have increased RF scanner transactions in comparison to manual transactions by over 200%, ensuring real-time updates and data entry accuracy.

Our services (continued)

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 records, scanning and data capture, document management system and workflow process automation solutions. InfoFort also enables cloud backup as a service, media tape management, secure shredding, check management, fixed asset management and consultancy.

In 2015, InfoFort acquired a majority stake in CBKSoft, the leading electronic document management and workflow automation software provider in Turkey, developing custom software solutions to empower businesses and improve the bottom line. This acquisition will further expand InfoFort's reach in the region by giving Turkish customers greater access to its client-focused, technology-driven solutions.

InfoFort also continued its franchising and licensing program to include Nigeria in addition to three existing partner countries: Lebanon, Pakistan and Bangladesh.

InfoFort also further promoted "InfoCARE", its social platform for enabling information-driven sustainability initiatives. In 2015, InfoFort expanded its "GreenBox" service to include different countries within its growing network. Completely free-of-charge, this service contributes to a sustainable eco-system, and aims to create awareness of 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 2015 InfoFort also published its second sustainability report in the MENA region, and started tracking carbon emissions using the Greenhouse Gas (GHG) protocol that is developed 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 members globally to enjoy the benefits of having physical mail forwarding addresses in the world's top 15 shopping countries without actually living there.

This service offers forwarding addresses in the US, UK, China, Turkey, UAE, India, South Africa, Hong Kong, Germany, Italy, Spain, France, Singapore, Canada and Malaysia, where members can receive packages they've ordered online. Aramex then forwards these shipments to their members at very competitive rates - saving them time, effort and money.

The service is provided in more than 60 cities in the Middle East, Africa, Europe, and Asia.

In 2015, Shop and Ship continued its global expansion by launching multiple shipping origins, cementing the brand's position as a 'global shopping' enabler. The service now encompasses a total of 15 countries. This growth 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 2015, with some key e-Commerce partners from the 15 origins utilizing the service to make their local businesses reach global markets economically and effortlessly.

Our Supply Chain

Aramex's asset-light business model relies heavily on our supply chain of international and local partners. 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 and continue to empower local economies and local suppliers - in 2015, 85% of our spending was on local suppliers.

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, aiming to include both local and global suppliers in our supply chain. However, being a local entity in the areas in which we operate, we endeavor to source locally wherever available and possible. Therefore, the majority of our spending is on local suppliers. At Aramex, we make every effort to engage with our suppliers – through all available channels, and on a regular basis as required.

(G4-EC9)

Strategic direction

Aramex's long-term sustainable and profitable growth strategy is founded on our corporate values. It drives the company's successful progress towards achieving its vision: To be recognized as the leading global B2C & B2B logistics solution provider in growth markets within the next three to five years.

To achieve this, we continue to invest in our people, our technology and infrastructure; and continue to implement innovative solutions to meet our customers' evolving needs, whilst delivering maximum value to our shareholders, and maintaining our partnerships with local communities.

Growth

Our growth strategy remains focused on building our business, both organically and inorganically, across growth markets. It will always be a competitive differentiator for the company.

Aramex's expansion plans for the next three to five years focus on growth markets, widening its global footprint and strengthening connections between hubs and different markets, as well as capitalizing on untapped potential for e-business in emerging markets and strengthening South to South trade between growth markets in Asia and Africa.

New Markets, Acquisitions and Franchising

Going forward, Aramex has ambitious targets for more 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, have great synergies with our asset-light business model and meet our defined criteria.

We remain committed to building our franchise and operations in growth markets - discussing a major strategic acquisition to further strengthen our presence in the Asia-Pacific region being one example.

Performance

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

The company enjoys an agile business model, enabling it to respond swiftly to forces of change, and its federal, decentralized structure empowers its 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 help address some of the challenges of the local communities.

Underscoring the reliability of our business and its ability to deliver growth, Aramex maintains a very strong financial performance despite continued instability in the Middle East & North Africa and uncertainty clouding the global economic outlook.

The company continues to provide a range of solutions to help both start-ups and well-established businesses to launch or expand their e-Commerce operations, including warehousing and integrated logistics, payment collection services, order processing, and outsourcing of customer service through various contact centers. This makes Aramex a reliable partner upon which young companies can rely.

(G4-2)

Strategic direction (continued)

Innovation

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

The company is at the forefront of innovation in the global logistics market and will continue to introduce new technologies to further enhance our last mile delivery solutions. By implementing technologies to enhance our tracking systems, we are able to reach more off-the-grid consumers, deliver packages faster and reduce the likelihood of error or delays, thereby improving our overall customer experience - and we are planning to continue to invest in this area.

Also, e-Commerce development remains a key strategic goal, and we continue to view our partnerships with online retailers as a vital element in our future growth. We have been investing 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.

Aramex provides a wide range of solutions to help both start-ups and well-established businesses to launch or expand their e-Commerce operations, including warehousing and integrated logistics, payment collection services, order processing, and outsourcing of customer service through various contact centers.

As a global logistics and transportation services provider, Aramex possesses world-class infrastructure and technology in order to deliver the best possible services to its customers around the world.

Through our close engagement and responsiveness to clients' continuous service improvement and innovation through specifically 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 33.

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 benefit 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 of the power of this company to help build a better, more sustainable world. You will find considerable information on our progress in our Sustainability section, pages 40.

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 they 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 programs in order to build our people's skills, and encourage collaboration and networking with colleagues across the group.: To learn more about how we keep expanding our people development activities, please look at the Our People section of this report on page 23.

Key Non-financial Goals

Our People	• Expand Leadership Development Program, Academies (Sales, accreditation and Ground Courier Development Program & cultural road show in key strategic location) • Launch internal Awareness Campaign for information security & human and labor Rights • Deploy E-learning platforms and gamification of career development programs. • Maintain Training coverage at a minimum of 70 % or above. • Document and align our Policies and Procedures as well as update roles and responsibilities across all company functions. • Hold training sessions for all employees on these updates and introduce the performance appraisal and objective setting culture across all functions and teams.
Our Customers	• Enhance ClickToShip, our desktop shipping application, to become more user friendly and effective, this includes adding system localization as well. • Provide our sales executives with a sales automation tool, a CRM application called "My Reach" which will increase mobility and improve time management. • Improve the process for our e-Commerce customers to integrate with Aramex operations and systems through video instructions released on social media and available on Aramex.com • "Aramex Smiles", our loyalty program will extend its benefits to corporate customers as well. The program will allow customers to gather points on their spending with Aramex and redeem them through our extensive list of products and services.
Our Supply Chain	• Increase startup and SME support and continue to source from local suppliers and SMEs across our network • Continue updating and strengthening our supplier management process and pre-qualification process, which includes questions on Human and Labor Rights, Environmental Compliance and well as general compliance with international and local laws and regulations. We are also working to evaluate current suppliers on those aspects.
Our Community	• Increase number of beneficiaries by 5% for 2016
Our Environment	• Reduce Carbon emissions by 20% by 2020

Governance

Our Governance ensures that we have a transparent and effective operational and business structure. This structure ensures that responsibilities and rights of those within Aramex are communicated, maintained and controlled. This allows for smooth and transparent corporate operations, ensuring accountability and keeping stakeholder's rights intact.

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. Hussein 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.

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Governance (continued)

Composition of the highest governance body

Member	Position	Independence	non-execs	Gender	Age	Tenure	Nationalities	Other Commitments
Mr. Abdullah M. Mazrui	Chairman	Independent	Non-Executive	Male	62	Since Inception	Emirati	Chairman (2 Company boards) Director (5 Company boards) Director (1 Council board)
Mr. Fadi Ghandour	Founder and Vice Chairman	Non-Independent	Non-Executive	Male	55	2005	Jordanian	Chairman (1 Company board)
Mr. Hussein Hachem	Chief Executive Officer and Director	Non-Independent	Executive	Male	45	2011	Canadian	None
Mr. Helal Al-Marri	Director	Independent	Non-Executive	Male	38	Since Inception	Emirati	Director General (1 Department) CEO (1 Company) Director (2 Company boards)
Mr. Ahmed Al-Badi	Director	Independent	Non-Executive	Male	58	Since Inception	Emirati	Chairman (1 Company board) Director (3 Company boards) Director (1 Council board)
Mr. Arif Naqvi	Director	Independent	Non-Executive	Male	54	2005	Pakistani	Director (2 Company board)
Mr. Charles El Hage	Director	Independent	Non-Executive	Male	57	2011	French	Director (1 Company board)
Mr. Ayed Aljeaid	Director	Non-Independent	Non-Executive	Male	58	Since Inception	Saudi	Director (1 Company board)
Mr. Mana Al-Mulla, Director	Director	Independent	Non-Executive	Male	38	2010	Emirati	Chairman (1 Company board) Executive (1 Company) Director (1 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 Chairman and members are also entitled to identify potential conflicts of interest involving other members.

Aramex governance guidelines were 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, the Audit Committee and Strategy Committee.

Governance (continued)

Board of Directors Selection Process

Board 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 UAE nationals or, if approved by the Securities and Commodities Authority, 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 UAE national.
- At least one third of the 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. Ability to 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.

Governance (continued)

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. Understanding of 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 of global markets, international issues and foreign business practices.
- **Leadership:** Understand and possess the skills to motivate high-performing, talented managers - and demonstrate a history of so doing.
- **Strategy and Vision:** Skills and capacity to provide strategic insight and direction by encouraging innovation, 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 of 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 the 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:** Contribute talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- **Diversity:** Contribute to the Board in a way that can enhance perspective and experience 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.

Board Committees:

- The Board has established the following standing committees: the Strategy Committee, 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 are appointed by the Board. Consideration should be given to rotating committee members periodically, although this is not mandatory.
- Each committee has its own charter; these charter sets forth the purposes, goals and responsibilities of the committees as well as committee structure, operations and reporting to the Board.
- Committees are formed of not less than three Non-Executive Directors, at least two of which are Independent Directors, including one as Committee Chairman. The Chairman of the Board of Directors may not be a member of these committees.

Governance (continued)

In order to avoid conflict of interest within the Board

- Director tasks shall include ensuring that priority is given to the company's and shareholders' interests in cases of conflict of interest.

- 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, whereby the Director concerned is excluded from participating in voting on the decision in question and their 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 at least once every two months in accordance with our Market Corporate Governance Code and Board's Charter, and shareholders are entitled to raise issues with the Board during the Annual General Meeting. Three standing committees – the Audit Committee, the Nomination and Remuneration Committee and the Strategy Committee – have their own charters that stipulate their responsibilities and tasks.

The Nomination and Remuneration Committee meets at least once a year. This is in compliance with the corporate governance code of the Securities and Commodities Authority (SCA).The Committee assists the Board in fulfilling their supervisory responsibilities for the independence of Board Members and in monitoring the integrity of human resources processes at Aramex. The Committee also monitors policies relating to remunerations, benefits, incentives and bonus salaries to the board members and employees - and ensures that remunerations and privileges granted to the executive management are rational and proportionate with the performance of the Company. Additionally, the Committee determines the required core competencies at executive management level and the corresponding selection criteria.

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.

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

As part of Aramex's sustainability strategy, and in keeping with our 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 reports on how these elements relate to overall corporate performance. Aramex strives to continuously pursue sustainability at a corporate level, and implements internal policies related 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, in accordance with the Board's code of conduct.

Furthermore, Aramex continues to engage with top management and the Board of Directors on our sustainability strategy and related activities. Senior 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 the community in order to expand and improve Aramex's sustainability activities, impact and reach. Moreover, active stakeholder engagement through consultations and ongoing meetings ensures that our activities are in line with our stakeholders' needs.

The Board sets the strategy for risk management and 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 able to rely on risk assessments prepared by the internal audit function.

Governance (continued)

Precautionary principle

Controls are defined and built into a process, product or system from the outset, and are 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.

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 its impact. Controls will generally be one of these types (although it is possible for a control to be of more than one type).

During a risk assessment, the effectiveness of individual controls and groups of existing controls is evaluated. This helps inform the assessment of the likelihood of a risk event occurring as well as 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 and 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, shareholders and employees are encouraged to provide input via the whistle-blowing mechanism offered through the company's intranet. Our whistle-blowing policy, implemented to emphasize Aramex's commitment to transparency, ensures discrepancies are reported and dealt with promptly to ensure ethical business practices and to 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, 2015, the company's shareholders approved the Board's recommendation that directors would receive 3,370,000 AED in total. In order to automatically succeed in placing an item on the Board's agenda, a shareholder must possess a holding of at least 10% of the company's shares. At present, the highest holding is less than 10%, which means items for discussion are tabled at the Board's discretion.

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

As a member of the transportation and logistics community, Aramex complies with all necessary regulations related to the industry. These include stipulations set out by local and international regulators covering the handling of hazardous material, and the accuracy of labeling and information regarding 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 have 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 2015 Aramex did not face any anti-competition or anti-trust legal actions.

Governance (continued)

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 2015; 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 2015, 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.

- 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 the internal audit.

- The internal audit function reports on a quarterly basis on the status of management's action plan implementation.

(G4-EC4) (G4-SO6)

Our People

Empowering people

We believe in the power of people. We strive to empower and connect people in order to 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.

Our People (continued)

At Aramex, our most valuable asset is our people. As an asset-light company, we know that our growth and success is constantly driven by the knowledge, expertise and contributions of our people. Therefore, we believe that we must continually invest in our people to ensure a safe, productive and empowered atmosphere.

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. At Aramex, we strive to empower our employees and our HR policies and practices are reflective of this, 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. We make sure to grow management from within, by investing in fresh graduates, training and empowering them so they can occupy positions of leadership within the company.

Aramex is continually growing to include new talent. Our global workforce increased by 7% in 2015 to reach 13,860 employees representing 84 nationalities.

13,860
Number of employees

7%
Growth rate

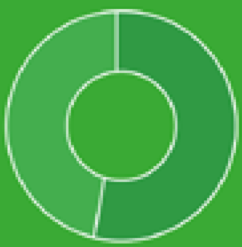
4,160
Indirect employees

Our employees represent
84 Nationalities

India	21%
Egypt	15%
Jordan	10%
Pakistan	8%
South Africa	7%
Philippines	4%
Others	35%

(G4-9) (G4-10) (G4-11) (G4-EC6) (G4-LA1) (G4-LA2) (G4-LA3) (G4-LA4) (G4-LA5) (G4-LA9) (G4-LA10) (G4-LA11) (G4-LA12) (G4-LA13) (G4-LA16) (G4-HR2) (G4-HR3) (G4-HR4) (G4-HR7)

Our People (continued)



Our employees

55% locals
45% expats

Employees per Region

27% Africa

5% Europe & North America

9% Far east, Asia, India & Australia

59% GCC & Levant

Senior Management

49.5% *locals*

50.5% *expats*

(G4-EC6) (G4-LA12)

Our People (continued)

11%
of Senior Management are women.

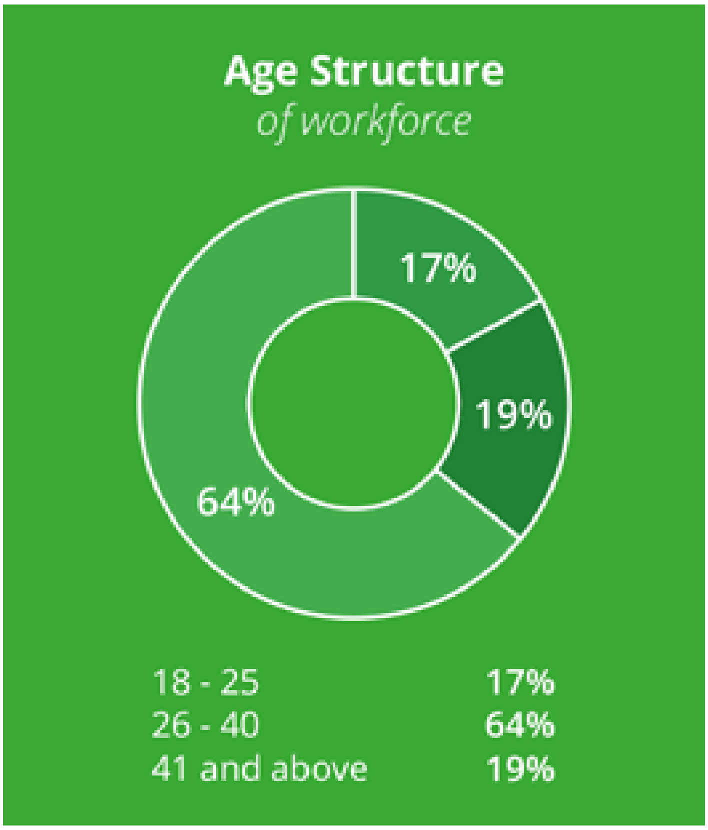
The number of women occupying senior management positions increased by 1% in 2015. Our aim is to offer our employees competitive remuneration in our industry - we also aim to match or exceed local standards. Moreover, our policies ensure that equal remuneration is given for equal work. The only determinants of remuneration are skills and experience level.[1]

Ratio of remuneration of men and women is 1:1

In 2015, Aramex spent 1,105,050,743 AED on employee remuneration, including salaries and benefits.

Our human resource governance structure is founded on the principles set out by the United Nation's International Labor Organization, the United Nations human rights principles and other international organizations.

Our strict adherence to these principles ensured that we had no labor related grievances in 2015.



[1] Details can be found in Appendix page 114

(G4-EC3) (G4-EC1) (G4-EC5) (G4-LA12) (G4-LA13)

Our People (continued)

Our workforce **gender breakdown**

Male *	85%
Female	15%

* 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. However, we actively recruit women into our workforce.

Breakdown *of years of service*

Years of Experience	
0 Year - 5 Year	*64.3%*
6 Year - 10 Year	*23.4%*
11 Year - 15 year	*7.5%*
16 Year - 20 Year	*3.3%*
21 Year - 25 Year	*1.1%*
25 Year and above	*0.4%*

Furthermore, we closely abide by local labor laws and social security laws, which govern employee retirement benefits, disability and individuality coverage. We guarantee health insurance cover for our employees in the majority of our locations. We also guarantee paid maternity leave for our female employees, alongside other benefits, such as flexibility in working hours, extended unpaid leaves, and nursing hours to support and encourage return to work, according to local labor laws.

In 2015 100% of mothers returned to work after 18683 days of maternity leave.

(G4-LA3) (G4-LA12)

Our People (continued)

Empowering Our People

At Aramex, we utilize a decentralized and horizontal leadership model which, along with our continual on-the-job training, ensures that all of our employees are empowered and able to make the decisions needed to enhance our services and operations on the front line.

We ensure that there is a collective and flat decision making process throughout our operations. In cases of significant operational changes, we set a meeting with all concerned stakeholders to engage them in the decision making process and set an appropriate timeline and plan for these changes.

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.

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

Engaging Our People

Engaging with our employees is vital to our operations and success. We ensure open and active communication between all of our employees through several channels, including team meetings, our internal intranet and instant messaging systems. We began utilizing the Facebook@Work platform to share updates and activity information across the network - this platform also allows employees themselves to share with the global network, or specific groups. We strive to ensure that all of our employees are connected through 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.

Aramex Innovation Center: Red Lab

The Aramex Innovation center: Red Lab continues to provide a platform, resources and support for innovation within Aramex. Red Lab is our first on-the-ground innovation program, launched in 2014 with the aim of leveraging our collective resources to bring new ideas to life. Red Lab provides ideas that are submitted through Idea Scale, and innovation management platform, and resources for incubation, mentorship and testing. Once an idea from an employee graduates from Red Lab and passes testing, it goes into development with the related business function.

In 2015:

93
Ideas were submitted

1125
online Interactions were recorded

There have been two ideas graduated which from Red Lab

The Aramex Customer Loyalty Program
And
The Eco-Font to reduce ink usage

And 5 ideas are now under incubation, these include ideas on RFID, Cash machines, a social project and other operational efficiency projects.

(G4-LA4) (G4-HR4)

Our People (continued)

Training Our People

On the job training and development is an integral part of our employees' empowerment, enabling them to lead in their positions and careers.

Aramex's Corporate University is driven by our commitment to continuous learning and development.

As mandated by our HR policy, each employee receives a comprehensive annual performance evaluation, during which their performance is evaluated, key strengths and challenges are identified and, according to the evaluation, an inclusive training plan is set for the coming year.

In 2015 the Corporate University continued to migrate to a 70:20:10 model and its utilization of blended methods as well as a range of delivery channels in Learning and Development. In-house internal sessions became more common and on-the-job practical training grew to become more focused - especially during the induction training phase of our Ground Couriers. Through a variety of mechanisms, the strategic learning framework model takes into consideration that 70% of development occurs on-the-job (where learning is rapidly applied to real life), 20% of learning comes from coaching and mentoring and 10% is derived from formal structured training (Theoretical).

In 2015, we had training coverage of 79% of all our employees.

Global Training Team / Alignment:

Aramex created and trained a global team of highly effective training managers with the sole purpose of continuously embedding a learning culture throughout the organization and remaining fully aligned with Corporate University's global learning strategy. In addition to upskilling our existing trainers in their regions, we are emphasizing strategic thinking, with the aim of increasing employee training coverage through our respective annual training plans.

Institute of Leadership & Management (ILM) and City & Guilds - UK:

This year Aramex achieved landmark accomplishments, proudly receiving two international recognitions. The first recognition was becoming an approved center for the Institute of Leadership and Management (ILM) and the second by officially becoming a City and Guilds of London Institute (City & Guilds) Approved Training Centre. Different satellite centers are now approved to deliver qualifications in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Jordan, Egypt, South Africa and the United Arab Emirates. Learners registering through these satellite centers will gain automatic membership to the institute and will be able to progress through higher levels of qualifications. As an ILM-City and Guilds approved center, Aramex will be recognized for providing its employees with the very best in qualification quality and professional development, helping to drive up standards of leadership and management and improve individual and team performance.

Academies

Different regional academies were established across the network. These topic-specific career progression/development programs fall under the Corporate University. Its primary purpose is to translate the global learning strategy to region specific training initiatives, making them more relevant for our employees' careers. A one-year development program for sales named "Sales Academy", with a mission to build "a world class foundation for a successful sales career", was launched in Egypt, United Arab Emirates and South Africa. Another two-year Ground Couriers Development Program (GDP) was launched in Egypt, covering more than 450 participants aiming to enhance both their technical and soft skills.

(G4-LA9) (G4-LA10) (G4-SO4)

Our People (continued)

Global Leadership Development Program (LDP)

Our intense and unique Leadership Development Program continued to grow and include leaders from the network such as the United Arab Emirates and South Africa in addition to a new cohort from Egypt. This year, the program targeted a total of 190 talented leaders who came together to build upon the skills needed to complete their two-year progressive leadership projects. It is anticipated that by mid-2016 there will be a total of 250 leaders from the network participating as part of LDP.

A collaboration of the LDP mentors' panel in Egypt has developed an effective strategic event to align the objectives of a selected group of participants with Aramex's Global Strategy for 2016. Through this "STAR" initiative, the LDP panel is seeking to tap into the experience of rising stars with a solid track record of achievement in the Leadership Development Program, and to stretch their skills where they can make an even greater leadership impact than they did in previous phases of the program.

Including Learning Technologies (Virtual Classrooms and Webinars)

Corporate University continued to work collaboratively across the organization to ensure that business needs are met and that its programs are effective and timely. Capitalizing on the capabilities and knowledge of its experienced people, Aramex is developing training content to include later in advanced online platforms for e-learning and blended learning programs. Our programs will be evolving and we will continue to build the professional competencies needed for the leaders of tomorrow in an organization that is built to last.

Our work environment

We pride ourselves on providing a safe and empowering environment for our employees and ensuring that no human or labor rights violations are taking place on our premises or 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). All of our security personnel have received special training on Aramex policies and procedures, including those related to human and labor rights.

We have a reporting structure for all grievances and a grievance committee in each office, allowing us to follow up on any reports related to human or labor rights. We run periodic audits of Aramex facilities according to Social Accountability 8000 guidelines to ensure that all of 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 incidents or cases of discrimination, harassment or human rights or labor violations were reported across our network in 2015.

Recruiting Our People

Our success is closely tied to that of our people. Therefore, we make sure that we recruit talented individuals and appoint the right people to the right jobs so that they are able to flourish in their positions.

Our recruitment process is based on meritocracy, qualifications and ongoing assessment, and an inclusive interview process.

Our well defined recruitment structure helps attract and maintain the best talent, while also reducing recruitment related costs.

In cases when we utilize recruitment agencies, we ensure that their selection criteria are based on the candidate's qualifications and experience, and that they adhere to the International Labor Organization's (ILO) guidelines in order to guarantee equal opportunities for all. Our remuneration packages are determined solely by qualifications and we ensure that our male and female employees are entitled to equal compensation packages. These policies are implemented across different managerial and departmental levels throughout the organization.

(G4-LA10) (G4-LA16) (G4-HR9)

Our People (continued)

The Health, Safety and Security of Our People

Aramex has prevailed in maintaining the Security and Safety standards for 2015 and had no non-compliance issues raised from external audits or by suppliers.

Our vehicular standards have been the highest recorded, the GPS control room and the journey management process has indicated this based on statistics received. We had a major increase in tracking and monitoring of movement of Oil and Gas vehicles, and pre-trip inspections and results reviewed showed that both training and standards implemented during 2015 to date have been effective. We are in the process of enhancing our vehicle tracking and currently in negotiations to acquire more advanced GPS devices.

The team is now being tasked to go fully Regional and to monitor on 24/7/365 basis. All vehicles will be equipped with GPS for the Middle East Region. We will also include Land Freight - high value vehicles for monitoring in this process.

As indicated during last year's report we have concluded expanding the HSE Management team with the appointment of a Regional HSE Manager for the Oil and Gas sector of Aramex. The stations handling the movement of ONG shipments have also expanded their HSE teams and dedicated specifically trained professionals just to handle the HSE side of the business.

Aramex has embarked on independent Risks Assessments conducted by external companies for major facilities. This has assisted in identifying certain improvements which have been concluded during the timeframe set for rectification by the appointed company. This approach will be rolled out to other stations in 2016.

Aramex will launch HSE training utilizing e-learning platforms in 2016.

We had major facilities TAPA (Transport Asset Protection Association) Certifications renewed for the period of 2015-2018, including our Jordan, Bahrain, Dhahran, Beirut, Dubai, Riyadh and Amsterdam facilities. Two members have also been trained on TAPA Auditing Class C, thus enabling them to certify smaller facilities on the standards. Having even smaller based units certified to international security and safety standards is a new approach from TAPA.

Our Health and Safety measure include:

- Health and Safety Induction Booklets
- Permit-to-Work System
- 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

The European Union stipulated that air cargo destined for the EU must be transported through an EU Validated Supply chain. This required air carriers transporting cargo into or through the EU must have an ACC3 designation for their Last Point of Departure to the EU. Aramex therefore invested in the security equipment as well as the team members required to be in place for this validation, and proceeded to validate its HUB in Dubai in conjunction with Dubai Customs and Civil Aviation. As a forwarding agent, we have successfully been validated (RA3) and assisted the ground handling agent in Dubai to receive ACC3 required certification. This certification is valid until 2019.

We are also bolstering our security efforts by utilizing surveillance and state of the art CCT and security systems in some of our hubs, with plans to expand on this in the coming years.

Aramex has also had numerous successes with regards to blocking the forwarding of contraband shipments during the past year. We work closely with the Narcotic Branches of each government where we operate.

(G4-LA5)

Our People (continued)

Total Number of Fatalities including non-occupational related	5
Total Number of Lost time injuries	108
Total Number of days lost	2142
Total number of incidents resulted in minor or no injuries	794
Total number of incidents resulted in injuries	164
Total number of incidents	958
Total Number of shipments	52,896,424
Total Number of employees	13,860
Total number of working days	267
Total number of man hours worked	29,604,960

Total number of vehicle related incidents resulted in minor or no injuries	717
Total Number of Vehicle related incidents resulted in injuries	74
Total Number of Vehicle related incidents resulted in Lost time injuries	70
Total number of vehicle related incidents	791
Total number of days lost due to vehicle incidents	1525

(G4-LA6)

Our People (continued)

Total number of WH & Office related incidents resulted in minor or no injuries	77
Total Number of WH & Office related incidents resulted in injuries	90
Total Number of WH & Office related incidents resulted in Lost time injuries	38
Total number of WH & Office related incidents	167
Total number of days lost due to WH & Office related incidents	617

Health and Safety Indicators		
Lost time Injury Frequency rate (LTIFR)	3.65	Aramex experienced 3.65 LTIs for every 1,000,000 hours worked over the past year
Lost time Injury Incident rate (LTIIR)	0.78	Aramex experienced 0.78 LTI's per hundred employees
Severity Rate (SR)	19.83	On an average each LTI resulted in 19.83 days off work
Lost time injury Rate (LTIR)	0.73	For every 100 employees, 0.73 employees has been involved in LTI
Vehicle related Lost days rate (LDR)	28.83	Aramex experienced 29.83 vehicle related Lost days per million shipments
WH & Office related Lost days rate (LDR)	11.66	Aramex experienced 11.66 WH & Office related lost days per million shipments
Lost days rate (LDR)	40.49	Aramex experienced 40.49 lost days per million shipments
Accidents per million shipments	18.11	Aramex experienced 18.07 accidents per million shipments

This year we regret to report five fatalities from across our global network. All five of the fatalities occurred on the road. After extensive investigation, three of the accidents were caused by other drivers on the road, two of which happened outside of working hours. Details on the location and gender of these fatalities can be found in the Appendix page 114.

We are actively conducting safe driving training and bolstering our health and safety measures to ensure that we do not have any accidents.

(G4-LA6)

Our Customers

We are committed to engaging fully and partnering with our customers in order to continue delivering high quality services and innovative products. We continue to invest in streamlining our processes, feedback channels, and service response to any customer concerns.

Our customers are key stakeholders. We uphold a customer-focused culture in our transactions, aiming to go above and beyond expectations of quality of service.

At Aramex, our policies, regulations and training are designed to ensure that our employees act ethically and in accordance with customer expectations, maintaining professionalism, ensuring confidentiality and privacy of all related communications and information, while supporting and accommodating customer needs.

We continually employ information security measures, along with a comprehensive code of conduct, to safeguard our customers' privacy and information. Our strict adherence to these policies ensured that we did not receive any complaints in 2015 related to protection of our customers' private information.

These efforts result in a deeper customer trust in our brand, and have enabled us to limit advertising for our services and focus more on direct interactions with customers and prospects. However, in cases where we have advertised, we have made sure that 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 2015 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 in which we do business. We 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 other factors that impact upon our activities.

We also respect all international and national embargo regulations, and adhere to those regulations. Since we are a service-based company, we do not sell any products. However, 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.

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

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

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 we operate, while building on our Research and Development capabilities.

(G4-PR5) (G4-PR8) (G4-PR9) (G4-PR7)

Our Customers (continued)

Aramex Bio

Aramex Bio is a complete door-to-door solution for the healthcare sector. The service offers delivery of time- and temperature-sensitive clinical and medical samples using special packaging to preserve their quality and integrity.

Aramex Bio is designed to meet the local and global shipping needs of pharmaceutical companies, research centers, laboratories and hospitals that transport biological specimens and pharmaceutical materials by sending blood samples, human fluids, vaccinations and medications under maintained temperatures.

Temperature control during shipping is critical to prevent any damage to the biological specimens or pharmaceutical materials. In order to resolve this challenge, Aramex Bio utilizes temperature-controlled boxes and cooling packs to maintain the required temperature from pickup to delivery. Aramex Bio caters for the following temperature ranges: Cold (2-8 Celsius Degrees), Controlled Ambient (15-25 Celsius Degrees) and freezing (below zero).

Aramex offers a Direct-to-Patient delivery solution to patients who are on a scheduled medication and to pharmacies that sell medications online. Aramex Bio has expanded dramatically in the Clinical Trials field and has partnered with several courier companies who specialize in this sector in Europe and USA to provide hospitals and laboratories with an excellent service regarding their sensitive shipments.

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. 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, conveniently and reliably online 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, with Aramex, ship products on time to their customers. 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 their core business.

Our consolidation centers and hubs across our network ensure that we respond to the increasing need for shipping and logistics in an efficient and environmentally friendly manner. By consolidating shipments, we reduce the number of trips while delivering to our customers on time.

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Our Customers (continued)

Import Express

Import Express service has continued its solid growth throughout 2015.

A totally new and enhanced Import Express system will be launched in the first quarter of 2016. The main focus is on simplifying our procedures and creating an online platform for our customers and their suppliers to communicate efficiently. This, along with enhancing our procedures, should reduce transit times, increase flexibility and put our customers in charge of their imports.

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, shipment 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. 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:

- Track orders and see any orders with discrepancies (orders held at customs, bad address, etc.)
- Calculate shipping rates
- Access automated reports
- View Aramex invoices and balance due
- 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.

Supporting Entrepreneurs and SMEs

We continue to work closely with startups and SMEs across our network and actively participate in events and conferences focusing on this sector. Our customer management teams actively reach out to these companies in an effort to accommodate their shipping needs in addition to facilitating customized business training 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 47.

Our Customers (continued)

Expanding into Africa

Aramex has grown in Africa both in terms of volume and experience. We are now serving customers with a much stronger network, connected to more countries and different partners. As part of our expansion, we make sure that we create and maintain local job opportunities and invest in the communities into which we are expanding.

Customs information

Our Customs Information Center is designed to take the complexity out of the customs process. We are continuing to grow our center by actively engaging with concerned internal teams in each country and by maintaining our relationship with customs authorities around the world. Regular updates are made to ensure our Customs Information Center is up to date and provides sufficient information about shipping terminologies, guidelines, duties/taxes and documents required for our customers to move their goods seamlessly across international borders. This comes as part of our continual efforts to ensure compliance across our operations and supply chain.

We continue to support our customers by providing them with an option, via aramex.com, to contact a local customs expert who can offer support and guidance on customs clearance regulations.

Social Media

The year 2015 saw a further increase in Social Media traffic and customers are now relying on Social Media channels for continuous support. The number of queries the Social Media team received in 2015 has doubled compared to 2014. The Social Media team grew in size by 50% in 2015 in response to the growing traffic.

As Social Media has matured into a Customer Service Channel at Aramex, the team is now looking at coordinating it with other contact channels at Aramex, including the Call Center and Live Chat, in an effort to create a seamless experience for the customer across all of the different contact points.

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 world-class winning tenders that are consistently aligned to our customers' real needs and thereby 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 and supporting with RFIs and Due Diligence questionnaires in order for Aramex to be an approved vendor.

Points of Sale

We continue to deploy automated points of sale in retail outlets and stations to speed up services for our customers, and using a computerized system to prepare and receive shipments has resulted in reduced serving times.

In 2015, POS deployment expanded further in major locations in Levant, GCC, and reached India and North Africa, covering in total 22 retail outlets and stations in addition to the 45 locations covered in 2014.

Shipments that are processed using the POS ensure a faster and a smoother customer interaction. Therefore, a new performance index for the outlets was introduced measuring the percentage of inbound and outbound shipments that have been prepared using the POS.

Our Customers (continued)

Customer Flow Management

Systematic and continuous supervision of customer flow and traffic at retail outlets continued to be one of the focal points of customer experience management for Aramex in 2015. Serving and waiting times, as well as traffic, have been consistently monitored and reviewed, to ensure a smooth customer experience, as well as anticipating trends and traffic.

Customer traffic and trends were utilized to calculate the personnel needed for new or expanding outlets. Simulation models were designed, inputting the trends and traffic available in current similar outlets to provide a reliable output.

In our continuous drive to enhance customer flow in our outlets, a new queuing system was deployed in Oman and various locations in the GCC. This system contributed to improvements in service delivery by reducing customer waiting times and idle time in service transactions. It also enabled online access and real time processing of customer flow data.

For retail outlets with high traffic, the system streamlines communication with back office operations through a ticketing system, which has a significant impact on reducing the service and waiting times as well as increasing the efficiency of all transactions.

More locations will be implementing this new system by 2016.

Contact center

2015 witnessed the success of the main strategic contact center project - the launch of the regional internal outsourcing center in Amman. Moreover, our state-of-the-art telephone system has been implemented across our global network, allowing us to leverage our service standards on every inbound and outbound contact. This year, customer experience training was introduced across our network. This training was developed internally to maximize incoming employees' skills related to critical customer service situations by sharing, analyzing and simulating actual historical situations from our industry. Furthermore, as a result of our efforts, Aramex won the best industry contact center – Middle East for the year 2015 by insights.

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 efficiently our stations are responding to customers' requests. We have added new performance indicators in 2015, quantifying the efficiency of handling the requests from the beginning and providing quality measures of customer communications.

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, we continue to develop certain e-mail groups into customized service desks for different teams to capture customers' enquiries and issues, and quantify and plan for traffic and trends. In 2015, a specialized service desk was launched in KSA and UAE which aims to cater for urgent customer requests and issues as well as providing fast response and 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 2930 employees across our network in 2015, honing their basic customer service, communication, telephone handling, and time management skills.

New interactive customer service training material has been developed specifically for retail outlet agents, designed to empower them and enable them to cope with challenging situations.

Our Customers (continued)

Customer Satisfaction

We value customer feedback, and believe it is paramount to improving services and processes. Accordingly, in 2015, we continued to expand the coverage of surveyed customers and completed phone surveys in Jordan, Qatar and Saudi Arabia (Riyadh and Jeddah), Kuwait, United Arab Emirates (Abu Dhabi) and Bahrain. We will be extending this practice to other locations in 2016, including Dhahran and Dubai.

These surveys focused on measuring customer 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.

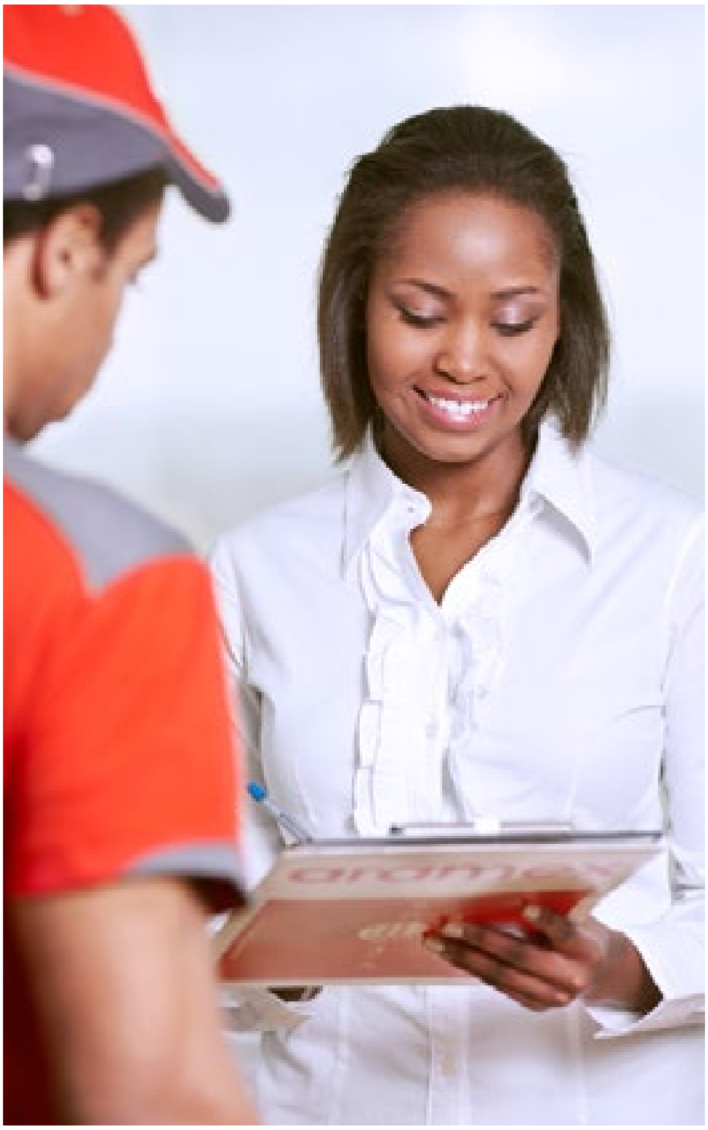
Surveying and eliciting customer feedback is a practice Aramex is perpetuating and developing through different customer service channels, As a result, a new surveying mechanism was developed in 2015, designed to capture direct customer feedback through SMS targeting walk-in customers at retail outlets, and has been piloted in both Jordan and United Arab Emirates (Dubai). We will continue to expand deployment of SMS customer surveys in 2016 to cover major locations in Levant and GCC.

Customer Service Certificates

Early in 2014, Aramex Jordan achieved the highest marking in The International Standard for Service Excellence (TISSE) assessment, a certification developed by The International Customer Service Institute (TICSI) in the UK. In 2015, Aramex Jordan has renewed this certification and other Aramex stations have followed in their footsteps, including Aramex Qatar and Abu Dhabi.

TISSE encompasses a set of practical customer service guidelines that assist organizations in focusing their attention on 'the customer' throughout the delivery process, while 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 Riyadh and Bahrain are completed, Kuwait, Jeddah and DXB in the pipeline.



Our Customers (continued)

Mystery Shopping

We have continued to perform Mystery Shopping on retail outlets and contact centers by engaging mystery shoppers of different backgrounds, genders and age groups. Shoppers were trained and provided with different tools and materials, and tasked to visit locations in Jordan, Doha (Qatar), Saudi Arabia (Riyadh & Jeddah), Kuwait, Bahrain and United Arab Emirates (Abu Dhabi).

Mystery shopping has become an established practice in regular station reviews, and is considered a powerful tool for visualizing the experience from the customer's point of view and capturing feedback, as well as providing 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 2015:

Number of Years using Aramex	Criteria	Customers	% of customers 2015
6	Started during or Before 2010	27,997	31%
5	Started during 2011	7,876	9%
4	Started during 2012	7,984	9%
3	Started during 2013	10,317	11%
2	Started during 2014	20,355	22%
1	Started during 2015	16,833	18%

(G4-PR5)

Sustainability

Sustainability is an integral part of our business model, operations and corporate culture.

We aim for our sustainability strategy to be inclusive, long term and impactful. Our sustainability strategy revolves around 3 main pillars:

1) Youth Education and Empowerment,
2) Entrepreneurship,
3) Our Environmental Commitments.

We aim to leverage our experience in sustainability to support corporates and organizations in integrating sustainability in their operations, and to advocate for it. Moreover, through our Active Citizens Program, we aim to engage our employees in our sustainability activities, encouraging community service and volunteering.

We work closely with our communities. Our sustainability projects focus on community engagement and are shaped by the communities' needs and informed by community participation.

We believe in working side by side with key partners in our communities, investing in the community, shying away from philanthropic or donor-led relationships. We view programs and activities as active exchanges with the society, guided by effective communication, strategic partnerships and the involvement of our employees.

In 2015, we had 53,000+ direct beneficiaries of our sustainability programs.

We are committed to spending a minimum of 1% of our pre-tax profit on social projects, excluding environmental investment and expenditure. In 2015, we once again exceeded this goal and spent 1.35% of pre-tax profit on our sustainability programs.

(G4-15) (G4-16) (G4-EC2) (G4-SO1)(G4-EN31)

Sustainability (continued)

Sustainability Impact at a Glance

(G4-SO1) (G4-EN6)

Sustainability (continued)

Community Engagement

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

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

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

In 2015, our programs reached 13,690+ community beneficiaries.

Ruwwad Al-Tanmeya

We continually support Ruwwad Al-Tanmeya in all four of the countries in which the organization is present.

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 the 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. Fadi is 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.

In practice, Ruwwad's 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.

To find out more about Ruwwad please visit http://ruwwad.net/

We actively engage with Ruwwad in its different programs. Our employees volunteer with different community, child and youth programs, as part of our partnership with Ruwwad and our Active Citizens Program.

Sustainability (continued)

Women Empowerment

Investment in women has a transformative impact on society. Women, when given the opportunity, excel - whether as entrepreneurs, educators, community leaders or employees. Therefore, we believe in working with women to empower them by giving them access to the tools and resources they need for their advancement. As a result, our programs have a strong focus on women empowerment - from engaging mothers in our youth programs and training female entrepreneurs - to supporting women students. We witness the value added by women in each community program we have run.

In 2015, Aramex, in partnership with ICDL Arabia and Tanmia (The National HR Development and Employment Authority), launched a three year program to support and train 150 Emirati women (Job seekers and entrepreneurs) on ICT skills to acquire the ICDL certification. Equipped with essential digital and social media skills, the candidates will be able to access more employment opportunities or start their own ventures. Aramex will be supporting job seekers through job shadowing activities. For women starting their own businesses, support will be offered through enrollment in the Aramex and InfoFort SME program which will offer them support, access to mentorship, services and training.

Through our partnership with the Slums Information and Development Resource Center (SIDAREC) in Kenya, we supported the mothers of our students, who are receiving our scholarships, and part of our education and empowerment programs, to start their own businesses through the creation of a revolving fund. Women were trained in different business skills, to help them secure alternative sources of income. We are now working to expand the program to Tanzania with the support of local partners.

In 2015 we worked with 484 women, on education, empowerment and entrepreneurship programs.

Youth Education and Empowerment

We recognize the latent potential that our youth hold to influence and shape their realities. We see immense value in investing in our youth, to help them access the tools, skills and guidance to carve out their own paths and play a vital role in their communities, surroundings and economy. Our work with Youth Education and Empowerment is a pillar of our sustainability.

In 2015, we continued to work closely with youth organizations and universities on education, empowerment and employability.

Our programs are designed to address the needs of the local community and the young. Our programs aim to create long term sustainable partnerships with local, regional and international institutions and to create value for our youth through access to scholarships, educational support, training, mentorship and employability skills and opportunities.

1897 students benefitted from our Youth Education and Empowerment Programs.

We continue to work with The Bonnah Educational Fund in Tanzania, providing assistance for students to attend secondary schools, while also supporting and training their parents to find economic opportunity and thereby enabling the children to remain in school and continue their education.

Aramex Internship Programs

We see the value that internships add to youth empowerment and the opportunities they provide. Therefore, we work with different institutions to provide internships for students and recent graduates across our network, giving them the opportunity to develop their real world skills and capabilities.

These programs allow youth to explore different aspects of the industry - gaining experience, growing their network, becoming more competitive in their fields and better equipped to make informed decisions about their career paths. This gives us access to a pool of eligible candidates who have already been through our training programs and have learned about our industry and operations. Working closely with the young and identifying their talents and skills also allows us to identify the best candidates to hire full time. Our program encourages our interns to come up with their own initiatives and projects related to their field, and we work with them to identify areas of common collaboration, motivating them to take ownership of their experience.

We continue to engage with Restless Development, International Youth Foundation and Vocational Educations and Training Association in different locations in East Africa. Through these partnerships we support, train and offer internships to students and recent graduates. Many of our interns have been hired full time upon completion of their internships.

Across our global locations, we had 473 internships in various departments, ranging from HR to Operations, IT, Logistics and Sustainability.

Sustainability (continued)

Arab Innovation Network

In 2015, we continued to work with the Arab Innovation Network in supporting their Annual Conference (AINAC). This year, The Aramex Innovation Lab presented a group of students with a particular challenge - the team with the most innovative solution has been selected and in 2016 will be incubated at Aramex in order to work on their solution.

Injaz Expand Your Horizon

INJAZ Al-Arab (INJAZ) is a non-profit organization that promotes youth education and training in the Arab World under three pillars: workforce readiness, financial literacy and entrepreneurship.

We have a long-standing regional partnership with INJAZ whereby we provide direct support - our employees actively volunteer to train and mentor the youth.

This year we partnered with INJAZ on their Expand Your Horizon (EYH) Program, aimed at tackling unemployment in the MENA region. EYH aims to help youth in the region access jobs in key industries within the private sector. By offering internships to youth through EYH, they are given a chance to get to know our industry and what skills are required for employment in this field. They are also getting the opportunity to enrich their experience and are then more competitive in their fields.

Sustainability (continued)

Scholar Spotlight

CHRISTINE MAGEMBE
BACHELOR OF RECORDS AND ARCHIVES MANAGEMENT

"I have experienced a lot of things - especially with regard to my community work at Masooli Primary School. This has changed my life, from getting used to handling children, understanding their likes and dislikes and knowing how to take care of them. Besides that, this foundation has built my confidence in self-expression. All thanks to Aramex through the Nnabagereka Development Foundation."

"In conclusion, I would send my great regards to Aramex through the Nabagereka development Fund for the great sponsorship that I was given. Thank you very much and may the good Lord grant you abundantly."

Ahmad Alhashlamoun- Mecatronics Engineering

I worked as a trainer by providing scholarships in exchange for community service, offering academic education and social development through special programs for children and teenagers.

I work at Xtralis Company as a design engineer in low current systems. Ruwwad has had a large impact on my life and my way of thinking through multi programs and key learning experiences. It's hard to express the profound effect Ruwwad has had on my life and in how many ways it has helped me develop my skills over the last four years.

WAMANGA PETER
DIPLOMA COMPUTER REPAIR & MAINTENANCE

"I have volunteered with Restless Development Uganda on the dance4life program for three years now. Every time I participate in field work I meet over 1000 young people. This experience has helped me gain the confidence to address big crowds of young people, discuss the challenges they encounter in life, listening and giving feedback plus helping them overcome sexual reproductive health challenges . Thanks to Aramex, I can now study IT maintenance and open an IT company in my home area in Jinja."

Sana' Zamil- Architectural Engineering and Building Systems

I started with Ruwwad in 2013 and volunteered in the IT department until I graduated. Since then I have been an intern in monitoring and evaluation in the IT department.

I'm one of the Ruwwad Alumni Club coordinators. I'm also starting my own business with four others (also from Ruwwad and in partnership with Action Aid organization).

Ruwwad is not just that place that helped me financially to pursue my dream of becoming an Architectural Engineer - it's also where I have met and continue to meet people who inspire me in so many ways. Every day and moment I spend there is full of learning, laughter, making new friends, giving and love. I hope to contribute more and more and to do new things that can help make the world a better place.

Entrepreneurship 2015

Entrepreneurship remains a prime focus of Aramex. Stemming from our entrepreneurial roots, we aim to leverage our operations, network and expertise to support startups across our network. To us, entrepreneurship is a mindset; a set of skills that are leveraged to address the challenges we face. Above all, entrepreneurship is about creating value and solutions, innovating business models and processes, generating new jobs and new wealth, and expanding markets.

We continually support entrepreneurs and startups through different channels and in different capacities.

In 2015, we supported 2132 startups and entrepreneurs.

We have a dynamic relationship with our entrepreneurs and SMEs. We actively engage with them, customizing our services to suit their needs, leveraging our network to help their expansion, sharing our expertise and finding common business development opportunities and partnerships.

Our procurement policies continue to favor local startups and SMEs, with the goal of encouraging and supporting these businesses.

The Aramex and InfoFort SME program aims to provide entrepreneurs with commercial training and mentorship and sustainability support. We are in a position to provide valuable logistics services and expertise to startups in the region. Therefore, the program offers startups and SMEs commercial services at a preferential rate, along with access to our expertise. Entrepreneurs are able to access mentors to gain insights and expertise on topics from business development and strategy to legal advice, marketing and recruitment. Moreover, the program provides training through our partners to meet the needs of startups. The program also provides these businesses with support to integrate sustainability into their business processes from the ground up.

The program actively aims to foster strong partnerships with other private sector companies, local government institutions' NGOs and other stakeholders in order to generate shared value with SMEs.

Our partnership with Wamda continues for the 8th year, as we provide direct and indirect support to a platform designed to empower entrepreneurs in the MENA region. Our partnership includes providing Wamda entrepreneurs with Aramex expertise through mentorship and training support. Moreover, we remain involved in Mix N Mentor events around the MENA region - these community events bring promising entrepreneurs together with industry experts and investors to discuss specific startup challenges.

Our Environmental Commitments

Our commitment to environmental friendliness and reducing our environmental footprint is integrated in all facets of our operations and supply chain.

We focus these commitments on industry-based environmental concerns, while also ensuring we actively advocate for the environment.

Our major environmental impacts result from emissions released in our operations - the use of our facilities, vehicles' and the delivery of our shipments. Given that we are in the transportation industry, and well aware of the sources of our environmental footprint, we actively seek to optimize our operations - reducing consumption, utilizing alternative fuels and technologies to lower our carbon emissions and cutting down on packaging and paper use. We continue to promote awareness, sustainability and innovation in the environmental field.

This is the 6th year in a row that we have measured and managed our Greenhouse Gas emissions. We report our emissions based on the GHG Protocol, 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 CO_2 equivalent, which is the unit used for the global warming potential of each of the six greenhouse gases, represented as a unit of CO_2e. In addition, we have measured and reported energy consumption related to our direct and electricity emissions within our operations for 2015. We ensure that we 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.

We stand by our commitment to reduce our energy intensity and carbon footprint. We have set internal and external goals to in order to manage our environmental impact. Our goals include the reduction of our emissions per shipment by 20% by the year 2020.

We continue to invest in Leadership in Energy and Environmental Design certifications for our warehouses and buildings. In 2015, we invested a total of 15,869,109 AED as part of ongoing certifications.

We are aware of the risks and effects that climate change has on our surroundings and the environment. We know that these risks have impacts on our operations as well. There is uncertainty related to government energy and environmental policies and regulations, insurance considerations, customer needs and concerns, as well as potential carbon taxesand increases in fuel prices, all of which place increased financial burdens on our operations. There is an ever-increasing need to invest in renewable and alternative energy and technologies which, due to regulatory uncertainty, have an unquantifiable return on investment.

Erratic weather events cause delays in our operations. As a company, we face the challenge of continuing to manage our operations despite the increased risk of such weather events brought about by climate change.

Being an asset-light 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 evaluation measures to assess our suppliers' environmental management efforts, it does leave some uncertainty - and an 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 improve our approach to climate change and to face these challenges. We are investing in solar energy in Amman, Jordan to cover our operational needs. We are also in the process of assessment of renewable energy projects in other major locations. We are also investing in alternative fuels and converting our fleet to include more efficient and environmentally friendly vehicles. We have implemented several measures of environmental compliance, from added supplier evaluation and certifying our own facilities to exploring renewable energy options, fleet upgrades and increasing operational efficiency.

We are active in finding innovative solutions to mitigate the risks of climate change and to reduce our environmental footprint.

(G4-EN1) (G4-EN2) (G4-EN3) (G4-EN5) (G4-EN6) (G4-EN7) (G4-EN8) (G4-EN9) (G4-EN10) (G4-EN11) (G4-EN12) (G4-EN13) (G4-EN14) (G4-EN15) (G4-EN16) (G4-EN17) (G4-EN18) (G4-EN19) (G4-EN19) (G4-EN 20) (G4-EN21) (G4-EN22) (G4-EN23) (G4-EN24) (G4-EN25) (G4-EN26) (G4-EN27) (G4-EN28) (G4-EN29) (G4-EN30) (G4-EN31) (G4-EN32) (G4-EN33) (G4-EC2) (G4-EN 27)

Sustainability (continued)

Carbon Footprint table

Year		2012	2015
Scope 1	(tCO2e)	37,100	40,671
Scope 2	(tCO2e)	22,885	23,121
Scope 3	(tCO2e)	456,306	510,285
Freight	(tCO2e)	374,466	382,033
Express	(tCO2e)	61,034	104,339
Commuting	(tCO2e)	19,806	23,058
Business Travel	(tCO2e)	1000	855
Total Emissions	(tCO2e)	516,291	574,077
Total Emissions (kg) / Shipment		13	11

Our Fuel Footprint

Emissions from our fuel (Scope 1) were 40,671 tCO2e

Our scope 1 emissions fell by 21% per shipment

Our fuel consumption per shipment decreased by 11%

*Compared to our base year of 2012.

What are we doing?

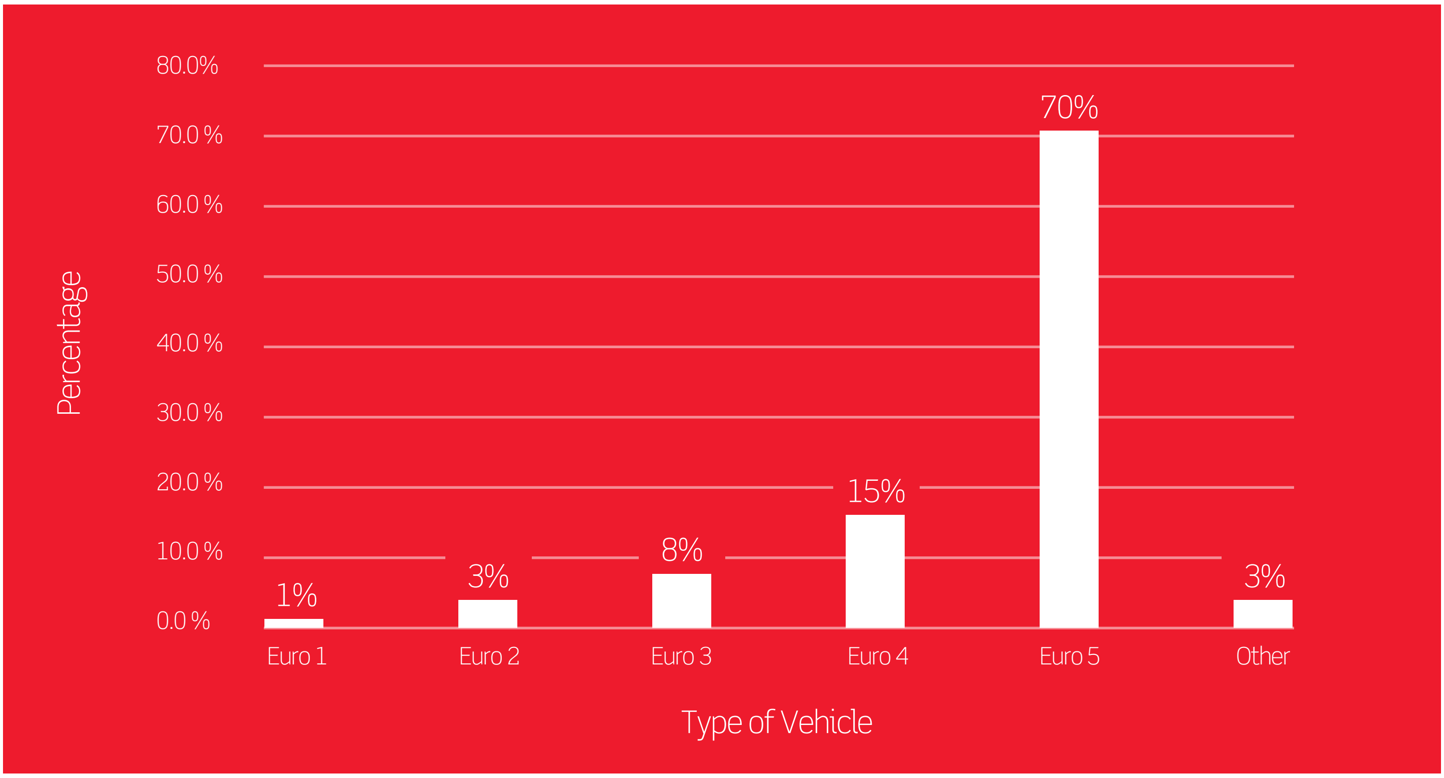
Fuel efficient vehicles and alternative fuels and technology

Our fleet is an essential part of our operations, which is why we continue to invest in updating and converting it to include more environmentally friendly vehicles. We are also utilizing new technologies, from low emission vehicles and electric vans and bikes to converting to compressed natural gas vehicles. We are always ready to pilot and invest in alternative fuels, where available, that would help reduce our footprint. For example, in Sri Lanka, we are piloting an electric vehicle for deliveries. In India we have begun the process of converting our fleet to include a larger number of compressed natural gas vehicles (CNG).

(G4-EN3) (G4-EN5) (G4-EN15) (G4-EN 16) (G4-EN17) (G4-EN27) (G4-EN30)

Sustainability (continued)

Breakdown of our Fleet 2015



Operational Efficiency

In 2015, we continued to enhance our efficiency through investing in technological and operational innovations. Accurate address capturing and route optimization. Moreover, we are piloting Aramex locker services and drop-boxes so that our customers can access our services on the go, minimizing the need for separate trips. Our operational efficiency measures ensure that we save time and fuel.

Eco-driving training

Piloted in 2014, this training includes different ways to reduce emissions from fuel through driving techniques. In 2015 we expanded the training to include all our couriers in the UAE, including a practical component. The program is set to expand to the rest of the GCC.

(G4-EN3) (G4-EN5) (G4-EN27)

Our Electricity Footprint

Emissions from our electricity (Scope 2) were 23,121 tons of CO_2e

Our scope 2 emissions per shipment fell by 27%

Our electricity consumption per shipment fell by 25%

*Compared to our base year of 2012.

What are we doing?

We continue to work on greening our facilities. We continue to invest in green building of our owned warehouses and facilities, with particular focusing on Leadership in Energy and Environmental Design (LEED) certification.

Sustainability (continued)

Energy Efficiency

Water Efficiency

Improved Indoor Air Quality

Improved Natural Resource Management

Improved Waste Management

Protects the Environment

We are committed to Green Building, currently we have:

- **3** Certified facilities
- **4** Facilities under certifications
- **2** Facilities under construction

Our LEED warehouses have proved to lower our electricity consumption significantly, which in turn has lowered our carbon footprint.

We continue to update and certify our facilities according to the ISO 14001 Environmental Management System, ensuring that we have environmental policies and procedures in place.

Where possible, we retrofit and update our facilities with energy efficient electronics, lighting systems and technologies in order to lower our footprint. Moreover, our procurement policies state that we must purchase energy efficient electronics, where available.

(G4-EN27)

Sustainability (continued)

Our Supply Chain, Traveling and Commuting Footprint

Scope 3 emissions were 510,285 tons of CO_2e,

Our Scope 3 emissions per shipment decreased by 19% due to a decrease in total weight of shipments, as well as utilizations of mixed mode of transportation.

Our freight related emissions were 382,033 tons of CO_2e

Our express shipments related emissions were 104,339 CO_2e

Employee commuting 23,058 tons of CO_2e,

Emissions resulting from employee commuting rose 16% in response to the increase of our global workforce, as compared by our base year of 2012.

Through our internal awareness and information sharing, we discuss measures with employees to reduce their commuting footprint by utilizing public transportation, carpooling and bicycles.

Business travel 855 tons of CO_2e,

Our Business Travel related emissions decreased by 15% from 2012. Wherever possible, we continue to utilize teleconferencing to reduce the number of business trips across the network.

In 2015, our Total emissions per shipment were 11 Kg CO_2e.

Decreasing by 15% from our 2012 baseline, reflective of our active efforts to utilize environmentally friendly measures across our operations.

(G4-EN 18) (G4-EN 19) (G4-EN30)

Sustainability (continued)

Paper and material consumption[2]

Our paper consumption per shipment remained the same as last year, despite the expansion in operations, as we continue to work on reducing our paper use.

What are we doing?

We utilize e-tools and e-communication in order to reduce the amount of paper we print. Our facilities 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.

Our recycling increased by 3%

Furthermore, 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

Environmental compliance is an important factor in our commitment to reducing our environmental footprint. We make sure that our policies and procedures include environmental considerations.

We continue to certify our facilities and stations with the ISO14001: Environmental Management System.

Moreover, we make sure that we include 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 such systems.

Our adherence to our environmental objectives and policies ensured that we did not receive any non-compliance fines or sanctions related to the environment in 2015, nor did we receive any environmental grievances.

In 2015, 22 of our stations were ISO14001 certified.

Advocacy

We view our role as corporate citizens not only to practice environmental friendliness, but to also advocate on behalf of the environment. We are enthusiastic about sharing our experience and encouraging others to measure and manage their environmental and carbon footprints. Aramex is a signatory of Caring for Climate, a UN initiative aimed at advancing the role of businesses in addressing climate change. It provides a framework for business leaders to promote 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 as well as partnering at 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.

[2] Details can be found in Appendix page 114

(G4-EN23) (G4-EN29) (G4-EN32) (G4-EN33)

Sustainability (continued)

Internal awareness

Our employees are an important part of our environmental efforts. We continue our efforts to raise environmental awareness amongst all of our employees, by providing them with a basic training program, Green Office Handbooks and sharing Green Tips.

Our Green Champions volunteer to help 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 promote peer-to-peer conversations about the environment, in order to instill a spirit of environmental responsibility.

Celebrating Earth Day across the globe

In the spirit of environmental friendliness, we continued our annual Earth Day celebrations by carrying out different environmental activities around our offices as well as local communities. These ranged from city clean-ups to tree planting, recycling competitions and 'lights out' at the offices. The objectives behind these celebrations were for our employees to interact with their surrounding environment, and to work together on an outdoor activity to instill a sense of appreciation for the environment and nature.

Active Citizens

Aramex Active Citizens are our Aramex employees, who actively work with their communities, embodying the Aramex culture of corporate citizenship.

Launched in 2013, the Aramex Active Citizens Program aims to encourage and provide support to employees involved in community service or volunteering activities. The program focuses on 5 themes:

- Community Empowerment
- Youth Education and Empowerment
- Entrepreneurship
- Environment
- Emergency relief

In 2015, our employees volunteered more than 10,000+ hours.

Information on local community services and volunteering activities is shared through the program with employees and office-wide activities are planned. Employees are also encouraged to plan their own activities, and in certain cases are allowed to volunteer for four hours a week during office hours.

Active Citizen Activities range from city clean up and tree planting to youth training and entrepreneur mentorship.

Furthermore, we launched several campaigns to promote community service. We have an annual Earth Day campaign across our network, where our employees volunteer with local organizations on projects related to the environment, including park beautification, plant growing competitions, beach cleanups and recycling projects.

In 2015, we launched our #SelflesswithAramex campaign, asking our employees to be selfless and to volunteer within their communities. The campaign kicked off with our CEO Hussein Hachem volunteering time with young people in Ruwwad, Jordan, where he met with a group of students and discussed their their careers, entrepreneurship and their future plans.

Moreover, in order to provide long term and impactful volunteering activities for our employees, we ensure our sustainability programs and partnerships include employee engagement opportunities.

For example, through our partnership with The Nnabagereka Development Foundation (NDF) and Masooli School in Uganda, our employees are actively involved in setting up the computer lab, training teachers on ICT skills and engaging with the students to help them identify career paths as part of their volunteering.

Through our partnership with Injaz Al-Arab, our employees are actively engaged in youth empowerment programs, and often offer their expertise to the students by leading workshops and training.

Moreover, our employees actively engage with the youth and community projects that take place within Ruwwad (page 42). This can take the form of providing support on operational issues like IT or accounting, helping with operational capacity building, providing training to the youth and community or developing their own programs for community, child or youth empowerment.

Our employees share their experiences on an employee-only social media group, to discuss opportunities, stories, photos and issues.

We continue to fine tune our active citizens program, and are working to integrate employee volunteerism into our annual evaluation process, whereby employees commit to a specified number of 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 appropriate opportunities for their goals and our sustainability strategy.

Sustainability Support and Advocacy

We believe that in order to have a lasting positive impact on our surroundings, there is a need to actively engage with governments, private sector, educational institutions and NGOs on sustainability topics.

From our own experience, we have seen first-hand how sustainability can vastly improve operations and stakeholder relations. Whether through increasing efficiency, engaging employees or improving client relations and trust with communities, we believe in sustainability integration and the benefits and potential it holds.

We aim to position ourselves as advocates for sustainability. This involves adhering to and being a part of the United Nations Global Compact. We also comply with international and local regulations pertaining to human and labor rights, anti-bribery and corruption. Furthermore, we are committed to the Leadership in Energy and Environmental Design certification and renewable energy, as well as sustainable procurement policies, favoring sourcing of environmentally friendly products and local SMEs and startups.

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 make sure that our practices give a clear message of commitment to sustainability.

We also see that there is a need for sustainability advocacy and awareness in many of the locations in which we work and, given our experience and network of partners, we are well positioned to provide support to sustainability advocates and platforms.

Our membership and commitment to the UN Global Compact and its ten principles has also paved the way for us to be either founders or founding members of UNGC local networks in countries were local networks are not present. By doing this, we share our experience, train and work with corporates, organizations and startups that are in the process of integrating sustainability into their operations.

We make sure that we share our experience with other private sector organizations, students and young professionals, helping provide a roadmap to corporate sustainability in order to promote the integration of sustainability across different disciplines, industries and regions.

Through our sustainability advocacy efforts, we have reached out to over 130 corporates across the regions in which we operate, providing advice, training and support for sustainability reporting, activities and strategy.

Sustainable Development Goals

We are working to support the accomplishment of the United Nations Sustainable Development Goals. Our corporate and sustainability strategies are in line with the Sustainable Development Goals through our employment and recruitment model, work with entrepreneurs, investment in local communities, youth education programs, commitment to the environment and continuous engagement with partners and stakeholders.

13
Climate Action

We are committed to reducing our GHG emissons and investing in environmentally friendly alternatives in our buildings and fleet

15% Reductions in GHG emissions per shipment

Goals to reduce 20% by 2020 (compared to our 2012 baseline)

17
Partnerships For The Goals

We partner with communities and international organizations to work on our sustainability programs, we are part of UNGC and founding members of multiple local networks, Sustainability advocacy is part our programs ensuring we raise awareness and collaboration across our network

100+ Partners
6 UNGC Networks
137 Corporates reached

4
Quality Education

We work closely with our communities to empower them and provide educational and economic opportunities to combat poverty

1897 students
13,696 community beneficiaries

8
Decent Work And Economic Growth

As a global employer, we make sure that we invest in our people, providing them with competitive salaries, benefits and on the job learning and development

13,860 employees
84 nationalities
79% training coverage

Entrepreneurship is one of our key focus areas, ensuring that entrepreneurs have the support they need for their businesses to thrive and positively impact their communities and economy

2132 startups and entrepreneurs

Emergency Relief

We are committed to leveraging 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 and 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

In 2015 we worked with Restless Development to provide emergency relief for victims of the Nepal Earthquake. We were able to provide 17,000 people with emergency aid.

We continually utilize our network to ship, store and distribute essential aid material to those facing disasters and emergencies across the world.

In addition we shipped donations which include educational supplies to Syrian refugees.

Stakeholder Engagement

Aramex has a global base of stakeholders, all of whom are vital for our operations and are vested in our sustainability. We actively engage with our stakeholders through different channels. Our stakeholders are defined as entities and individuals with whom we interact, whether directly or indirectly, and who are in our sphere of impact, based on assessment of our operations and their reach.

In 2015, we held multi-stakeholder engagement and consultation workshops in four of our main markets - Egypt, Dubai, Saudi Arabia and India. Feedback and discussion from the workshops helped guide our goals and priorities for our sustainability performance and strategy.

Further input from our stakeholders was instrumental in designing our communication strategy for our sustainability, including this report.

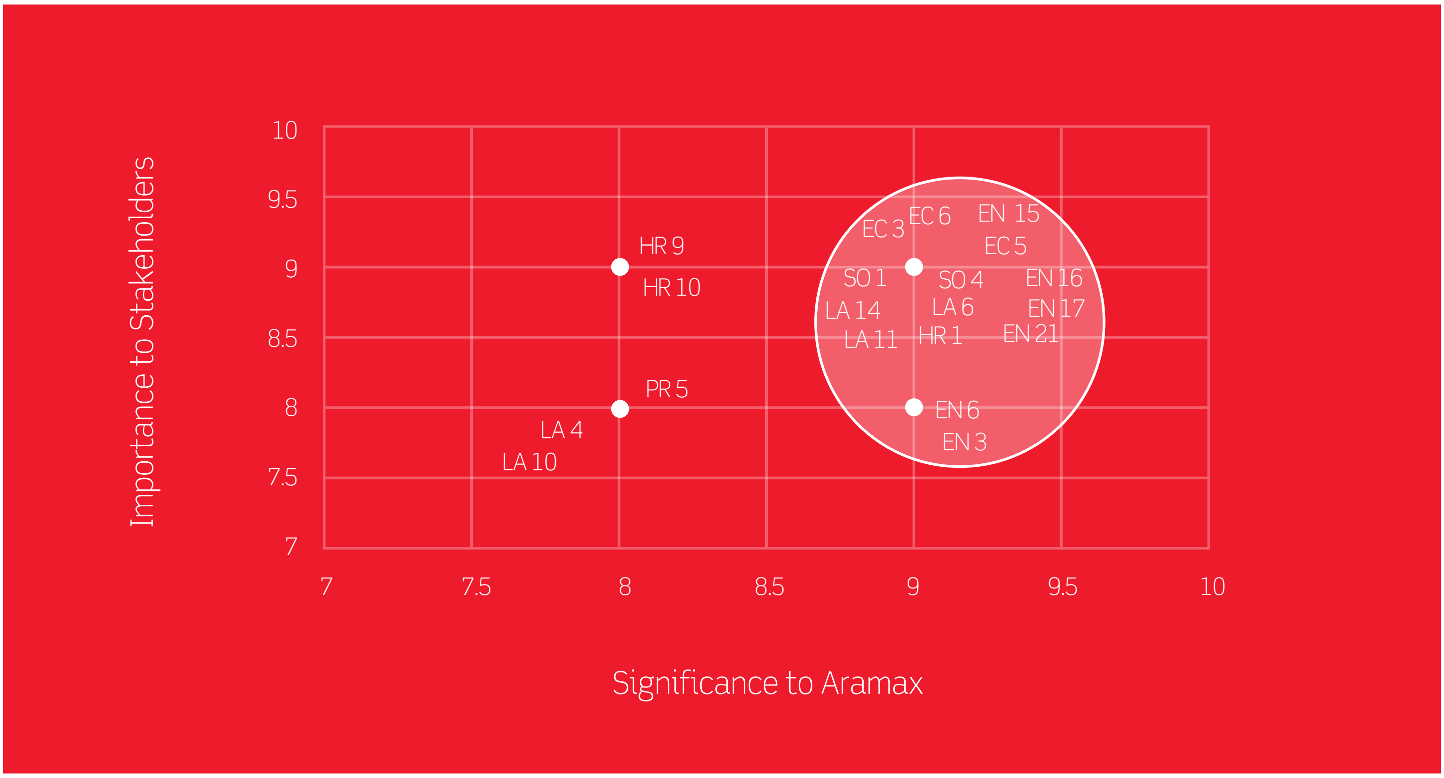
Our relationship with our employees, customers, business partners, shareholders, and members of the communities we serve and the environment directly impacts on our long-term growth and is a vital determinant of our sustainability performance. We proactively engage with our stakeholders to understand and address their needs and concerns.

We work closely with government entities in several capacities, from operations, customs, to advocacy and development programs, the government remains an integral stakeholder. We engage the government through continual communication, meetings and reports. We also ensure that we abide by local and international laws are regulations.

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

Stakeholder Engagement (continued)

Materiality Matrix for 2015



Indicators circled in white are considered to be highly material to both Aramex and our stakeholders.

Stakeholder Engagement in determining Materiality

Part of our engagements include asking stakeholders 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. Upon receiving the feedback, we identified the scope and boundaries of each aspect and indicator.These results enabled us to set priorities based on our operations and the significance on our economic, environmental and social impacts.

Stakeholder Engagement (continued)

Our stakeholders, priorities and efforts

Our People:

Our diverse workforce comprises over 13,860 direct and around 4,160 indirect employees across the globe; further enriching the diversity of our workforce which includes 84 nationalities.

Frequency of Engagement:

- Annual Performance reviews.
- Weekly-Monthly-Quarterly team meetings, depending on 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.
- Annual leaders' conferences.
- Online communication (social media, email shots, video channels).
- Internal collaboration tools.

Priorities:

- Job security.
- Career development and training.
- Competitive wages, Fair appraisals and evaluation.
- Knowledge sharing and clear feedback and communication channels.

Efforts and outcomes:

- Revamping evaluation and appraisal systems, ensuring more streamlined process that is clear for all employees.
- Enhancing and expanding on the job training, Corporate University accreditation ensures that on the job training gives employees a competitive edge within Aramex and the job market. (For more information on our Career Development, please refer to page 28).
- We began utilizing Facebook @ Work platform to increase communication across teams and locations.
- We utilize our intranet, infohub, sharepoint to share information, procedures, and experiences and more as part of our knowledge sharing platforms.

Stakeholder Engagement (continued)

Our Customers

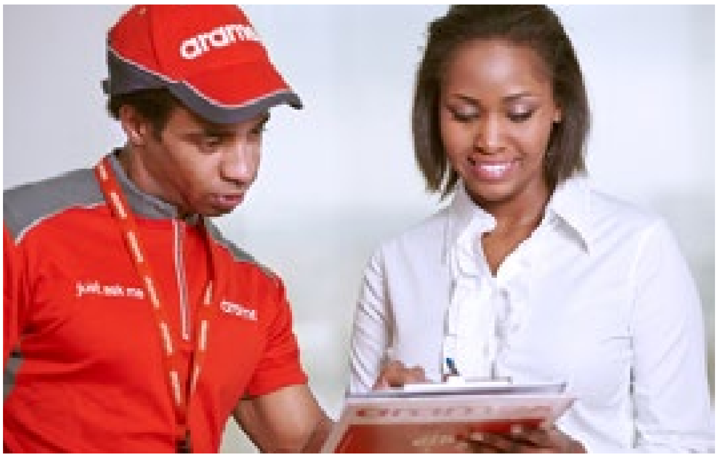
We serve over 76,000 customers spanning the Middle East, Africa, Europe, Asia, Australia and North America, as well as over 500,000 shop and ship customers.

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:

- Enhancing shipment tracking and timely deliveries.
- Enhance overall customer experience and expedite customer service response.
- Introducing a same-day delivery service.

Efforts and outcomes:

- Our new Aramex App will allow customers to track their shipments in real time, as well as, enhance overall customer experience.
- We continually work on training and adding new customer service lines to speed up response and resolve any customer issues efficiently (For more information on our efforts related to customer service please refer to page 33).

Stakeholder Engagement (continued)

Business Partners

Our business partners include airlines, sea cargo carriers, and 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:

- Aramex SME program and franchising models allow for new business ventures and partnerships with Aramex, (for more information on the SME program, refer to page 47).
- We are working on supplier evaluation forms, related to code of conduct and compliance issues and plan to begin training our suppliers on labor, human rights and anti-corruption issues.

Stakeholder Engagement (continued)

Our Shareholders

As of year-end 2015, Aramex had 22,050 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.

Stakeholder Engagement (continued)

Our Community

The broader society to which Aramex services and connections extend.

Frequency of Engagement:

- On-going.

Type of Engagement:

- Direct meetings.
- Ongoing interaction through social media, feedback channels.
- Stakeholder engagement sessions.
- Ongoing communication with NGOs to proactively respond to any concerns or enquiries.
- Collaboration with institutions and networks, focusing on the community programs.

Priorities:

- Capitalizing on the current unique social investment model to adopt inclusive business principles. Participants believe that Inclusive Business is especially relevant to Aramex given the company's potential for recruiting from low-income communities and for outsourcing services from SMEs.

Efforts and Outcomes:

- Our SME program strives to create partnerships with local startups and entrepreneurs (for more information refer to page 47).
- Our Youth Education and Empowerment programs target low income communities, and our internship program allow youth from our communities to gain skills that make them competitive in the job market, and are often hired full time into Aramex (for more information on these programs refer to pages 44).

Stakeholder Engagement (continued)

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:

- On-going.

Type of Engagement:

- Direct meetings with related stakeholders.
- Upon need, ongoing interaction through social media and feedback channels.
- Ongoing communication with NGOs to proactively respond to any concerns or enquiries.
- Collaboration with institutions and networks, focusing on the environment.
- Measuring and managing our carbon footprint.

Priorities:

- Increase reliance on environmental friendly alternatives, such as renewable energy and water recycling.
- Sharing environmental targets and efforts externally and internally more periodically.
- Expanding efforts to supply chain, through training, advocacy and creation of networks.

Efforts and Outcomes:

- We continue to invest in green building and are initiating work on solar energy generation for our operations (for more information, refer to page 48).
- We enhanced our Sustainability communication strategy with our 'Delivering Good' platform to ensure communication on targets and progress is shared internally and externally in a timely and periodic manner.
- We work closely with corporate and NGOs on sustainability advocacy, and are expanding our sustainability advocacy efforts to include suppliers and partners (for more information please refer to page 40).

Materiality Table

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
DMA			Reporting Process, Stakeholder Engagement				
Economic							
Economic Performance							
EC	**1**	Direct economic value generated & distributed	Financials, CEO Latter, Our People	Material	Within our entire operations and outside the organization as it relates to our shareholders, suppliers and other stakeholders	Our 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	
EC	**2**	Financial implications & other risks and opportunities for the organization's activities due to climate change	Our environmental commitments	Material	Within our entire operations and outside the organization as it relates 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	
EC	**3**	Coverage of the organization's defined benefit plan obligations	Financials, Our People	Material	Within our entire operations	Direct impact on our business, stakeholders, especially employees	
EC	**4**	Financial assistance received from government	Governance	Material	Within our entire operations and outside the organization as it relates 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	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Market Presence							
EC	**5**	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our People, Appendix	Material	Within our entire operations and outside the organization as it relates 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 which 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.	
EC	**6**	Proportion of senior management hired from the local community at significant locations of operation	Our People	Material	Within our entire operations	We aim to employ members of the local communities in which we operate - 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 in which we operate	We have 17 grades and our top 3 grades are considered Senior Management. Moreover we define local vs. expat based on the location of the senior manager (example, a Jordanian senior manager in Jordan is considered local, while a Jordanian senior manager in Dubai is considered expat)
Indirect Economic Impacts							
EC	**7**	Development & impact of infrastructure investment & services supported	About Aramex	Immaterial		Since we are a light asset based company, we do not have significant investments related to infrastructure	
EC	**8**	Significant indirect economic impacts, including the extent of impacts	About Aramex	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 in which we are operating	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Procurement Practices							
EC	**9**	Proportion of spending on local suppliers at significant locations of operation	About Aramex, Our Services, Index	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 in which we are operating. The majority of our spending is on local suppliers - in fact, for 2015, on average, 85% of our spending was on local suppliers	The majority of our spending is on local suppliers - in fact, for 2015, on average, 85% of our spending was on local suppliers
Environmental							
Materials							
EN	**1**	Materials used by weight or volume	Our environmental commitments, Appendix	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.	
EN	**2**	Percentage of materials used that are recycled input materials	Our environmental commitments, Appendix	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	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.	

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Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Energy							
EN	**3**	Energy consumption within the organization	Our environmental commitments	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 is also an important factor to monitor and manage in order to reduce our operational cost	"Our total energy consumption inside the organization is 36,078,400 kw and 16,794,491 liters of fuel (1 liter = 38.7 mega joules – HHV Diesel "
EN	**4**	Energy consumption outside of the organization		Immaterial		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	1 liter = 34.8 mega joules – HHV Gasoline)
EN	**5**	Energy intensity	Our environmental commitments	Material	Within 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.	
EN	**6**	Reduction of energy consumption	Our environmental commitments	Material	Within our entire operations, except our franchisees	The amounts of reductions in our energy consumption are an important measure of our environmental and efficiency initiatives	
EN	**7**	Reductions in energy requirements of products & services		Immaterial		Because we report on our overall energy and emissions trends and consumption	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Water							
EN	**8**	Total water withdrawal by sources	Our environmental commitments	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	10,055,846 liters of water consumed in 2015
EN	**9**	Water sources significantly affected by withdrawal of water		Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	
EN	**10**	Percentage & total volume of water recycled and reused		Immaterial	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	Our use of water is restricted to municipal use. However, given that water is important and exceedingly scarce, we make sure to re-use and recycle our water where possible.	
Biodiversity							
EN	**11**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Immaterial		Not applicable since we ensure that we do not lease or own land adjacent to protected or high biodiversity areas	
EN	**12**	Description of significant impacts of activities, products, & services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Immaterial		We are a service oriented company, therefore, we do not manufacture products, the pouches we use for our services are degradable	
EN	**13**	Habitats protected or restored		Immaterial		We were not involved in any habitat protection or restoration activities	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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		Immaterial		Not applicable since we ensure that our operations are not in areas with protected or endangered species	
Emissions							
EN	**15**	Direct greenhouse gas (GHG) emissions (Scope 1)	Our environmental commitments	Material	Within our entire operations, except our franchisees	Due to environmental impacts	Our Carbon footprint baseline year is 2012
EN	**16**	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Our environmental commitments	Material	Within our entire operations, except our franchisees, outside as it relates to electricity providers	Due to environmental impacts	Our Carbon footprint baseline year is 2012
EN	**17**	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Our environmental commitments	Material	Inside our operations as it relates to our business relates travel. Outside our operations as it relates to our suppliers, our employees commuting	Due to environmental impacts	Our number of employees grew by 7%, therefore, our commuting footprint grew by the same. We calculate our commuting footprint using a bi-annual employee survey, produced as per the GHG protocol
EN	**18**	Direct greenhouse gas (GHG) emissions intensity	Our environmental commitments	Material	Within our entire operations, except our franchisees, outside as it relates to our scope 3 emissions	Due to environmental impacts	
EN	**19**	Reduction of greenhouse gas (GHG) emissions	Our environmental commitments	Material	Within our entire operations, except our franchisees	Due to environmental impacts	
EN	**20**	Emissions of ozone-depleting substances (ODS)		Immaterial		We do not emit any ODS	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
EN	**21**	NOx, SOx & other significant air emissions	Our environmental commitments	Material	Within our entire operations, except our franchisees	NOx and SOx have negative environmental and health impacts, given that they are a by-product of the burning of fossil fuels, so it is important to measure and report on the amount our operations produce. We use the GHG protocol tools to measure our NOx and Sox. Our efforts to reduce our GHG emissions are also aimed at reducing our NOx and Sox emissions	We only report our NOx and Sox, as other emissions are negligible. Our total NOx and SOx emissions for 2015 were 22,684 tons measured using the GHG protocol and Climate Registry tools. With negligible amount of other gases
Effluents and Waste							
EN	**22**	Total water discharge by quality and destination		Immaterial		Because our water consumption is strictly for municipal use and we withdraw and discharge water through municipal system	
EN	**23**	Total weight of waste by type & disposal method	Our environmental commitments	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	
EN	**24**	Total number & volume of significant spills		Immaterial		We do not handle any hazardous or toxic substances, nor have we had any significant spills in any of our warehouses and operations	
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	Our environmental commitments	Immaterial		We have strict policies against the handling or transportation of hazardous or toxic waste	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Our environmental commitments	Immaterial		All our water is discharged through municipal sewage systems	
Products and Services							
EN	**27**	Extent of impact mitigation of environmental impacts of products and services	Our environmental commitments	Material	Within our entire operations, and outside as it relates to the environment and our stakeholders	This is important to our operations and to our stakeholders	
EN	**28**	Percentage of products sold and their packaging materials that are reclaimed by category		Immaterial		We do not sell any product, pouches which make up 99% of our packaging material are degradable	
Compliance							
EN	**29**	Monetary value of significant fines & total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Our environmental commitments	Material	Within our entire operations	This is important to our operations and to our stakeholders	We didn't receive any monetary fines or sanctions for non-compliance with environmental laws and regulations
Transport							
EN	**30**	Significant environmental impacts of transporting products and other goods & materials for the organization's operations, and transporting members of the workforce	Our environmental commitments	Material	Within our entire operations and outside as it relates to our suppliers	This is important to our operations and to our stakeholders	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Overall							We didn't receive any monetary fines or sanctions for non-compliance with environmental laws and regulations
EN	**31**	Total environmental protection expenditures and investments by type	Our environmental commitments	Material	Within our entire operations, except franchisees	This is important to our operations and to our stakeholders	
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	This is important to our operations and to our stakeholders	
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	This is important to our operations and to our stakeholders	
Environmental Grievance Mechanisms							
EN	**34**	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Our environmental commitments	Material	Within and outside our operations as it relates to our supply chain	This is important to our operations and to our stakeholders	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Direct impact on our business, stakeholders, especially employees	We are currently deploying our ERP system - until this is completed, we are unable to report on our employee turnover
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		Throughout 2015, we did not have any part-time employees	
LA	**3**	Return to work and retention rates after parental leave, by gender	Our People	Material	Within our entire operations, except franchisees	We 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	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Direct impact on our business, stakeholders, especially employees	While 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
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	The 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	Our health and safety committees include members representing each relevant team, including HR, Legal, Health and Safety, Operations and Facilities, making up 80% of total workforce
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	Direct impact on our business, stakeholders, especially employees	We abide by OSHAS 18001 policies and regulations except when local laws stipulate otherwise

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
LA	**7**	Workers with high incidence or high risk of diseases related to their occupation		Immaterial		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.	
LA	**8**	Health & safety topics covered in formal agreements with trade unions		Immaterial		We currently do not have any formal agreements with trade unions - therefore this is not applicable	
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	Employee 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	
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	Employee 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	
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	Direct impact on our business, stakeholders, especially employees	100% of our employees receive annual performance reviews as per our HR policies

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Aramex is a global operation - diversity is vital to the success of our operations, as 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 in which we work	
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	Direct impact on our business and stakeholders, especially employees	
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	Labor rights are important to us - we strive to ensure that all of 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	100% of new suppliers evaluated
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	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	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	We make an effort to ensure that we safeguard the labor rights of all our workforce. Therefore, we ensure that we have a clear labor rights policy, along with a whistle blowing system to report any concerns or grievances - whether related to our operations or those of our suppliers, in order to remedy the issues immediately	
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	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 they are important for us to keep track of and prevent	All major significant investment agreements contain human rights clauses
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	In order to ensure that human rights are upheld, we make sure to communicate with our employees on 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	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Non-discrimination							
HR	**3**	Total number of incidents of discrimination and corrective actions taken	Our People	Material	Within our operations, except franchisees	We 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 remedy them.	
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	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	
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	Direct impact on our business and stakeholders	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Direct impact on our business and stakeholders	
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	In order to ensure human rights are upheld, we make sure to communicate with our employees on 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, are constantly on-site and therefore have a high potential to prevent and report any violations	
Indigenous Rights							
HR	**8**	Total number of incidents of violations involving rights of indigenous peoples and actions taken		Immaterial		We do not own or lease land in areas with indigenous populations or that have indigenous rights therefore this is not applicable to our operations	

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Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Assessment							
HR	**9**	Total number & percentage of operations that have been subject to human rights reviews or impact assessments	Compliance	Material	Within our operations	Human rights are vital to us and 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 or supply chain. Human rights violations can impact our operations and stakeholders negatively, which is why they are important for us to keep track of and prevent	
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	Direct impact on our business and stakeholders	All new suppliers are evaluated
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	Direct impact on our business and stakeholders	
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	Given 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 remedy them.	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
Society							
Local Communities							
SO	**1**	Percentage of operations with implemented local community engagement, impact assessment, and development programs	Sustainability	Material	Inside and outside our operations in the countries where we are able to have a projects on the ground. The percentage comes from operations that have projects on the ground out of all operations where we have the ability to have sustainability projects.	Aramex strives to leave a positive impact in all areas in which we operate - we believe it is vital to engage with local communities and empower them. Our social and sustainability initiatives impact the community's well being and enhances our relationships with our stakeholders	Our community beneficiaries exclude children, students, startups and interns (which are accounted for separately).
SO	**2**	Operations with significant actual or potential negative impacts on local communities		Immaterial		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.	
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	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate, which is why Aramex's compliance and internal audit functions are dedicated towards the reduction of risks related to corruption	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
SO	**4**	Communications and training on anti-corruption policies and procedures	Compliance, Governance, Our People	Material	Within our entire operations	Corruption can have significant legal and financial implications, as well as a negative impact on our stakeholders and on the areas in which we operate, which is why Aramex's compliance and internal audit functions are dedicated towards the reduction of risks related to corruption and ensuring that our employees are trained and aware of our code of conduct and anti-corruption policies	
SO	**5**	Confirmed incidents of corruption and actions taken	Compliance	Material	Within our entire operations	Given the importance of keeping our operations corruption-free, we have formal channels to report any cases, and a comprehensive procedure to investigate and take action against perpetrators	
Public Policy							
SO	**6**	Total value of political contributions by country and recipient/ beneficiary	Governance	Material	Within our entire operations	We have strict policy against giving political contributions to governments, as we do not affiliate ourselves with any political or governmental system	
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	Direct impact on our business and stakeholders	In 2015, we did not have any legal actions for anti-competitive behavior, anti-trust, and monopoly practices filed against us

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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	Direct impact on our business and stakeholders	In 2015, 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
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	It 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 suppliers on matters related to our code of conduct, which include social issues such as human, labor and child rights	All New suppliers were screened
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	Direct impact on our business and stakeholders	
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	Direct impact on our business and stakeholders	

Stakeholder Engagement (continued)

Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
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		We do not produce any products or services that require health and safety impact assessment	
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		We do not produce any products or services that require health and safety impact assessment	
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		We do not produce any products or services that require specific labeling	
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		We do not produce any products or services that require specific labeling	

Stakeholder Engagement (continued)

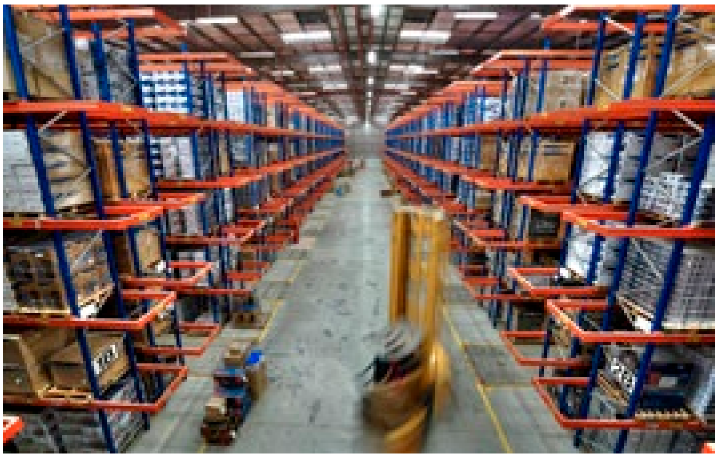
Material Aspects			Section	Materiality	Aspect Boundary	Notes on Materiality	Notes
PR	**5**	Results of surveys measuring customer satisfaction	Our Customers	Material	Within our entire operations and outside as it relates to our customers	Customer satisfaction is important to Aramex. Therefore, measuring 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	
Marketing Communi-cations							
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	We have strict policies against the sale or transportation of banned or disputed product and we have controls to ensure shipment contents	
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	Direct impact on our business and stakeholders	
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	Direct impact on our business and stakeholders	In 2015 we did not have any cases
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	Direct impact on our business and stakeholders	

Compliance

Aramex's 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 Function 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 incorporation of compliance into day-to-day working practices and to 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.**
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 or to seek advice.

The aforementioned policies and the code of conduct are easily accessible internally and externally. In an effort to ensure better understanding and implementation of Aramex's code of conduct, we have managed to implement classroom and online training for 56% of our employees during 2015. This training has been given regularly in the past years, and will continue to be provided in 2016.

(G4-56) (G4-57) (G4-58) (G4-EN33) (G4-EN32) (G4-LA14) (G4-LA15) (G4-HR1) (G4-HR5) (G4-HR6) (G4-HR9) (GR-HR10) (G4-HR11) (G4-HR12) (G4-SO3) (G4-SO4) (G4-SO5) (G4-SO7) (G4-SO9) (G4-SO10) (G4-SO11) (G4-PR6) (G4-PR7) (G4-PR8) (G4-PR9)

Compliance (continued)

2015 Risk and Compliance training summary

Total Headcount	Class Room Training	Online Training	Total	%
16,193 [3]	7,068	1,965	9,033	56%

* Classroom training is conducted by either a compliance team member, or a local trainer who has been trained by the compliance team.

We have demonstrated our genuine belief 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).
- UN Declaration on Human Rights.
- Environmental standards.
- Other international and local laws.

In 2015, 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 this as a key resource. We will continue to enhance the Program and spread awareness while concentrating on active assessment and monitoring of compliance risks.

We are committed to upholding human rights in all of our locations. As part of this commitment, we assessed all Aramex locations and operations across the globe for risks related to human and labor rights violations, as well as risks related to corruption. The Aramex security team has received code of conduct training, including a comprehensive section about human and labor rights. While we do not offer training to suppliers or customers, we are in the processes of adding human rights clauses, along with other code of conduct related clauses, to our contracts, as well as in the form of a questionnaire to suppliers and subcontractors, including any third party security providers.

In 2015, we continued to implement our Supplier Evaluation Form, which surveys our suppliers' compliance-related issues including human and labor rights, anti-corruption and bribery. This form also assesses social and environmental criteria such as the application of environmental management systems and community engagement. Moreover, we ensured the evaluation of major new suppliers with the use of a supplier evaluation questionnaire. Since June 2013, Aramex's key locations are dedicated to utilizing the suppliers' questionnaire during the commencement process. Furthermore, we circulated this questionnaire to our major current suppliers and are planning to expand our coverage through 2016.

[3] Total headcount includes direct and indirect employees, more details can be found in the Appendix

(G4-HR10) (G4-HR11) (G4-HR12) (G4-HR5) (G4-HR6) (G4-HR7) (G4-EN32) (G4-EN33) (G4-EN34) (G4-LA14) (G4-SO3) (G4-SO4) (G4-SO5) (G4-HR1) (G4-HR2)

Compliance (continued)

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 of 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 that we 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.

We should conclude this exercise towards the end of 2016. We plan to extend this evaluation to include a third party audit mechanism for our suppliers to ensure their compliance. Also, we engaged with a reputable service provider during 2015 to screen our existing supplier database against global trade compliance sanctions and export controls.

To the best of our knowledge, there have been no cases of human rights, child labor or compulsory and forced labor violations within our supply chain. In addition, in 2015, 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 and 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. We account for these impacts along our supply chain through our calculation of our scope 3 carbon footprint and are actively working to reduce our emissions and environmental impacts - read more about our environmental commitments on page 48.

Whistle-blowing Policy

Aramex's whistle-blowing policy provides guidelines to Board Members, employees, customers and stakeholders to report any cases of possible fraud, irregularities and grievances related to our code of conduct or 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 any incidents that they encounter. For external concerns and complaints, we have a dedicated email for the general public to use in order to report any issues - these are dealt with by the same mechanism as internal grievances.

Cases that are reported by Aramex's 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. Should any party be dissatisfied, they have the right to appeal within 10 working days from the date of the investigation being completed. This appeal will be forwarded to the Regional HR Manager and Regional Area Manager. There are a number of corrective actions that are undertaken depending on the case. These range from, but are not limited to: oral warning, suspension without pay, requirement to undertake business ethics training or any other related training deemed necessary, loss of employment, civil and criminal liability or local legal action.

(G4-LA15) (G4-EN32) (G4-EN33) (G4-EN34) (G4-LA15) (G4-HR2)

Associations and certifications*

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

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

Associations and certifications (continued)

Memberships		
Express	Global Distribution Alliance (GDA	Founder
	Express Delivery and Logistic Association	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
Others	KAMCO: Brokerage – USA	Member
	ABANA: Association of Arab Banks for North America	Member
	MCAA: Messenger Courier Association of America	Member

Associations and certifications (continued)

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 work stream 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

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Associations and certifications (continued)

Certifications
ISO 14001 Environmental Management Systems (22 locations)
OHSAS 18001 Occupational Health and Safety Management Systems (21 locations)
ISO 9001 Quality Management Systems (27 locations)
Leadership in Energy and Environmental Design (3 locations)
The International Standard for Service Excellence (5 locations)

Reporting Process

This is Aramex's sixth integrated report, combining our financial and non-financial data for the calendar year 2015.

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

The report has been prepared with the comprehensive option of the GRI G4 Guidelines. With this report, we aim 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 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 four 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 59.

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.

(G4-DMA) (G4-18) (G4-19) (G4-20) (G4-21)

Reporting Process (continued)

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 developed 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.

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G4 – 13	None		

(LA 1)
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G4 – 31	Raji.Hattar@aramex.com		
G4 – 32	Comprehensive		
G4 – 33	Assurance Letter, 120 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		
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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.	
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.	
G4 – 54		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.	
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.	
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7	Sustainability, Our Environmental Commitment
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9	Sustainability, Our Environmental Commitment
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10	Compliance

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Partnerships for the Goals	Sustainability, Sustainability Support and Advocacy

Appendix

Breakdown of new hires by region, gender, age and team

New Hire per Region Per Age						
Age	18-25		26-40		Above 41	
Gender	Male	Female	Male	Female	Male	Female
Africa	4%	2%	14%	3%	1%	0.3%
Europe & North America	1%	1%	2%	1%	1%	0.5%
Far East, Asia, Indian Subcontinent & Australia	2%	1%	5%	1%	1%	0.1%
GCC & Levant	21%	7%	26%	4%	2%	0.1%

New hires per team

OPERATION	60%
Customer Relation Management	27%
Human Resources	2%
Accounting and Finance	6%
Administration and Management	4%
IT	2%

(G4-LA1) (G4-11) (G4-10)

Appendix (continued)

Direct vs. Indirect Employees

Year	2013	2014	2015
Indirect	2,220	3,512	4,160
Direct	11,649	12,943	13,860

Fatalities breakdown by gender and location

Africa	2	Males
Europe & North America	0	
Far East, Asia, Indian Subcontinent & Australia	2	Males
GCC & Levant	1	Male

(G4-LA6) (G4-LA 1)

Appendix (continued)

Ratios of standard entry level wage by gender at significant locations of operation

Country	Local Currency/ Month	Ratio (Female to Male Wage)
Jordan		
Entry Level		
Female	300 (JOD)	1.25
Male	240 (JOD)	1
5-Years' Experience		
Female	566.09 (JOD)	1.03
Male	551.94 (JOD)	1
UAE		
Entry Level		
Female	4,967 AED	1
Male	4,967 AED	1
5-Years' Experience		
Female	7,351 (AED)	1.17
Male	6,259 (AED)	1

(G4-LA13)

Appendix (continued)

Country	Local Currency/ Month	Ratio (Female to Male Wage)
South Africa		
Entry Level		
Female	7,095 (ZAR)	1
Male	7,095 (ZAR)	1
5-Years' Experience		
Female	1,2047 (ZAR)	1
Male	1,2047 (ZAR)	1
India		
Entry Level		
Female	20168 (INR)	1
Male	20168 (INR)	1
5-Years' Experience		
Female	29,595 (INR)	1
Male	29,595 (INR)	1
Egypt		
Entry Level		
Female	1,348 (EGP)	1
Male	1,348 (EGP)	1

(G4-EC5)

Appendix (continued)

Country	Local Currency/ Month	Ratio (Female to Male Wage)
5-Years' Experience		
Female	1,882 (EGP)	1
Male	1,882 (EGP)	1

Ratios of local minimum wage by gender compared to standard entry level wage

	Local minimum wage		Aramex Entry Wage	
Jordan				
Male	1	:	1.26	
Female	1	:	1.58	
Lebanon				
Male	1	:	1	
Female	1	:	1	
UAE				
N/A				No minimum wage specified by law
Egypt				
Male	1	:	4	
Female	1	:	4	
India				
Male	1	:	1.6 - 2.5	Depending on region
Female	1	:	1.6 - 2.5	
South Africa				
N/A				No minimum wage specified by law

(G4-EN1) (G4-EN2) (G4-EC5)

Appendix (continued)

Material Use

Material	Unit	
Paper	120,547.20	Recyclable
Pouches	52,896,424	degradable
AWB	10,333	Recyclable
Envelope	14,099	Recycled/ Recyclable/ Reusable
Flyers	30,399	Recycled/ Recyclable
Labels	5,416	Recycled/ Recyclable
Stickers	5,418	N/A
Tape	2,617	N/A
Bag Seals	3,701	N/A
box	48,199	N/A
Pack	12,579	N/a
BAG TAGS	16	N/A
Total	53,149,748.2	

Waste recycled

Paper (Reams)	Plastic (KG)	Aluminum (KG)	Cardboard KG)	Packaging (KG)	Envelopes (KG)	Electronics (KG)	Wood (KG)	Other (KG)	Plastic Wrap (units)	TOTAL
45,600	660	350	20,250.4	150	230	140	11,000	8,696	960	88,036

(G4-EN10) (G4-EN1) (G4-EN2) (G4-EN 23)

Our Performance

Aramex PJSC and its subsidiaries

Consolidated Financial Statements

31 December 2015

(G4-9) (G4-EC1) (G4-EC3)

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Independent Assurance Statement

April 5, 2016

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

The Aramex 2015 Sustainability Report has been prepared as a part of the Integrated Report ("the report") by the management of Aramex, who are responsible for the collection and presentation of the information reported. Our responsibility, in accordance with Aramex management's instructions, is to provide a limited level of assurance on 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 for the period 1 January 2015 to 31 December 2015, specifically the sustainability performance indicators listed below for the Company's two selected sites, i.e., Jordan (Amman) and Dubai (UAE);

G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation
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, and other significant air emissions
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs
G4-SO4	Communication and training on anti-corruption policies and procedures

- The Company's internal processes and controls relating to the collection and collation of above mentioned 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 specified in ISAE 3000 to provide assurance.

Our Approach and Methodology

In order to understand the process used by the Company to ascertain key sustainability issues and impacts, we reviewed the Sustainability Reporting process and the documentation associated with the stakeholder engagement survey that was performed by the Company. Our assurance team also visited the Company's stations in Amman (Jordan) and Dubai (UAE) to review the selected sustainability performance indicators outlined in the *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.
- Review of selected sustainability performance data as per GRI G4 mentioned under scope of assurance for the specified locations.
- 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 other regional and global businesses.

Our Independence

This is the ninth year that Ernst & Young (Jordan) has provided independent assurance services in relation to Aramex's sustainability disclosures. We have provided no other service relating to Aramex approach to sustainability disclosures.

Limitations of Assurance

The assurance scope excludes:

- Aspects of the Report and data/information other than those mentioned under the *Scope of Assurance*;
- The Company's statements that describe an 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.

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Observations

Our observations and main areas of improvement on the Report are as follows:

- The Company engaged their internal and external stakeholders by conducting three workshops in Egypt, Saudi Arabia and UAE. This was done to enhance the engagement and involvement of their stakeholders and to identify the material sustainability issues. The company is encouraged to continue this practice and extend it to other significant areas of operation.
- Based on last year commuting survey, the 2015 commuting scope #3 emissions were calculated based on the extrapolating last year's number of employee to the 2015 number of employees.

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 Carbon footprint data and information are reliable and complete.

For Ernst & Young

DIRECTOR'S REPORT

Dear valued shareholders,

2015 has been a challenging year for all business sectors and industries globally, due to global economic uncertainty, a substantial drop in oil prices and currency fluctuations. However, despite these challenges, we performed strongly and achieved solid revenue growth, primarily in international and domestic express. We also achieved solid growth across our geographies, with the GCC remaining the largest contributor to our revenues. This clearly reflects our robust business model, financial strength and commitment to growing shareholders' value.

Last year's Revenues increased by 5% to reach AED 3,837 million, compared to AED 3,643 million in 2014. Aramex's Revenues in the fourth quarter also increased by 5% to AED 1,003 million, compared to AED 957 million in the corresponding period of 2014. Exposure to major currency fluctuations, primarily the Euro, South African Rand and Australian Dollar, had a 4.4% negative impact on our full year revenues, which would have resulted in an increase of 9.4% in total annual revenues and 8.5% increase in Q4 revenues.

Our Net Profits in 2015 decreased by 2% to AED 311 million, compared to AED 318 million in 2014. Q4 Net Profits also decreased by 36% and reached AED 57.6 million, compared to AED 89.4 million in Q4 2014. This decrease is due to a one time provision to account for an employees' incentive scheme in order to retain and reward talented and senior executives, in-line with international best practices. This scheme has been discussed, reviewed and approved by the Remuneration Committee of the Company. Excluding this scheme provision, Aramex's Q4 2015 Net profit would have been approximately AED 104 million, which represents 16% growth over the same quarter of 2014. Also, Full Year Net Profits would have been approximately AED 358 million for the year 2015, which represents 12% growth over year 2014.

2015's fiscal performance has prepared us well to execute our future plans. It was an important year for us to lay the groundwork for launching major initiatives that will be activated in 2016 to further grow and develop our global network, business operations, last mile delivery solutions and e-commerce platform. We feel optimistic towards the outlook of upcoming years.

To grow our global network and business operations, in 2016 we remain committed to executing our acquisitions plans in key markets to strengthen Aramex's global footprint. We will also extend our industry supply chain solutions and services globally to further strengthen our franchise and operations. In the year ahead we have some exciting acquisitions in the pipeline and hope to share these plans with you soon.

To enhance our last mile delivery solutions and e-commerce platform, this year we also have exciting plans to launch our new innovative App that will give customers higher visibility, payment flexibility, more locations delivery options and a rating system. We will also be unveiling a new "Rapid Scaling Up" model based on partnerships in cities around the world that gives us access to more delivery partners, so that we can reach our customers more effectively and efficiently. We are also exploring more ways to enhance our e-commerce platform through improved transit times due to the continued boom in cross-border e-commerce.

We are committed to becoming a technology-based enterprise and will continue to leverage innovative technologies to enhance our business model and maintain our position as a dynamic and disruptive global logistics player. 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.

We extend our thanks and greatest appreciation to our Board of Directors, shareholders, the entire management team, our customers, suppliers, distributors and employees for their confidence and continued support.

Sincerely,

A - Mazrui

Abdullah M. Mazrui
Chairman
Aramex PJSC

aramex

Financials

Aramex PJSC and its subsidiaries

Consolidated Financial Statements

31 December 2015

(G4-17)

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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 2015, 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 in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. 2 of 2015, 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 consolidated 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 auditor's 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 consolidated 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 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. 2 of 2015, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 2 of 2015, and the Articles of Association of the Company;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Company;

v) investments in shares during the year ended 31 December 2015 are disclosed in notes 3, 9 and 10 to the consolidated financial statements;

vi) note 30 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2015 any of the applicable provisions of the UAE Federal Law No. 2 of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2015; and

viii) note 27 reflects the social contributions made during the year.

Ernst & Young

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

1 March 2016
Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 AED'000	2014 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	**703,151**	530,616
Goodwill	5	**1,038,079**	1,076,098
Other intangible assets	6	**49,367**	44,387
Investments in joint ventures and associates	9, 10	**46,857**	47,548
Deferred tax assets	11	**3,943**	3,365
Other non-current assets		**2,382**	6,801
		1,843,779	1,708,815
Current assets			
Accounts receivable, net	12	**731,232**	686,677
Other current assets	13	**163,187**	191,766
Bank balances and cash	14	**707,158**	619,991
		1,601,577	1,498,434
TOTAL ASSETS		**3,445,356**	3,207,249
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,464,100**	1,464,100
Statutory reserve	16	**195,663**	170,632
Foreign currency translation reserve	16	**(255,821)**	(151,421)
Reserve arising from acquisition of non-controlling interests	16	**(28,119)**	(28,268)
Cash-flow hedge reserve	17	**-**	2,056
Retained earnings	18	**785,708**	708,001
Equity attributable to equity holders of the Parent		**2,161,531**	2,165,100
Non-controlling interests		**38,264**	24,476
Total equity		**2,199,795**	2,189,576
Non-current liabilities			
Interest-bearing loans and borrowings	17, 19	**228,585**	97,286
Employees' end of service benefits	20	**129,544**	117,717
Employees' benefit liability	24	**63,825**	8,336
Deferred tax liabilities	11	**1,886**	2,093
		423,840	225,432
Current liabilities			
Accounts payable	21	**176,044**	178,587
Bank overdrafts	22	**33,941**	12,922
Interest-bearing loans and borrowings	19	**87,950**	53,939
Other current liabilities	23	**523,786**	546,793
		821,721	792,241
Total liabilities		**1,245,561**	1,017,673
TOTAL EQUITY AND LIABILITIES		**3,445,356**	3,207,249

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 1 March 2016.

A. Mazrui

Abdullah Al Mazrui
(Chairman)

Hussein Hachem
(Chief Executive Officer)

Bashar

Bashar Obeid
(Chief Financial Officer)

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Notes	2015 AED'000	2014 AED'000
Continuing operations			
Rendering of services	25	**3,836,753**	3,643,166
Cost of services	26	**(1,673,865)**	(1,642,916)
Gross profit		**2,162,888**	2,000,250
Share of results of joint ventures and associates	9, 10	**(2,952)**	(3,656)
Selling and marketing expenses		**(189,883)**	(179,643)
Administrative expenses	27	**(815,568)**	(702,173)
Operating expenses	28	**(771,497)**	(735,136)
Other income	29	**4,902**	4,233
Operating profit		**387,890**	383,875
Finance income		**6,112**	7,675
Finance expense		**(7,824)**	(7,065)
Profit before tax from continuing operations		**386,178**	384,485
Income tax expense	11	**(40,247)**	(36,766)
Profit for the year from continuing operations		**345,931**	347,719
Discontinued operations			
Loss after tax for the year from discontinued operations	8	**(520)**	(763)
Profit for the year		**345,411**	346,956
Attributable to:			
Equity holders of the Parent			
Profit for the year from continuing operations		**311,683**	318,829
Loss for the year from discontinued operations		**(381)**	(431)
		311,302	318,398
Non–controlling interests			
Profit for the year from continuing operations		**34,248**	28,890
Loss for the year from discontinued operations		**(139)**	(332)
		34,109	28,558
		345,411	346,956
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share	31	**AED 0.213**	AED 0.217

The attached notes from 1 to 38 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	*2015* *AED'000*	*2014* *AED'000*
Profit for the year		**345,411**	346,956
Other comprehensive income, net of tax			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(103,549)**	(61,330)
Foreign currency gain from disposal of a subsidiary		**-**	242
(Loss) gain on cash flow hedge	17	**(3,256)**	736
Cash flow hedge expense recycled to consolidated income statement	17	**1,200**	1,310
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		**(105,605)**	(59,042)
Other comprehensive loss for the year, net of tax		**(105,605)**	(59,042)
Total comprehensive income for the year, net of tax		**239,806**	287,914
Attributable to:			
Equity holders of the Parent		**204,846**	259,602
Non-controlling interests		**34,960**	28,312
		239,806	287,914

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to equity holders of the Parent								
For the year ended 31 December 2015	***Share capital AED'000***	***Statutory reserve AED'000***	***Foreign currency translation reserve AED'000***	***Reserve arising from acquisition of non-controlling interests AED'000***	***Cash flow hedge reserve AED'000***	***Retained earnings AED'000***	***Total AED'000***	***Non-controlling interests AED'000***	***Total AED'000***
At 1 January 2015	**1,464,100**	**170,632**	**(151,421)**	**(28,268)**	**2,056**	**708,001**	**2,165,100**	**24,476**	**2,189,576**
Total comprehensive income for the year	-	-	**(104,400)**	-	**(2,056)**	**311,302**	**204,846**	**34,960**	**239,806**
Directors fees paid (note 18)	-	-	-	-	-	**(3,590)**	**(3,590)**	-	**(3,590)**
Dividends of subsidiaries	-	-	-	-	-	-	-	**(25,513)**	**(25,513)**
Non-controlling interests	-	-	-	-	-	-	-	**1,969**	**1,969**
Acquisition of subsidiaries (note 3)	-	-	-	-	-	-	-	**2,658**	**2,658**
Acquisition of non-controlling interests (note 3)	-	-	-	**149**	-	-	**149**	**(286)**	**(137)**
Dividends paid to shareholders (note 18)	-	-	-	-	-	**(204,974)**	**(204,974)**	-	**(204,974)**
Transfer to statutory reserve	-	**25,031**	-	-	-	**(25,031)**	-	-	-
At 31 December 2015	**1,464,100**	**195,663**	**(255,821)**	**(28,119)**	-	**785,708**	**2,161,531**	**38,264**	**2,199,795**
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

The attached notes from 1 to 38 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	*2015 AED'000*	*2014 AED'000*
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**386,178**	384,485
Loss before tax from discontinued operations	8	**(520)**	(769)
Profit before tax		**385,658**	383,716
Adjustment for:			
Depreciation of property, plant and equipment	4	**81,271**	77,926
Amortisation of other intangible assets	6	**5,664**	3,573
Provision for employees' end of service benefits	20	**24,911**	24,365
Provision for doubtful accounts, net	12	**12,281**	10,252
Net finance expense (income)		**1,712**	(610)
Share based payment expense	24	**55,489**	8,336
Gain on re-measurement of previously existing interest in an associate		**(873)**	-
Share of results of joint ventures and associates		**2,952**	3,656
(Gain) loss on disposal of property, plant and equipment		**(12)**	1,501
Loss on disposal of the discontinued operations	8	**520**	763
Write-off of property, plant and equipment	4	**-**	26,473
Working capital adjustments:			
Accounts receivable		**(44,416)**	(78,096)
Accounts payable		**(7,700)**	2,535
Other current assets		**34,234**	(63,676)
Other current liabilities		**(37,444)**	102,643
Cash from operations		**514,247**	503,357
Employees' end of service benefits paid	20	**(12,448)**	(9,641)
Income tax paid		**(35,018)**	(34,704)
Net cash flows from operating activities		**466,781**	459,012
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(275,896)**	(106,382)
Proceeds from sale of property, plant and equipment		**3,453**	3,253
Interest received		**6,112**	7,675
Proceeds from sale of a subsidiary, net of cash	8	**(133)**	225
Other non-current assets		**(566)**	-
Acquisition of non-controlling interests	3	**(137)**	(14,250)
Margin deposits		**1,002**	(445)
Investments in joint ventures and associates		**(1,031)**	(2,708)
Acquisition of subsidiaries, net of cash acquired	3	**(33,666)**	(137,802)
Net cash flows used in investing activities		**(300,862)**	(250,434)
FINANCING ACTIVITIES			
Interest paid		**(7,824)**	(7,065)
Proceeds from loans and borrowings		**286,859**	6,825
Repayment of loans and borrowings		**(123,064)**	(34,234)
Dividends paid to non-controlling interests		**(25,513)**	(40,063)
Non-controlling interests		**1,969**	1,102
Directors' fees paid		**(3,590)**	(3,600)
Dividends paid to shareholders		**(204,974)**	(168,372)
Net cash flows used in financing activities		**(76,137)**	(245,407)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**89,782**	(36,829)
Net foreign exchange difference		**(22,632)**	(13,519)
Cash and cash equivalents at 1 January	14	**595,096**	645,444
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	**662,246**	595,096

The attached notes from 1 to 38 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. 2 of 2015. The consolidated financial statements of the Company as at 31 December 2015 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 1 March 2016.

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. 2 of 2015.

The Federal Law No. 2 of 2015 concerning Commercial Companies has come into effect from 28 June 2015, replacing the existing Federal Law No. 8 of 1984. The Company is currently assessing the impact of the new law and expects to be fully compliant on or before the end of the grace period on 28 June 2016.

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.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)

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.

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 amendment standards effective as of 1 January 2015.

The nature and the impact of these amendments is described below:

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. This amendment is not 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
With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Group has applied these improvements for the first time in these consolidated financial statements. 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. The clarifications are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods. In addition, the Group had not granted any awards during the second half of 2014 and 2015. Thus, these amendments did not impact the Group's financial statements or accounting policies.

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 IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify 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 The Group has not applied the aggregation criteria in IFRS 8.12.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policies and disclosures (continued)

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 by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact on the Group's financial statements as the Group does not have revalued assets.

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. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. 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. This amendment is not relevant for the Group and its subsidiaries.

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 IAS 39. The Group does not apply the portfolio exception in IFRS 13.

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 a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Group.

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* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for *financial instruments* project: 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. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments (continued)
The Group plans to adopt the new standard on the required effective date. During 2015, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Group expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement
The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment
IFRS 9 requires the Group to record expected credit losses on all of its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group does not expect a significant impact on its equity.

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 OCI. The standard requires disclosure of 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.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a five-step model to account for 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 new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, when the IASB finalises their amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2015, the Group performed a preliminary assessment of IFRS 15, which is subject to changes arising from a more detailed ongoing analysis. Furthermore, the Group is considering the clarifications issued by the IASB in an exposure draft in July 2015 and will monitor any further developments.

IFRS 16 Leases
During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

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 on 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 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.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards issued but not yet effective (continued)

Annual Improvements 2012-2014 Cycle
These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments are not expected to have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 *Presentation of Financial Statements* clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Standards issued but not yet effective (continued)

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the* Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

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

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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.

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 the statement of profit or loss.

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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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.

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Other intangible assets (continued)
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life 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 in 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 derecognized.

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 associates and joint ventures 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 separately.

The consolidated income statement reflects the Group's share of the results of operations of the 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 associates and joint ventures in the consolidated income statement.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Investments in associates and joint ventures (continued)
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

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. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, 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 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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
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 respectively).

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
All financial liabilities are recognized initially at fair value, and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Loans and borrowings and other financial liabilities (continued)
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 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 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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

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

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

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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:

- 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 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

Taxes (continued)

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 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 .

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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
- 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
– Trade receivables	Note 12

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.

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.

An operating lease is a lease other than a finance lease. 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Summary of significant accounting policies (continued)

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.

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 distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

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 statement of profit or loss.

Additional disclosures are provided in Note 8. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

3 BUSINESS COMBINATION AND ACQUISITION OF NON–CONTROLLING INTERESTS

Business combination

2015 -

1. Acquisition of C.B.K Soft Yazilim Elektronik (Turkey)

In April 2015, the Group acquired 51% of the voting shares of C.B.K Soft Yazilim Donanim Elektronik, an unlisted company based in Turkey and specializing in information technology services, software sales and marketing, in addition to maintenance services. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of C.B.K Soft Yazilim Donanim Elektronik for the nine months period from the acquisition date.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities C.B.K Soft Yazilim Donanim Elektronik, as at the date of acquisition were:

	Fair value recognised on acquisition AED'000	*Carrying value AED'000*
Assets		
Property, plant and equipment	123	123
Trade and other receivables	4,602	4,602
Bank balances and cash	723	723
Intangible assets	10,699	-
	16,147	5,448
Liabilities		
Trade and other payables	(860)	(860)
Employees end of service benefits	(70)	(70)
	(930)	(930)
Total identifiable net assets at fair value	15,217	4,518
Goodwill arising on acquisition	18,188	
Non-controlling interests	(2,213)	
Purchase consideration transferred	31,192	

Analysis of cash flow on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	723
Cash paid (included in cash flows from investing activities)	(31,192)
Net cash outflow	(30,469)

The goodwill of AED 18 million recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of C.B.K Soft Yazilim Donanim Elektronik with those of the Group.

From the date of acquisition, the acquired Company has contributed AED 9 million of revenue and AED 2.1 million to the net profit before tax of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 3,840 million and the profit before tax from continuing operation for the period would have been AED 387 million.

Transaction cost of AED 1,082 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 COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Business Combinations (continued)

2015 – (continued)

2. Acquisition of Aramex Tunisia Limited (Tunisia)

In April 2015, the Group increased its investment in its associate (Aramex Tunisia Limited) , an unlisted Company based in Tunisia and specializing in the business of freight forwarding with an amount of AED 4.388 million increasing its ownership interest in Aramex Tunisia from 49% to 75% ,thereby obtaining control. The Group recognized a gain of AED 873 thousands as a result of measuring at fair value its 49% equity interest before the business combination, the gain is included in other income in the consolidated statement of income. The consolidated financial statements include the results of Aramex Tunisia Limited for the eight months period from the acquisition date. The acquisition has been accounted for using the acquisition method.

The Group elected to measure the non-controlling interest in the acquire at fair value.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities Aramex Tunisia Limited, as at the date of acquisition were:

	Fair value recognised on acquisition AED '000	*Carrying value AED'000*
Assets		
Property, plant and equipment	1,976	1,976
Trade and other receivables	16,134	16,134
Bank balances and cash	318	318
	18,428	18,428
Liabilities		
Trade and other payables	(16,649)	(16,649)
Total identifiable net assets at fair value	1,779	1,779
Goodwill arising on acquisition	3,054	
Non-controlling interests measured at fair value	(445)	
Purchase consideration transferred	4,388	

Analysis of cash flow on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	318
Cash paid (included in cash flows from investing activities)	(3,515)
Net cash outflow	(3,197)

The goodwill of AED 3 million recognized is primarly attributed to the expected synergies and other benefits from combining the assets and activities of Aramex Tunisia Limited with those of the Group.

From the date of acquisition, the acquired Company has contributed AED 11.6 million of revenue and AED 1 million of net loss before tax for the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 3,841 million and the profit before tax from continuing operation for the period would have been AED 385 million.

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Business combination (continued)

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 paid	113,645	
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.

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Business combination (continued)

2014 – (continued)

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 at 31 December 2014, contingent consideration has been paid during 2015.

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.

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:

	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*	14,741	-
	25,719	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	19,001	4,260
Goodwill arising on acquisition**	41,771	
Purchase consideration transferred	60,772	

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

	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)

* The net assets recognised in the 31 December financial statements were based on provisional assessment of their fair value. The valuation had not been completed by the date the 2014 financial statements were approved for issue by the Board of Directors.

During 2015, the valuation was completed and the acquisition date fair value of the goodwill was AED 41,771 thousand and intangible assets was AED 14,741 thousand. The 2014 comparative information was restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in the intangible assets of AED 11,548 thousand and reduction in goodwill by the same amount.

** The goodwill of AED 42 million comprises the value of the expected synergies arising from the acquisition goodwill is allocated entirely to the domestic segment.

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 Interest

2015 –

Aramex Malta Limited
On 1 July 2015, the Group acquired an additional 40% interest in the voting shares of Aramex Malta Limited, increasing its ownership interest to 100%. Cash consideration of AED 137 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Aramex Malta Limited at the acquisition date was AED 715 thousand, and the carrying value of the additional interest acquired was AED 286 thousand.

Following is a schedule of additional interest acquired in Aramex Malta:

	AED'000
Cash consideration paid to non-controlling shareholders	137
Less : Carrying value of the additional interest in Aramex Malta	286
Difference recognized as a reserve from acquisition of non-controlling interests	(149)

2014 –

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.

3 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST (continued)

Acquisition of Non-Controlling Interest (continued)

2014 – (continued)

Aramex (Malaysia) SDN.BHD (continued)

Following is a schedule of additional interest acquired in Aramex Malaysia:

	AED'000
Cash consideration paid to non-controlling shareholders	10,577
Less : 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

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

2015 -	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 2015	38,006	73,126	295,369	31,769	61,846	103,923	126,597	117,565	16,811	865,012
Acquisitions of subsidiaries	-	91	-	176	10	90	364	1,911	-	2,642
Additions	6,603	12,293	15,366	6,216	8,542	20,182	27,539	24,325	154,830	275,896
Transfers	-	74	(54)	84	(3)	979	(728)	(352)	-	-
Disposals	-	(2,032)	-	(1,585)	(599)	(971)	(4,530)	(15,910)	-	(25,627)
Exchange differences	(4,269)	(3,064)	(9,284)	(1,166)	(2,206)	(3,100)	(4,660)	(7,365)	-	(35,114)
At 31 December 2015	**40,340**	**80,488**	**301,397**	**35,494**	**67,590**	**121,103**	**144,582**	**120,174**	**171,641**	**1,082,809**
Depreciation:										
At 1 January 2015	-	41,571	45,956	17,100	20,038	57,247	83,634	68,850	-	334,396
Acquisitions of subsidiaries	-	3	-	41	1	16	214	268	-	543
Charge for the year	-	8,109	11,751	3,518	4,198	12,081	17,435	24,179	-	81,271
Transfers	-	14	(15)	39	(2)	481	(438)	(79)	-	-
Disposals	-	(1,534)	-	(1,124)	(118)	(674)	(4,212)	(14,524)	-	(22,186)
Exchange differences	-	(1,869)	(985)	(665)	(654)	(1,827)	(3,211)	(5,155)	-	(14,366)
At 31 December 2015	-	**46,294**	**56,707**	**18,909**	**23,463**	**67,324**	**93,422**	**73,539**	-	**379,658**
Net carrying amount:										
At 31 December 2015	**40,340**	**34,194**	**244,690**	**16,585**	**44,127**	**53,779**	**51,160**	**46,635**	**171,641**	**703,151**

Property, plant and equipment include vehicles with a net book value of AED 24.45 million (2014: AED 21.79 million) have been obtained under finance leases (note 19).

4 PROPERTY, PLANT AND EQUIPMENT (continued)

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

* 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.

5 GOODWILL

	2015 AED'000	2014 AED'000
At 1 January	**1,076,098**	973,629
Acquisition of subsidiaries (restated)*	**21,241**	138,434
Exchange differences	**(59,260)**	(35,965)
At 31 December	**1,038,079**	1,076,098

* The amount of goodwill is restated and does not correspond to the figures in 2014 financial statements since adjustments to the final valuation were made, as detailed in note 3.

The Group performed its annual impairment test on 31 December 2015 and 2014. 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 2015, 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:

	2015 AED'000	2014 AED'000
Express shipping	**275,554**	288,651
Freight forwarding	**171,473**	178,547
Domestic shipping	**379,747**	410,180
Logistics	**76,478**	80,145
Documents storage	**125,640**	109,388
Publication and distribution	**9,187**	9,187
	1,038,079	1,076,098

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.

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 ranges between 8% to 10% (2014: ranges between 11% to 13%). 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 3.6% (2014: 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

	2015 *AED'000*	*2014* *AED'000*
Cost:		
At 1 January	**61,248**	37,200
Acquisitions of subsidiaries (restated)*	**10,700**	24,048
Exchange differences	**(56)**	-
At 31 December	**71,892**	61,248
Amortisation:		
At 1 January	**(16,861)**	(13,288)
Amortisation during the year	**(5,664)**	(3,573)
At 31 December	**(22,525)**	(16,861)
Net carrying amount at 31 December	**49,367**	44,387

* The amount of intangible assets is restated and does not correspond to the figures in 2014 financial statements since adjustments to the final valuation were made, as detailed in note 3.

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:

	2015 %	*2014* %
	50%	50%

	2015 *AED'000*	*2014* *AED'000*
Accumulated balances of material non-controlling interest:	**28,919**	26,029
Profit allocated to material non-controlling interest:	**33,308**	29,146

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 2015 and 2014:

	2015	*2014*
	AED'000	*AED'000*
Revenue	**659,552**	592,293
Cost of sales	**(320,203)**	(292,382)
Administrative, selling and operating expenses	**(259,871)**	(231,557)
Other expenses	**(10,691)**	(7,878)
Profit before tax	**68,787**	60,476
Income tax	**(2,171)**	(2,185)
Profit for the year	**66,616**	58,291
Total comprehensive income	**66,616**	58,291
Attributable to non-controlling interests	**33,308**	29,146
Dividends paid to non-controlling interests	**23,243**	37,095

Summarised statements of financial position as at 31 December 2015 and 2014:

	2015	*2014*
	AED'000	*AED'000*
Cash and bank balances	**60,325**	53,661
Property, plant and equipment	**52,506**	47,003
Other current assets	**172,815**	151,225
Trade and other payable (current)	**(164,953)**	(142,666)
Interest-bearing loans and borrowing and deferred tax	**(23,685)**	(22,649)
Liabilities (non-current)	**(39,170)**	(34,516)
Total Equity	**57,838**	52,058
Attributable to:		
Equity holders of parent	**28,919**	26,029
Non-controlling interests	**28,919**	26,029

Summarised cash flow information for the year ended 31 December:

	2015	*2014*
	AED'000	*AED'000*
Operating	**78,835**	87,463
Investing	**(11,337)**	(9,611)
Financing	**(60,836)**	(70,992)
Net increase in cash and cash equivalents	**6,662**	6,860

8 DISCONTINUED OPERATION

2015

Disposal of Aramex Kazakhstan LLP
On 30 April 2015, the Group disposed of 41% of its interest in Aramex Kazakhstan LLP. The cash flows generated by the sale of the discontinued operation during 2015 have been considered in the statement of cash flows as part of the investing activities.

The Aramex Kazakhstan LLP segment is no longer presented in the segment note.

The results of Aramex Kazakhstan LLP for the year are as follows:

	2015 AED '000 Up to date of disposal	*2014 AED '000*
Revenue	**1,516**	6,336
Cost of services	**(792)**	(3,855)
Gross profit	**724**	2,481
Less: Overheads	**(998)**	(3,270)
Operating loss	**(274)**	(789)
Less: other (expense) income	**(9)**	105
Loss before tax	**(283)**	(684)
Income tax expense	**-**	6
Loss after tax for the period from the discontinued operations	**(283)**	(678)
Loss on disposal of the discontinued operations	**(237)**	-
Total loss	**(520)**	(678)

Cash flow on sale:	
Consideration received	**-**
Cash included as cash and cash equivalents at 30 April 2015 in the statement of cash flows	**(133)**
Net cash outflow	**(133)**

The net cash flows incurred by Aramex Kazakhstan LLP are as follows:

	2015 AED '000	*2014 AED '000*
Operating	**(157)**	(246)
Investing	**37**	106
Net cash outflows	**(120)**	(140)

8 DISCONTINUED OPERATION (continued)

2014

Disposal of Aramex Cyprus Limited

On 2 January 2014, the Group disposed of 100% of its interest in Aramex Cyprus Limited for AED 1,121 thousand (cash received during 2014 amounted to AED 538 thousand). 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
Revenue	-
Cost of services	-
Gross profit	-
Less: Overheads	-
Operating loss	-
Less: expenses	-
Loss after tax for the year from the discontinued operations	-
Loss on disposal of the discontinued operations	(85)
Total	(85)
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 inflows	225

The net cash flows incurred by Aramex Cyprus Limited are as follows:

	2014 AED'000
Operating	-
Investing	-
Net cash inflows	-

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*	
	2015	*2014*			***2015***	*2014*
	%	*%*			***AED'000***	*AED'000*
Aramex Mashreq for Logistics Services S.A.E	**75%**	75%	Egypt	Logistics services	**41,522**	43,206
Aramex Sinotrans Co. LTD	**50%**	50%	China	Express, freight and logistics services	**3,228**	2,828
PT-Global Distribution Alliance	**50%**	50%	Indonesia	Express services	**1,632**	1,379
Aramex Logistics LLC	**50%**	50%	Oman	Logistics services	-	-
Easy Pack Plus	**50%**	-	Dubai	Other services	-	-
					46,382	47,413

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:

	2015					
	Aramex Mashreq for Logistics Services	***Aramex Sinotrans Co. LTD***	***PT- Global Distribution Alliance***	***Aramex Logistics LLC***	***Easy Pack Plus***	***Total***
	AED'000	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***
Non-current assets	**72,345**	**690**	**213**	**46,922**	**1,717**	**121,887**
Current assets*	**15,307**	**27,096**	**4,831**	**2,028**	**637**	**49,899**
Non-current liabilities	**(17,268)**	**-**	**(478)**	**(43,110)**	**-**	**(60,856)**
Current liabilities**	**(15,021)**	**(21,328)**	**(1,302)**	**(5,840)**	**(2,354)**	**(45,845)**
Equity	**55,363**	**6,458**	**3,264**	**-**	**-**	**65,085**
Proportion of the Group's ownership	**75%**	**50%**	**50%**	**50%**	**50%**	
Carrying amount of the investment	**41,522**	**3,228**	**1,632**	**-**	**-**	**46,382**

* The current assets of Aramex Mashreq include cash at banks amounted to AED 1.6 million, accounts receivable amounted to AED 9.9 million and other current assets amounted to AED 3.8 million.

** The current liabilities of Aramex Mashreq include deferred tax liabilities amounted to AED 1.6 million, accruals amounted to AED 1.4 million, loans and borrowing amounted to AED 3 million, finance lease obligation amounted to AED 5.2 million and other current liabilities amounted to AED 3.8 million.

9 INVESTMENTS IN JOINT VENTURES (continued)

	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.

Summarized statement of profit or loss of the joint ventures:

	2015					
	Aramex Mashreq for Logistics Services	***Aramex Sinotrans Co. LTD***	***PT- Global Distribution Alliance***	***Aramex Logistics LLC***	***Easy Pack Plus***	***Total***
	AED'000	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***
Revenue	**51,104**	**78,751**	**6,402**	**2,611**	**-**	**138,868**
Cost of sale	**(19,589)**	**(62,503)**	**(3,221)**	**(1,260)**	**-**	**(86,573)**
Administrative expenses*	**(29,683)**	**(15,146)**	**(2,693)**	**(11,321)**	**(300)**	**(59,143)**
Profit (loss) before tax	**1,832**	**1,102**	**488**	**(9,970)**	**(300)**	**(6,848)**
Income tax expense	**765**	**-**	**7**	**-**	**-**	**772**
Profit (loss) for the year	**2,597**	**1,102**	**495**	**(9,970)**	**(300)**	**(6,076)**
Group's share of profit (loss) for the year	**1,949**	**551**	**248**	**(4,985)**	**(150)**	**(2,387)**

* The administrative expenses of Aramex Mashreq include depreciation expense amounted to AED 6.1 million.

The joint ventures have capital commitments of AED 140 thousand (2014: AED 581 thousand) towards construction of property, plant and equipment.

9 INVESTMENTS IN JOINT VENTURES (continued)

	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.

10 INVESTMENTS IN ASSOCIATES

The Group has a 49% interest in Aramex Thailand Co. Limited and a 10% interest Aramex Kazakhstan LLP.

Aramex Thailand Co. Limited is involved in logistics and all transportation solutions while Aramex Kazakhstan LLP is involved in the business of freight forwarding and international and local express.

Aramex Thailand Co. Limited and Aramex Kazakhstan LLP are private entities that are not listed in any public exchange.

The details of the investments in associates were as follows:

	Ownership percentage		***Country of incorporation***	***Nature of activity***	***Book value***	
	2015	*2014*			**2015**	*2014*
	%	%			**AED'000**	*AED'000*
Aramex Thailand	**49%**	49%	Thailand	Logistics and transportation	**475**	135
Aramex Kazakhstan	**10%**	-	Kazakhstan	Freight forwarding	-	-
Aramex Tunisia (note 3)	-	49%	Tunisia	International express services freight forwarding	-	-
					475	135

10 INVESTMENTS IN ASSOCIATES (continued)

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:

	2015		
	Aramex Thailand	*Aramex Kazakhstan LLP*	*Total*
	AED'000	*AED'000*	*AED'000*
Non-current assets	404	993	1,397
Current assets	844	5,262	6,106
Non-current liabilities	(32)	-	(32)
Current liabilities	(247)	(6,255)	(6,502)
Equity	969	-	969
Proportion of the Group's ownership	49%	10%	
Group's share	475	-	475
Carrying amount of the investment	475	-	475

		2014		
	Aramex Tunisia	*Aramex Thailand*	*Aramex Kazakhstan LLP*	*Total*
	AED'000	*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%	0%	
Group's share	(878)	135	-	(743)
Add: Embedded goodwill	878	-	-	878
Carrying amount of the investment	-	135	-	135

The associates have no contingent liabilities or capital commitments as at 31 December 2015 and 2014.

	2015		
	Aramex Thailand	*Aramex Kazakhstan LLP*	*Total*
	AED'000	*AED'000*	*AED'000*
Revenue	1,863	3,485	5,348
Cost of sale	(929)	(2,320)	(3,249)
Administrative expenses	(1,969)	(2,197)	(4,166)
Loss before tax	(1,035)	(1,032)	(2,067)
Income tax expense	-	-	-
Loss for the year	(1,035)	(1,032)	(2,067)
Group's share of loss for the year	(507)	(58)	(565)

10 INVESTMENT 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)

11 INCOME TAX

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

Consolidated income statement

	2015	*2014*
	AED'000	*AED'000*
Current income tax expense	**40,813**	35,931
Deferred tax	**(371)**	931
Foreign exchange	**(195)**	(96)
Income tax expense reported in the consolidated income statement	**40,247**	36,766

Deferred tax relates to the following:

	2015	*2014*
	AED'000	*AED'000*
Provision for doubtful accounts	**1,628**	1,210
Depreciation	**(824)**	(996)
Employees' end of service benefits	**(733)**	(1,011)
Net operating losses carried forward	**10**	11
Capital allowance	**(547)**	(410)
Others	**2,523**	2,468
	2,057	1,272
Recognised as follows:		
As deferred tax assets	**3,943**	3,365
As deferred tax liabilities	**(1,886)**	(2,093)
	2,057	1,272

11 INCOME TAX (continued)

Reconciliation between accounting profit and taxable profit:

	2015 *AED'000*	*2014* *AED'000*
Accounting profit before income tax	**386,178**	384,485
Non-deductible expenses	**27,047**	7,714
Taxable profit	**413,225**	392,199
Income tax expense reported in the consolidated income statement	**40,247**	36,766
Effective income tax rate	**10.42%**	9.56%

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

	2015 *AED'000*	*2014* *AED'000*
Trade receivables	**788,412**	739,460
Less: allowance for doubtful accounts	**(57,180)**	(52,783)
	731,232	686,677

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

	2015 *%*	*2014* *%*
- Middle East and Africa	**76**	76
- Europe	**11**	13
- North America	**3**	2
- Asia and others	**10**	9

As at 31 December 2015, trade receivables at nominal value of AED 57,180 thousand (2014: AED 52,783 thousand) were impaired. Movements on allowance for impairment of receivables were as follows:

	2015 *AED'000*	*2014* *AED'000*
At 1 January	**52,783**	49,330
Charge for the year	**13,014**	10,786
Unused amounts reversed	**(733)**	(534)
Acquisition of subsidiaries	**95**	-
Amounts written-off	**(7,979)**	(6,799)
At 31 December	**57,180**	52,783

12 ACCOUNTS RECEIVABLE (continued)

As at 31 December, the ageing analysis of trade receivables was as follows:

		Past due but not impaired				
	Total AED'000	*0-60 days AED'000*	*61-90 days AED'000*	*91-180 days AED'000*	*181-365 days AED'000*	*More than 1 year AED'000*
2015	**731,232**	**600,248**	**83,273**	**30,035**	**17,676**	-
2014	686,677	570,074	67,436	34,121	15,046	-

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

	2015 AED'000	*2014 AED'000*
Prepaid expenses	**56,847**	48,494
Advances and other receivables *	**106,340**	143,272
	163,187	191,766

* Advances and other receivables include an amount of AED 2.9 million (2014: AED 4 million) due from a related party in connection with employees participating in an incentive plan as at 31 December 2015 and 2014.

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	2015 AED'000	*2014 AED'000*
Cash and short term deposits	**707,158**	619,991
Less: cash margin	**(10,971)**	(11,973)
Less: bank overdrafts (note 22)	**(33,941)**	(12,922)
	662,246	595,096

Included in cash and short term deposits are amounts totalling AED 345,310 thousand with an average interest rate of 1.4% (31 December 2014: AED 272,114 thousand with on average interest rate of 1.4%) held at foreign banks abroad.

15 SHARE CAPITAL

	2015 AED'000	*2014 AED'000*
Authorised, issued and paid up		
1,464,100,000 ordinary shares of AED 1 each (2014: 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 the UAE Federal Law no 2 of 2015, 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 2015, the Group closed the Arab Bank interest rate swap deal and entered into a 5 year club facility agreement with HSBC, Citi Bank, Barclays, Commercial Bank of Dubai and National Bank of Abu Dhabi for a total amount of USD 150 million. The facility comprises of a term loan of USD 75 million and a revolving credit facility of USD 75 million. The term loan is repayable in 18 consecutive equal quarterly installments of USD 4.17 million each, commencing during the first quarter 2016 and the revolving credit facility will be utilized and repaid over the 5 year period as needed. The purpose of this facility is to refinance the existing debt, support capital expenditures and finance potential acquisitions. The Group had drawn down an amount of USD 75 million during 2015 to repay and settle the outstanding Arab Bank loan in full.

18 RETAINED EARNINGS

Dividends
The General Assembly approved in its meeting held on 19 April 2015 a cash dividend for 2014 of 14% of the Company's share capital.

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.

Directors' fees paid
Directors' fees of AED 3.59 million representing remuneration for attending meetings and compensation for professional services rendered by the Directors for the year 2014 were paid in 2015 (2014: 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).

19 LOANS AND BORROWINGS

	2015 ***AED'000***	*2014* *AED'000*
Non-current		
Term loan	**216,737**	86,812
Notes payable	**-**	86
Finance lease obligations (a)	**11,848**	10,388
	228,585	97,286

19 LOANS AND BORROWINGS (continued)

	2015 *AED'000*	*2014* *AED'000*
Current		
Term loan	**74,064**	41,412
Notes payable	**380**	266
Finance lease obligations (a)	**13,506**	12,261
	87,950	53,939

(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 AED'000	*Interest AED'000*	*Present value of minimum lease payments AED'000*
2015 -			
Within one year	**15,045**	**1,540**	**13,505**
After one year but not more than five years	**12,542**	**693**	**11,849**
Total	**27,587**	**2,233**	**25,354**
2014 -			
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

Finance lease obligations have maturities till 2020. Interest rate on finance lease obligations ranges between 2.2% - 8%. (2014: 8%).

20 EMPLOYEES' END OF SERVICE BENEFITS

Movements on provision for employees' end of service benefits were as follows:

	2015 *AED'000*	*2014* *AED'000*
Provision as at 1 January	**117,717**	103,066
Provided during the year	**24,911**	24,365
Paid during the year	**(12,448)**	(9,641)
Acquisition of a subsidiary	**-**	614
Exchange differences	**(636)**	(687)
Provision as at 31 December	**129,544**	117,717
Actuarial gains and losses	**-**	-
Present value of the defined benefit obligations	**129,544**	117,717

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. South Africa (Berco Express Limited) has outstanding lines of credit from (ABSA – Member of the BARCLAYS Group) of AED 6,065 thousand as of 31 December 2015 (2014: AED 5,481).

Aramex Kenya Limited has outstanding bank overdraft from Citi Bank of AED 2,196 thousand as at 31 December 2015 (2014: AED 3,370).

Aramex Tunisia has outstanding overdrafts from Arab Bank of AED 4,253 thousand as at 31 December 2015 (2014: AED Nil).

Aramex Egypt has outstanding overdrafts from Bank Misr of AED 1,594 thousand as at 31 December 2015 (2014: AED Nil).

Aramex International LLC has outstanding overdrafts from HSBC of AED 19,833 thousand as at 31 December 2015 (2014: AED Nil).

Aramex Bahrain has outstanding overdrafts from Arab Bank of AED nil as at 31 December 2015 (2014: AED 4,071 thousand).

23 OTHER CURRENT LIABILITIES

	2015 ***AED'000***	*2014* *AED'000*
Accrued expenses	**363,198**	371,574
Deferred revenue	**14,817**	13,706
Sales tax and other taxes	**28,798**	29,371
Income taxes payable	**36,756**	30,741
Customers' deposits	**-**	42
Social security taxes payable	**9,975**	8,661
Contingent consideration	**-**	31,000
Others	**70,242**	61,698
	523,786	546,793

24 SHARE-BASED PAYMENT

In February 2014, a total 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 Aramex 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 contracted life of each option granted is six years. The awards will be settled in cash.

In 2015, the plan was modified but the number of phantom shares subject to the plan remained the same. The new plan has non-market vesting conditions and variable exercise prices depending on the Group's performance. According to the modified plan , the value of exercise price will be based on achieved certain performance targets for the Group over the remaining three year period of the plan contractual life.

The Group expects that the earnings target will be achieved for the remaining life of the plan and hence each option will have an exercise price of AED zero.

The fair value of the share option was estimated at the modification date using binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

24 SHARE-BASED PAYMENT (continued)

As a result of the modification of the plan, an additional expense of AED 46.3 million has been recognized, representing the difference of the cumulative charge between the original plan and the modified plan.

	2015 *AED'000*	*2014* *AED'000*
Expense arising from cash-settled share-based payment transactions	**55,489**	8,336

The following tables list the inputs to the models used for the plan for the year ended 31 December 2015:

	2015
Dividend yield (%)	**0**
Expected volatility (%)	**19**
Risk–free interest rate (%)	**1.9**
Expected life (years)	**1**
Share price (AED)	**3**

25 REVENUE

	2015 *AED'000*	*2014* *AED'000*
International express	**1,387,173**	1,227,502
Freight forwarding	**1,203,176**	1,244,454
Domestic express	**811,300**	754,557
Logistics	**205,758**	197,976
Publications and distribution	**10,073**	9,548
Others*	**219,273**	209,129
	3,836,753	3,643,166

* 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

	2015 *AED'000*	*2014* *AED'000*
International express	**437,199**	413,864
Freight forwarding	**876,998**	910,554
Domestic express	**283,522**	244,498
Logistics	**43,278**	41,187
Publications and distribution	**6,239**	6,095
Others	**26,629**	26,718
	1,673,865	1,642,916

27 ADMINISTRATIVE EXPENSES

	2015 AED'000	2014 AED'000
Salaries and benefits	**423,305**	349,365
Rent	**56,197**	53,078
Depreciation	**50,899**	48,642
Communication expenses	**36,155**	31,008
Repairs and maintenance	**19,293**	16,561
Allowance for impairment of receivables (note 12)	**12,281**	10,252
Printing and stationary	**7,880**	7,970
Entertainment	**9,598**	7,735
Vehicle running expenses	**4,421**	4,304
Insurance and security	**21,801**	14,387
Government fees and taxes	**35,724**	35,598
Corporate social responsibility	**5,212**	6,253
Sponsorship	**166**	148
Utilities	**11,458**	11,605
Travel expenses	**17,034**	17,252
Professional fees	**29,504**	22,843
Others	**74,640**	65,172
	815,568	702,173

28 OPERATING EXPENSES

	2015 AED'000	2014 AED'000
Salaries and benefits	**515,831**	486,748
Vehicle running and maintenance	**82,963**	84,319
Supplies	**30,483**	28,592
Communication expenses	**6,704**	7,132
Depreciation	**30,372**	29,284
Rent	**61,435**	57,037
Others	**43,709**	42,024
	771,497	735,136

29 OTHER INCOME

	2015 AED'000	2014 AED'000
Exchange gain	**460**	1,334
Gain (loss) on sale of property, plant and equipment	**12**	(27,974)
Miscellaneous income	**4,430**	30,873
	4,902	4,233

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.

30 RELATED PARTY TRANSACTIONS (continued)

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

	Related party	*Total*	
	Companies controlled by the directors AED'000	***2015 AED'000***	*2014 AED'000*
Rent expense	**1,389**	**1,389**	1,389

Compensation of key management personnel of the Group

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

	2015 AED'000	*2014 AED'000*
Salaries and other short term benefits	**12,287**	11,105
End of service benefits	**551**	165
	12,838	11,270

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.
Aramex Mail Call Couriers PTY Limited (Australia)

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.

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 2015 and 2014, are included in notes 12 and 21:

		Sales to related parties AED'000	*Cost from related parties AED'000*	*Amounts owed by related parties* AED'000*	*Amounts owed to related parties** AED'000*	*Long term loan granted to related parties*** AED'000*
Associates:	**2015**	**333**	**350**	**57**	**-**	**-**
	2014	562	36	318	1,555	-
Joint ventures in which the Parent is a venturer:	**2015**	**881**	**22,132**	**2,495**	**8,550**	**1,767**
	2014	269	11,568	4,050	6,745	6,751

30 RELATED PARTY TRANSACTIONS (continued)

* These amounts are classified as trade receivables.

** 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 2015	*31 December 2014*
Profit attributable to shareholders of the Parent (AED'000)	**311,302**	318,398
Weighted average number of shares during the year (shares)	**1,464 million**	1,464 million
Basic and diluted earnings per share (AED)	**0.213**	0.217

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 117.66 million for the year ended 31 December 2015 (2014: AED 110.11 million). The Group believes that most operating leases will be renewed at comparable rates to the expiring leases.

Future minimum rental payables under non-cancellable operating lease as at 31 December are as follows:

	2015 AED'000	*2014 AED'000*
Within one year	**148,629**	122,768
After one year but not more than five years	**435,349**	356,448
More than five years	**20,929**	50,920
	604,907	530,136

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 2015 and 2014, respectively.

33 SEGMENTAL INFORMATION (continued)

	International express AED'000	*Freight forwarding AED'000*	*Domestic express AED'000*	*Logistics AED'000*	*Others AED'000*	*Elimination AED'000*	*Total AED'000*
Year ended 31 December 2015							
Revenue							
Third party	**1,387,173**	**1,203,176**	**811,300**	**205,758**	**229,346**	**-**	**3,836,753**
Inter-segment	**603,043**	**243,734**	**1,024**	**4,563**	**7,942**	**(860,306)**	**-**
Total revenues	**1,990,216**	**1,446,910**	**812,324**	**210,321**	**237,288**	**(860,306)**	**3,836,753**
Gross profit	**949,973**	**326,177**	**527,778**	**162,479**	**196,481**	**-**	**2,162,888**
Year ended 31 December 2014							
Revenue							
Third party	1,227,502	1,244,454	754,558	197,976	218,676	-	3,643,166
Inter-segment	542,502	243,913	393	4,601	8,027	(799,436)	-
Total revenues	1,770,004	1,488,367	754,951	202,577	226,703	(799,436)	3,643,166
Gross profit	813,638	333,899	510,059	156,789	185,865	-	2,000,250

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, Asia and others. 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:

	2015 *AED'000*	*2014* *AED'000*
Revenues		
Middle East and Africa	**2,764,837**	2,619,420
Europe	**544,803**	588,346
North America	**110,909**	66,999
Asia and others	**416,204**	368,401
	3,836,753	3,643,166
Assets		
Middle East and Africa	**2,724,636**	2,514,175
Europe	**407,435**	413,129
North America	**38,887**	30,615
Asia and others	**274,398**	249,330
	3,445,356	3,207,249
Non- current assets*		
Middle East and Africa	**697,115**	519,443
Europe	**68,386**	58,789
North America	**4,767**	5,323
Asia and others	**29,107**	27,448
	799,375	611,003
Liabilities		
Middle East and Africa	**1,061,664**	802,297
Europe	**102,025**	113,579
North America	**11,906**	14,758
Asia and others	**69,966**	87,039
	1,245,561	1,017,673

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

34 COMMITMENTS AND CONTINGENCIES

Guarantees

	2015 *AED'000*	*2014* *AED'000*
Letters of guarantee	**110,018**	92,004

Capital commitments
As at 31 December 2015, the Group has capital commitments of AED 65.3 million (2014: AED130 million) towards purchase/construction of property, plant and equipment.

34 COMMITMENTS AND CONTINGENCIES (continued)

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 22,600 thousand representing legal actions and claims related to its ordinary course of business (2014: AED 20,260 thousand). The management and their legal advisors believe that the provision recorded of AED 6,104 thousand as of 31 December 2015 is sufficient to meet the obligations that may arise from the lawsuits (2014: AED 5,469 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.

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*
2015		
Variable rate instruments	**+100**	**(2,960)**
Variable rate instruments	**-100**	**2,960**
2014		
Variable rate instruments	+100	2,256
Variable rate instruments	-100	(2,256)

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 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.

35 RISK MANAGEMENT (continued)

Credit risk (continued)

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 2015 the Group had 5 customers (2014: 5 customers) that accounted for approximately 21% (2014: 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 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 2015

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1-2 year AED'000*	*2-5 years AED'000*	*> 5 years AED'000*	*Total AED'000*
Term loans	21,997	56,100	63,776	156,952	-	298,825
Notes payable	155	285	-	-	-	440
Finance lease obligations	4,117	10,928	9,383	3,159	-	27,587
Bank overdraft	35,057	-	-	-	-	35,057
Trade and other payables	634,300	-	-	-	-	634,300
	695,626	67,313	73,159	160,111	-	996,209

35 RISK MANAGEMENT (continued)

Liquidity risk (continued)

Year ended 31 December 2014

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1-2 year AED'000*	*2-5 years AED'000*	*> 5 years AED'000*	*Total AED'000*
Term loans	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

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(EGP), Sterling (GBP), South African Rand(ZAR), Turkish Lira (TR) 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 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*
2015		
EUR	**+10**	**1,239**
INR	**+10**	**694**
GBP	**+10**	**60**
EGP	**+10**	**231**
TYL	**+10**	**137**
ZAR	**+10**	**37**
2014		
EUR	+10	2,792
INR	+10	(581)
GBP	+10	(2,775)
EGP	+10	(2,253)
TYL	+10	229
ZAR	+10	(121)

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 2015 and 31 December 2014. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interests and retained earnings, and is measured at AED 2,417,352 thousand as at 31 December 2015 (2014: AED 2,314,465 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.

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 liabilities as at 31 December 2015:

			Fair value measurement using		
	Date of valuation	***Total AED'000***	***Quoted prices in active markets (Level 1) AED'000***	***Significant observable inputs (Level 2) AED'000***	***Significant unobservable inputs (Level 3) AED'000***
Liabilities for which fair value are disclosed:					
Derivative financial liabilities					
Interest rate swap	**31 December 2015**	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2014:

			Fair value measurement using		
	Date of valuation	*Total AED'000*	*Quoted prices in active markets (Level 1) AED'000*	*Significant observable inputs (Level 2) AED'000*	*Significant unobservable inputs (Level 3) AED'000*
Liabilities measured at fair value:					
Derivative financial liabilities					
Interest rate swap	31 December 2014	764	-	764	-

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 788,412 thousand (2014: AED 739,460 thousand) and the provision for doubtful debts was AED 57,180 thousand (2014: AED 52,783 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 which ranges between 8% to 10% has been used in discounting the cash flows projected (refer to note 5).

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

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

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

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

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.

38 SUBSEQUENT EVENT

In February 2016 , The Group acquired 100% of the voting shares of Fastway LTD, an unlisted company based in New Zealand and specialized in domestic business, for a consideration of around AED 264 million, that was mostly financed through debt.