



## CREATING ECONOMIC VALUE

### Our Perspective

We believe that we will be rewarded financially for continuing excellence in service quality, customer care, and innovation towards sustainability.

### Long-Term Strategic Goal

Be recognized as the 5th global logistics and express transportation company in the world.

# Our Contribution to Economic Growth and Development

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2006 Highlights	2007 Goals	2009 Goals
<ul style="list-style-type: none"> <li>▪ Acquired Freight Professionals, TwoWay Vanguard, and Docman</li> <li>▪ Growth in shipments 37.8%</li> <li>▪ Growth in revenue 59.7%</li> <li>▪ Growth in profitability 28.0%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Growth in revenue of 18%</li> <li>▪ Growth in profitability of 20%</li> </ul>	<ul style="list-style-type: none"> <li>▪ To be recognized as the 5<sup>th</sup> global logistics and express transportation company by 2010</li> </ul>

### ➤ Facilitating regional and global trade and commerce

Our purpose is to enable and facilitate global trade and commerce. Our primary indicator for measuring our success in achieving this goal is the number of shipments delivered. (In this report, 'shipments' refers to the total number of packages and shipments for all product lines, unless otherwise noted). We have achieved phenomenal growth over recent years, including 45% growth in shipments in 2005 and 38% growth in shipments in 2006. This growth is partly organic growth and partly as a result of the implementation of our strategic plan that calls for rapid growth through an aggressive acquisition strategy.

Total number of shipments grew by 45% in 2005 and 38% in 2006.

Number of Shipments					
	2004	2005	2006	2005 Growth	2006 Growth
Shop&Ship	14585	217527	334442	1391%	54%
Express	2557685	2927576	3303228	14%	13%
Domestic	8817606	13385340	19166672	52%	43%
Freight	127764	165179	202254	29%	22%
<b>Total</b>	<b>11519644</b>	<b>16697627</b>	<b>23008602</b>	<b>45%</b>	<b>38%</b>

### ➤ Factoring the global trend towards sustainable development

The dramatic economic boom in the Arabian Gulf and many parts of the Middle East and Asia represents outstanding opportunities for continued growth and contribution to trade and commerce, as do our growing links and business with the rest of the world. However, care must be taken by all stakeholders that this economic development is sustainable, and that corresponding social indicators and poverty reduction levels also improve at similar or better rates. In many of the regions where we operate and particularly the Arab world, the young demographic is enormous and requires massive economic development and job creation within a very limited time span. We believe that this growth can be better achieved through global linkages in trade, commerce, and other connections which we help to facilitate. Furthermore, healthy economies and prosperous and socially dynamic societies require an ecologically healthy natural environment. Minimizing environmental impact is perhaps something not yet seriously considered in the region, but we believe requires immediate attention.

Indeed, climate change poses significant opportunities and risks for our company. The impending emergence of a carbon-restricted economy has many implications for Aramex, not least:

- the possibility of reduced trade and movement of goods to reduce environmental impacts, where travel across distances outweighs benefits of local production
- the costs of carbon associated with shipping

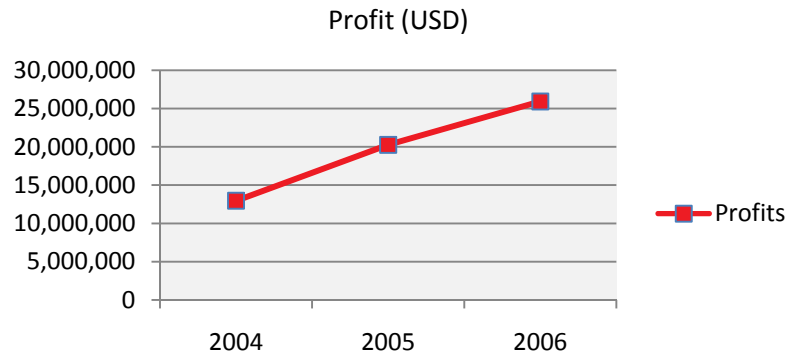
However, we see these more as opportunities to reduce our environmental impact while making our services more competitive and attractive in an economy where low environmental impact is a distinct competitive advantage. Not only could we potentially eliminate loss of business, but we might actually increase business if we can contribute to the overall competitiveness of products. We intend to launch low-carbon and zero-carbon services at the earliest feasible timeline as outlined in this report.

### ➤ Our Economic Performance and Direct Impacts

#### Profitability

Sustainability is fully aligned with the business profit imperative. Sustainability is a core management approach that recognizes shareholders as key stakeholders and aims to secure sustained profits over the long-term. Profitability should be improved with sustainable practices. We aim to be rewarded financially in terms of key dimensions of our sustainability approach including excellence in service quality, customer care, employee relations, health and safety, and innovation towards environmental sustainability. We intend for sustainability management and reporting to assist us in achieving our mission of being recognized as the fifth global logistics and express transportation service provider by 2010.

In 2006, our profit increased 28% to 25.928M USD, following growth of 56% in 2005. As with revenue and shipments, this was driven by a mix of both organic growth and growth by acquisition.



### Economic Impacts

We are a rapidly growing company with a wide variety of economic impacts. Some of our main direct economic impacts are captured in the following table.

Direct Economic Value Generated and Distributed (USD)			
	2004	2005	2006
Total Revenue	188,736,413	232,492,773	371,345,471
Operating Costs	133,413,049	158,654,600	266,239,916
Employee Wages and Benefits	40,893,631	51,921,842	76,847,719
Interest Exp	233,184	243,606	901,029
Taxes	881,924	1,068,830	1,208,132
Contribution and Donations		345,075	220,362
<b>Economic Value Retained</b>	<b>12,957,351</b>	<b>20,258,821</b>	<b>25,928,313</b>

### Market Presence

Our growth also involves rapid geographical expansion and growth in new markets. We aim to contribute positively to economic development in the communities where we operate. The charts on the following two pages help indicate the distribution of our overall direct economic value across the main regions where we operate.

Of note is the significant growth in several markets including the tremendous growth in North Africa (in part as a result of the acquisition of Freight Professionals on January 1, 2006), and including a major increase in revenue in Europe (as a result of the acquisition of TwoWay Vanguard in April). With regard to expenses and suppliers, we currently do not have any policy or practices in place for spending on locally-based suppliers at significant locations of operation – we hope to explore our options on this in greater detail in the next year. Regarding donations, we talk later in this report in the investment in society section about enhancing the geographic distribution of charitable donations, the majority of which positively impact Jordan (through the GSO), and the Levant (including Jordan, Iraq, Syria, Lebanon, and the Occupied Palestinian Territories).

## Overall Direct Economic Value Distributed across the Main Regions

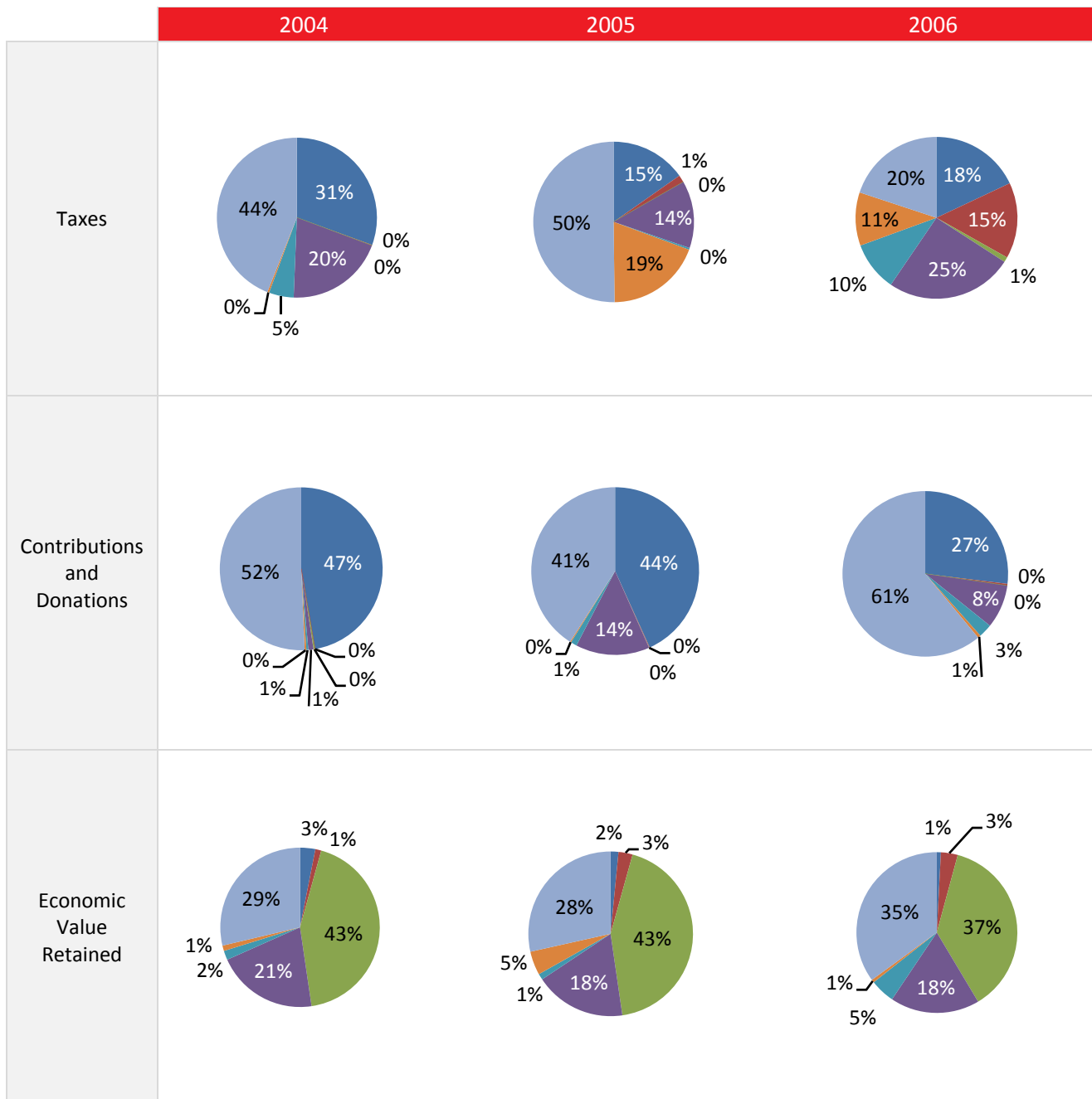
■ Levant   
 ■ North Africa   
 ■ UAE   
 ■ KSA and Upper Gulf   
 ■ Europe and N.A   
 ■ India and Far East   
 ■ GSO and BERMUDA



■ Levant   
 ■ North Africa   
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 ■ India and Far East   
 ■ GSO and BERMUDA

## Overall Direct Economic Value Distributed across the Main Regions (continued)

■ Levant ■ North Africa ■ UAE ■ KSA and Upper Gulf ■ Europe and N.A ■ India and Far East ■ GSO and BERMUDA



■ Levant ■ North Africa ■ UAE ■ KSA and Upper Gulf ■ Europe and N.A ■ India and Far East ■ GSO and BERMUDA

When assessing our local impacts relating to human resources management, our standard entry level wages meet all minimum wage requirements in the countries where we operate. With regard to local leadership, we do not have a formal policy of local hiring, but support it in principle. In 2005 we increased the number of managers in our country stations by 22 people, all of them locally hired. In 2006 our performance declined slightly, due to the opening of an office in Jeddah, Saudi Arabia, which we have initially staffed with one locally hired and 16 ex-pat managers but intend to transition to locally-led management. Excluding Jeddah, our performance would have continued its uptrend to 86%.

### Locally Hired Management

