

NBK Capital**Kuwait****Head Office**

17th Floor, Dar Al-Awadi Building
Ahmed Al-Jaber Street, Sharq
P.O. Box 4950, Safat 13050,
Kuwait
Tel: +965 2224 6900
Fax: +965 2224 6904

International Network**United Arab Emirates****NBK Capital Limited**

Precinct Building 3, Office 404
Dubai International Financial Center
P.O. Box 506506, Dubai
United Arab Emirates
Tel: +971 4 365 2800
Fax: +971 4 365 2805

Turkey**NBK Capital**

Arastima ve Musavirlik AS
SUN Plaza, 30th Floor
Dereboyu Sk. No.24
Maslak 34398, Istanbul, Turkey
Tel: +90 212 276 5400
Fax: +90 212 276 5401

NBK Capital MENA Research

Tel: + 965 2224 6663

Fax: + 965 2224 6984

E-mail: menaresearch@nbkcapital.com**Disclaimer**

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Aramex (ARMX.DU)**August 04, 2008**

- Aramex reported total revenues of AED 1,033 million in 1H2008, a 23.4% increase over the same period last year, and 5.5% above our forecast of AED 979 million.
- Aramex was able to post a higher-than-expected gross profit margin of 49.2% in 1H2008, slightly higher than our forecast of 46.8%. However, "other operating costs" as a percentage of revenue were higher than expected too, as they represented 16.9% of revenues compared to our forecast of 14.8%. Accordingly, Aramex achieved an EBITDA margin of 10.7% in 1H2008, which very close to our forecast of 10.4%.
- In 1H2008, EBITDA increased by 19.1%, compared to the same period last year, to AED 110.6 million—8.6% higher than our forecast of AED 101.8 million.
- Net profit grew by 16.9% to AED 74.2 million in 1H2008; a rate which is lower than the growth in EBITDA because of a 62% decline in interest income.
- We believe this is a solid performance and we will shortly issue an update report on Aramex. For now, we maintain our long term fair value for Aramex at AED 2.73 per share. This is 16% over Aramex closing price as of 3 August 2008; hence, our "Accumulate" recommendation.

Analyst:*Samir Murad, CFA**Direct: +965-2259 5145**samir.murad@nbkcapital.com***Related Research**

- Aramex Update – 11 March 2008