

## ARAMEX (ARMX.DU)

- Aramex continued to post strong results in 2009 as it has announced a 23% increase in 3Q2009 net profit. Aramex reported a net profit of AED 41.7 million in 3Q2009 compared to AED 33.9 in 3Q2008. Continuing the trend of the past two quarters, this increase in net profit was achieved despite an 11% decline in total revenues from AED 545.7 million in 3Q2008 to AED 487.6 million in 3Q2009. Total revenue posted by Aramex in 3Q2009 was in line with our forecast of AED 485.5 million for the quarter.
- The freight forwarding segment continued to be the drag on the top line for Aramex, as the segment saw a 20% decline in revenues. However, this performance by the freight forwarding segment is better than our forecast of a 25% decline in segment's revenue in 3Q2009.
- According to the press release of Aramex, the company's revenue in the MENA region was negatively impacted by Ramadan and Eid holidays in 3Q2009.
- This result by Aramex reflects a year-on-year expansion in the net profit margin from 6.2% in 3Q2008 to 8.6% in 3Q2009; however, this marks a drop from the 10.3% net profit margin achieved in 2Q2009.
- Full financials are not yet available for us to formulate a final opinion on the performance of Aramex in 3Q2009. Also, no reference was made to any one time gains or losses.
- For now, we maintain our long term fair value for Aramex at AED 1.90 per share. This is 5.5% over the closing price for Aramex as of 26 October 2009; hence, our "Hold" recommendation.

### Samir Murad, CFA

T. +965 2259 5145

E. samir.murad@nbkcapital.com

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- Update - 11 Aug. 2009
- Update - 10 Mar. 2009

## NBK CAPITAL

### Kuwait

#### Head Office

17th Floor, Dar Al-Awadi Building  
Ahmed Al-Jaber Street, Sharq  
P.O.Box 4950, Safat 13050  
Kuwait  
T. +965 2224 6900  
F. +965 2224 6905

#### MENA Research

19th Floor, Dar Al-Awadi Building  
Ahmed Al-Jaber Street, Sharq,  
P.O.Box 4950, Safat 13050, Kuwait  
T. +965 2224 6663  
F. +965 2224 6905  
E. menaresearch@nbkcapital.com.kw

#### Brokerage

8th Floor, Dar Al-Awadi Building  
Ahmed Al-Jaber Street, Sharq  
P.O. Box 4950, Safat 13050, Kuwait  
T. +965 2224 6964  
F. +965 2224 6978  
E. brokerage@nbkcapital.com

### United Arab Emirates

#### NBK Capital Limited

Precinct Building 3, Office 404  
Dubai International Financial Center  
P.O.Box 506506, Dubai,  
UAE  
T. +971 4 365 2800  
F. +971 4 365 2805

### Turkey

#### NBK Capital

Arastima ve Musavirlik AS,  
Sun Plaza, 30th Floor,  
Dereboyu Sk. No.24  
Maslak 34398, Istanbul, Turkey  
T. +90 212 276 5400  
F. +90 212 276 5401

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