

Agility (AGLT.KW)

OVERWEIGHT

| | |
|-------------------------|------------------|
| CMP | KWD 1.100 |
| Target | KWD 1.288 |
| Potential Upside | 17.1% |

| | |
|-----------------------|----------|
| MSCI GCC Index | 391.64 |
| Kuwait Stock Exchange | 8,107.60 |

Key Stock Data

| | |
|----------------------|----------------------------|
| Sector | Transportation & Logistics |
| Reuters Code | AGLT.KW |
| Bloomberg Code | AGLTY KK Equity |
| Net Out. Shares (mn) | 998.93 |
| Market Cap (KWD bn) | 1.099 |
| Market Cap (USD bn) | 3.847 |
| Avg. 12m Vol. (mn) | 5.644 |
| Volatility (30 day) | 44.828 |
| Volatility (180 day) | 66.547 |

Stock Performance (%)

| | | | |
|--------------------------|---------------|------|------|
| 52 week high / low (KWD) | 1.200 / 0.475 | | |
| | 1M | 3M | 12M |
| Absolute (%) | 3.8 | 66.7 | -6.8 |
| Relative (%) | 7.1 | 42.0 | 76.8 |

Shareholding Pattern (%)

| | |
|--|-------|
| National Real Estate Company | 22.93 |
| Public Institution for Social Security | 16.90 |
| Public | 60.17 |

Agility and KSE Index



Executive Summary

Agility was established in 1979 by the Government of Kuwait. With over USD 6 billion as annual revenue, it is amongst the one of the biggest global provider of integrated supply chain solutions, with 550 offices across 100 countries. Agility's principal activities include air, sea and land freight transportation, warehousing & storage, handling & distribution of cargo; inventory management, project logistics; exhibition and event logistics.

Operating margin improves on cost containment initiatives

Agility's first quarter top-line declined 8.1% QoQ to KWD 407.40 million led by a dip in business volumes in its logistics and freight forwarding division, as a result of the economic slowdown. However, higher contribution from the infrastructure segment did somewhat offset the decline. While revenues from logistics and freight forwarding declined 9.1%, rental revenues and revenues from other services were up 16.3% and 10.5%, respectively. Cost of revenues (CoR) declined 13.4% to KWD 252.98 million thanks to effective cost management, thus improving the gross profit by 2.3% to KWD 154.42 million in 1Q09. Overall expenses declined 9.5% to KWD 365.98 million leading to a 6.9% rise in operating profit to KWD 41.41 million. The operating margin also expanded 143 bps QoQ to 10.2% during the quarter, countered by a 61.9% QoQ plunge in other income to KWD 4.08 million, which declined on account of lower interest income and change in fair value of investment properties. Even though finance costs decreased 30.1%, the company's profitability decreased 1.6% to KWD 36.95 million during the quarter. Further, adjusted EPS also declined to KWD 0.148 from KWD 0.150 in 1Q08.

Outlook and valuation

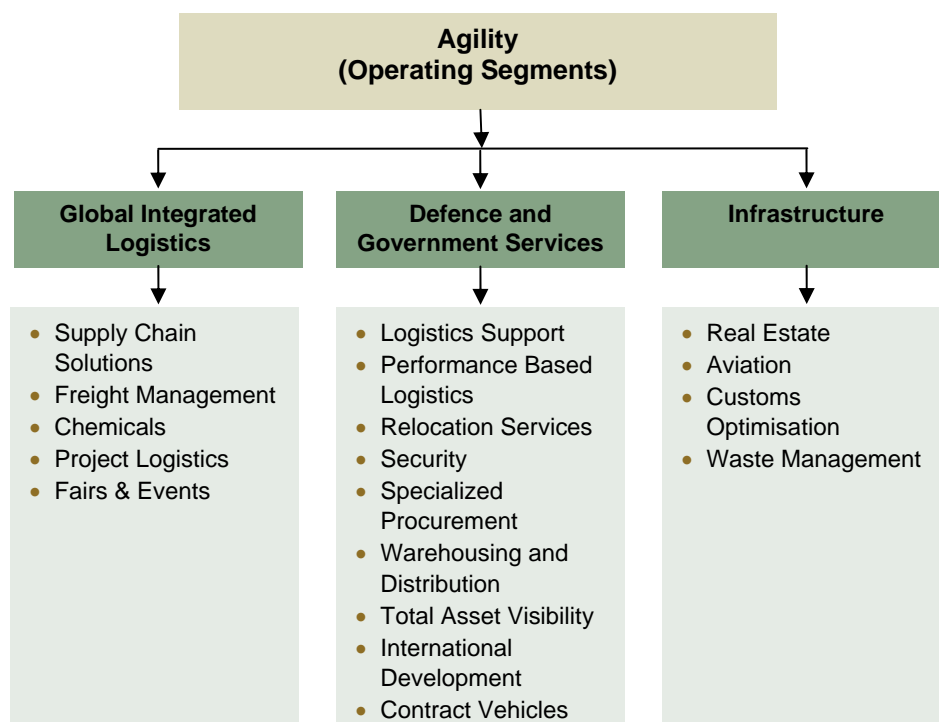
The logistics industry has been benefitting from the rising international trade that grew at an estimated 18.9% in 2008. However, quite recently, the business volumes for the sector have been negatively impacted as a result of the economic crisis. Despite this, the long-term growth drivers for the industry look intact, given the investments being directed towards the sector. Agility's sound fundamentals and organic & inorganic growth initiatives are expected to keep its long-term growth drivers intact. In an effort to strengthen its fundamentals, the company aims to contain its costs and reduce its net debt to zero levels. Further, the organic as well as inorganic growth initiatives are expected to boost its logistics capacity and expand its presence to newer territories. Based on these fundamentals, we hold an optimistic outlook on this stock. To determine the fair value of the company, we have used the DCF valuation method. Currently, Agility's stock is trading at a P/E multiple of 5.33x and 5.28x on 2009E and 2010E earnings, and at a P/B multiple of 1.12x and 1.02x on 2009E and 2010E BVPS, respectively. Meanwhile, the stock has outperformed the index by rising 74.6% since the beginning of this year as against a gain of 4.2% by the Kuwait Stock Exchange. Considering the above factors, we arrive at a price target of KWD 1.288, which exhibits a potential upside of 17.1% from its closing price of KWD 1.100 (as on July 02, 2009). **Accordingly, we initiate our coverage on Agility with an OVERWEIGHT recommendation.**

| KWD Millions | 2007A | 2008A | 2009E | 2010E | 2011E |
|-----------------------|----------|----------|----------|----------|----------|
| Revenues | 1,667.09 | 1,835.69 | 1,793.87 | 1,886.19 | 2,002.43 |
| EBITDA | 221.90 | 206.00 | 277.54 | 288.05 | 301.80 |
| EBITDA Margin (%) | 13.3 | 11.2 | 15.5 | 15.3 | 15.1 |
| Net Profit | 153.94 | 141.37 | 206.20 | 208.23 | 216.11 |
| Net Profit Margin (%) | 9.2 | 7.7 | 11.5 | 11.0 | 10.8 |
| Adjusted EPS (KWD) | 0.154 | 0.142 | 0.206 | 0.208 | 0.216 |
| Total Assets | 1,536.02 | 1,641.82 | 1,765.41 | 2,019.21 | 1,927.04 |
| RoAE | 21.3 | 18.7 | 23.8 | 20.3 | 19.2 |

Background

Agility, formerly known as The Public Warehousing Company (PWC), was established in 1979 by the Government of Kuwait. In 1997, it was privatised and renamed PWC Logistics. On November 13, 2006, it underwent another re-branding and unveiled a new company name and logo – Agility. Subsequently on May 25, 2008, the company yet again changed its name to as Agility Public Warehousing Company. Consequent to this, on May 19, 2009, it was proposed to change the company's name to Agility Logistics. The company is a global provider of integrated supply chain solutions with over 550 offices in 100 countries. With over USD 6 billion in annual revenues, Agility comprises of three key business groups: Global Integrated Logistics (GIL), Defence and Government Services (DGS) and Infrastructure.

Largest integrated logistics company in the Middle East



Source: Agility

Listed on both the Kuwait Stock Exchange (KSE) and the Dubai Financial Market (DFM), the company's principal activities include air, sea and land freight transportation, warehousing & storage, handling & distribution of cargo; inventory management, project logistics; exhibition and event logistics. Its services also include air and vessel charter services, investment in real estate and private equity, IT maintenance; and commercial and military spare parts and systems. Therefore, Agility's service spectrum spreads across several sectors, including the military, technology, oil & gas, aviation, real estate, engineering & construction, events & entertainment, automotive and pharmaceuticals.

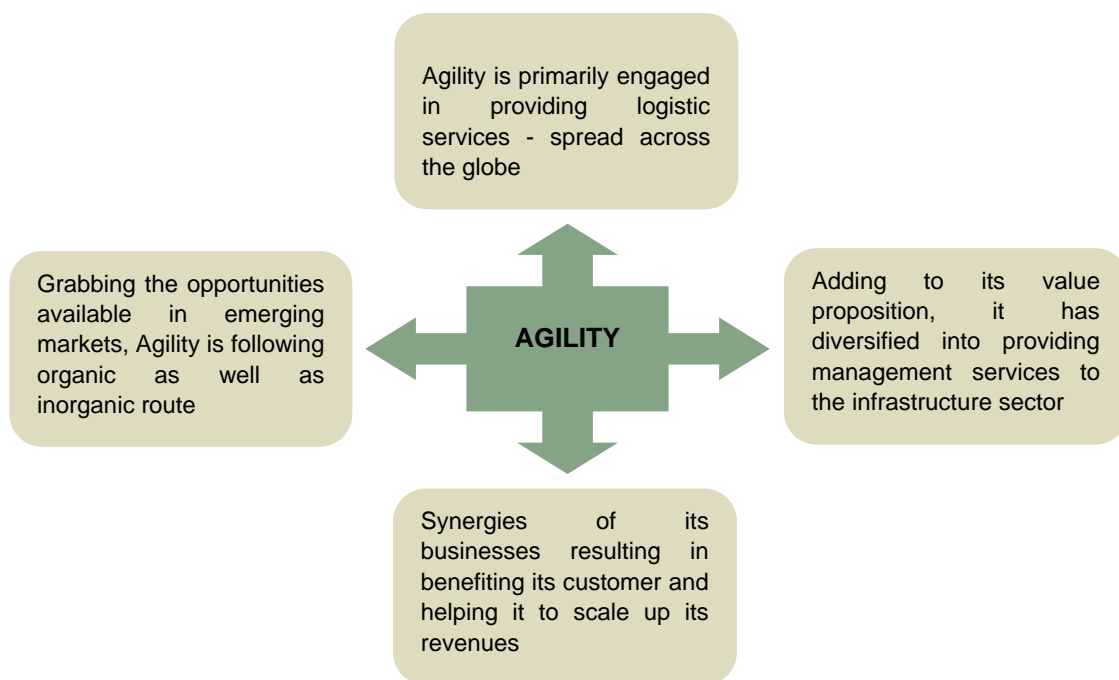
Based in Washington, Defence & Government Services (DGS) offers logistics services to governments, relief agencies and international institutions worldwide; Global Integrated Logistics (GIL) is headquartered in Switzerland and provides supply chain solutions to customers in technology, retail, chemicals, and other industries; while Agility's infrastructure group companies primarily focus on opportunities in the Middle East, Africa and South Asia, providing infrastructure support in the areas of industrial real estate, customs optimization, and airline services.

Agility has a well-established footprint in the Middle East, with an unparalleled adaptable logistics and distribution capability. Throughout the Middle East, Agility operates a network of warehousing facilities and as of December 2008, the company's transportation vehicles reached 9,640. In the Far East, its subsidiary Trans-Link Group offers specialized logistics services, including exhibition and event logistics, e-fulfilment and project forwarding. Globally, the company's Transoceanic Shipping provides project logistics solutions tailored for the construction, mining, and oil & gas industries. Its GeoLogistics Corporation also offers global freight management.

Agility is also certified to the Quality Management Standard - ISO 9001:2000. In October 2008, Agility was named the best logistics company at Lloyd's List Asia Awards, a title that reaffirms its position as a leading logistics service provider worldwide. Also, Agility Fairs & Events (Agility F&E), a specialized division of Agility GIL, was honoured with two awards - Best Export Agent and Best Site Agent at the International Exhibition Logistics Associates (IELA) awards.

Agility has 9,640 transportation vehicles at last count

Business Model



Subsidiaries/Associates/Investments of Agility

Agility has a number of subsidiaries, associates and affiliates.

| SUBSIDIARIES/ASSOCIATES/INVESTMENTS | COUNTRY | % SHARE |
|---|----------------|---------|
| Global Express Transport Co. | Kuwait | 100.00 |
| PWC Transport Company | Kuwait | 100.00 |
| PWC Logistics Services Co. | Kuwait | 100.00 |
| Agility Holdings Inc. | USA | 100.00 |
| Trans Oceanic Shipping Co. Inc. | USA | 100.00 |
| Agility Logistics Corp. | USA | 100.00 |
| Agility Logistics Limited | United Kingdom | 100.00 |
| Agility Logistics AG | Switzerland | 100.00 |
| Agility Spain SA | Spain | 100.00 |
| Agility Logistics Private Limited | India | 100.00 |
| Agility Logistics GmbH | Germany | 100.00 |
| Agility Logistics Limited | Hong Kong | 100.00 |
| Tristar Transport LLC – Dubai | UAE | 80.00 |
| Metal Recycling Company | Kuwait | 53.29 |
| Gulf Catering Company for General Trading & Contracting | Kuwait | 51.00 |
| Agility Company | Saudi Arabia | 50.25 |

Source: Agility

Board of Directors

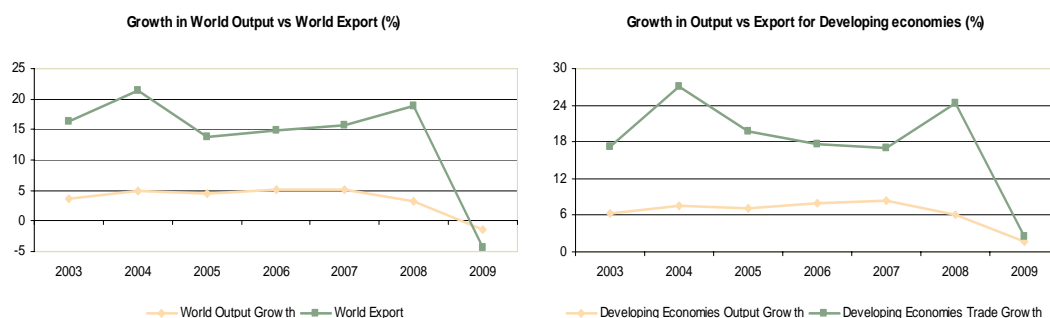
- Chaired by- Mr. Tarek Abdulaziz Sultan Al Essa
- Mr. Salah Youssef Al Nafisi – Vice Chairman
- Mr. Jamil Sultan Al Essa
- Mr. Ayman Bader Sultan Al Essa
- Mr. Adel Mohammed Al Bader
- Mr. Hussain Ali Al Kharafi
- Mr. Nasser Mohammed Fahad Al Rashed

Source: Zawya

Industry Scenario

The global credit crunch has set off by far the deepest worldwide recession since the Great Depression. According to the IMF, the world output is likely to decline by 1.3% in 2009, after achieving a growth rate of 3.2% in 2008. In tandem with the declining world output, the world export level is expected to drop 4.4% in 2009 implying lower business volumes across the logistics industry. The logistics sector enjoyed a healthy growth in the first half of 2008 driven by increased level of trade activity. Moreover, the world trade activity grew at an estimated 18.9% in 2008. However, the economic downturn, which was more prominent towards the second half of 2008, had an adverse impact on the growth and domestic resource mobilisation in most developing countries. The weak demand for commodities along with declining prices negatively impacted all sectors of logistics. The International Air Transport Association reported a 13.5% decrease in air freight volumes in November 2008, which was the largest drop since 2001. In addition to this, the railways sector, which is mainly dependent on revenues from transportation of steel and cars suffered from massive drop in cargo volumes. Container shipping has also witnessed a 90% decline in freight rates for dry-bulk shipping. However, with the expectation of reversing the current scenario in 2010, the world output would attain a growth of 1.9%. On the other hand, the Middle East region's real GDP, which registered a healthy growth rate of 6.0% and 5.4% in 2007 and 2008 respectively, is likely to slow to 2.3% in 2009, before rebounding to 3.8% in 2010. Within the region, the GCC nations are expected to grow at 1.3% in 2009 and 4.2% in 2010. This is expected to improve the business dynamics for the players in the sector. Moreover, the developing economies are expected to wither the economic downturn better than others. While the GDP growth for these economies is expected to grow a mere 1.6% in 2009, trade levels are likely to expand 2.6% during the same period.

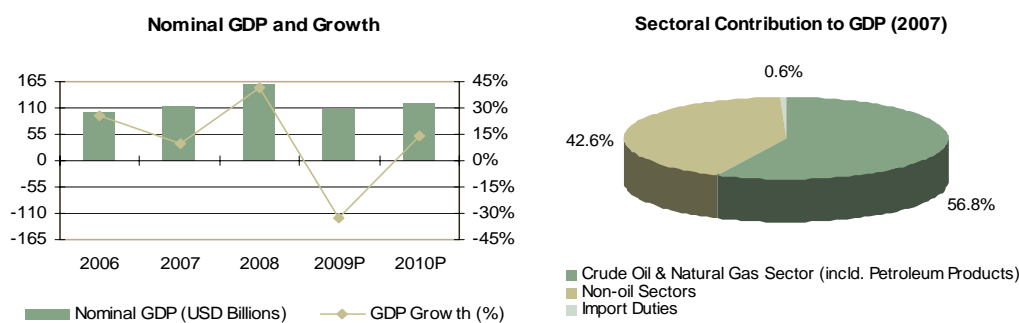
Global growth is likely to decline by 1.3% in 2009; logistics industry to be negatively impacted



Source: IMF and World Economic Situation & Prospects – 2009 (United Nation); UN/DESA and Project LINK

Kuwait's economy is largely dependent on hydrocarbon-related activities (oil & natural gas sector and refined petroleum products), which accounted for 56.8% of the nominal GDP and 94.9% of the total export earnings during 2007. Therefore, driven by high oil prices and subsequent economic development, Kuwait's real GDP grew at an average growth rate of 7.1% over the period 2004-2007 and is estimated to grow by 6.3% in 2008. However, with the impending global economic crisis and plunging export volumes, the growth in the country's real GDP is expected to contract by 1.1% in 2009 before recovering to 2.4% in 2010. Moreover, Kuwait recorded a budget surplus of USD 21.0 billion for the fiscal 2008/09 led by rising oil prices during the first half of 2008. Where, oil revenues accounted for nearly 94% of the total revenues of USD 72.3 billion that exceeds the projections by 66.7%. On the other hand, budgetary deficit is likely to be KWD 4.8 billion for 2009/10 on the budgeted revenues of KWD 8.1 billion.

Kuwait's real GDP is expected to contract by 1.1% in 2009

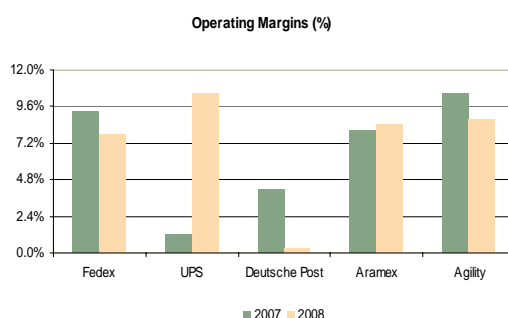


Source: Economic Intelligence Unit

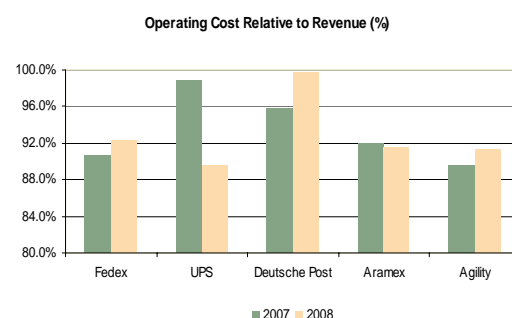
Source: Central Bank of Kuwait

Asia-Pacific region is expected to emerge as a key logistics hub

The logistics industry has been benefiting from the rapid reduction in international trade barriers. The combination of strong GDP growth rates, a continued shift of global manufacturing bases to the developing regions, increasing emphasis on just-in-time production methods and an ongoing focus on reducing costs has driven the increased investments in the sector. Global logistics & supply chain management is now highly integrated and requires expertise in purchasing, materials management, supply-chain management, transportation, customs regulations, foreign exchange, information technology and cultural issues, among others. The third party logistics (3PL) is amongst one of them, which provide part or full logistics services to companies and has boosted the value drivers of the sector. Emergence of fourth-party logistics (4PL), which acts as an integrator that assembles the resources, capabilities and technology of its own organisation and other organisations to design, build and run comprehensive supply chain solutions has widened the revenue earning scope of the industry. Meanwhile, the fifth party logistics (5PL) will use e-procurement to carry out full scale operation. A key function of the 5PL is to aggregate the demands of the 3PL into a bulky volume for negotiating more favourable rates with airlines and shipping companies regardless of which generation of logistics solution belongs to all. At the same time, rising costs remain a key issue for the logistics industry and the sector as a whole is striving to focus on cost containment initiatives.



Source: Bloomberg



Source: Bloomberg

GCC logistics market valued at USD 11 billion

The global logistics industry was valued at USD 3.5 trillion, whereas the US logistics industry was sized at around USD 900 billion, accounting for 25% of the global logistics industry. While Europe remains the area with the largest outsourced logistics spend, the largest growth is forecast for the Asia-Pacific region. In fact, the Asia-Pacific region is expected to account for almost one-fifth of global outsourced logistics spend by 2010. In the Asia-Pacific countries, such as India, logistics costs account for approximately 13% of the GDP. Developed economies such as the USA and Japan spend around 9.5% and 10.5% respectively, of the GDP on logistics. The GCC logistics market is valued at USD 11 billion and is one of world's fastest growing sectors. Regional imports and exports now stand close to over USD 320 billion. With global freight expected to reach USD 14 trillion by 2020, the Gulf's strategic location as a major trade hub between Asia and Europe is most beneficial. The primary drivers for the sector include focus on increasing supplies of oil to meet the ever-increasing global demand and the positioning of the region as major international hub. In addition to this, the massive investments in the infrastructure, tourism and upstream and downstream oil & gas projects have increased the demand for project logistics. Rising per capita GDP has also been instrumental in increasing the demand for luxury goods as well as the evolution of the grocery retail sector, thereby necessitating the presence of a more robust logistics sector.

Demand for oil & gas along with petrochemicals form the basic growth drivers for the logistics sector in the GCC region. According to the International Energy Agency (IEA), worldwide oil consumption is anticipated to increase to 86.3 million barrels per day (bbls/d) in 2009 from 85.8 million bbls/d in 2008 and 85.9 million bbls/d in 2007.

Meanwhile, by 2030, the total population of the Organization for Economic Co-operation & Development (OECD) countries is anticipated to increase to 1.3 billion from the estimated 1.2 billion in 2008, while that of the non-OECD countries is projected to rise to 6.6 billion from the estimated 4.9 billion in 2008. Accordingly, the global demand for oil is forecast to expand to 118 million bbls/d by 2030. This in turn would boost the transportation of oil, thereby, providing ample opportunities for the logistics companies.

Investments to the tune of USD 60 billion to keep up the growth momentum in the regional logistics industry

At the same time, the long-term growth prospects for the logistics sector in the GCC looks promising, given the huge investments expected to flow into the sector. The sector is expected to expand in the range of 17-19%, outgrowing the worldwide sector's anticipated growth of 9%. With increasing cargo volumes and strategic location between the West and the Far East, regional economies are developing world-unique transportation logistics infrastructure, which will eventually impact their economy in terms of trade and commerce. In addition to this, the USD 12 billion GCC rail project that will connect all the GCC countries and Yemen is likely to boost the logistics sector. Investments in the regional logistics industry are expected to reach USD 60 billion with the entry of international companies and expansion initiatives of the existing players. In addition to this, investments in the warehouses alone are likely to reach USD 50 billion. Gulf countries such as the UAE, Bahrain, Qatar and Saudi Arabia are setting up logistics zones to attract major investments in the logistics sector. Plans to increase the size of Bahrain Logistics Zone (BLZ) site by 150% is expected to attract up to USD 600 million in direct investments.

Dubai is amongst the fastest growing logistics hub in the world

Dubai has emerged as one of the top-five growing logistics hub in the world. In 2008, the Dubai airport reported a 9.4% rise in cargo to 1.82 million tonnes as it is the most viable gateway to Europe and Asia and transit point from Africa. Dubai has recently commissioned the world's first truly multi-modal integrated logistics platform for air, sea and road services named Dubai Logistics City (DLC). Spanning over 25 sqkm, DLC is set to become the preferred location for businesses which require or offer logistics and multi-modal transport services to the GCC, the wider Middle East, India, Africa, and the Commonwealth of Independent States (CIS). Currently, the UAE is the leading marketing and trans-shipment hub for multinational companies serving the Middle East and North Africa, given its strategic location bordering the Gulf of Oman and the Persian Gulf. The UAE has been established as a key link on the global supply chain with Dubai alone channelling more than USD 17 billion of imports per year. Abu Dhabi is also developing the Khalifa Port & Industrial Zone pumping in USD 10 billion. The port with an initial capacity of 2 million twenty-foot equivalent unit (TEU) is expected to totally replace the existing Mina Zayed port by 2012.

As the logistics boom continues in the Middle East, countries throughout the region are competing for a larger share of the lucrative market. Although Dubai has undoubtedly emerged as a winner, Kuwait seems to be catching up. Its position within the industry is expected to prosper in the future on improved transport networks, supply chain infrastructure and business-friendly incentives. A large number of international and regional logistics providers are already operational in the country, including DHL, Agility, Aramex, TNT, KGL Logistics, GAC, Expeditors, Panalpina, and Maersk Logistics, in addition to various smaller and local players. While the contract logistics market in the region has some large home grown regional players, the competition is intensifying with a number of new players and overseas companies penetrating the Kuwaiti market. Thus, the logistics industry seems set for consolidation. Increasing pressure from customers and costs containment indicates that the recent merger and acquisition trend is likely to continue in the coming years too.

Development and rail projects to strengthen the Kuwaiti logistics sector

Currently, Kuwait is heavily marketing its multi-modal transportation system to the logistics industry with its well developed road system, comparative to rest of the region. It also has two seaports, Shuwaikh and Shuaiba, which have a consolidated cargo handling capacity of 1.2 million TEU as well as a large airport - the Kuwait International Airport (KSA). Cargo services at the airport are operated by Kuwait Airways Corporation/National Aviation Services, with a range of well-developed facilities for supply chain activities. Although Kuwait cannot boast of a railway system as yet, a 500 km broad gauge line with an estimated cost of USD 6.6 billion is being proposed, which will link the border with Saudi Arabia in the south to the Iraqi border in the north. Also, the government is planning to construct a metro rail that would attract investments to the tune of USD 7 billion. The country is also developing its logistics infrastructure, especially with the Kuwait Free Trade Zone (KFTZ), located in Shuwaikh Port, close to the international airport. Backed by established infrastructure and advanced telecommunication systems, the free zone has already proved a valuable asset for the country's logistics industry, providing easy access to the big potential markets in northern Iran, Iraq, Turkey and the CIS. Going forward, the government's ability to simplify procedures and further develop its infrastructure will play an important role in transforming Kuwait into a logistical super hub. Further, Business Monitor Intelligence (BMI) expects the transport and logistic industry in Kuwait to continue outpacing the economy as a whole over the period 2009-2013. The industry is estimated to grow at a CAGR of 2.2% versus 1.8% for the overall GDP over the five years reaching USD 8.71 billion in nominal terms by the end of 2013.

The Kuwaiti logistics sector, which benefited from the US presence in Iraq, is expected to be negatively impacted as US withdraw its troops. However, at the same time, this is likely to present opportunities in terms of trade activity reaching normalcy in Iraq. The challenges faced by the Kuwaiti logistic industry include difficulty in land ownership and obtaining warehousing licenses. In addition, rules relating to foreign investments, where the presence of a local sponsor is necessary by the law further complicates matters. However, encouragingly, the government is already taking pro-active steps to improve the country's existing logistics facilities. The government has also undertaken an ambitious project of building a commercial seaport on the island of Bubiyan, the largest of the country's nine islands, transforming it into a major hub in the regional transport system. Envisaged to become a world-class deep-sea port, serving the entire region including Iran and eventually Iraq, Bubiyan Port will also include a free trade zone to serve as a link between Asia, the Mediterranean and beyond. The development of Bubiyan Port would not only be a stimulus to the Kuwaiti economy, but will also boost the growth of the country's logistics activities. The investments directed towards developing the infrastructure sector, presents a solid growth platform for the logistics sector in the long run. However, at the same time, the current economic downturn, which has proved detrimental for the global trade has negatively impacted the business volumes for the sector. Going forward, the Kuwaiti logistics sector presents tremendous growth opportunities in the long run. However, the success of its logistics industry will heavily depend on the effective execution of development plans and competition from other logistics hub is tackled.

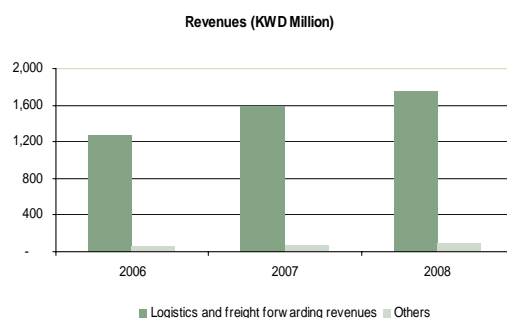
Long-term outlook bright on development plans; short-term perspective remains grim on lower business volumes

Financial Performance - FY 2008

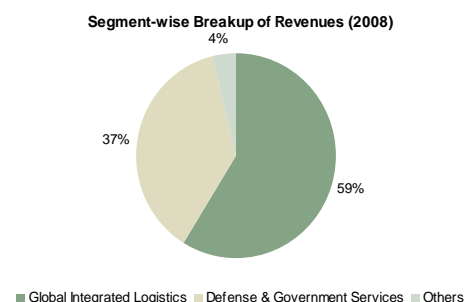
Revenues

Agility reported a 10.1% increase in its revenues to KWD 1,835.69 million compared to KWD 1,667.09 million in 2007 led by improved performances from its logistics & freight forwarding and infrastructure divisions. Logistics & freight forwarding revenues rose 9.6% to KWD 1,744.58 million in 2008 from KWD 1,591.98 million in the previous year driven by improved performance from its GIL and DGS division. The GIL division, accounting for 59% of Agility's top-line, reported an 11% YoY rise in revenues mainly account of higher contribution from its new acquisitions. GIL expanded its European network through acquisitions, establishing offices in Austria, Slovenia, Poland, Hungary, Denmark and Finland. In addition to this, the company also through GIL, invested in Algeria, Libya, Morocco and the Kurdish region of Iraq and continued to develop its 3PL capabilities throughout the Middle East and Africa. The company's DGS division, contributing 37% to the Agility's top-line, reported a 7% rise in its revenues led by record rise in its commodities services business. Furthermore, improved performance by its Infrastructure division contributed to the increase in its top-line. Rental revenues grew 10.8% to KWD 25.88 million from KWD 23.36 million in 2007. Revenues from other services also increased 26.0% to KWD 65.22 million in 2008 from KWD 51.75 million in the previous year.

Healthy performance across segments contribute to increase in top-line



Source: Agility



Source: Agility

Overall expenses increased 12% YoY in 2008

Expenses

Agility continued to suffer from rising costs in 2008. The company's CoR increased 11.5% to KWD 1,182.74 million in 2008 compared to KWD 1,060.85 million in the previous year. Moreover, relative to revenues, CoR increased 80 bps to 64.4% from 63.6% in 2007. In addition, general & administrative expenses (G&A) rose 15.3% to KWD 159.30 million compared to KWD 138.14 million, a year ago led by higher repairs & maintenance, professional fees and rising rents. Also as a percentage of revenues, G&A expenses increased 39 bps to 8.7% from 8.3% in 2007. Rising costs on the salaries head kept the salaries and employee benefits expenses higher by 16.8% YoY at KWD 287.65 million in 2008. Relative to revenues generated, salaries and employee benefits expanded 90 bps to 15.7% in 2008. However, the company booked a 5.1% lower charge on account of depreciation at KWD 42.90 million from KWD 45.21 million in 2007, partially offsetting the rising expenses. Overall, total expenses increased 12.2% to KWD 1,675.03 million compared to KWD 1,492.85 million in 2007. Overall expenses as a percentage of revenues rose 170 bps to 91.2% in 2008 compared to 89.5% in the previous year.

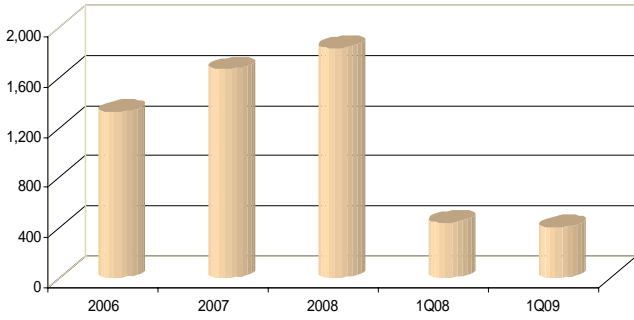
Profitability

Despite a 10.1% rise in top-line, higher CoR restricted gross profit increase at 7.7% to KWD 652.94 million in 2008 from KWD 606.24 million in the previous year. The company's gross margin also contracted 80 bps to 35.6% from 36.4% in 2007. Further, as overall expenses remained relatively high, operating profits declined 7.8% to KWD 160.65 million as against KWD 174.24 million in 2007. The operating profit margin also dipped 170 bps to 8.8% in 2008 compared to 10.5% in the previous year. Other income comprising interest income, changes in fair value of investment properties and miscellaneous income did increase marginally by 2.8% to KWD 23.77 million during the year. However, a 7.3% YoY rise in finance costs to KWD 26.01 million along with weak operating level performance dented the company's net profit by 8.2%. Net profits were reported at KWD 141.37 million for the year compared to KWD 153.94 million in the previous year. The company's adjusted EPS was reported at KWD 0.142 compared to KWD 0.154 in 2007.

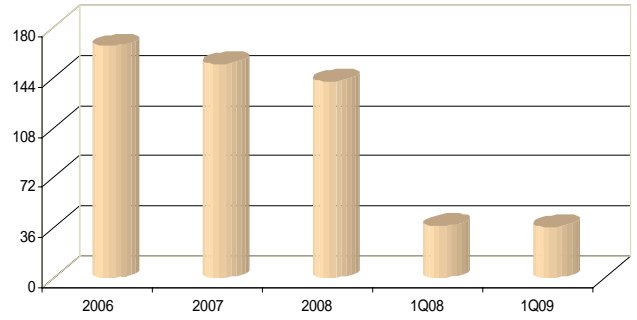
Weak operating level performance led to decrease in profitability in 2008

Chart Gallery

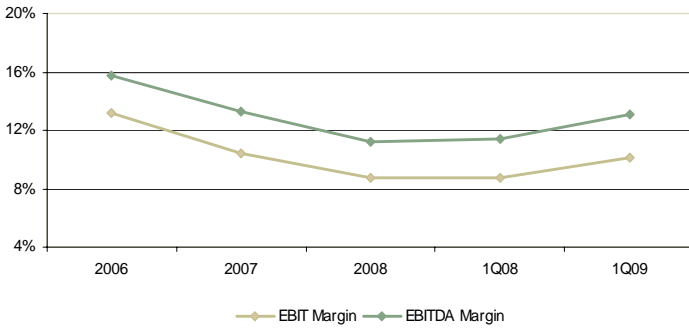
Revenues (KWD Millions)



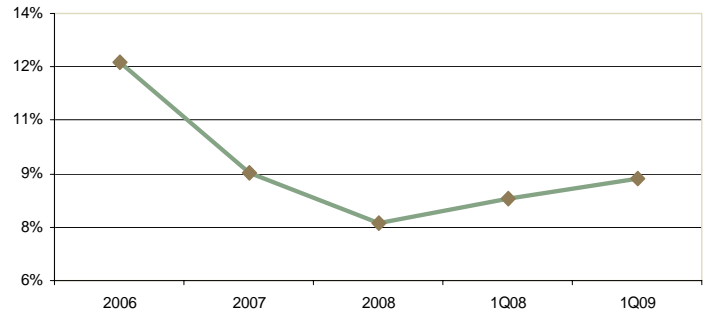
Net Profit (KWD Millions)



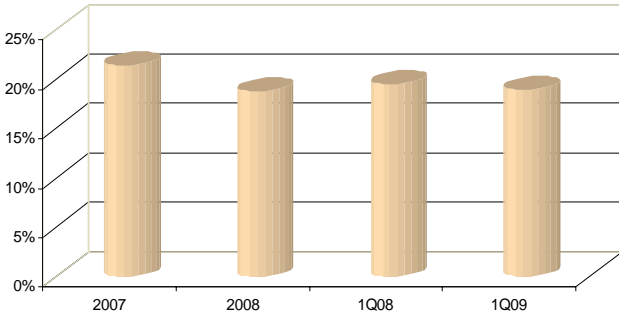
EBIT and EBITDA Margin



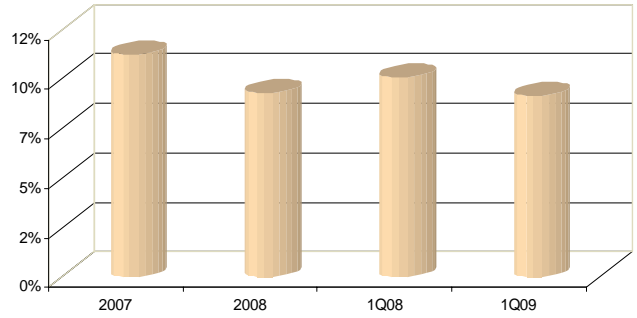
Net Profit Margin



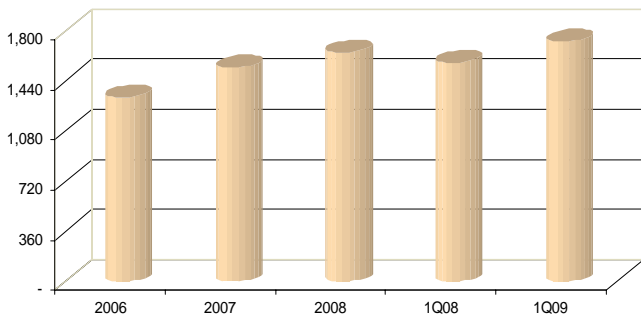
Return on Average Equity (RoAE)



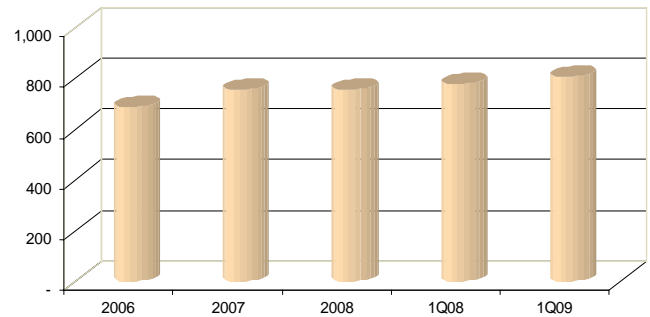
Return on Average Assets (RoAA)



Total Assets (KWD Millions)



Shareholders' Equity (KWD Millions)



Size of the Company

The salient features of the balance sheet are:

- ❖ Agility's total assets increased 9.7% to KWD 1,722.84 million in 1Q09 from KWD 1,570.78 million in the comparable period last year mainly due to increase in bank balances & cash and non-current assets. Moreover, the assets turnover ratio was reported at 0.97 for the quarter compared to 1.14 in the comparable quarter last year.
- ❖ Agility's current assets increased a marginal 1.3% to KWD 793.94 million compared to KWD 783.37 million in 1Q08 as the rise in bank balance & cash and inventories was offset by lower trade receivables and other current assets. Bank balances & cash representing 18.8% of the total assets in 1Q09 (17.3% in 1Q08) rose 18.9% to KWD 323.07 million, led by improved operating level performance during the quarter. Inventories also increased 4.9% to KWD 70.73 million during the quarter. However, trade receivables and other current assets declined 9.9% and 9.8% to KWD 295.53 million and KWD 104.62 million respectively, during the quarter. The share of current assets in the total assets base declined to 46.1% from 49.9% in 1Q08.
- ❖ Non-current assets increased 18.0% to KWD 928.90 million from KWD 787.41 million in 1Q08 as its share in the total assets went up to 53.9% from 50.1%. The YoY rise can be attributed to healthy increases in plant, property & equipment (PPE), projects in progress, goodwill and available for sale investments. The company's PPE increased 6.3% to KWD 224.19 million, while projects in progress expanded 70.5% to KWD 61.75 million during the quarter. Goodwill also increased 20.2% to KWD 246.41 million from KWD 205.08 million in 1Q08 following acquisitions completed by the company. These included acquisitions of Medgroup, Geologistics, Starfreight Limited, COSA Freight Limited, United Engineering Services Geopetrol International Limited and China Baisui Logistics amongst others. The company also expanded its investments portfolio by 31.0% YoY to KWD 120.21 million by the end of 1Q09.
- ❖ The company's total liabilities increased 15.6% to KWD 882.38 million as its share in the total balance sheet increased to 51.2% from 48.6% in 1Q08. Current liabilities increased a marginal 2.1% to KWD 601.20 million as the rise in trade and other payables, taxes and dividend payable was offset by a decline in current portion of interest bearing loans. The share of current liabilities in the total balance sheet also declined to 34.9% from 37.5% in 1Q08.
- ❖ Non-current liabilities soared 61.2% to KWD 281.18 million from KWD 174.41 million mainly as a result of the expansion of the loan portfolio. Interest bearing loans more than doubled to KWD 229.15 million during the quarter as its share in the total balance sheet increased to 13.3% from 6.3% in 1Q08.
- ❖ Shareholder's equity increased 3.4% to KWD 807.54 million from KWD 780.81 million in 1Q08. Agility's share capital increased 10.0% to KWD 104.68 million in 1Q09 following a bonus issue worth KWD 9.52 million. The contributions to the statutory reserve rose 10% YoY to KWD 52.34 million thereby reaching the stipulated 50% of the share capital. Retained earnings also increased 10.7% to KWD 525.77 million from KWD 474.99 million in 1Q08.

Financial Performance Analysis – 1Q09

Agility's top-line performance was negatively impacted as a result of the economic slowdown in 1Q09. The company's revenues declined 8.1% to KWD 407.40 million from KWD 443.13 million in 1Q08 led by dip in contribution from logistics and freight forwarding division partially offset by improved performance from its infrastructure segment. Revenues from logistics and freight forwarding declined 9.1% to KWD 384.25 million as against KWD 422.52 million in 1Q08 due to weaker show by its GIL business unit, which offset the increase in revenues from the DGS division. The company's GIL segment suffered as a result of the slowdown, which has resulted in a 20-30% dip in business volumes for the logistics industry. Consequently, the segment reported a 13.8% decrease in revenues to KWD 244.79 million during the quarter compared to KWD 283.92 million in the comparable period last year. However, at the same time, revenues from Agility's DGS group remained unaffected witnessing a 3.4% rise to KWD 174.56 million from KWD 168.81 million in 1Q08. The company's Infrastructure division continued to benefit from its focus on long-term government investment and stimulus spending. Rental revenues were up 16.3% YoY to KWD 7.54 million, and contribution of other services increased 10.5% to KWD 15.62 million during the quarter.

Revenues take a hit due to economic slowdown that led to dip in business volumes

Focus on achieving cost efficiency reduces expenses in 1Q09

Agility's impetus on organisational transformation, aggressive cost-management and freeing up cash by improving net working capital has started paying off. Accordingly, the company reported a 13.4% decline in its CoR to KWD 252.98 million during the quarter from KWD 292.24 million in 1Q08. CoR relative to revenues also declined 385 bps to 62.1% in 1Q09 from 65.9% in the comparable period of last year. This resulted in a marginal 2.3% improvement in its gross profit to KWD 154.42 million compared to KWD 150.89 million in 1Q08. The company's overall expenses declined 9.5% to KWD 365.98 million compared to KWD 404.41 million in 1Q08. Consequently, operating profit increased 6.9% to KWD 41.41 million from KWD 38.72 million in 1Q08. The operating margin also expanded 143 bps to 10.2% during the quarter from 8.7% in the previous period. Despite a decent operating level performance, a 61.9% YoY dip in other income to KWD 4.08 million on lower interest income and change in fair value of investment properties countered somewhat by a 30.1% decrease in finance costs to KWD 5.06 million resulted in a weak bottom-line. The company's profitability decreased 1.6% to KWD 36.95 million during the quarter compared to KWD 37.54 million in the comparable period last year. Further, the company's adjusted EPS also declined to KWD 0.148 compared to KWD 0.150 in 1Q08. While adjusted RoAA declined from 9.7% in 1Q08 to 8.8%, adjusted RoAE was lower at 18.9% compared to 19.5% in the comparable period last year.

| Working Capital Snapshot | | | | |
|---|----------------|----------------|----------------|----------------|
| (in KWD '000) | 2007A | 2008A | 1Q08A | 1Q09A |
| Current Assets | 730,881 | 740,010 | 783,365 | 793,940 |
| Inventories | 66,120 | 73,218 | 67,455 | 70,729 |
| Inventory Conversion Period (Days) | 22 | 22 | 21 | 26 |
| Trade receivables | 346,026 | 321,619 | 328,173 | 295,526 |
| Average Collection Period (Days) | 68 | 66 | 69 | 69 |
| Other current assets | 71,653 | 91,748 | 116,038 | 104,619 |
| Average Collection Period (Days) | 14 | 16 | 19 | 22 |
| Bank balances and cash | 247,082 | 253,425 | 271,699 | 323,066 |
| | | | | |
| Current Liabilities | 576,375 | 585,197 | 588,821 | 601,202 |
| Trade and other payables | 347,234 | 374,672 | 358,517 | 383,083 |
| Average Payment Period (Days) | 112 | 111 | 110 | 137 |
| Interest bearing loans | 218,334 | 165,627 | 219,080 | 171,654 |
| Bonds | 0 | 28,795 | 0 | 29,588 |
| Taxes payable | 6,672 | 10,383 | 7,245 | 11,237 |
| Dividends payable to shareholders | 4,135 | 5,720 | 3,979 | 5,640 |
| | | | | |
| Net Core Working Capital | 136,565 | 111,913 | 153,149 | 87,791 |
| Average Core Working Capital Cycle (Days) | -8 | -7 | -1 | -20 |
| Net Current Assets | 154,506 | 154,813 | 194,544 | 192,738 |
| Average Working Capital Cycle (Days) | 49 | 31 | 36 | 39 |

Source: Agility

Peer Comparison

In order to do a peer comparison, we have taken comparable companies involved in transportation and logistics activities worldwide that includes TNT, United Parcel Service (UPS) and Agility.

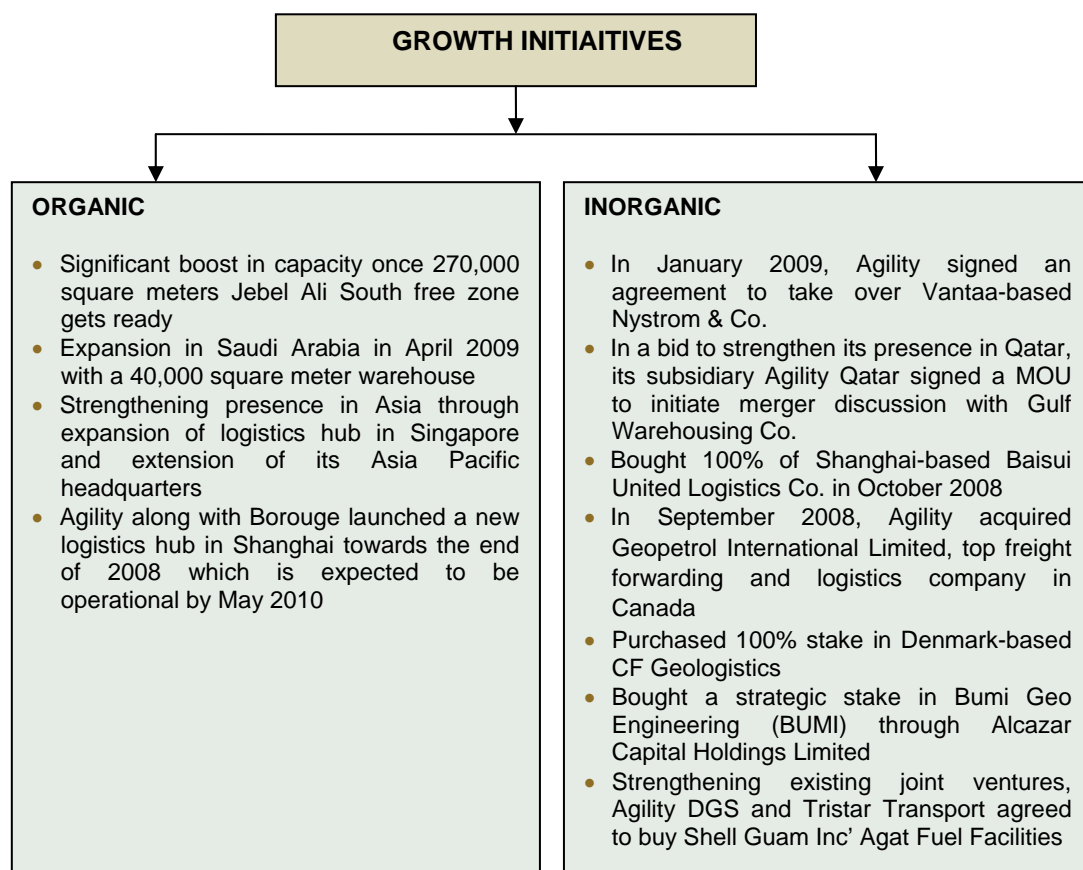
| Financial Performance of Comparable Companies | | | | | | |
|---|--------|--------|--------|--------|---------|--------|
| | TNT | | UPS | | Agility | |
| | 2008 | 1Q09 | 2008 | 1Q09 | 2008 | 1Q09 |
| Ratios: | | | | | | |
| Total Assets Turnover Ratio (x) | 1.58 | 1.26* | 1.45 | 1.33* | 1.16 | 0.97* |
| Operating Profit Margin (OPM) (%) | 8.9 | 6.7 | 10.5 | 6.6 | 8.8 | 10.2 |
| Net Profit Margin (NPM) (%) | 5.1 | 3.1 | 5.8 | 3.7 | 7.7 | 9.1 |
| Debt Equity Ratio | 1.06 | 1.05 | 1.46 | 1.78 | 0.55 | 0.53 |
| RoAA (%) | 8.0 | 4.0* | 8.5 | 4.9* | 8.9 | 8.8* |
| RoAE (%) | 31.1 | 16.4* | 31.7 | 23.7* | 18.7 | 18.9* |
| | | | | | | |
| Market Indicators: | | | | | | |
| Adj. EPS (USD) | 2.205 | 1.075* | 4.295 | 2.294* | 0.494 | 0.516* |
| P/E (x) | 9.08 | 18.61 | 11.32 | 21.19 | 7.77 | 7.43 |
| Adj. BVPS (USD) | 6.55 | 6.57 | 9.70 | 9.70 | 2.64 | 2.82 |
| P/BV (x) | 3.06 | 3.05 | 5.01 | 5.01 | 1.45 | 1.36 |
| Current Market Capitalisation (USD Millions) | 7,387 | 7,387 | 33,984 | 33,984 | 3,847 | 3,847 |
| | | | | | | |
| (USD Millions) | | | | | | |
| Sales | 16,071 | 3,154 | 51,486 | 10,938 | 6,407 | 1,422 |
| % YoY change | 7.9 | -21.8 | 3.6 | -13.7 | 10.1 | -8.1 |
| Operating Profit | 1,437 | 213 | 5,382 | 718 | 561 | 145 |
| % YoY change | -11.9 | -50.8 | 831.1 | -51.9 | -7.8 | 6.9 |
| Net Profit | 814 | 99 | 3,003 | 401 | 493 | 129 |
| % YoY change | -39.7 | -63.0 | 686.1 | -55.7 | -8.2 | -1.6 |
| Total Assets | 10,025 | 10,037 | 31,879 | 33,773 | 5,730 | 6,013 |
| % YoY change | -3.0 | -11.7 | -18.3 | -9.9 | 6.9 | 9.7 |
| Shareholders' Equity | 2,418 | 2,423 | 6,780 | 6,780 | 2,637 | 2,818 |
| % YoY change | -14.1 | -20.3 | -44.3 | -41.5 | -0.2 | 3.4 |

Sources: Bloomberg, Agility's financial statements

New Projects and Strategies

In a bid to reduce its dependence on the US Government deals in Iraq and Afghanistan, Agility plans to expand in emerging markets. The company is also looking for investment opportunities this year as asset valuations drop amidst an intensifying global financial crisis. It plans to reach a net debt level of almost zero this year. Further, revisiting its plans amidst the current economic crisis, the company shifted its focus more on its core business after having deployed in excess of USD 400 million in industrial real estate private equity deals in the last two years. On the other hand, the company also revealed plans to cut cost by up to 10% in 2009 to combat with prevailing challenging conditions.

Cost containment and expansion initiatives to drive future growth



Source: Agility

Agility continued to win new projects, which is expected to boost its revenues going forward.

- In June 2009, Agility won a contract worth USD 1.40 billion with the US Defence Logistics Agency.
- Agreement with Chevron Australia for supplying base operations and transportation services to support the Gorgon Project.
- In March 2009, Agility's DGS won a contract worth USD 5 million annually, to provide airfreight pick-up and delivery services for Army & Air Force Exchange Service (AAFES) stores around the world. Under the tender, Agility will be responsible for clearing and transporting store merchandise destined for AAFES customers at US military installations in Western Iraq sites via Jordan from Atlanta.
- In March 2009, Agility's 90%-owned unit – Tristar Terminals won a contract worth USD 32 million from the US Defense Energy Support Center (DESC). Under the 5-year deal, the unit would store and distribute over 1.2 million barrels of fuel to the Pacific Ocean and the Far East regions.
- In a separate joint venture led by Agility DGS was awarded four fuel management contracts - worth USD 8.6 million over 5 years by DESC. The joint venture, AFH Fuel Services, LLC, will operate, maintain, secure and provide safety and environmental protection for aviation and ground bulk fuel storage operations in US Air Force (USAF) installations at Andersen Air Force Base (Guam), Kadena Air Base (Okinawa, Japan), Misawa Air Base (Misawa City, Japan) and Osan Air Base (South Korea).

- In November 2008, National Aviation Services (NAS), a unit of Agility signed three contracts with US-based Delta Air Lines for ground handling, freight and maintenance services at Kuwait's airport. Simultaneously, NAS was also awarded a ground handling services deal in an airport in the Indian peninsula.
- Agility F&E won a contract worth up to USD 15 million from Europe's leading fair ground and exhibition companies, Leipziger Messe GmbH. Under the 5-year contract, Agility F&E will be responsible for handling, storing and distributing materials for more than 120 events and up to 45 trade shows and exhibitions.
- In August 2008, Agility DGS' subsidiary - Taos Industries won the US Marine Corps Consolidated Storage Program (CSP), to store, distribute and maintain equipment for the US Marine Corps Logistics Command at 15 bases within the US and five others around the world.
- In June 2008, GCC Services, Agility's subsidiary was awarded two Dining Facility (DFAC) contracts by the Economat des Armees (EDA) in Chad. Representing an estimated value of USD 174 million over the total term of service, the contract consists of a 9-month base period, plus 3-month optional periods up to 3 years.
- In September 2008, Agility secured a 5-year contract to provide transportation services for 50% of Equate Petrochemical Company's land distribution operations in the Middle East.
- Agility also inked a KWD 3.2 million deal with the Kuwait National Petroleum Company (KNPC) to provide 4PL logistics solutions in Kuwait.

SWOT Analysis

STRENGTHS

- ❖ Agility is the largest warehousing and logistic company in the Middle East, enjoying strong brand equity
- ❖ Rich history of over three decades
- ❖ World-wide presence and wide-range of services to major sectors across the globe

WEAKNESS

- ❖ Sharp increase in total operating expenses is putting pressure on margins
- ❖ Amid falling capital markets, higher investment assets would affect the company's profitability

THREATS

- ❖ Intensifying competition in the logistic industry in the Middle East
- ❖ The ongoing economic crisis, if persists, could continue to negatively impact Agility's business volumes and real estate investments

OPPORTUNITIES

- ❖ Expansion into emerging economies, which present huge growth potential
- ❖ Government's initiatives aimed at boosting the infrastructure sector to aid the growth of the logistics industry

Risks and Concerns:

- ❖ The current economic downturn has negatively impacted growth across the world economies. Liquidity crunch across economies in the GCC and lower oil prices have proved detrimental to the budget surpluses enjoyed by them. The overall weak scenario has also resulted in lower level of economic activity across regions, in turn declining trade volumes that has hit the the logistics industry hard. Going forward, if the economic growth continues to remain weak, lower trade volumes can curb the top-line growth of Agility.
- ❖ The expansion plans of the company could also face delays and execution risk in an event of a prolonged financial crisis.
- ❖ Even though Agility is looking for a zero net-debt, financing in the long term can be a problem, if the economic crisis persists, thereby hindering growth.
- ❖ The company's sea-borne activities are prone to threats of pirates and hijacking.

Valuation Methodology:

We have used DCF valuation method to arrive at the fair value of Agility, as discussed below:

Assumptions:

- (i) Risk free Rate (Rf) of 3.28%, equivalent to one year average yield on 10 year US T-bill.
- (ii) Unlevered Beta of 1.81
- (iii) A terminal growth rate of 2%

Based on the inputs and the Capital Asset Pricing Model (CAPM), we have arrived at a Cost of Equity of 15.05% and a WACC of 12.20%.

Cost of Equity: 15.05%
WACC: 12.20%

DCF Calculations

| DCF Valuation (FCFF Model) | | | | | |
|---|----------------|----------------|----------------|----------------|------------------|
| (in KWD '000) | 2009E* | 2010E | 2011E | 2012E | 2013E |
| Operating Profit (EBIT) | 188,715 | 233,709 | 239,510 | 247,985 | 257,806 |
| Zakat on EBIT | 8,083 | 10,011 | 10,259 | 10,622 | 11,043 |
| Effective Tax Rate | 4.28% | 4.28% | 4.28% | 4.28% | 4.28% |
| NOPAT | 180,632 | 223,698 | 229,251 | 237,363 | 246,763 |
| Add: Depreciation and Amortisation | 35,516 | 54,345 | 62,291 | 71,163 | 82,776 |
| Less: Capex | 49,051 | 109,548 | 109,984 | 122,067 | 152,879 |
| Less: Change in Net Working Capital | -4,131 | 17,248 | 9,272 | 10,592 | 15,018 |
| Operating Free Cash Flows to Firm (OFCFF) | 171,227 | 151,247 | 172,285 | 175,867 | 161,642 |
| Non-Operating Income | 12,639 | 17,410 | 18,030 | 18,717 | 19,478 |
| Tax on Non-Operating Income | 541 | 746 | 772 | 802 | 834 |
| Add: Non-Operating Cash Flows (After Tax Non-Operating Income) | 12,098 | 16,664 | 17,258 | 17,916 | 18,643 |
| Free Cash Flow to Firm (FCFF) | 183,325 | 167,912 | 189,543 | 193,782 | 180,285 |
| WACC (Ko) (%) | 12.20% | 12.20% | 12.20% | 12.20% | 12.20% |
| Present Value / Discount Factor | 0.9173 | 0.8175 | 0.7286 | 0.6494 | 0.5787 |
| Long-Term Growth Rate (g) (%) | | | | | 2.00% |
| Terminal Multiple [(1 + g) / (WACC - g)] | | | | | 10.00 |
| Nominal Terminal Value [(FCFF * (1 + g)) / (WACC - g)] | | | | | 1,802,432 |
| Present Value of Free Cash Flows | 168,159 | 137,270 | 138,102 | 125,836 | 104,340 |

2009E excludes 1Q09A

| Calculation of Equity Value and Fair Value Per Share | | |
|---|--------|------------------|
| NPV of Free Cash Flows (during Explicit Forecast Period) | | 673,708 |
| Terminal Value: | | |
| Residual Cash Flow (FCFF of 2013E) | | 180,285 |
| WACC | 12.20% | |
| Long-Term Growth Rate (g) | 2.00% | |
| Divided by Capitalisation Rate (WACC - g) | | 10.20% |
| Equals Nominal Terminal Value | | 1,802,432 |
| <i>Implied Multiple of 2013E EBITDA</i> | | 5.29 |
| Times PV/ Discount Factor | | 0.58 |
| Present Value of Terminal/Residual Value | | 1,043,155 |
| Enterprise Value | | 1,716,863 |
| <i>Implied Multiple of 2013E EBITDA</i> | | 5.04 |
| Less: Long-term Debts | | 430,394 |
| Less: Market Value of Preferred Shares | | 0 |
| Add: Surplus Cash and Investments | | 0 |
| Equity Value | | 1,286,469 |
| No. of Outstanding Shares ('000) | | 998,933 |
| Fair Value Per Share (KWD) | | 1.288 |

* figures in KWD '000 unless specified

Sensitivity Analysis

We have prepared a sensitivity analysis table, showing the probable nominal terminal value, discounted terminal value and enterprise value, given different growth rate assumptions and the WACC. The shaded area represents the most probable outcomes.

| Sensitivity Analysis of Nominal Terminal Value (KWD'000) | | | | | |
|--|-----------------------|-----------|------------------|-----------|-----------|
| Discount Factor | Long-Term Growth Rate | | | | |
| | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% |
| 10.20% | 1,978,707 | 2,102,753 | 2,241,922 | 2,399,159 | 2,578,228 |
| 11.20% | 1,784,761 | 1,886,027 | 1,998,298 | 2,123,470 | 2,263,901 |
| 12.20% | 1,625,442 | 1,709,803 | 1,802,432 | 1,904,609 | 2,017,889 |
| 13.20% | 1,492,235 | 1,563,695 | 1,641,535 | 1,726,648 | 1,820,103 |
| 14.20% | 1,379,207 | 1,440,593 | 1,440,593 | 1,579,101 | 1,657,629 |

| Sensitivity Analysis of Discounted Terminal Value (KWD '000) | | | | | |
|--|-----------------------|-----------|------------------|-----------|-----------|
| Discount Factor | Long-Term Growth Rate | | | | |
| | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% |
| 10.20% | 1,247,309 | 1,325,504 | 1,413,231 | 1,512,348 | 1,625,227 |
| 11.20% | 1,077,800 | 1,138,953 | 1,206,752 | 1,282,342 | 1,367,148 |
| 12.20% | 940,722 | 989,546 | 1,043,155 | 1,102,290 | 1,167,851 |
| 13.20% | 827,986 | 867,637 | 910,827 | 958,053 | 1,009,908 |
| 14.20% | 733,960 | 766,627 | 801,971 | 840,336 | 882,125 |

| Sensitivity Analysis of Enterprise Value (KWD '000) | | | | | |
|---|-----------------------|-----------|------------------|-----------|-----------|
| Discount Factor | Long-Term Growth Rate | | | | |
| | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% |
| 10.20% | 1,952,778 | 2,030,972 | 2,118,700 | 2,217,817 | 2,330,696 |
| 11.20% | 1,767,079 | 1,828,232 | 1,896,031 | 1,971,621 | 2,056,427 |
| 12.20% | 1,614,430 | 1,663,254 | 1,716,863 | 1,775,998 | 1,841,558 |
| 13.20% | 1,486,710 | 1,526,361 | 1,569,551 | 1,616,777 | 1,668,632 |
| 14.20% | 1,378,259 | 1,410,926 | 1,446,270 | 1,484,635 | 1,526,424 |

Investment Opinion

The logistics industry has been benefiting from the rapid reduction in international trade barriers. The sector enjoyed a healthy growth in the first half of 2008 driven by increased trade activity, which grew at an estimated 18.9% in 2008. However, the economic downturn had an adverse impact on the growth and domestic resource mobilisation in most developing countries. The weak demand for commodities along with declining prices negatively impacted all sectors of logistics. The International Air Transport Association reported a 13.5% decrease in air freight volumes in November 2008, which was the largest drop since 2001, while container shipping witnessed 90% decline in freight rates reflecting the negative impact. On the other hand, declining demand for oil & gas also impacted the sector negatively, specially the players in the Gulf region. Going forward, according to the IMF, the world output is likely to decline by 1.3% in 2009, after achieving a growth rate of 3.2% in 2008. In tandem with the declining world output, the world export level is expected to drop 4.4% in 2009 implying lower business volumes across the logistics industry. Kuwaiti economy is mainly dependent on hydrocarbon-related activities which accounted for 56.8% of the nominal GDP in 2007. As a result of high oil prices and subsequent economic development, the country's real GDP grew at an average rate of 7.1% over the period 2004-2007 and is estimated to grow by 6.3% in 2008. As a result, demand for oil & gas along with petrochemicals form the basic growth drivers for the logistics sector in the country. However, off-late with declining demand for oil & gas and petrochemicals followed by subsequent dip in price realizations has negatively impacted the sector. At the same time, huge investments lined up for the sector especially in the Middle East is expected to keep up the long-term growth momentum. Investments to the tune of USD 12 billion are expected in the GCC rail project alone. In addition to this, investments worth USD 110 billion are likely to boost the regional logistics sector and warehousing in the region. While Dubai has emerged as one of the top-five growing logistics hub in the world, Kuwait is also marketing its multi-modal transportation system and expanding its infrastructure sector.

Agility holds the advantage in terms of being amongst the largest logistics company not only in the Middle East and also globally. It has a diversified presence with over 550 offices in 100 countries and commands a strong brand value. Even though the company has witnessed a drop in business volumes led by the economic slowdown, long term growth fundamental look attractive. The company has been adopting prudent measures to cut down on its costs, which has remained a key challenge for this sector. The company expects its costs to go down by 10% in 2009. In addition to this, the company's focus on organic as well as inorganic growth initiatives remains a key long-term growth driver. The company's warehousing capacity is expected to get a significant boost once Jebel Ali South Free Zone gets ready. It is also constantly looking for investment opportunities this year as asset valuations drop amidst an intensifying global financial crisis. The company's integration with Qatar's GWC will enhance its service portfolio and strengthen its development in Qatar. With the acquisition of Nystrom in Finland, it has extended its coverage to provide a complete solution for Northern Europe. Further, with strengthening demand for polyolefins, Agility is likely to benefit as it is developing logistics solutions with Borouge in China. Furthermore, the fundamentals of the company are only likely to strengthen with its efforts to reach a net debt level of almost zero this year. Going forward, even though financial crisis has presented hiccups for Agility, solid fundamentals and growth initiatives undertaken by the company present an optimistic outlook.

Currently, Agility's stock is trading at a P/E multiple of 5.33x and 5.28x on 2009E and 2010E earnings, and at a P/B multiple of 1.12x and 1.02x on 2009E and 2010E BVPS, respectively. Meanwhile, the stock has outperformed the index by rising 74.6% since the beginning of this year as against a gain of 4.2% by the Kuwait Stock Exchange. Considering the above factors, we arrive at a price target of KWD 1.288, which exhibits a potential upside of 17.1% from its closing price of KWD 1.100 (as on July 02, 2009). **Accordingly, we initiate our coverage on Agility with an OVERWEIGHT recommendation.**

Fair Value: KWD 1.288

**Investment Opinion:
OVERWEIGHT**

Financial Statements

| Consolidated Balance Sheet | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| (in KWD '000) | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Inventories | 66,120 | 73,218 | 67,455 | 70,729 | 66,377 | 69,027 | 73,014 |
| Trade receivables | 346,026 | 321,619 | 328,173 | 295,526 | 274,936 | 294,253 | 328,844 |
| Other current assets | 71,653 | 91,748 | 116,038 | 104,619 | 98,655 | 114,857 | 111,541 |
| Bank balances and cash | 247,082 | 253,425 | 271,699 | 323,066 | 382,081 | 486,500 | 295,265 |
| Total Current Assets | 730,881 | 740,010 | 783,365 | 793,940 | 822,049 | 964,637 | 808,664 |
| Non-Current Assets | | | | | | | |
| Property, plant and equipment | 209,294 | 222,106 | 210,925 | 224,187 | 219,119 | 237,498 | 258,217 |
| Projects in progress | 30,588 | 55,815 | 36,227 | 61,751 | 58,251 | 64,607 | 67,438 |
| Investment properties | 204,656 | 212,912 | 208,787 | 213,163 | 228,940 | 261,853 | 288,441 |
| Intangible assets | 17,941 | 15,496 | 17,144 | 14,884 | 13,051 | 10,606 | 8,161 |
| Goodwill | 204,248 | 235,228 | 205,081 | 246,406 | 255,218 | 276,870 | 300,322 |
| Available for sale investments | 93,000 | 113,720 | 91,774 | 120,214 | 118,750 | 143,899 | 137,330 |
| Other non-current assets | 45,414 | 46,528 | 17,476 | 48,294 | 50,031 | 59,242 | 58,465 |
| Total Non-Current Assets | 805,141 | 901,805 | 787,414 | 928,899 | 943,359 | 1,054,575 | 1,118,374 |
| Total Assets | 1,536,022 | 1,641,815 | 1,570,779 | 1,722,839 | 1,765,408 | 2,019,212 | 1,927,038 |
| LIABILITIES AND EQUITY | | | | | | | |
| Liabilities | | | | | | | |
| Current Liabilities | | | | | | | |
| Trade and other payables | 347,234 | 374,672 | 358,517 | 383,083 | 356,307 | 377,228 | 403,218 |
| Interest bearing loans | 218,334 | 165,627 | 219,080 | 171,654 | 93,356 | 187,545 | 95,647 |
| Bonds | 0 | 28,795 | 0 | 29,588 | 0 | 0 | 0 |
| Taxes payable | 6,672 | 10,383 | 7,245 | 11,237 | 12,136 | 12,256 | 12,720 |
| Dividends payable to shareholders | 4,135 | 5,720 | 3,979 | 5,640 | 0 | 0 | 0 |
| Total Current Liabilities | 576,375 | 585,197 | 588,821 | 601,202 | 461,799 | 577,029 | 511,585 |
| Non-Current Liabilities | | | | | | | |
| Interest bearing loans | 100,224 | 219,435 | 99,626 | 229,152 | 235,954 | 269,876 | 141,934 |
| Bonds | 28,650 | 0 | 28,265 | 0 | 0 | 0 | 0 |
| Provision for employees' end of service benefits | 15,758 | 18,124 | 16,842 | 18,811 | 21,186 | 24,765 | 28,948 |
| Other non-current liabilities | 30,372 | 32,660 | 29,676 | 33,215 | 34,664 | 34,610 | 33,736 |
| Total Non-Current Liabilities | 175,004 | 270,219 | 174,409 | 281,178 | 291,804 | 329,251 | 204,618 |
| Total Liabilities | 751,379 | 855,416 | 763,230 | 882,380 | 753,603 | 906,280 | 716,203 |
| Equity | | | | | | | |
| Share capital | 95,167 | 104,684 | 95,167 | 104,684 | 104,684 | 104,684 | 104,684 |
| Share premium | 152,650 | 152,650 | 152,650 | 152,650 | 152,650 | 152,650 | 152,650 |
| Statutory reserve | 47,584 | 52,342 | 47,584 | 52,342 | 52,342 | 52,342 | 52,342 |
| Treasury shares | -1,035 | -48,431 | -2,824 | -47,835 | -47,835 | -47,835 | -47,835 |
| Treasury shares reserve | 43,534 | 43,356 | 43,534 | 42,630 | 42,630 | 42,630 | 42,630 |
| Foreign currency translation reserve | -17,858 | -28,370 | -29,689 | -808 | -808 | -808 | -808 |
| Hedging reserve | 0 | -8,954 | 0 | -21,274 | -21,274 | -21,274 | -21,274 |
| Investment revaluation reserve | -599 | -618 | -601 | -621 | -621 | -621 | -621 |
| Retained earnings | 437,456 | 488,819 | 474,992 | 525,771 | 695,023 | 791,116 | 890,847 |
| Equity attributable to equity holders of the company | 756,899 | 755,478 | 780,813 | 807,539 | 976,791 | 1,072,884 | 1,172,615 |
| Minority interests | 27,744 | 30,921 | 26,736 | 32,920 | 35,014 | 40,048 | 38,220 |
| Total Liabilities and Equity | 1,536,022 | 1,641,815 | 1,570,779 | 1,722,839 | 1,765,408 | 2,019,212 | 1,927,038 |

| Consolidated Income Statement | | | | | | | |
|---|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|
| (in KWD '000) | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
| Revenues | | | | | | | |
| Logistics and freight forwarding revenues | 1,591,982 | 1,744,584 | 422,516 | 384,245 | 1,701,037 | 1,786,089 | 1,893,255 |
| Rental revenue | 23,363 | 25,878 | 6,481 | 7,537 | 30,216 | 34,980 | 40,145 |
| Other services | 51,745 | 65,224 | 14,136 | 15,616 | 62,615 | 65,120 | 69,027 |
| Total revenues | 1,667,090 | 1,835,686 | 443,133 | 407,398 | 1,793,869 | 1,886,189 | 2,002,426 |
| Cost of revenues | -1,060,853 | -1,182,744 | -292,239 | -252,977 | -1,097,500 | -1,157,755 | -1,233,107 |
| Net revenues | 606,237 | 652,942 | 150,894 | 154,421 | 696,369 | 728,434 | 769,320 |
| | | | | | | | |
| Operating expenses | | | | | | | |
| General and administrative expenses | -138,135 | -159,300 | -34,578 | -36,249 | -146,702 | -154,252 | -163,757 |
| Salaries and employee benefits | -246,207 | -287,646 | -65,822 | -64,860 | -272,124 | -286,129 | -303,761 |
| Depreciation | -45,214 | -42,898 | -11,160 | -11,287 | -44,969 | -51,900 | -59,846 |
| Amortisation | -2,445 | -2,445 | -611 | -611 | -2,445 | -2,445 | -2,445 |
| Total operating expenses | -432,001 | -492,289 | -112,171 | -113,007 | -466,239 | -494,725 | -529,810 |
| | | | | | | | |
| Profit from operations | 174,236 | 160,653 | 38,723 | 41,414 | 230,129 | 233,709 | 239,510 |
| | | | | | | | |
| EBITDA | 221,895 | 205,996 | 50,494 | 53,312 | 277,543 | 288,054 | 301,801 |
| | | | | | | | |
| Other income | | | | | | | |
| Change in fair value of investment properties | 6,776 | 4,259 | 4,072 | 0 | 0 | 0 | 0 |
| Interest income | 14,768 | 19,301 | 5,900 | 4,213 | 16,852 | 17,410 | 18,030 |
| Miscellaneous income | 1,583 | 213 | 724 | -134 | -134 | 0 | 0 |
| Total other income | 23,127 | 23,773 | 10,696 | 4,079 | 16,718 | 17,410 | 18,030 |
| Finance costs | -24,231 | -26,008 | -7,233 | -5,058 | -20,177 | -22,221 | -19,978 |
| Profit before tax | 173,132 | 158,418 | 42,186 | 40,435 | 226,670 | 228,898 | 237,562 |
| Income tax | -3,894 | -3,686 | -356 | -379 | -5,274 | -5,326 | -5,527 |
| Contribution to KFAS | -1,516 | -1,433 | -393 | -348 | -2,050 | -2,071 | -2,149 |
| NLST | -3,989 | -3,702 | -983 | -966 | -5,297 | -5,349 | -5,551 |
| Zakat | -97 | -1,570 | -394 | -387 | -2,246 | -2,268 | -2,354 |
| Directors' remuneration | -200 | 0 | -45 | -44 | -247 | -249 | -259 |
| Profit for the year | 163,436 | 148,027 | 40,015 | 38,311 | 211,556 | 213,635 | 221,722 |
| | | | | | | | |
| Attributable to: | | | | | | | |
| Equity holders of the Parent Company | 153,941 | 141,373 | 37,536 | 36,952 | 206,204 | 208,231 | 216,113 |
| Minority interests | 9,495 | 6,654 | 2,479 | 1,359 | 5,352 | 5,404 | 5,609 |
| | | | | | | | |
| Adjusted EPS | 0.154 | 0.142 | 0.150* | 0.148* | 0.206 | 0.208 | 0.216 |

*Annualised

| Consolidated Cash Flow Statement | | | | | | | |
|---|-----------------|-----------------|---------------|----------------|-----------------|-----------------|----------------|
| (in KWD '000) | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
| OPERATING ACTIVITIES | | | | | | | |
| Profit before tax | 173,132 | 158,418 | 42,186 | 40,435 | 226,670 | 228,898 | 237,562 |
| Adjustments for: | | | | | | | |
| Provision for impairment of trade receivables | 2,301 | 7,723 | 832 | 1,291 | 1,291 | 0 | 0 |
| Provision for employees' end of service benefits | 7,114 | 8,488 | 2,158 | 2,138 | 9,762 | 11,412 | 13,339 |
| Unrealised foreign currency exchange gain | -7,561 | -3,406 | -4,023 | -1,274 | -1,274 | 0 | 0 |
| Depreciation | 45,214 | 42,898 | 11,160 | 11,287 | 44,969 | 51,900 | 59,846 |
| Amortisation | 2,445 | 2,445 | 611 | 611 | 2,445 | 2,445 | 2,445 |
| Change in fair value of investment properties | -6,776 | -4,259 | -4,072 | 0 | 0 | 0 | 0 |
| Interest income | -14,768 | -19,301 | -5,900 | -4,213 | -16,852 | -17,410 | -18,030 |
| Finance costs | 24,190 | 26,008 | 7,233 | 5,058 | 20,177 | 22,221 | 19,978 |
| Miscellaneous income | -682 | -213 | -151 | -251 | -251 | 0 | 0 |
| Operating profit before changes in working capital | 224,609 | 218,801 | 50,034 | 55,082 | 286,937 | 299,466 | 315,140 |
| Changes in working capital: | | | | | | | |
| Inventories | -6,885 | -6,910 | -1,335 | 2,711 | 6,841 | -2,650 | -3,987 |
| Trade receivables | -66,344 | 20,739 | 17,022 | 32,483 | 46,683 | -19,317 | -34,592 |
| Other assets | -18,959 | -6,343 | -13,862 | -7,783 | -6,907 | -16,202 | 3,316 |
| Trade and other payables | 49,739 | 10,037 | 11,155 | 1,001 | -18,365 | 20,921 | 25,990 |
| Net cash generated from operations | 182,160 | 236,324 | 63,014 | 83,494 | 315,190 | 282,217 | 305,867 |
| NLST paid | -7,452 | -38 | 0 | 0 | -5,297 | -5,349 | -5,551 |
| Income tax paid | -6,171 | -3,638 | -765 | -645 | -5,274 | -5,326 | -5,527 |
| KFAS paid | 0 | -1,739 | 0 | 0 | -2,050 | -2,071 | -2,149 |
| Directors' remuneration paid | -165 | -165 | -200 | 0 | -247 | -249 | -259 |
| Employees' end of service benefits paid | -4,554 | -5,826 | -1,074 | -1,681 | -6,701 | -7,833 | -9,156 |
| Zakat paid | | | 0 | -98 | -2,246 | -2,268 | -2,354 |
| Net cash from operating activities | 163,818 | 224,918 | 60,975 | 81,070 | 293,375 | 259,122 | 280,871 |
| INVESTING ACTIVITIES | | | | | | | |
| Net movement in investments available for sale | -92,000 | -17,737 | 1,306 | 0 | -5,030 | -25,149 | 6,569 |
| Additions to property, plant and equipment (net of disposals) | -42,569 | -44,799 | -12,791 | -7,510 | -26,760 | -54,394 | -62,946 |
| Additions to projects in progress (net of disposals) | -29,834 | -39,686 | -5,639 | -3,633 | -17,657 | -22,240 | -20,450 |
| Additions to investment properties | -5,469 | -3,997 | -59 | -251 | -16,028 | -32,913 | -26,588 |
| Contingent consideration paid in respect of prior period acquisitions | -18,738 | -592 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of subsidiaries (net of cash acquired) | -24,902 | -21,838 | 0 | 0 | 0 | 0 | 0 |
| Interest income received | 14,552 | 15,527 | 3,151 | 770 | 16,852 | 17,410 | 18,030 |
| Advance payment to acquire an investment | -30,734 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amount received on disposal of a subsidiary | 0 | 557 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of additional interest in subsidiaries | -2,591 | -5,898 | -4,267 | -85 | -85 | 0 | 0 |
| Refund of purchase consideration paid towards acquisition of subsidiaries in prior period | 686 | 303 | 0 | 0 | 0 | 0 | 0 |
| Net movement in deposits with original maturities exceeding three months | 58,196 | -41,658 | 19,108 | -5,480 | -81,976 | -55,934 | 41,088 |
| Net cash used in investing activities | -173,403 | -159,818 | 809 | -16,189 | -130,684 | -173,221 | -44,298 |

| Consolidated Cash Flow Statement | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| (in KWD '000) | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
| FINANCING ACTIVITIES | | | | | | | |
| Receipts from minority shareholders as a result of additional share capital issued by the subsidiaries | 9,684 | 3,714 | 0 | 293 | 293 | 0 | 0 |
| Purchase of treasury shares | -657 | -69,834 | -1,789 | -1,583 | -1,583 | 0 | 0 |
| Proceeds from sale of treasury shares | 3,276 | 22,260 | 0 | 1,453 | 1,453 | 0 | 0 |
| Net movement in interest bearing loans | 97,458 | 55,516 | 2,747 | -1,224 | -43,481 | 128,112 | -219,840 |
| Finance costs paid | -21,383 | -24,355 | -5,373 | -4,582 | -20,177 | -22,221 | -19,978 |
| Dividends paid to shareholders of Parent Company | -69,874 | -74,548 | -157 | -82 | -82 | -112,138 | -116,382 |
| Dividends paid to minority shareholders of subsidiaries | -6,489 | -9,966 | -2,450 | 0 | 0 | -8,956 | -9,852 |
| Net cash (used in)/from financing activities | 12,015 | -97,213 | -7,022 | -5,725 | -63,578 | -15,203 | -366,051 |
| Foreign currency translation adjustments | -12,154 | -3,202 | -11,037 | 5,005 | 5,005 | 0 | 0 |
| | | | | | | | |
| Net change in cash and cash equivalents | -9,724 | -35,315 | 43,725 | 64,161 | 104,118 | 70,698 | -129,478 |
| Cash and cash equivalents at the beginning of the period | 199,613 | 189,889 | 189,889 | 154,574 | 154,574 | 258,692 | 329,390 |
| Cash and cash equivalents at the end of the period | 189,889 | 154,574 | 233,614 | 218,735 | 258,692 | 329,390 | 199,912 |

Common-Size Consolidated Income Statement

| | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | |
| Logistics and freight forwarding revenues | 95.5% | 95.0% | 95.3% | 94.3% | 94.8% | 94.7% | 94.5% |
| Rental revenue | 1.4% | 1.4% | 1.5% | 1.9% | 1.7% | 1.9% | 2.0% |
| Other services | 3.1% | 3.6% | 3.2% | 3.8% | 3.5% | 3.5% | 3.4% |
| Total revenues | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cost of revenues | -63.6% | -64.4% | -65.9% | -62.1% | -61.2% | -61.4% | -61.6% |
| Net revenues | 36.4% | 35.6% | 34.1% | 37.9% | 38.8% | 38.6% | 38.4% |
| | | | | | | | |
| Operating expenses | | | | | | | |
| General and administrative expenses | -8.3% | -8.7% | -7.8% | -8.9% | -8.2% | -8.2% | -8.2% |
| Salaries and employee benefits | -14.8% | -15.7% | -14.9% | -15.9% | -15.2% | -15.2% | -15.2% |
| Depreciation | -2.7% | -2.3% | -2.5% | -2.8% | -2.5% | -2.8% | -3.0% |
| Amortisation | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% |
| Total operating expenses | -25.9% | -26.8% | -25.3% | -27.7% | -26.0% | -26.2% | -26.5% |
| | | | | | | | |
| Profit from operations | 10.5% | 8.8% | 8.7% | 10.2% | 12.8% | 12.4% | 12.0% |
| | | | | | | | |
| Other income | | | | | | | |
| Change in fair value of investment properties | 0.4% | 0.2% | 0.9% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest income | 0.9% | 1.1% | 1.3% | 1.0% | 0.9% | 0.9% | 0.9% |
| Miscellaneous income | 0.1% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total other income | 1.4% | 1.3% | 2.4% | 1.0% | 0.9% | 0.9% | 0.9% |
| Finance costs | -1.5% | -1.4% | -1.6% | -1.2% | -1.1% | -1.2% | -1.0% |
| Profit before tax | 10.4% | 8.6% | 9.5% | 9.9% | 12.6% | 12.1% | 11.9% |
| Income tax | -0.2% | -0.2% | -0.1% | -0.1% | -0.3% | -0.3% | -0.3% |
| Contribution to KFAS | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% |
| NLST | -0.2% | -0.2% | -0.2% | -0.2% | -0.3% | -0.3% | -0.3% |
| Zakat | 0.0% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% | -0.1% |
| Directors' remuneration | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Profit for the year | 9.8% | 8.1% | 9.0% | 9.4% | 11.8% | 11.3% | 11.1% |
| | | | | | | | |
| Attributable to: | | | | | | | |
| Equity holders of the Parent Company | 9.2% | 7.7% | 8.5% | 9.1% | 11.5% | 11.0% | 10.8% |
| Minority interests | 0.6% | 0.4% | 0.6% | 0.3% | 0.3% | 0.3% | 0.3% |

Financial Ratios

| | 2007A | 2008A | 1Q08A | 1Q09A | 2009E | 2010E | 2011E |
|--|--------|--------|--------|--------|--------|--------|--------|
| Liquidity Ratios: | | | | | | | |
| Current Ratio (x) | 1.27 | 1.26 | 1.33 | 1.32 | 1.78 | 1.67 | 1.58 |
| Quick Ratio (x) | 1.15 | 1.14 | 1.22 | 1.20 | 1.64 | 1.55 | 1.44 |
| Inventory Conversion Period (Days) | 21.56 | 21.50 | 20.85 | 25.96 | 23.21 | 21.34 | 21.02 |
| Average Receivables Collection Period (Days) | 67.65 | 66.38 | 69.42 | 69.11 | 60.69 | 55.07 | 56.79 |
| Average Other Assets Collection Period (Days) | 14.02 | 16.24 | 19.32 | 21.99 | 19.37 | 20.66 | 20.63 |
| Length of Operating Cycle (Days) | 103.23 | 104.12 | 109.59 | 117.07 | 103.27 | 97.08 | 98.44 |
| Average Payment Period (Days) | 111.62 | 111.39 | 110.18 | 136.66 | 121.55 | 115.63 | 115.51 |
| Length of Cash Cycle (Days) | -8.39 | -7.27 | -0.59 | -19.60 | -18.28 | -18.55 | -17.06 |
| Activity Ratios: | | | | | | | |
| Debtors Turnover Ratio (x) | 5.40 | 5.50 | 5.26* | 5.28* | 6.01 | 6.63 | 6.43 |
| Creditors' Turnover Ratio (x) | 3.27 | 3.28 | 3.31* | 2.67* | 3.00 | 3.16 | 3.16 |
| Total Assets Turnover Ratio (x) | 1.17 | 1.16 | 1.14* | 0.97* | 1.05 | 1.00 | 1.01 |
| Equity Turnover Ratio (x) | 2.31 | 2.43 | 2.31* | 2.09* | 2.07 | 1.84 | 1.78 |
| Profitability Ratios: | | | | | | | |
| Gross Profit Margin (GPM) (%)** | 36.4 | 35.6 | 34.1 | 37.9 | 38.8 | 38.6 | 38.4 |
| EBITDA Margin (%) | 13.3 | 11.2 | 11.4 | 13.1 | 15.5 | 15.3 | 15.1 |
| Operating Profit Margin (OPM) (%) | 10.5 | 8.8 | 8.7 | 10.2 | 12.8 | 12.4 | 12.0 |
| Net Profit Margin (NPM) (%) | 9.2 | 7.7 | 8.5 | 9.1 | 11.5 | 11.0 | 10.8 |
| Return on Average Equity (RoAE) (%) | 21.3 | 18.7 | 19.5* | 18.9* | 23.8 | 20.3 | 19.2 |
| Return on Average Assets (RoAA) (%) | 10.8 | 8.9 | 9.7* | 8.8* | 12.1 | 11.0 | 11.0 |
| Leverage Ratios: | | | | | | | |
| Debt to Equity (D/E) Ratio (x) | 0.46 | 0.55 | 0.44 | 0.53 | 0.34 | 0.43 | 0.20 |
| Shareholders' Equity to Total Assets Ratio (x) | 0.49 | 0.46 | 0.50 | 0.47 | 0.55 | 0.53 | 0.61 |
| Total Liabilities to Total Assets Ratio (x) | 0.49 | 0.52 | 0.49 | 0.51 | 0.43 | 0.45 | 0.37 |
| Current Liabilities to Equity Ratio (x) | 0.76 | 0.77 | 0.75 | 0.74 | 0.47 | 0.54 | 0.44 |
| Growth Rates: | | | | | | | |
| % YoY Growth in Revenue | 25.7 | 10.1 | 16.3 | -8.1 | -2.3 | 5.1 | 6.2 |
| % YoY Growth in Operating Profit | -0.1 | -7.8 | -0.3 | 6.9 | 43.2 | 1.6 | 2.5 |
| % YoY Growth in EBITDA | 6.1 | -7.2 | 0.8 | 5.6 | 34.7 | 3.8 | 4.8 |
| % YoY Growth in Net Profit | -7.6 | -8.2 | -10.0 | -1.6 | 45.9 | 1.0 | 3.8 |
| % YoY Growth in Total Assets | 16.3 | 6.9 | 13.3 | 9.7 | 7.5 | 14.4 | -4.6 |
| % YoY Growth in Shareholders' Equity | 10.0 | -0.2 | 6.5 | 3.4 | 29.3 | 9.8 | 9.3 |
| Ratios used for Valuation: | | | | | | | |
| Adj. EPS (KWD) | 0.154 | 0.142 | 0.150* | 0.148* | 0.206 | 0.208 | 0.216 |
| Adj. BVPS (KWD) | 0.758 | 0.756 | 0.782 | 0.808 | 0.978 | 1.074 | 1.174 |
| P/E Ratio (x) | 7.14 | 7.77 | 7.32 | 7.43 | 5.33 | 5.28 | 5.08 |
| P/BV Ratio (x) | 1.45 | 1.45 | 1.41 | 1.36 | 1.12 | 1.02 | 0.94 |
| Current Market Price (KWD)*** | 1.100 | 1.100 | 1.100 | 1.100 | 1.100 | 1.100 | 1.100 |

* Annualised

** Gross Profit is represented by Net revenues

*** CMP as on July 02, 2009

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