

**AGILITY PUBLIC WAREHOUSING COMPANY
K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 2014 (UNAUDITED)



Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18-21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena



RSM Albazie & Co.

Public Accountants

Kuwait Airways Building, 7th floor, Shuhada Street,
P.O. Box 2115, Safat - 13022, State of Kuwait
T +965 22961000 F +965 22412761
E mail@albazie.com W www.albazie.com

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Agility Public Warehousing Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 September 2014 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC
WAREHOUSING COMPANY K.S.C.P. (continued)**

Emphasis of Matter

Without qualifying our conclusion, we draw attention to:

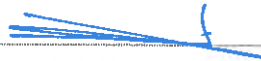
- (i) Note 2 to the interim condensed consolidated financial information which describes that the Parent Company was indicted by a federal grand jury in the United States of America ("US") on multiple counts of False Claims Act Violations. Furthermore, the United States Department of Justice also joined a civil qui tam lawsuit against the Parent Company under the False Claims Act. The Department of Justice is claiming substantial damages for alleged violations in both the criminal and civil proceedings. The Group Companies (including the Parent Company) are suspended from bidding for new contracts with the US Government pending the outcome of the cases. The ultimate outcome of these matters cannot presently be determined, and therefore no provision has been made in the interim condensed consolidated financial information; and
- (ii) Notes 11(a) and 11(b) to the interim condensed consolidated financial information which describe the contingencies relating to investigations into the freight forwarding business and litigations with the General Administration of Customs for Kuwait.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No 25 of 2012, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine month period ended 30 September 2014 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS



NAYEF M. AL-BAZIE
LICENCE NO. 91 A
RSM Albazie & Co.

12 November 2014
Kuwait

Agility Public Warehousing Company K.S.C. P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014 (Unaudited)

		30 September 2014	(Audited) 31 December 2013	30 September 2013
	Notes	KD 000's	KD 000's	KD 000's
ASSETS				
Non-current assets				
Property, plant and equipment		167,632	170,789	175,034
Projects in progress		33,876	25,101	23,874
Investment properties		214,705	213,642	210,063
Intangible assets		34,449	37,156	37,941
Goodwill		246,819	244,360	245,599
Investment in associates	4	36,217	2,333	2,226
Financial assets at fair value through profit or loss	5	103,374	129,211	125,306
Financial assets available for sale		23,726	22,638	23,525
Other non-current assets		35,723	41,533	36,817
Loan to an associate	5	28,785	28,246	28,315
Total non-current assets		925,306	915,009	908,700
Current assets				
Inventories		16,835	15,125	12,395
Trade receivables		264,924	256,185	256,252
Other current assets		97,298	73,207	88,766
Bank balances and cash	6	125,840	152,736	141,577
Total current assets		504,897	497,253	498,990
TOTAL ASSETS		1,430,203	1,412,262	1,407,690
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	115,414	109,918	109,918
Share premium		152,650	152,650	152,650
Statutory reserve		54,959	54,959	52,342
Treasury shares	7	(45,038)	(45,038)	(45,038)
Treasury shares reserve		44,366	44,366	44,366
Foreign currency translation reserve		(19,208)	(27,070)	(23,138)
Hedging reserve		(18,856)	(17,090)	(17,138)
Investment revaluation reserve		80	80	15
Other reserves		(23,684)	(24,818)	(29,571)
Retained earnings		619,474	629,569	619,746
Equity attributable to equity holders of the Parent Company		880,157	877,526	864,152
Non-controlling interests		19,618	19,109	17,372
Total equity		899,775	896,635	881,524
LIABILITIES				
Non-current liabilities				
Interest bearing loans	8	33,691	36,957	38,298
Provision for employees' end of service benefits		32,509	32,481	37,214
Other non-current liabilities		29,494	29,053	27,897
Total non-current liabilities		95,694	98,491	103,409
Current liabilities				
Trade and other payables		391,022	376,266	379,945
Interest bearing loans	8	34,638	33,306	34,041
Dividends payable		9,074	7,564	8,771
Total current liabilities		434,734	417,136	422,757
Total liabilities		530,428	515,627	526,166
TOTAL EQUITY AND LIABILITIES		1,430,203	1,412,262	1,407,690


Henadi Al Saleh
Chairperson


Tarek Abdul Aziz Sultan
Vice Chairman and CEO

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the period ended 30 September 2014 (Unaudited)

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2014 KD 000's</i>	<i>2013 KD 000's</i>	<i>2014 KD 000's</i>	<i>2013 KD 000's</i>
Revenues					
Logistics and freight forwarding revenues		307,515	298,824	903,524	951,110
Rental revenues		11,457	10,536	33,980	31,184
Other services		18,118	17,386	55,557	52,203
Total revenues		337,090	326,746	993,061	1,034,497
Cost of revenues		(240,751)	(232,473)	(705,763)	(751,046)
Net revenues		96,339	94,273	287,298	283,451
General and administrative expenses		(27,182)	(26,724)	(78,708)	(84,007)
Salaries and employee benefits		(46,116)	(44,912)	(140,618)	(139,054)
Gain on sale of an investment property		-	-	-	300
Share of results of associates	4	626	-	1,336	-
Unrealised (loss) gain on financial assets at fair value through profit or loss		-	(277)	925	5,187
Miscellaneous income		1,837	1,266	2,901	3,010
Profit before interest, taxation, depreciation, amortisation and Director's remuneration (EBITDA)		25,504	23,626	73,134	68,887
Depreciation		(6,413)	(6,195)	(18,850)	(19,426)
Amortisation		(902)	(902)	(2,707)	(2,707)
Profit before interest, taxation and Directors' remuneration (EBIT)		18,189	16,529	51,577	46,754
Interest income		1,220	1,268	3,661	3,960
Finance costs		(1,895)	(1,785)	(4,972)	(5,288)
Profit before taxation and Directors' remuneration		17,514	16,012	50,266	45,426
Taxation	9	(2,760)	(2,149)	(7,763)	(6,774)
Directors' remuneration		(98)	(31)	(181)	(95)
PROFIT FOR THE PERIOD		14,656	13,832	42,322	38,557
Attributable to:					
Equity holders of the Parent Company		13,042	12,129	37,144	33,766
Non-controlling interests		1,614	1,703	5,178	4,791
		14,656	13,832	42,322	38,557
BASIC AND DILUTED EARNINGS PER SHARE – attributable to equity holders of the Parent Company	10	11.90 fils	11.07 fils	33.90 fils	30.82 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the period ended 30 September 2014 (Unaudited)

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Profit for the period	14,656	13,832	42,322	38,557
Other comprehensive income:				
<i>Items to be reclassified to income statement in subsequent periods:</i>				
- Foreign currency translation adjustments	5,532	(9,135)	8,147	(7,354)
- Net (loss) gain on hedge of net investments (Note 8)	(320)	106	(292)	(101)
- Net loss on cash flow hedges	(254)	-	(1,474)	-
Other comprehensive income (loss)	4,958	(9,029)	6,381	(7,455)
Total comprehensive income for the period	19,614	4,803	48,703	31,102
Attributable to:				
Equity holders of the Parent Company	17,530	5,206	43,240	28,969
Non-controlling interests	2,084	(403)	5,463	2,133
	19,614	4,803	48,703	31,102

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2014 (Unaudited)

		Nine months ended 30 September	
	Notes	2014 KD 000's	2013 KD 000's
OPERATING ACTIVITIES			
Profit before taxation and Directors' remuneration		50,266	45,426
Adjustments for:			
Provision for impairment of trade receivables		1,893	1,899
Provision for employees' end of service benefits		7,208	6,821
Foreign currency exchange loss (gain)		237	(1,200)
Gain on sale of an investment property		-	(300)
Share of results of associates	4	(1,336)	-
Unrealised gain on financial assets at fair value through profit or loss		(925)	(5,187)
Miscellaneous income		(2,901)	(3,010)
Depreciation		18,850	19,426
Amortisation		2,707	2,707
Interest income		(3,661)	(3,960)
Finance costs		4,972	5,288
Operating profit before changes in working capital		77,310	67,910
Inventories		(1,496)	1,475
Trade receivables		(11,231)	11,279
Other current assets		(16,522)	(12,999)
Trade and other payables		6,991	(7,341)
Cash from operations		55,052	60,324
Taxation paid		(5,344)	(5,380)
Employees' end of service benefits paid		(6,557)	(5,744)
Directors remuneration paid		(140)	(165)
Net cash flows from operating activities		43,011	49,035
INVESTING ACTIVITIES			
Net movement in financial assets available for sale		(946)	755
Additions to property, plant and equipment		(13,616)	(8,868)
Net movement in other non-current assets		7,534	-
Proceeds from disposal of property, plant and equipment		-	4,753
Proceeds from disposal of an investment property		-	5,500
Additions to projects in progress		(8,775)	(4,976)
Additions to investment properties		(1,062)	(673)
Additions to intangible assets		(111)	-
Acquisition of investment in an associate	4	(4,800)	-
Acquisition of additional interest in subsidiaries		(1,937)	(2,968)
Advance paid for acquiring an investment		(500)	-
Dividends received from an associate	4	1,110	-
Dividends received		-	172
Interest income received		2,729	3,914
Net movement in deposits with original maturities exceeding three months		24,463	(5,742)
Net cash flows from (used in) investing activities		4,089	(8,133)
FINANCING ACTIVITIES			
Net movement in interest bearing loans		(2,668)	(11,719)
Finance cost paid		(4,612)	(4,250)
Dividends paid to equity holders of the Parent Company		(40,825)	(29,593)
Dividends paid to non-controlling interests		(2,207)	(2,278)
Net cash flows used in financing activities		(50,312)	(47,840)
Net foreign exchange differences		779	(685)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,433)	(7,623)
Cash and cash equivalents at 1 January		87,546	100,530
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	6	85,113	92,907

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2014 (Unaudited)

	Attributable to equity holders of the Parent Company										Non- controlling interests	Total equity
	Foreign											
	Share capital KD 000's	Share premium KD 000's	Statutory reserve KD 000's	Treasury shares KD 000's	Treasury shares reserve KD 000's	Investment revaluation reserve KD 000's	Hedging reserve KD 000's	Other reserves KD 000's	Retained earnings KD 000's	Sub total KD 000's	KD 000's	KD 000's
As at 1 January 2014	109,918	152,650	54,959	(45,038)	44,366	(27,070)	(17,090)	(24,818)	629,569	877,526	19,109	896,635
Profit for the period	-	-	-	-	-	-	-	-	37,144	37,144	5,178	42,322
Other comprehensive income (loss)	-	-	-	-	-	7,862	(1,766)	-	-	6,096	285	6,381
Total comprehensive income (loss) for the period												
Dividends (Note 13)	-	-	-	-	-	7,862	(1,766)	-	37,144	43,240	5,463	48,703
Issue of bonus shares (Note 13)	5,496	-	-	-	-	-	-	-	(41,743)	(41,743)	-	(41,743)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,496)	-	-	-
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	1,134	-	1,134	(2,156)	(1,022)
As at 30 September 2014	115,414	152,650	54,959	(45,038)	44,366	(19,208)	(18,856)	(23,684)	619,474	880,157	19,618	899,775
As at 1 January 2013 (restated) (Note 3)	104,684	152,650	52,342	(45,038)	44,366	(18,442)	(17,037)	(19,553)	621,031	875,018	14,860	889,878
Profit for the period	-	-	-	-	-	-	-	-	33,766	33,766	4,791	38,557
Other comprehensive loss	-	-	-	-	-	(4,696)	(101)	-	-	(4,797)	(2,658)	(7,455)
Total comprehensive loss for the period												
Dividends (Note 13)	-	-	-	-	-	(4,696)	(101)	-	33,766	28,969	2,133	31,102
Issue of bonus shares (Note 13)	5,234	-	-	-	-	-	-	-	(29,817)	(29,817)	-	(29,817)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,234)	-	-	-
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	(10,018)	-	-	(3,914)	(3,914)
											4,293	(5,725)
As at 30 September 2013	109,918	152,650	52,342	(45,038)	44,366	(23,138)	(17,138)	(29,571)	619,746	864,152	17,372	881,524

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

As at 30 September 2014 (Unaudited)

1 CORPORATE INFORMATION

Agility Public Warehousing Company K.S.C.P. (the "Parent Company") is a Kuwaiti shareholding company incorporated in 1979, and listed on Kuwait Stock Exchange and Dubai Stock Exchange. The address of the Parent Company's Head office is Sulaibia, beside Land Customs Clearing Area, P.O. Box 25418, Safat 13115, Kuwait. The Group operates under the brand name of "Agility".

The interim condensed consolidated financial information of the Parent Company and its subsidiaries (collectively, the "Group") was authorised for issue by the Board of Directors on 12 November 2014.

The principal activities of the Group are explained in Note 14.

2 SUBSISTENCE PRIME VENDOR AND OTHER CONTRACTS - US INVESTIGATION

During the year ended 31 December 2007, the Parent Company was served with an administrative subpoena and, subsequently in March 2008 with a grand jury subpoena, by the US Government in connection with an investigation into certain aspects of the Subsistence Prime Vendor ("SPV") Contract which expired in December 2010. In addition, some employees of the Group were served with civil investigative demands. The Parent Company cooperated with this investigation and produced numerous records in response to this request.

In November 2009, the Parent Company was indicted by a federal grand jury in United States on multiple counts of False Claims Act violations. Furthermore, The United States Department of Justice also joined the civil qui tam lawsuit against the Parent Company under the US False Claims Act. The Department of Justice is claiming substantial damages for alleged violations in both the criminal and civil proceedings. The Parent Company pled not guilty to the indictment. Between February and November 2012, both the parties filed various motions and opposition briefs which are pending before the court for ruling. The Parent Company's filings included motions to dismiss the indictment on various grounds and a motion to transfer venue to another judicial district.

As a result of this indictment, the Group companies (including the Parent Company) are suspended from bidding for new contracts with the US Government pending the outcome of the cases. However, the suspension did not affect continued performance of the existing contracts.

The US Government also attempted to serve on the Parent Company, the indictment and other legal documents through the authorities in Kuwait. The Parent Company, challenged the service process and obtained an appeal judgement whereby such process was declared null and void. In addition the Court of Appeal in Kuwait precluded the US Government from serving the Parent Company and its subsidiaries any legal document in respect of the ongoing litigation in the US. The above ruling will not have any impact on the financial situation of the Group.

In addition, the US Department of Justice is currently conducting an informal investigation regarding two cost reimbursable US Government contracts in order to ascertain whether reimbursement requests for certain costs incurred by the Parent Company were proper. Furthermore, in relation to one of such contracts, the Parent Company is appealing before the "Armed Services Board of Contracts, Appeals (ASBCA)" a decision made by the contracting officer demanding repayment of approximately KD 23 million from the Parent Company. During 2011, the US Government collected KD 4.7 million out of the above claim by offsetting payments due on the Group's other US Government contracts. The Parent Company, on 19 April 2011, also filed an affirmative claim for approximately KD 13 million owed by the US Government under the contract which was denied by the Contracting Officer on 15 December 2011. The Parent Company filed an appeal before the ASBCA and decision on this appeal is currently pending.

Due to inherent uncertainty surrounding these cases, no provision is recorded by the management in the interim condensed consolidated financial information. The Parent Company (after consulting the external legal counsel) is not able to comment on the likely outcome of the cases.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

As at 30 September 2014 (Unaudited)

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not contain all information and disclosures as required for full consolidated financial statements that are prepared in accordance with International Financial Reporting Standards ("IFRS"). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the nine months period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014. For more details, please refer to the consolidated financial statements for the year ended 31 December 2013.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") and all values are rounded to the nearest KD thousand except when otherwise indicated.

Opening balances as at 1 January 2013 were restated during the year ended 31 December 2013 following the adoption of 'IAS 19 (revised): Employee Benefits'. For more details, please refer to the consolidated financial statements for the year ended 31 December 2013.

Changes in accounting policies and disclosures

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of the following new and amended International Accounting Standards Board ("IASB") Standards effective as of 1 January 2014:

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014.

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated any of its derivative designated as hedging instruments during the current period. However, these amendments would be considered for future novations.

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the Group and relevant disclosures will be made in the annual consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

As at 30 September 2014 (Unaudited)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

The following IASB Standards relevant to the Group have been issued but are not yet mandatory are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9: Financial Instruments

The IASB issued IFRS 9 - Financial Instruments in its final form in July 2014 and is effective for annual periods beginning on or after 1 January 2018 with a permission to early adopt. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial assets. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption of this standard will have an effect on the classification and measurement of Group's financial assets but is not expected to have a significant impact on the classification and measurement of financial liabilities. The Group is in the process of quantifying the impact of this standard on the Group's consolidated financial statements, when adopted.

IFRS 15: Revenue from Contracts with customers

IFRS 15 was issued by IASB on 28 May 2014 is effective for annual periods beginning on or after 1 January 2017. IFRS 15 supersedes IAS 11 Construction contracts and IAS 18 Revenue along with related IFRIC 13, IFRS 15, IFRIC 18 and SIC 31 from the effective date. This new standard would remove inconsistencies and weaknesses in previous revenue requirements, provide a more robust framework for addressing revenue issues and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The Group is in the process of evaluating the effect of IFRS 15 on the Group and do not expect any significant impact on adoption of this standard.

The Group has not early adopted any IASB standards, International Financial Reporting Interpretations Committee ("IFRIC") interpretations or amendments that have been issued but not yet effective. Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2014 did not have any material impact on the accounting policies, financial position or performance of the Group.

4 INVESTMENT IN ASSOCIATES

The movement in carrying value of investment in associates during the period is as follows:

	30 September 2014 KD 000's
At the beginning of the period	2,333
Reclassified from financial asset at fair value through profit or loss (Note 5)	28,698
Addition (see below)	4,800
Share of results	1,336
Dividend received	(1,110)
Foreign currency translation adjustments	160
At the end of the period	36,217

During the period, a subsidiary of the Group acquired an additional 2.8% equity interest in Gulf Warehousing Company Q.S.C. ("GWC") (previously classified as a financial asset at fair value through profit or loss), for a purchase consideration of KD 4,800 thousand. As a result, the Group's equity interest in GWC increased from 18.09% to 20.89% and accordingly, the investment in GWC has been classified as investment in an associate and accounted for under the equity method.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**
As at 30 September 2014 (Unaudited)

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2013</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Investment in an associate – outside Kuwait	103,338	101,401	95,334
Derivative instrument – outside Kuwait	-	-	2,488
Quoted equity securities:			
- In Kuwait	36	36	36
- Outside Kuwait *	-	27,774	27,448
	103,374	129,211	125,306

The Group (through its wholly owned subsidiary, a Venture Capital Organisation) owns 23.7% indirect interest in Korek Telecom L.L.C. ("Korek Telecom"). The investment in Korek Telecom is classified as investment in an associate as the Group exercises significant influence over Korek Telecom. As this associate is held as part of Venture Capital Organization's investment portfolio, it is carried in the interim condensed consolidated statement of financial position at fair value. This treatment is permitted by IAS 28 "Investment in Associates" which allows investments held by Venture Capital Organisations to be accounted for at fair value through profit or loss in accordance with IAS 39, with changes in fair value recognised in the interim condensed consolidated income statement in the period of change.

The Group has also provided an interest bearing loan to Korek Telecom which amounts to KD 28,785 thousand at 30 September 2014 (31 December 2013: KD 28,246 thousand and 30 September 2013: KD 28,315 thousand) (Note 12).

* During the period, investment in GWC has been classified as investment in an associate following the acquisition of additional equity interest by the Group (Note 4).

6 BANK BALANCES AND CASH

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2014</i>	<i>2013</i>	<i>2013</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Cash at banks and in hand	65,170	70,070	66,532
Short term deposits	19,943	17,476	26,375
Cash and cash equivalents	85,113	87,546	92,907
Deposits with original maturities exceeding three months	40,727	65,190	48,670
	125,840	152,736	141,577

Included in bank balances and cash are balances amounting to KD 51,222 thousand (31 December 2013: KD 77,510 thousand and 30 September 2013: KD 67,183 thousand) held by banks in Kuwait whereas the balance of KD 74,618 thousand (31 December 2013: KD 75,226 thousand and 30 September 2013: KD 74,394 thousand) are held by foreign banks situated outside Kuwait.

Short term deposits (with original maturities up to three months) are placed for varying periods of one day to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. Term deposits (deposits with original maturities exceeding three months) earn interest ranging from 0.5% to 5.5% per annum (31 December 2013: 1.25% to 1.5% per annum and 30 September 2013: 1.125% to 2% per annum).

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

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7 TREASURY SHARES

	30 September 2014	<i>(Audited)</i> 31 December 2013	30 September 2013
Number of treasury shares	58,377,670	55,591,985	55,591,985
Percentage of issued shares	5.06%	5.06%	5.06%
Market value in KD 000's	51,956	38,914	39,470

8 INTEREST BEARING LOANS

	30 September 2014 KD 000's	<i>(Audited)</i> 31 December 2013 KD 000's	30 September 2013 KD 000's
Committed Term Loan obtained from a local bank and is repayable in annual instalments commencing from December 2011.	15,544	15,296	15,296
Committed Term Loan obtained from a local bank and is repayable in annual instalments commencing from April 2013.	22,000	24,500	24,500
Other loans	30,785	30,467	32,543
	68,329	70,263	72,339

Committed facility

A committed borrowing facility is one in which the lender is legally obliged to provide the funds subject to the Group complying with the terms of the loan facility agreement. A commitment fee will be usually charged to the Group on any undrawn part of the facility.

Uncommitted facility

An uncommitted borrowing facility is one in which the lender is not legally obliged to provide the funds and the facility is therefore repayable on demand.

Floating interest rate loans amounting to KD 64,773 thousand (31 December 2013: KD 62,190 thousand and 30 September 2013: KD 62,149 thousand) carry margin ranging from 1% to 4% per annum (31 December 2013: 1% to 7.4% per annum and 30 September 2013: 0.03% to 5.64% per annum) over the benchmark rates.

The following table shows the current and non-current portion of the Group's loan obligations:

	<i>Current portion KD 000's</i>	<i>Non-current portion KD 000's</i>	<i>Total KD 000's</i>
Balance at 30 September 2014	34,638	33,691	68,329
Balance at 31 December 2013 <i>(Audited)</i>	33,306	36,957	70,263
Balance at 30 September 2013	34,041	38,298	72,339

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8 INTEREST BEARING LOANS (continued)

Included in interest bearing loans are loans amounting to KD 26,450 thousand (31 December 2013: KD 27,122 thousand and 30 September 2013: KD 29,272 thousand) which are held by subsidiaries in the Group. Trade receivables and certain other assets of the respective subsidiaries are pledged as collateral against these loans. Also included in interest bearing loans is a loan amounting to KD 22,000 thousand (31 December 2013: KD 24,500 thousand and 30 September 2013: KD 24,500 thousand) which is secured by a pledge of shares of a subsidiary.

Hedge of net investments in foreign operations

Included in interest bearing loans at 30 September 2014 are loans denominated in US\$ (hedging instrument) of US\$ 54,000 thousand (31 December 2013: US\$ 54,000 thousand and 30 September 2013: US\$ 54,000 thousand), which have been designated as a hedge of the net investments in the overseas subsidiaries (with functional currency US\$) and are being used to hedge the Group's exposure to foreign currency exchange risk on these investments. Gains or losses on the translation of interest bearing loans are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in these subsidiaries. Foreign currency exchange loss arising on translation of the hedging instruments amounting KD 292 thousand (30 September 2013: KD 101 thousand) were taken directly to other comprehensive income (hedging reserve).

9 TAXATION

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2014	2013	2014	2013
	KD 000's	KD 000's	KD 000's	KD 000's
National labour support tax (NLST)	(341)	(318)	(972)	(884)
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	(137)	(127)	(389)	(358)
Zakat	(137)	(127)	(389)	(354)
Taxation on overseas subsidiaries	(2,145)	(1,577)	(6,013)	(5,178)
	(2,760)	(2,149)	(7,763)	(6,774)

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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10 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of outstanding shares during the period as follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
	<i>000's</i>	<i>000's</i>	<i>000's</i>	<i>000's</i>
		<i>(Restated)*</i>		<i>(Restated)*</i>
Profit for the period attributable to equity holders of the Parent Company	13,042	12,129	37,144	33,766
Weighted average number of paid up shares	1,154,137,464	1,154,137,464	1,154,137,464	1,154,137,464
Weighted average number of treasury shares	(58,377,670)	(58,377,670)	(58,377,670)	(58,377,670)
Weighted average number of outstanding shares	1,095,759,794	1,095,759,794	1,095,759,794	1,095,759,794
Basic and diluted earnings per share - attributable to equity holders of the Parent Company	11.90 fils	11.07 fils	33.90 fils	30.82 fils

* Basic and diluted earnings per share for the comparative period presented have been restated to reflect the issue of bonus shares (Note 13).

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has contingent liabilities and capital commitments at the reporting date as follows:

	<i>30 September 2014</i>	<i>(Audited) 31 December 2013</i>	<i>30 September 2013</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Letters of guarantee	109,255	91,046	90,700
Operating lease commitments	33,048	34,838	32,447
Capital commitments	4,080	3,846	4,899
	146,383	129,730	128,046

Included in letters of guarantee are bank guarantees of KD 31,405 thousand (31 December 2013: KD 31,405 thousand and 30 September 2013: KD 31,405 thousand), provided by a bank on behalf of the subsidiary, Global Clearing House Systems K.S.C. (Closed), to the General Administration of Customs in the State of Kuwait. These guarantees are issued by the bank on a non-recourse basis to the Group.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

Legal claims

(a) Freight forwarding business - investigation

In October 2007, certain subsidiaries (involved in the freight forwarding business) in the Group along with other major players in the freight forwarding industry received requests for information from the competition authorities of the EU, the United States and other jurisdictions in connection with an industry-wide investigation into the setting of surcharges and fees. These subsidiaries are fully cooperating with the respective authorities.

In July 2009, a subsidiary was named as a defendant in a class action lawsuit filed in the Eastern District of New York, along with a number of other freight forwarding companies, regarding surcharges and fees for services. In November 2009, the defendants filed motions to dismiss the claims. On 13 August 2012, the court granted in part and denied in part the defendants' motions to dismiss and dismissed all but one of the claims asserted in the complaint. The court also granted the plaintiffs' leave to file an amended complaint. Plaintiffs filed a Third Amended Class Action Complaint ("TAC") on 15 November 2012. The defendants filed motions to dismiss plaintiffs' claims on 27 February 2013 and oral argument was held on the motions on 13 September 2013. On 20 September 2013, the Magistrate issued a Reports & Recommendation ("Report") on the motions, recommending that the District Court grant them in part and deny them in part. The District Court adopted the report on 28 January 2014, and ordered that the subsidiary be dismissed from the TAC and that plaintiffs be permitted to add another subsidiary of the Parent Company as a defendant. Accordingly summons were served on the subsidiary on 4 February 2014. Discovery is currently underway. The ultimate outcome of this litigation is uncertain at this time.

On 26 November 2009, the Italian Competition Authority (ICA) opened an investigation into the activities of some 20 freight forwarding companies including Agility's subsidiary in Italy. The ICA issued its final decision on 15 September 2011, imposing a total fine of KD 55 thousand (Euro 139 thousand) on Agility. This decision is being appealed by other third parties before the court which is yet to pronounce its decision.

In August 2010, the Brazilian competition authority ("CADE") opened an investigation in to the activities of the freight forwarding industry which included the Parent Company. The investigation is currently ongoing. The Brazilian competition authority purported to serve a notice on the Parent Company through its Brazilian subsidiary. The Parent Company has to date rejected the validity of service of the notice. However, the Brazilian competition authority has indicated that it considers the notice to the Parent Company duly served. The Parent Company filed proceedings before the Brazilian court on 18 February 2014 requesting that the service of process be declared null. The Court is yet to pronounce its judgment.

In December 2011, the Competition Commission Singapore (CCS) opened an investigation into the activities of the freight forwarding industry which included two of Agility's subsidiaries. No formal charges have been brought against the subsidiaries at this time.

As at 30 September 2014, due to inherent uncertainty surrounding these investigations, the Group's management (after consulting the external legal counsel) is not able to comment on the likely outcome of the investigations and in view of the difficulty in quantifying any additional potential liabilities in this regard, no provision is recorded in the accompanying interim condensed consolidated financial information.

(b) Guarantee encashment

A Resolution was issued by the General Administration of Customs for Kuwait ("GAC") to cash a portion, amounting to KD 10,092 thousand of the bank guarantee submitted by Global Clearing House Systems K.S.C. (Closed) (the "Company"), a subsidiary of the Parent Company, in favour of GAC in relation to performance of a contract. Pursuant to this resolution, GAC called the above guarantee during the year ended 31 December 2007. The Company appealed against the Resolution at the Court of First Instance through case No. 224/2007 "Administrative - 7" and on 15 June 2014, the Court of First Instance issued its ruling in favour of the Company and directed GAC to pay an amount of KD 58,927 thousand as compensation against non-performance of its obligations under the contract and KD 9,138 thousand towards refund of the guarantee encashed earlier, together with an interest of 7% per annum on these amounts.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As at 30 September 2014 (Unaudited)

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

The Company has filed an appeal against this ruling (through case No. 1923/2014 Administrative - 4) as it believes, based on the advice of its external legal counsel, that it is entitled to additional compensation from GAC. GAC has also filed an appeal to annul the decision of the Court of First Instance.

In 2013, GAC had filed a separate legal claim against the Company for an amount of KD 48,000 thousand towards fees and KD 53,400 thousand towards penalty in relation to an ongoing contract with GAC. The Court has not yet issued its ruling in respect of this claim. The Parent Company (after consulting the external counsel) is of the view that this claim is not in accordance with the contract as GAC did not fulfil its obligations in the respect of this matter. Accordingly, no expense is required to be recorded in the interim condensed consolidated income statement.

(c) KGL Litigation

During the year ended 31 December 2012, the Parent Company and certain of its subsidiaries were named as defendants in civil lawsuits filed by Kuwait and Gulf Link Transport Company ("KGL") and its affiliates in three separate jurisdictions in the United States for certain alleged defamation and interference with KGL's contracts with the US Government by an alleged former employee of the Parent Company. The Parent Company filed motions to dismiss the complaints and KGL also filed amended complaints. As a result, the Court in two of the jurisdictions granted the Parent Company's motion to dismiss the complaint. The ultimate outcome of the litigation in the other jurisdiction is uncertain at this time.

In addition to the above, the Group is involved in various incidental claims and legal proceedings matters. The in-house legal counsel of the Group believes that these matters will not have a material adverse effect on the accompanying interim condensed consolidated financial information.

12 RELATED PARTY TRANSACTIONS

As per the International Accounting Standard (IAS) 24: Related Party Disclosures, related parties represent major shareholders, directors and key management personnel of the Group, and entities which they control or over which they exert significant influence. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions and balances with related parties are as follows:

			Nine month ended 30 September	
	Major shareholders KD 000's	Other related parties KD 000's	2014 Total KD 000's	2013 Total KD 000's
Interim condensed consolidated income statement				
Revenues	-	740	740	800
General and administrative expenses	(50)	(45)	(95)	(86)
Interest income	-	2,408	2,408	2,434
Finance costs	-	(721)	(721)	(681)
			(Audited)	
	Major shareholders KD 000's	Other related parties KD 000's	30 September 2014 Total KD 000's	31 December 2013 Total KD 000's
Interim condensed consolidated statement of financial position				
Advance to related parties	5,000	500	5,500	5,000
Amounts due from related parties	-	80	80	218
Loan to an associate (Note 5)	-	28,785	28,785	28,315
Amounts due to related parties	189	15,830	16,019	14,730

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

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As at 30 September 2014 (Unaudited)

12 RELATED PARTY TRANSACTIONS (continued)

Advance to related parties amounting to KD 5,500 thousand (31 December 2013: KD 5,000 thousand and 30 September 2013: KD 5,000 thousand) represents amounts paid to acquire investments.

Amounts due from related parties have arisen as a result of transactions made in the ordinary course of the business and are interest free.

A portion of amounts due to related parties carry an interest of 6.5% per annum (31 December 2013: 6.5% per annum and 30 September 2013: 6.5% per annum).

Compensation of key management personnel	Nine months ended 30 September	
	2014 KD 000's	2013 KD 000's
Short-term benefits	1,065	1,161

13 DIVIDEND AND BONUS SHARES

On 22 May 2014, the shareholders at the annual general assembly of the Parent Company, approved the consolidated financial statements for the year ended 31 December 2013 and approved a cash dividend of 40 fils per share (2012: 30 fils per share) and bonus shares at 5% (equivalent to 5 shares per 100 shares held) (2012: 5%).

On 5 June 2014, the shareholders at the extraordinary general assembly meeting of the Parent Company, approved the increase in authorised share capital from 1,099,178,539 shares to 1,154,137,464 shares (nominal value of each share is 100 fils).

The issue of bonus shares resulted in an increase in the issued and paid up share capital by 54,958,925 shares from 1,099,178,539 shares as at 31 December 2013 to 1,154,137,464 shares as at 30 September 2014.

14 OPERATING SEGMENT INFORMATION

For management reporting purposes, the Group is organised into business units based on their products and services produced and has two reportable operating segments as follows:

Logistics and Related Services:

The Logistics and Related Services segment provides a comprehensive logistics offering to its clients, including freight forwarding, transportation, contract logistics, project logistics and fairs and events logistics.

Infrastructure:

The Infrastructure segment provides other services which include industrial real-estate, airport and airplane ground handling and cleaning services, customs consulting, private equity and waste recycling.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

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As at 30 September 2014 (Unaudited)

14 OPERATING SEGMENT INFORMATION (continued)

Nine months ended 30 September 2014	<i>Logistics and related services KD 000's</i>	<i>Infrastructure KD 000's</i>	<i>Adjustments and eliminations KD 000's</i>	<i>Total KD 000's</i>
Revenues				
External customers	791,608	201,453	-	993,061
Inter-segment	282	4,884	(5,166)	-
Total revenues	<u>791,890</u>	<u>206,337</u>	<u>(5,166)</u>	<u>993,061</u>
Results				
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	16,812	51,112	5,210	73,134
Depreciation				(18,850)
Amortisation				(2,707)
Profit before interest, taxation and Directors' remuneration (EBIT)				51,577
Interest income				3,661
Finance costs				(4,972)
Profit before taxation and Directors' remuneration				50,266
Taxation and Directors' remuneration				(7,944)
Profit for the period				<u>42,322</u>
Nine months ended 30 September 2013	<i>Logistics and related services KD 000's</i>	<i>Infrastructure KD 000's</i>	<i>Adjustments and eliminations KD 000's</i>	<i>Total KD 000's</i>
Revenues				
External customers	862,053	172,444	-	1,034,497
Inter-segment	86	5,611	(5,697)	-
Total revenues	<u>862,139</u>	<u>178,055</u>	<u>(5,697)</u>	<u>1,034,497</u>
Results				
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	19,053	50,662	(828)	68,887
Depreciation				(19,426)
Amortisation				(2,707)
Profit before interest, taxation and Directors' remuneration (EBIT)				46,754
Interest income				3,960
Finance costs				(5,288)
Profit before taxation and Directors' remuneration				45,426
Taxation and Directors' remuneration				(6,869)
Profit for the period				<u>38,557</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at 30 September 2014 (Unaudited)

14 OPERATING SEGMENT INFORMATION (continued)

Inter-segment transactions and balances are eliminated upon consolidation and reflected in the “adjustments and eliminations” column. The Group’s financing (including interest income and finance costs) and taxation is managed on a Group basis and are not allocated to operating segments.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

As at the reporting date, fair value of the Group’s financial assets [with the exception of certain financial assets available for sale carried at cost amounting to KD 20,286 thousand (31 December 2013: KD 18,968 thousand and 30 September 2013: KD 23,525 thousand)] and financial liabilities were not materially different from their carrying values.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>KD'000</i>	<i>Level 3</i> <i>KD'000</i>	<i>Total fair value</i> <i>KD'000</i>
30 September 2014			
<i>Financial assets at fair value through profit or loss:</i>			
Investment in an associate	-	103,338	103,338
Quoted equity securities	36	-	36
	<u>36</u>	<u>103,338</u>	<u>103,374</u>
<i>Financial assets available for sale:</i>			
Unquoted equity securities	-	3,440	3,440
	<u>36</u>	<u>106,778</u>	<u>106,814</u>
31 December 2013 (Audited)			
<i>Financial assets at fair value through profit or loss:</i>			
Investment in an associate	-	101,401	101,401
Quoted equity securities	27,810	-	27,810
	<u>27,810</u>	<u>101,401</u>	<u>129,211</u>
<i>Financial assets available for sale:</i>			
Unquoted equity securities	-	3,670	3,670
	<u>27,810</u>	<u>105,071</u>	<u>132,881</u>
30 September 2013			
<i>Financial assets at fair value through profit or loss:</i>			
Investment in an associate	-	95,334	95,334
Derivative instrument	-	2,488	2,488
Quoted equity securities	27,484	-	27,484
	<u>27,484</u>	<u>97,822</u>	<u>125,306</u>

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As at 30 September 2014 (Unaudited)

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

There was no material movement in the level 3 financial instruments balance and no transfers between the fair value hierarchies during the period.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Financial assets at fair value through profit or loss:

The fair value of the Group's investment in an associate (held through a Venture Capital Organisation) has been determined using the discounted cash flow ("DCF") method. The following significant unobservable valuation inputs have been used for the determination of fair value:

<i>Significant unobservable input</i>	<i>Sensitivity of the input to fair value</i>
Weighted average cost of capital (WACC)	A 1% increase / decrease in WACC will result in a decrease / increase in fair values by KD 4,859 thousand and KD 5,060 thousand respectively.
Enterprise Value/EBITDA multiple	A 5% increase / decrease in the multiple will result in an increase / decrease in fair value by KD 5,392 thousand.

Financial assets available for sale:

Fair values of financial assets available for sale are measured based on their latest net asset values provided by the respective fund manager.