

26 May 2017

M/s Dubai Financial Market
M/s Securities and Commodities Authority
United Arab Emirates

Agility Discloses Material Information

Reference to the above mentioned subject, and the regulations set by the Capital Market Authority (CMA) regarding the disclosure of material information, kindly find enclosed Agility's disclosure related to the resolution of the US Government legal case.

Regards,



Tarek Abdulaziz Sultan Al Essa
Vice Chairman and CEO



Date	May 26, 2017
Company Name	Agility Public Warehousing Company KSCP
Material Information	Agility today announced a global settlement in the case involving the U.S. government food-supply contracts that the company held from 2003 to 2010 (the "Prime Vendor Contracts"). As indicated in its prior disclosure, Agility agreed to plead in the criminal portion of the case to a misdemeanor in connection with a single invoice valued at \$551 (KD 167). The misdemeanor is a minor offense, unrelated to any of the original criminal charges, requiring Agility to pay a maximum of \$551 and no criminal fine. In the parallel civil proceedings of the case, the company has agreed to pay \$95 million (KD 28.8 million) in cash. In addition, Agility and the U.S. government have agreed to mutual releases of all outstanding contract claims related to the Prime Vendor Contracts. The settlement will resolve all outstanding issues with the U.S. government in connection with the Prime Vendor contracts for Agility, its affiliates, employees, directors, and officers. Terms of the settlement are subject to final court approval. It will also allow Agility to resume pursuit of new U.S. government contracts. Under the terms of the settlement, the U.S. government has agreed to remove Agility and its subsidiaries and affiliates from the list of suspended companies on its System for Award Management (SAM) database, formerly known as the Excluded Parties List System (EPLS), within 60 days. After careful consideration, Agility determined that the settlement was in the best interest of shareholders because it: - Removes uncertainty about potentially significant legal liability - Ends costly litigation, freeing up professional fees up that account for up to ten percent of EBITDA - Results in a complete dismissal of all pending and future U.S. government claims in connection with Prime Vendor, including the pending KD 8.4 million claim related to alleged bottled water overcharges, as disclosed in the financials.

	- Opens a pipeline of potential government and commercial contracting opportunities Importantly, Agility settled on terms that preserve and validate the company's reputation for integrity. The contracts spanned seven years, involved nearly 200,000 invoices to the U.S. government, and were valued at over \$8.6 billion. Agility acted transparently and responsibly on one of the most complex missions ever entrusted to a private contractor. With a strong balance sheet and relatively low leverage, Agility has the resources to meet its obligations under the settlement without jeopardizing its current investments or future growth plans. Agility remains on course to meet its publicly stated objective of \$800 million in annual EBITDA by 2020.
Impact of the material information on the financial position of the company	In connection with the resolution of this matter, Agility expects to record a net positive impact of KD 700,000 in the financial results for the second quarter. The global settlement and mutual dismissal of all claims by both parties allows the company to release operational credit reserves of KD 29.5 million. The release of the credit reserves is expected to have a positive impact on the results of operations for the year ending December 31, 2017.

Best Regards,



Tarek Abdul Aziz Sultan Al Essa
Vice Chairman and CEO

