

Kuwait's Agility Q3 profit down 9% on expansion

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Kuwait's Agility, the Gulf's biggest logistics provider, posted a 9-percent decline in third-quarter profit as it expanded into new markets to lower reliance on US government contracts in Iraq.

Net income in the nine months to Sept. 30 was 107.8 million dinars (\$399.3 million), or 105 fils per share, Agility said in a statement. There are 1,000 fils in a dinar.

Newswire Reuters calculated third-quarter profit of 35.2 million dinars, compared with 38.7 million dinars in the same period a year ago, based on previous financial results.

Global Investment House had forecast a third-quarter profit of 38.50 million dinars.

Agility gave no reason why the profit fell but it had continued to make acquisitions in the quarter to expand in new markets.

The firm has been seeking to reduce reliance on US government contracts to supply troops in Iraq and Afghanistan by expanding in the Middle East, Asia and Europe through boosting existing operations and acquisitions. Revenues in the nine months rose 10.6 percent to 1.372 billion dinars from 1.240 billion last year, Agility said.

Chief Executive Tarek Sultan said in a statement the firm is growing despite a "fiercely competitive business environment" and "the current economic downturn".

In the third quarter, Agility has cash positions worth 260.8 million dinars and net debt of 177.12 million dinars, Sultan added in the statement.

The firm has spent billions of dollars on acquisitions in the past few years and now operates in 100 countries, according to its website.

Sultan told Reuters in April Agility planned to increase its share capital by 25 percent, or

raising about 120 million dinars, to grow in countries such as Iraq, Jordan, Egypt, Morocco, Saudi Arabia and the United Arab Emirates.

Agility's stock closed down 4.05 percent on Monday ahead of the earnings release, which was announced after market closed.

{ Arabian Business }