

To: Jeffrey Epstein[jeevacation@gmail.com]
From: Sultan Bin Sulayem
Sent: Mon 1/25/2010 12:49:40 PM

News

Dubai World's assets worth more than \$120 billion

Dubai World is estimated to have debts of around \$57 billion.

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Property and investment assets owned by government-owned conglomerate Dubai World were worth more than \$120 billion at the end of 2009, reports Reuters, quoting Arabic daily Al Ittihad. The newspaper said that the company's property assets dropped in value from \$157 billion in 2008, a fall of around 35 percent.

"The drop in the value of investment and strategic assets for the group did not exceed 20 percent," the paper said.

Dubai World is estimated to have debts of around \$57 billion, and in November last year, announced that it would ask creditors for a six-month debt standstill in order to restructure \$26 billion in debt.

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1. **Robert** on January 25th, 2010 at 11:57 am:

Having valued / setting the price of many of Nakheel's developments as both a consultant and employee I really have to ask two questions:

1. What is the date of valuation of the property? I highly doubt that it would be recent as Nakheel does not have the money to pay for a consultant to undertake a valuation. Jones Lang LaSalle completed a valuation about a year ago and this does not reflect the current value of Nakheel's assets.

2. There are no recent sales of comparable properties in Dubai. Just because something sold for X number of dollars a year ago, and because nothing has sold recently (ie large plots of land with no infrastructure- which is pretty much all they own), means that it's extremely difficult to judge how much something is worth. For example, some individual apartments such as the Shoreline apartments on Palm Jumeirah have asking prices of about a third of what they were selling for a year earlier. This is a 65% drop in value yet still no one is buying. Hence, for buyers to actually buy the price would have to drop even further. Taking into account decreasing demand from increased layoffs and huge decreases in local population levels from westerners returning to their home countries, I'd say that on average property prices should be at least an 80% reduction from their highest selling price.

On a final note, cash flow at Dubai World is a serious problem. When I was working at Nakheel they couldn't even afford toilet paper so we had to bring in our own. So just because Dubai World has these "assets" they are performing extremely poorly and no one would want to buy them unless they can make money off them, and the only way for this to occur is if there's a fire sale of their assets.

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