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From: Sultan Bin Sulayem
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This is useful. Transcript of govt briefing of journos

DUBAI, Dec 14 (Reuters) - Abu Dhabi has bailed out neighbouring Dubai with \$10 billion in surprise aid for debt-laden Dubai World [DBWLD.UL], which said it would use \$4.1 billion of it to repay its Nakheel unit's Islamic bond maturing on Monday. [ID:nLDE5BD0FV]

Dubai's government held a conference call on Monday to discuss the deal with a government source taking questions.

Following is a transcript of the key points made by the source, who declined to give his name:

IS THIS A BAILOUT?

Abu Dhabi and Dubai are clearly working as partners here to find a good, fair solution to the Dubai World situation. The key part is buying time to allow Dubai World and creditors the opportunity to come together on consensual restructuring.

There are no conditions. This is a government-to-government fund, the terms of that fund are internal to the government of Abu Dhabi and Dubai. These funds are specifically for Dubai World.

I won't go into specifics. There is no conditionality. Abu Dhabi has made it clear it is there to support Dubai, Dubai World and I won't go into specifics of how the money is being handed. What's important is we have two partners that will help each other and help the UAE (United Arab Emirates).

BANKRUPTCY LAW

The government of Dubai has been in consultation for some time with bankruptcy professionals and international judges to develop a framework that is transparent, fair and acceptable to all parties. The current UAE bankruptcy laws are largely untested and (their) administration by Dubai courts poses certain challenges and problems for a large and complex bankruptcy of this size. These (new) laws should allow Dubai World, should it choose it to use the laws to achieve its restructuring and remaining obligations should it not find a consensual restructuring with its creditors.

The decree (for the new laws) was signed last night and will be announced later today.

To the extent it is unable to reach a consensual restructuring with lenders, the government wanted to make sure there was a fair and equitable way for it to restructure its debt. If it doesn't work, we wanted to make sure there was a fair and equitable framework to restructure its debt. I won't say it won't file or will file (for bankruptcy), but we wanted to make sure the company has the protection it needs if it goes to the courts.

DUBAI WORLD ASSET SALES

It is premature to speculate on the outcome of the reorganisation process. All options will be assessed and all options have been discussed between the government of Abu Dhabi and Dubai. The plan will be developed in consultation with all stakeholders and probably could include the sale of assets. That will be something agreed to by everybody involved.

Dubai has not given anything up and there are no conditions on the money. Abu Dhabi provided the money to support Dubai and support Dubai World because it believes it's in the long-term strategy of Dubai, Abu Dhabi and the UAE.

This is specifically for Dubai World and the affected assets, which were talked about in earlier press releases. It's not meant to include any other assets. It does not include the ports, Jebel Ali Free Zone Authority. All the things that were talked about that were unaffected remain unaffected and will not be affected in any way.

TIMEFRAME FOR FUNDING

In consultation with Dubai World, it will use the grace period to assess and transfer funds. These funds will be immediately available to the Dubai Support Fund and it will make the first \$4.1 billion immediately available to Dubai World.

FUNDING FOR OTHER DUBAI GOVERNMENT ENTITIES

It's important to realise that this solution was reached due to exceptional credit circumstances in relation to Dubai World and should not be taken as an indication of how GRE (government-related entities) debt will be handled. All GREs will be continually reviewed on a case by case basis.

WHY DID IT COME DOWN TO THE LAST MINUTE?

Like any other maturity, the bonds (issued by Dubai unit Nakheel) weren't due until today. Any plans or announcement would come on the day the bonds are due. The bonds are technically not due for 14 days. The government wanted to take coordinated action that provided a comprehensive plan and complete solution to the problem.

RESTRUCTURING PLAN

This is something the company will provide clarity on in the next few weeks. We wanted to give the company a framework and provide a process with which they can have that conversation with lenders. From a government perspective, the company needs to find a long-term solution to the capital structure and had to put tools in place for them to do that.

CENTRAL BANK FACILITY

The central bank has come out clearly and they have all agreed that the central bank will inject liquidity into the banks as needed with respect to their exposure to Dubai World and its entities. Alternatively the goal is to provide a framework to provide support and that's the most important thing.
(Compiled by John Irish; editing by Karen Foster

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