
From: Jeffrey Epstein <jeevacation@gmail.com>
Sent: Tuesday, October 20, 2009 9:16 PM
To: Sultan Bin Sulayem
Subject: Re:

Dubai Inc. Needs Change at the Top

* By ANDREW CRITCHLOW
<http://online.wsj.com/search/search_center.html?KEYWORDS==NDREW+CRITCHLOW&ARTICLESEARCHQUERY_PARSE_R=bylineAND>

Faced with a continuing financial crisis of savage proportions, Dubai risks retreating into its past rather than facing up to its new reality. The Gulf=20 emirate needs to radically overhaul its state-controlled companies if it is=to overcome its \$80 billion mountain of debt. Yet rather than seize the opportunity to introduce international standards of governance and transparency, the people whose poor judgment led Dubai to the brink have kept their jobs. For western= lenders with billions of dollars still at stake, that is troubling.

Take Dubai World, the conglomerate that has just been radically restruct=red after running up almost \$60 billion of liabilities on an ill-judged acquisition spree. Its deals included buying struggling Madison Avenue retailer Barneys=for \$800 million, investing in an \$8.8 billion Las Vegas casino development and=20 paying \$100 million for the Queen Elizabeth II liner, which has since spent=most of its time languishing in a Dubai dry dock.

Dubai World has now cut its work force by 15% in an effort to save \$800=20 million over the next three years. Surprisingly, its senior managers remain=in place, including Sultan bin Sulayem, the chairman who masterminded the expansion. That has disappointed bankers who fear that, unless senior manag=rs are held more accountable, the mistakes of the past will be repeated.

But holding senior Emirati officials like Mr. Sulayem responsible for th=ir decisions will be tricky. The Sulayem family's ties to Dubai's ruli=g Maktoums run deep. Mr. Sulayem's father was a key adviser to the family. The sam= is true of many other of the emirate's business leaders whose reputations have =een damaged by the crisis.

Western lenders would rather see experienced and suitably qualified executives running Dubai's companies with proper accountability to an=20 independent board and creditors. Yet Dubai's ruler, Sheik Mohammed bin =ashid Al Maktoum, appears to be heading in the opposite direction, possibly handing =ore power to his sons after being let down by some of his key lieutenants. This=20 could mean a bigger role in Dubai's corporate affairs for the popular but inexperienced 26-year-old Crown Prince Hamdan.

Long term, this looks unsustainable. The scale of Dubai's financial =oes means painful changes can't be resisted for long. If the easy credit of=the past decade allowed officials like Mr. Sulayem to build Dubai World into a truly=20 international company, the next 10 years will see banks demanding greater=20 transparency in return for capital.

Write to Andrew Critchlow at [REDACTED] <mailto:[REDACTED]>

On Tue, Oct 20, 2009 at 5:14 PM, Sultan Bin Sulayem <= href="mailto:████████> wrote:

Can you forward it to me

From: Jeffrey Epstein <jeevacation@gmail.com <mailto:jeevacation@gmail.com>>
To: Sultan Bin Sulayem
Sent: Wed Oct 21 01:12:12 2009
Subject:
i did not like todays article.. i told you that there are those in your cou=try shooting at you.. , the attack was very specific

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