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Prince Al Waleed bin Talal has long been seen as an important link between Arabs and the rest of the world, acting successfully like a bridge between the business worlds of the Middle East and the West. But are the financial foundations of this bridge starting to whither? Furthermore, are there other bridges that Al Waleed can cross?

In March 2008, *Forbes Magazine* published its eagerly awaited list of the world's richest billionaires. Standing firm at number 19 was the world's richest Arab, Al Waleed with an estimated fortune then of \$21.0 billion. One year later, it couldn't be more different. For it was in March 2009 that Citigroup's stocks fell from a high of \$57 recorded on December 18, 2006 to just 97 cents. Citigroup's shares had recorded a 52 week high of \$27.35 on April 28, 2008, figures we are unlikely to see in the next few years. Citigroup is important because ever since Al Waleed invested \$590 million in 1991 in the bank as it struggled with Latin American loan losses it has constituted his largest shareholding. Based on simple calculations, his 250 million shares were one day worth up to \$14 billion and are now worth \$250 million.

At the same time, Al Waleed's Kingdom Holdings stock price plummeted from 14 Saudi Riyals to SAR3.9 and his Nasdaq Dubai Kingdom Hotels firm now trades (for lack of a better word) at one dollar from its \$9.25 listing price. Incidentally, Kingdom Hotels, one of the Prince's most asset rich and attractive companies can now be bought in its entirety for \$170 million, about half as much as he paid for his "flying palace" Airbus A380 that qualified for the CNN/Fortune 101 Dumbest Moments in Business rankings in 2007.

At a \$10 Billion market cap, the National Bank of Kuwait, although losing 50 percent of its value in the past year is today worth twice as much as Citigroup, the latter reaching a market cap of \$270 billion in early 2007.

In fact, Al Waleed's shareholdings read as a list of some of the most troubled investments in the past few years: Motorola, News Corp, Apple, EuroDisney, Eastman Kodak and Ford have lost between 50 and 80 percent of their value in the past few months.

The Prince might not be bankrupt but he's never been closer to being so. This will be a tragedy not just for Al Waleed but for the many charity causes he champions. In 2005 he donated \$40 million each to Harvard and Georgetown Universities to set up Islamic studies centres. He also endowed Cambridge and Edinburgh universities in Britain with \$31 million to set up similar departments. In his home country Al Waleed is known to have built thousands of houses for the poor as part of his generous housing program in rural areas of the desert kingdom. Al Waleed is also known for spending every Wednesday evening, if he is in Saudi Arabia, receiving hundreds of visitors from lower income households with requests for financial assistance, this generosity can cost him up to \$1.5 million on any night.

But what can savvy investors learn from the financial turbulence that plagued so called Arabian Warren Buffet. Although it is by now an overused cliché but more than anything don't throw good money after bad money and when you find yourself in a hole, stop digging. Sadly this is a lesson that Al Waleed did not learn early enough. Encouraged by ADIA's costly and miscalculated gamble of effectively burning \$7.5 Billion by investing in Citigroup in the autumn of 2007, Al Waleed followed suit and ploughed hundreds of millions of dollars to raise his stake to five percent to match ADIA's equity. He even called Citi's \$six billion write down the previous summer a "hiccup".

Despite the horrific decline in the value of Citigroup, the one dollar threshold represents a new

challenge, if the stock value drops below one dollar for 30 consecutive days, effectively becoming a penny stock, it may be delisted and become an over-the-counter company. What should Al Waleed and by extension ADIA do about their high-flying employees who got them into deep trouble? To borrow from the New York Times columnist Maureen Dowd, writing about incompetent American jet-setting executives last autumn, "off with their headsets." Also, now that there is much less wealth to throw around flying palaces, it is time to go back to the basics of sound investments, steady growing firms are in the long term a much better bet than sexy stocks and trophy assets. If not, Al Waleed's magical story will be of a young prince and his Kingdom who had it all before he lost it all.

An alternative option available to Al Waleed is to enter into the political world. On the one hand he could try his chances with the Saudi Royal court, after all King Abdullah bin Abdul Aziz is his paternal uncle. Though Talal Bin Abdul Aziz, Al Waleed's father may have made it slightly tricky for his astute son to tread down that path. Talal was known as the Red Prince for harbouring socialist tendencies back in the 1950's that caused him to be exiled to Egypt. Al Waleed's free thinking father may have also indirectly influenced his son's liberal investment attitude. As Talal continued to call for educational reforms, empowering women and championing various humanitarian causes such as the Arab Open University which today has over 22,000 students enrolled at moderate fees, 50 percent of whom are women. Prince Al Waleed for example does not shy from investing in alcohol serving establishments from Monaco's Monte Carlo Grand Hotel and London's Savoy Hotel to the luxurious Canadian chains of Four Seasons and Fairmount.

Prince Al Waleed has meticulously positioned himself for a political role using his investments as a conduit. Commanding such vast amounts of wealth has allowed him to seek private audiences, not just with the likes of business luminaries such as Bill Gates and Warren Buffet but also with world leaders whose time is usually spared for other world leaders or their ambassadors. Only in the past twelve months has he met with Pope Benedict XVI, Middle East Peace Envoy Tony Blair, Bashar Al Assad of Syria, President Tabaré Vazquez of Uruguay, President Gloria Arroyo of the Philippines, President Hamid Karzai of Afghanistan, Yemeni President Ali Abdullah Saleh, French President Nicolas Sarkozy, the Emir of Kuwait Sheikh Sabah Al Ahmed, Kazakh President, Nursultan Nazarbayev as well as the Presidents of Turkmenistan, Tajikistan, Azerbaijan, Mongolia and Kyrgyzstan. The list of ambassadors he met in the same period possibly rivals that of Saudi Arabia's own Foreign Minister Prince Saud Al-Faisal and included emissaries from the Senegal, Uzbekistan, the US, Uganda, France, Mexico, Myanmar, Djibouti, Bosnia Herzegovina, Eritrea, Malaysia, the Comoros Islands, Poland, Australia, Korea, Georgia, Albania, Egypt, Afghanistan, Great Britain, India, Nepal, Jordan, Thailand, Azerbaijan, Palestine, Vietnam, Ethiopia, Macedonia, Japan, Sudan, Portugal, Qatar, Niger and American Congressmen; an impressive list by any standard.

Al Waleed employs a brilliant Public Relations engine to issue press releases with photos of him and his elegant unveiled wife Princess Ameera meeting with many of these dignitaries, a process that has positioned him as a public figure as per his own accord exposing himself to both public scrutiny and praise. He has taken the unusual step in the region of publishing a candid account of his personal as well as professional life that included family photographs of his parents and children further highlighting his modern lifestyle. However, the Prince's widely known liberal leanings may not be as accepted in his home country of Saudi Arabia where he faced stiff opposition and religious edicts to list his Kingdom Hotels firm which ended up in the Nasdaq Dubai stock market. However, one place where his views have been accepted and would sit comfortably is the Mediterranean country of Lebanon.

Even before the assassination of Rafic Hariri, the former Prime Minister of Lebanon, Al Waleed was a popular figure; people and giant billboards openly called on him to run for the position of Prime Minister. After all, taking a cue from his personal friend Silvio Berlusconi who leveraged his media empire to become prime minister of Italy, Al Waleed similarly owns An Nahar, one of the country's most influential newspapers as well as the liberal Lebanese Broadcasting Corporation and Rotana TV networks. Although popular in Lebanon this liberal media empire has been subject of much controversy in Saudi Arabia for depicting scantily clad women and has recently caused him to be condemned as "no less dangerous than drug dealers" by a Saudi religious scholar. Al Waleed's maternal grandfather Riad Al Solh was the founding leader of Lebanon in the same way that his paternal grandfather King Abdul Aziz was the founding leader of Saudi Arabia. Al Waleed referred to a charitable foundation he set up in Lebanon as "the address for every Lebanese citizen committed to his land, roots, and devoted to his country, free of religious or regional affiliations"- language not dissimilar to that of seasoned politicians in the country.

Al Waleed, when questioned a few years ago by An Nahar newspaper whether he, a citizen of both Saudi and Lebanon, would seek Lebanese premiership, a position reserved under the constitution for a Sunni Muslim, his answer was "We will cross that bridge when we come to it."

Maybe it's time for Al Waleed to cross that bridge after all.

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