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Emirates Capital acts as matchmaker in lean times

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By [John Irish](#)

DUBAI (Reuters) - Emirates Capital, which advised firms on the hunt for acquisitions when business was booming, has carved out a niche in leaner times by arranging financing for companies turned away by lending-wary banks.

The corporate finance firm set up shop in Dubai in January 2008 and initially focused on small and medium-sized firms, including the family-run companies that form a huge merchant class in the Gulf Arab region.

"Family businesses are looking to grow, their friendly banker is no longer amenable to lend," Chief Financial Officer Michael Huebener said at the Reuters Middle East Investment Summit. "They want to tap into lending networks.

"Because of this downturn, we're seeing a whole new market opening up which was previously served by banks."

Huebener said firms now approached Emirates Capital, asking it to "prepare us, make us beautiful for them."

The company, which has a staff of 10 in Dubai and plans to expand with offices in Singapore and Moscow, could complete four or five deals next year.

"I would say about \$50 million to \$500 million would be our sweet spot, sometimes a little above, sometimes a little below," Huebener said.

Emirates Capital is considering an initial public offering in two to three years - likely on the Nasdaq Dubai -- in a bid to spur more clients to float. It may also set up its own private equity vehicle in Dubai "as a piggy back fund" for transactions.

The global financial crisis has sharply curtailed credit markets, with banks adopting a conservative approach that has left many less willing to lend. In the Gulf region, a six-year oil-fueled boom came to an abrupt halt last year as the credit crunch dried up financing.

Huebener said its deal pipeline was "entirely international" when it relocated from Germany to Dubai last year and it has made inroads in the Gulf by capitalizing on a trend in the region to follow the government's lead on investment patterns.

Last year, Emirates Capital held a regional roadshow for a U.S. uranium mining firm which had been on the cusp of moving from exploration to production before it was dropped from fund portfolios in the wake of the credit crunch.

The move came as the United Arab Emirates was gearing up a \$40 billion nuclear power program. A contract to build reactors is expected to be awarded soon.

"A lot of families will follow suit with the government," Huebener said.
"Investors from the region have now entered this very new field. Mining as a topic is nearly non-existent."

Khuram Maqsood, the firm's managing director, said Emirates Capital expected consolidation in the region's retail sector next year.

(Writing by [Amran Abocar](#); Editing by John Stonestreet)

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