

# Mid-East fund to invest €780m

by Geoff Percival

AN Indian-backed Middle Eastern investment fund is aiming to pump around £650 million (€780m) into a number of Irish property companies, in return for majority equity stakes, before the end of the year.

Western Gulf Advisory is an investment firm owned by Indian entrepreneur Ashan Ali Syed, based in Bahrain and Switzerland.

It has just announced a £300m strategic partnership with Dublin-based construction company J&M McCabe Properties — the holding company of the McCabe construction group. The deal sees Western Gulf Advisory injecting £300m into McCabe as working capital, in return for the option of taking a 50% equity stake in the business.

This deal only marks the beginning of a wider investment plan for Ireland.

"Ireland is an excellent market and it's only a matter of time before it picks up and we don't want to be late for that. We want to be a part of the new revival," Mr Ali Syed said.

He added that WGA is carefully studying another two investment proposals, which it hopes to complete this year. In all, the target is to have three significant Irish investments including the McCabe deal completed by end of 2010 — covering an estimated combined value of £600m to £650m.

Mr Ali Syed said that the investments would be made with the intention of acquiring a majority stake in

the relevant company (or a stake of 50% upwards).

Western Gulf Advisory will then act as the financial muscle while the existing management will continue running the businesses daily.

The investors will only seek a change in management if something is seen to be particularly wrong in the running of the companies.

He added that the company will continue to look at potential Irish-based investment opportunities across a variety of sectors next year — except anything in the gaming or drinks sectors.

"We're not overly sector specific in our investments; just interested in things that make commercial sense," he said.

Western Gulf Advisory's interest in the Irish market is based around the construction market — particularly companies with distressed/undervalued property assets.

Although the McCabe Group has been lossmaking of late with borrowings of around €200m, it is understood the business has not defaulted on any of loans.