

Transparency spurs Farazad Investments' growth

Farazad Investments Inc. is building a positive brand reputation in the international financial advisory sector, says Chairman and CEO **Korosh Farazad**.

In today's cautious lending environment, being able to obtain project financing from some of the world's leading institutional lenders is a prized feather in a financial advisor's cap. Farazad Investments Inc. (FII) is banking in this confidence.

With offices in the United States, Europe, Middle East, Asia Pacific and Australia, FII

is strategically placed to take advantage of the various global investment opportunities popping up following the worldwide economic slump. To date, the company has a vast portfolio of projects under processing with a combined value of over USD1 billion. Korosh Farazad, Chairman and CEO of FII, said their key differentiator is transparency.

"Refinancing of already revenue-generating assets is very easy and straightforward, but financing of new developments can be a bit challenging because of the fact that institutional lenders are more cautious," said Farazad. "As an advisory, we structure the deal by first putting in place all the components that we know the lenders would want to see such as a financial stress test."

SUCCESS THROUGH DUE DILIGENCE

An over-all risk assessment report will then be conducted by an independent party to assess the asset's viability. "Our success comes from our ability to mitigate risks through due diligence. We come in as a boutique investment bank and support both sides of the table - the borrower and the lender - to make sure that the deal does not have any challenges in the future such as the borrower defaulting on the loan," Farazad said.

FII's confidence in dealing with banks that have strong Tier 1 capital comes through years of experience. Established in the US in 1996, FII initially operated as a one-man venture, which gradually and steadily grew over time. Its business took a major leap in 2003 in

terms of buying and selling of bank guarantees and medium-term notes through institutional lenders and investors.

Farazad's prior experience in seeking debt financing opportunities further contributed to the company's core expertise, allowing it to widen its network and develop a solid relationship with international institutional lenders and private equity firms. Today, FII has a team of 18 highly skilled financial advisors across five continents worldwide.

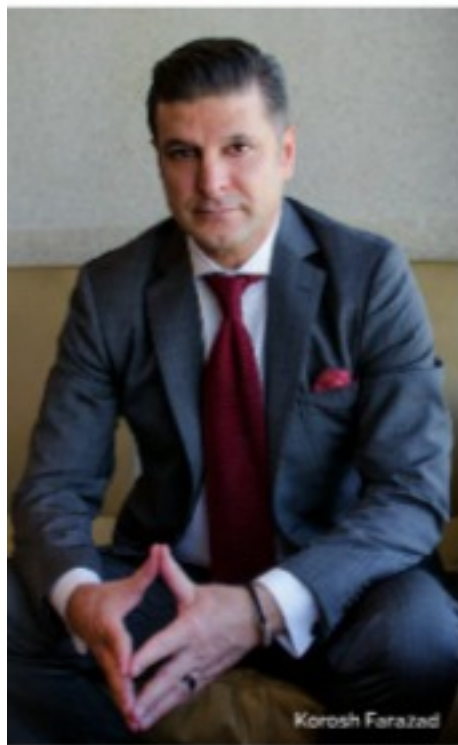
STRONG OUTLOOK

The company is exploring opportunities in the GCC region, but due to the challenging nature of the market and the difficulty in getting a proper valuation of real estate assets in markets such as Dubai, Farazad said it is hard to stimulate foreign investors' appetite.

Nevertheless, FII's global growth remains unabated. Farazad said they currently have around four trophy assets in their portfolio. Among them are a USD300-450-million deal in New York, a EUR150-250-million mixed-use development in Europe and a USD400-600-million transaction in Turkey.

FII continues to focus on financing and refinancing of real estate projects, an asset class that has strong international investment appeal. Next year, Farazad hopes to expand FII's presence in the UK, through their London office, while also strengthening their foothold in the US.

"We're looking at being more aggressive in the US, due to signs of recovery that the market is showing," he said. ■



Korosh Farazad