

## Emaar Malls offers \$800M for Souq.com amid Amazon rumors (Update)

March 27 2017, by Jon Gambrell

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A truck is parked at the entrance of the Souq.com warehouse in Dubai, United Arab Emirates, Monday, March 27, 2017. Dubai's Emaar Malls, a subsidiary of the state-backed construction firm Emaar, said Monday it made an \$880-million offer to buy the online retailer Souq.com amid rumors of a possible acquisition of the firm by Amazon. (AP Photo/Jon Gambrell)

The operator of Dubai's largest mall said Monday it made an \$880-million offer to purchase the Middle East's biggest online retailer Souq.com, adding new corporate intrigue to the website's rumored sale to Amazon.

Emaar Mall's bid for the site comes after Emaar chairman Mohamed Alabbar reportedly met in November with Amazon CEO Jeff Bezos at the state-backed firm's cavernous Dubai Mall, home to a massive aquarium and in the shadow of the Burj Khalifa, the world's tallest building it built.

In the time since, Amazon apparently went after Souq.com as Alabbar stands ready to launch his own online retailer with Saudi money called noon.com. This potentially sets the stage for a major e-commerce battle in one of the Mideast's most-lucrative markets.

Emaar Malls PJSC made public its bid for Souq.com in a filing Monday on the Dubai Financial Market. The short filing, signed by Emaar Malls vice chairman Ahmad Thani al-Matrooshi, said the bid was made "in line with the strategy to align e-commerce with physical shopping."

"The bid has still not been accepted by the shareholders of Souq.com," the filing said.

Souq.com, founded by Syrian national Ronaldo Mouchawar, did not respond to requests for comment from The Associated Press. The website last year raised more than \$275 million in a round of financing that the company said would help fuel its future growth.

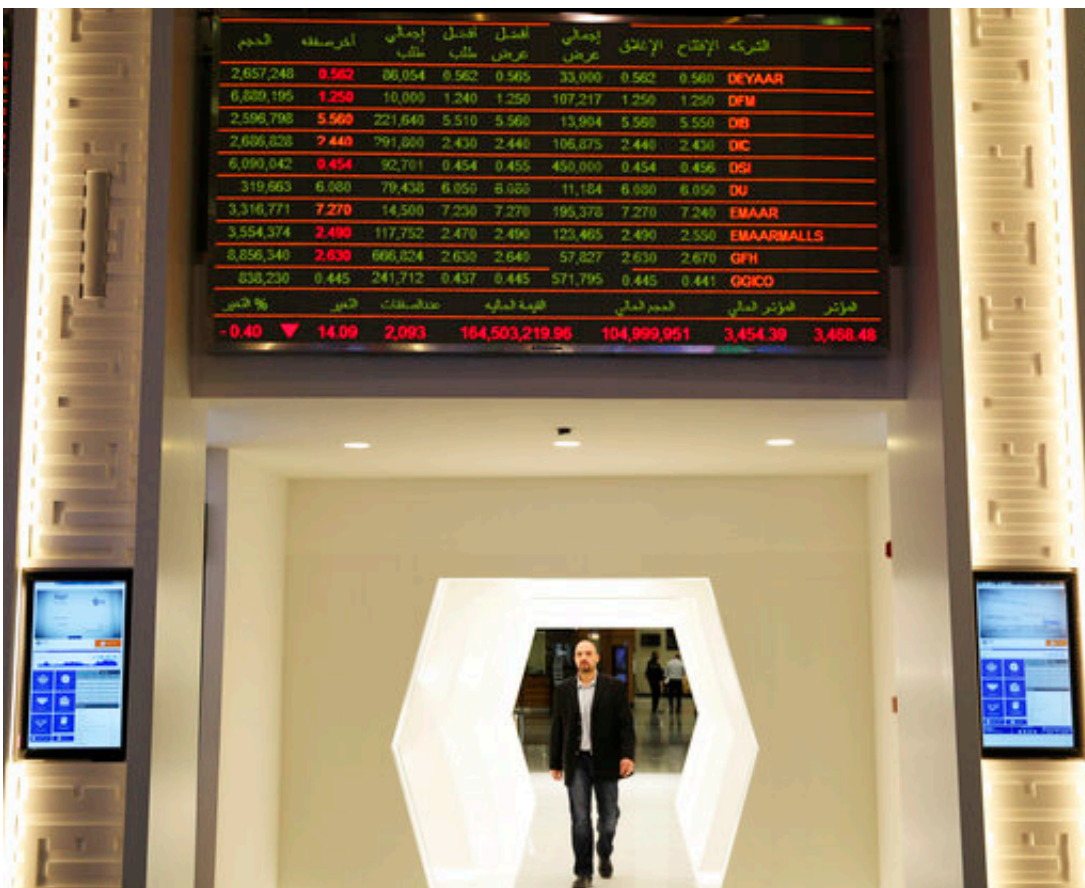


Stock displays show the share price and trade volume of Emaar Malls and others stocks at the Dubai Financial Market in Dubai, United Arab Emirates, Monday, March 27, 2017. Dubai's Emaar Malls, a subsidiary of the state-backed construction firm Emaar, said Monday it made an \$880-million offer to buy the online retailer Souq.com amid rumors of a possible acquisition of the firm by Amazon. (AP Photo/Jon Gambrell)

Seattle-based Amazon.com Inc. did not immediately respond to requests for comment.

Dubai, the commercial capital of the United Arab Emirates, home to the long-haul carrier Emirates and the world's busiest international airport, is home to luxury malls that even include an indoor ski slope. Its summer heat of over 50 degrees Celsius (122 degrees Fahrenheit) makes malls a major attraction for both shopping and leisure time in the city.

While Uber and other online services firms work in Dubai, online retail shopping has yet to truly take off like it has in Western countries. Emaar's bid for Souq.com makes sense as it will strengthen its position in the UAE and Saudi markets, while allowing the website to maintain its local identity, said Rabia Yasmien, an analyst with research firm Euromonitor International.



A stock ticker displays the share price and trade volume of Emaar Malls and others stock at the Dubai Financial Market in Dubai, United Arab Emirates, Monday, March 27, 2017. Dubai's Emaar Malls, a subsidiary of the state-backed construction firm Emaar, said Monday it made an \$880-million offer to buy the online retailer Souq.com amid rumors of a possible acquisition of the firm by Amazon. (AP Photo/Jon Gambrell)

"Buying out Souq.com will give the group access to existing infrastructure and assets ... basically driving out the case of competition from a local player and customer retention in the region," Yasmeeen said.

Nearly 85 percent of stock in Emaar Malls is owned by Emaar Properties PJSC, a company synonymous with the skyscraper and building boom in Dubai. The state-run sovereign wealth fund called the Investment Corporation of Dubai owns nearly 30 percent of Emaar Properties.

Emaar Malls reported profits of \$510 million in 2016 off revenues of \$879 million. Its stock dropped nearly 2 percent Monday to close at 2.49 dirhams (68 cents) a share.



- In this Sept. 25, 2012 file photo, people shop in the Dubai Mall, in Dubai, United Arab Emirates. A subsidiary of the state-backed developer Emaar said it made an \$800-million offer to purchase the online retailer Souq.com amid

rumors of a possible acquisition of the website by Amazon. A stock market filing by Emaar Malls, which runs the Dubai Mall, said the "bid has still not been accepted by the shareholders of Souq.com." (AP Photo/Kamran Jebreili, File)

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