

THE WORLD'S WEALTHIEST HOTELIER

It isn't uncommon for billionaires to own hotels, but normally it's an afterthought. With a significant part of his US\$18bn fortune owed to hospitality, **Prince Alwaleed bin Talal** is the exception to the rule

Words: Christian Sylt

Prince Alwaleed bin Talal bin Abdulazziz Al Saud is not necessarily a household name, but if you have ever stayed at The Savoy in London, the George V in Paris, New York's Plaza, the Four Seasons in Langkawi or the Raffles in the Seychelles, among others, then you have been a guest in one of his hotels.

Grandson of the founder of Saudi Arabia, Alwaleed was born in Riyadh in March 1955, but not one drop of his fortune comes from oil or inheritance. Instead, he built it up by buying shares that were cheap but expected to rise in value. It is known as bull investing, and Alwaleed is perhaps the world's biggest bull.

Over the past 30 years he has single-handedly built up a fortune worth \$20.4bn according to Bloomberg, and along the way, his investment firm Kingdom Holdings has snapped up for a song shares in the world's most famous brand names including Apple, Disney, Fairmont and Four Seasons.

"We are a very diversified holding company," says Alwaleed. "We are invested in real estate, aviation, petrochemicals, financial services, media and publishing, entertainment, health-care, education, retail, agriculture and hotels in two parts: hotel management and hotel real estate. We have strategic hotels that we will keep and many others that we buy, renovate, brand as one of our brands and then sell. So hotels and hotel real estate are a very big component of our holdings."

Building this portfolio up from scratch is a feat in itself, and Alwaleed's boundless energy comes across within moments of meeting him. He speaks in a manner that is concise, to the point and delivered in rapid-fire bursts, accompanied by wildly gesticulating hands. Without hesitation he recalls detailed information about all of Kingdom's investments.

In addition to its portfolio of storied properties, Kingdom's hotel management investments range from a 33.3 percent stake in Mövenpick Hotels & Resorts, to 35 percent of the five-star Fairmont Raffles group, which also owns Swissôtel. Kingdom's hotel holdings are crowned by a 47.5 percent stake in luxury hotel firm Four Seasons, which it owns with Bill Gates.



Alwaleed's 282-foot yacht, *Kingdom 5-KR*

BREAKING THE MOULD

Prince Alwaleed doesn't fit the stereotype of a typical sheikh. He wears western clothes outside Saudi Arabia, and with his black leather jacket, blue jeans, blue-tinted shades, jet-black moustache and slicked-back hair, he resembles a young Burt Reynolds.

Alwaleed says he "began taking life very seriously when I was 15 years old". He started soaking up business information as a youth by listening to the BBC news on the radio every day, and reading political magazines and newspapers.

In 1976 he began undergraduate studies in business at California's Menlo College, where he excelled and absorbed himself in US culture: "Back then, big names were at the back of my mind. For example, watching movies, it was Time Warner," he explains. Alwaleed obviously remained loyal to his instincts, since Kingdom now has more than \$150m invested in the company.

His break into business was kick-started with a \$30,000 loan from his father after graduating. He also gave him a house, which Alwaleed quickly mortgaged, raising around \$400,000, and each month, as a grandson of Saudi Arabia founder Ibn Saud, he receives a \$15,000 allowance. The prince was no pauper,

but it was still business savvy that built his billions. Rather than investing in oil, which Alwaleed says has a cyclical value, he instead sought secure returns. And so it was that he started out in property speculation, and banks soon came under his gaze.

Alwaleed made his name in 1991 when, at the bottom of the recession, he invested \$590m in Citicorp, which merged with Traveler's Group seven years later to create Citigroup, the world's biggest bank. Alwaleed's investment in the company soared in value and Kingdom's 14.9 percent stake is now worth \$14.3 billion.

Citigroup's turnaround made Alwaleed a boardroom celebrity overnight. The mere mention of him investing in companies is enough to make investors buy into the stock in anticipation of an upturn in their fortunes. It means that his Midas touch is now a self-fulfilling prophecy – and it's understandable that Alwaleed lives like a modern-day Arabian knight.

ROYAL ABODE

Prince Alwaleed is based in northern Riyadh, where other Al Saud princes reside in a kind of royal ghetto, but Alwaleed's abode is the grandest of them all. The gates to his family



Meeting former French president
Nicolas Sarkozy at The Louvre in Paris

home part at the words “open sesame” and the edifice at the end of the palm tree-lined drive is equally exotic.

His \$130m sand-coloured palace looks like a Four Seasons hotel, and inside, its 75-foot-high foyer is framed by dual winding staircases. The palace has 42,700 square metres of living space, 317 rooms, eight elevators, more than 500 televisions and 400 phones. Among the 180 walkie-talkie carrying palace staff, Alwaleed has a personal physician and full-time barber. But for the all the trappings of luxury, he doesn't spend much time relaxing.

“My schedule is straightforward. It is like a machine,” he says. Alwaleed gets by on five hours' sleep, and that sets his rhythm for the day. From 10am to 11am he exercises, then from midday until 5pm he works at his office. Lunch with his children lasts until 8pm, when he returns to the office for four more hours. He then burns the midnight oil by exercising and reading until 4am. At 5am he is finally ready to go to bed after saying morning prayers.

And his deal-making doesn't stop when he's on water or in the air. Alwaleed's 282-foot yacht is moored in Cannes every summer, and even when he is entertaining guests such as Sir Rocco Forte and Monaco's Prince Albert on one of the decks, his portable Bloomberg business information screen seems stuck to his lap.

Alwaleed named his floating palace *Kingdom 5-KR* after his lucky number five and his two children Khaled and Reem. The yacht's glitzy golden interior was already in place when Alwaleed bought it in 1991 for \$18m from US tycoon Donald Trump, who was on the brink of bankruptcy during the reces-

sion. It is now worth more than five times the amount Alwaleed paid for it, serving as proof that he selects his hobbies as shrewdly as his shareholdings.

Investment trips often involve travelling to tens of countries in a few weeks. To cram this all in, Alwaleed has a fleet of three Boeing aircraft, which carry his entourage of 75 people on every trip with him. He is even in the process of converting an Airbus A380 – the world's largest passenger plane – for his own personal use.

BUSINESS AND PLEASURE

Alwaleed can't bear to be out of touch and is proud that his mind is never off the ball. “It is a myth that to relax, a person has to be sunbathing and think of nothing. Forget it. I am against that. It's a myth. To me it is a myth to just go and be incommunicado for a week or 10 days. To me it is incomprehensible,” he says.

Alwaleed says he specialises in technology, media and hotel investments because “I understand them well.” However, he concedes that investing in hotels is a personal passion of his, and there is good reason why his hotel investments cover the star-rating spectrum – it mitigates risk.

“When we are in a down cycle, like we were some years ago, some five-star hotels get hit more, and those that are in the four-star range, like Mövenpick and Swissotel, will do better,” he says.

“When the economies of the world begin picking up, the luxurious hotels like the Four Seasons, the Raffles and the Fairmonts do better. It depends on which cycle of the industry you are in,” he adds.

He says that, right now, things are looking up for hospitality: “We are already seeing major pick-up in the world economies. We are seeing a lot of pick-up in Europe, the United States and the Far East. Clearly, there are still some weak points in the Middle East, like Egypt for example, and Syria, but in general there is a major pick-up in the hotel industry. Many hotels are almost back to the previous era we saw before the financial crisis, but some are not yet. We are moving in that direction for sure.”

Given Alwaleed's knack for spotting market trends, you can take this one to the bank. ■

PALATIAL PROPERTIES

Prince Alwaleed's five-star investments

Four Seasons George V Paris

The Plaza New York

The Savoy London

Four Seasons Hotel Beirut

Four Seasons Hotel Damascus

Four Seasons Resort Langkawi

Four Seasons Hotel Marrakech

Four Seasons Resort Mauritius

Raffles Hotel Le Royal

Raffles Grand Hotel d'Angkor

Raffles Resort Hotel Seychelles

Fairmont Mara Safari Club

Fairmont The Norfolk Hotel

Fairmont Mount Kenya Safari Club