

COVER STORY

Prince Alwaleed Bin Talal Bin AbdulAziz Alsaud is the world's biggest bull. By investing in depressed stocks whose value subsequently soared, he has amassed a fortune believed to be worth #20 billion and earned the status of being both the richest non-American investor in the world and the 11th-richest man alive. There is a mystique about him and when he says he looks for investments which provide long-term returns, he means it.

"You invest,

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The forever investor

By Christian Sylt and Charles Orton-Jones in Cannes

rince Alwaleed Bin Talal Bin AbdulAziz Alsaud has one of the world's largest private fortunes He and his 45 employees at Kingdom Holding Company have created a diverse list of holdings worth – even in a declining market - US\$19.7 billion. That's an impressive accumulation by a 47-year-old man who has more than half his business life still in front of him. From virtually nothing he has parlayed a small amount of money into one of the world's largest fortunes in 20 years. His performance as an investor has been unmatched, on average generating near 30 per cent growth on his money for the past 10 years.

In the history of the world, only Bill Gates has done better than him so quickly.

But this is no decadent individual. For all his money he lives the life of a careful billionaire, albeit with all the trappings of a huge fortune. For instance his yacht where he greets visitors on his annual trip to Europe is 25 years old. The 282-foot yacht, 'Kingdom 5-KR', had two pre-

vious illustrious owners, Adnan Khashoggi and Donald Trump, and Alwaleed is not in the least embarrassed about his 'second-hand yacht'.

Alwaleed is not only one of the world's richest men but also one of the most powerful. He has more facilities at hand than most European prime ministers. Probably only George Bush and the Saudi head of state have more resources available when travelling. He merely has to lift his arm an inch for a servant to spring to attention. This is a man whose life is catalogued and ordered down to the last half hour. His six-week trip to Europe every summer is planned a long time in advance.

His technique has been simple. He has always invested in uncertain times and in depressed stocks, sure in the knowledge that the good times would return. And they always have. At the peak of his wealth a year ago, he was probably worth US\$30 billion. Worldwide reverses in the stock market have knocked this back.

He is certainly the richest non-American investor in the world and currently the 11thrichest man alive. Alwaleed is different from most investors because he is what he calls a 'forever investor'. There is a mystique about him – when he says he looks for investments which provide long-term returns, he means it. Not many do.

Alwaleed is in buoyant mood during his European soujourn. He claims that the downturn has not affected him and he is prospering through it. This is, of course, bravado. He is as worried as the next man, but what he means is that the carnage caused by 11th September has been the perfect playground for forever investors to buy quality stocks very cheaply in the belief that their values will rise as markets recover. And Alwaleed is a prince among the bulls. When the market does recover, be it in two or even five years' time, Alwaleed will make billions. He can afford to wait.

The prince built up his business, Kingdom Holding company, by buying in the biggest bull markets of the 1980s and 1990s. Serious money was made in the '90s. And it is not only investment wealth he has created. He has also built Saudi Arabia's second-biggest company. Kingdom had a turnover of #6.9 billion in 2001, second only to that of SABIC, the petrochemical firm 70 per cent owned by

you get all your money back and you keep a small portion. That's a perfect example." the Saudi government. Total assets of the Kingdom Holding are estimated to be #19.7 billion, and this has been

created with just 45 employees. The prince is

the power behind this productivity and King-

dom is entirely his own creation, built up over

less than 20 years. He has had a remarkable rise from his fortunate birth which made him a citizen of two prosperous countries, Lebanon and Saudi Arabia. Born in Riyadh in March 1955, the prince was raised in Beirut by his Lebanese mother, Princess Mona El-Solh, daughter of Raid El-Solh, Lebanon's first prime minister. 'Bin' means 'son of' in Arabic and the prince's name stems from his father Prince Talal Bin AbdulAziz Alsaud, who in turn took his name from

his father, King Ibn AbdulAziz Alsaud, the founder of Saudi Arabia. He directly descends from the founders of both countries, giving him an extraordinary pedigree probably unmatched by any other Arab citizen.

The prince is a nephew of Saudi Arabia's current King Fahd. Despite his fantastic connections, Alwaleed has always worked on his own. His original start was based on the equity



PROFILE

in his house, which gave comfort to his bankers, and a #30,000 loan from his father. His father's other contribution was to give him a good grounding in finance after he gained a degree in business administration in 1979 from Menlo College in northern California.

Alwaleed mortgaged the house, raising around #400,000; and each month, as a grandson of Ibn Saud, he was the recipient of a #15,000 allowance.

He started by speculating on land. He found he had a natural feel for the property business, as certain gifted people do. By 1983, less than four years later, his bank account contained US\$450 million. It was an extraordinary start.

He bought land he thought was cheap. One early parcel cost him #1 million and he sold it within a year for #20 million. The absence of income tax in Saudi Arabia helped his capital grow; and by 1991, he was a comfortable billionaire and had enough to spend #590 million to rescue Citicorp, which had got into a mess at a time of severe strain in the US banking system.

It was the best business decision of his life, and in 10 years the US\$590 million multiplied 18 times. When Citicorp and Traveler's Group merged in April 1998, forming the world's largest financial institution, Citigroup, Alwaleed became the largest shareholder in the largest US bank. His shares are now worth #10 billion. He refers to Citigroup as his 'home brand'.

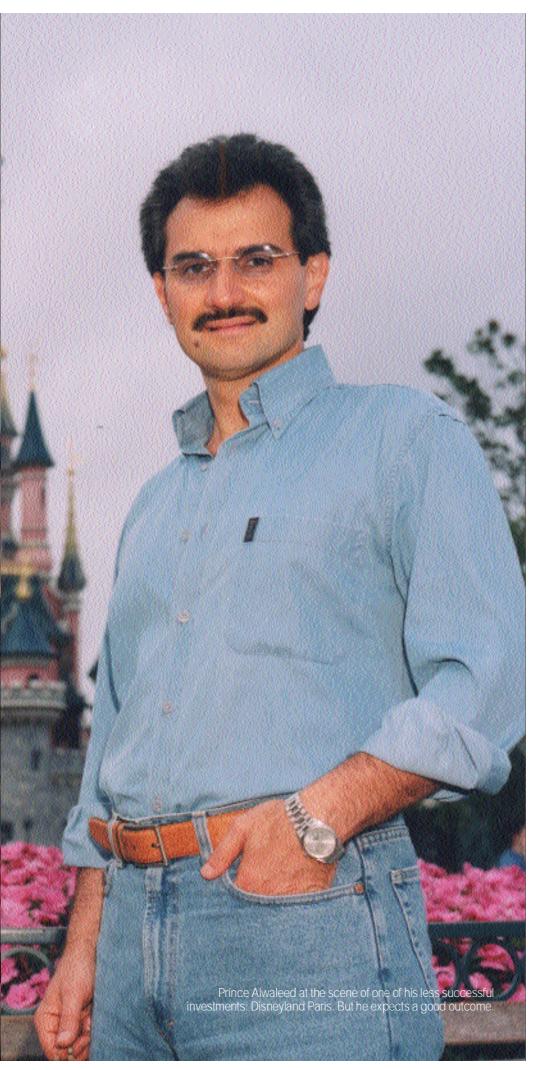
The Citigroup deal turned Alwaleed into a celebrity. It was a remarkable piece of genius. At the time no one else would have invested a dollar in Citicorp, and many thought it was headed for Chapter 11 and government rescue. Alwaleed saw it differently, and was the only investor to look underneath the skin. The mere mention of Prince Alwaleed investing in companies is enough to increase interest in them, and make more investors buy the stocks in anticipation of an upturn in their fortunes. So, as demand exceeds supply, the share prices rise and the prophecy that the prince can turn companies around becomes self-fulfilling.

Alwaleed's success and reputation often sits in stark contrast to the extravagance of his royal cousins. Alwaleed is a fitness fantastic who doesn't smoke, drink, womanise or gamble and is a model citizen of the oil state.

The world's press has consequently piled praise on the prince. He has been labelled an 'Arabian Warren Buffett' and, as the growth of his empire was gathering speed in 1995, *BusinessWeek* endorsed the idea that by 2010 he could be 'the most powerful and influential businessman on earth'. He's well on his way.

As early as 1997, *Forbes* ranked Alwaleed second after Bill Gates on its International Power Elite list. By 1998 he was ranked 12th on the Forbes rich list with a net worth of #13.3 billion, and the following year he had crept up three places to #15 billion. By 2000 and 2001 he was worth #20 billion and was placed sixth for both years, only to be dropped to 11th in 2002 by members of the wealthy Walton family as the value of Wal-Mart soared.

Meeting Alwaleed, the appearance of >



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He stands one metre 73 and although he wears traditional Arabic garb at home in Riyadh, he wears Western clothes everywhere else. He has recently adopted casual dress of business in line with the rest of the world. With a jet black moustache and slick black hair, he resembles a youthful Burt Reynolds and exudes a certain star quality. In a crowded room there is no mistaking who he is. He has that star presence. For the interviews he feels comfortable in blue jeans, blue-tinted sunglasses and a blue shirt slightly unbuttoned to reveal a hairy chest. Alwaleed is relaxed on the Côte d'Azur, far from the toils of his rigorous routine in Riyadh where he has a home that reputedly cost #130 million to build and boasts 42,700 square metres of living space with 317 rooms, 520 televisions, and a 2,800 square metre kitchen. But in keeping with tradition he spends the weekends in a high-tech tented desert encampment outside Riyadh with large television sets, faxes and computers which appear out of place among the sand dunes.

Regardless of where he is, the daily schedule is demanding, if unusual. He gets by on five hours' sleep and that sets his rhythm. From 10am to 11am he exercises. And then from 11.30am to 4pm he works on Kingdom Holding business. Then he has lunch with his children, which he never misses. He returns to work on Kingdom Holding from 7.30pm until 2am, and then burns the midnight oil by exercising until 3.30am. At 5am he is finally ready to go to bed, after reading and saying morning prayers.

morning prayers.

But that is a normal day.

Alwaleed is a driven man, ready to work 24 hours a day if need be. As he says: "What drives me right now is success, results, performance is and achievement."

As well as the yacht Alwaleed has all the toys: two private jets, a Boeing 737 and a Boeing 767. He also has 250 cars, a #20 million sports complex with an Olympic-size swimming pool and bowling alley. And although Cannes is a holiday for him, in reality, work is never far away. He is an information junkie and believes information is the key to successful investing.

As a consequence Alwaleed can't stand being out of touch. His wired world is powered by a pair of servers linked to four top-speed T-1 broadband connections hooked up to a network node in Boston. He demands permanent T-1 or equivalent access, not just at his palace or the desert camp, but on the boat, on his planes and in hotel rooms.

So paranoid is the prince of missing breaking news that, every day, wherever he happens to be in the world, he gets the main international

newspapers faxed to him cover to cover. It's perhaps not surprising considering he has around #19 billion bound up in international companies, but it's not only news that he can't stand to be apart from.

The prince wants the most up-to-date information on anything which could possibly affect his life, and with the most modern technology at his disposal he can almost be in two places at the same time. To choose a new car, Alwaleed even sent his head of travel, complete with equipment, to the Bentley factory in England so he could beam pictures of the new models back to Riyadh. He finally settled for a darkblue Azure convertible. In fact cars are one of his pleasures, along with the latest computer equipment.

Alwaleed's IT equipment in his luggage for a trip include printers, photocopiers, laptops, walkie-talkies, Iridium phone sets and, last but not at all least, his special telephone console which acts as a hotline, programmed to ring the palace in Riyadh from anywhere in the world at any time at the touch of a speed-dial button. His retinue and his two planes are more sophisticated and comprehensive than that of most heads of state.

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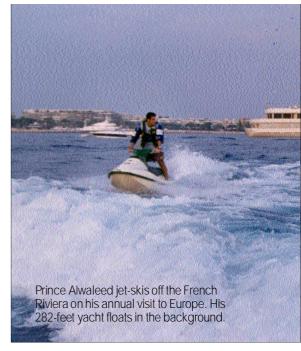
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company, he becomes its enthusiastic salesman and a user of its products. Since he took a #79 million investment in Kodak, he has used its digital cameras. Computer equipment comes from Hewlett-Packard, of which he owns one per cent, worth #379 million. Similarly, his phone equipment is made by Motorola, where he also has a one per cent stake, worth #235 million. Because he owns a #713 million stake in News Corporation, he reads Rupert Murdoch's papers first. He tunes in to CNN for the bulk of his business news because of his #513 million investment in its parent company

AOL Time Warner. "I am very biased to my companies," he explains. And for someone who is clearly very interested in media, banking, travel, technology and telecoms, it's no accident that the overwhelming majority of his holdings fall into these groups.

"My portfolio is very diversified," says Alwaleed, before adding that "my hotel part is very important... we have three or four billion dollars in hotels". In fact, as Warren Buffet specialises in insurance, Alwaleed seems to take interests in hotels as this is the sector in which he has made the most investments. So important is this that in April, his Middle East and North African hotel holdings alone were merged into a single company dedicated to investments in the sector. The group currently owns 12 hotel properties worth over #1 billion. Alwaleed is planning to float this company in four or five years, although he has not yet decided on which market.

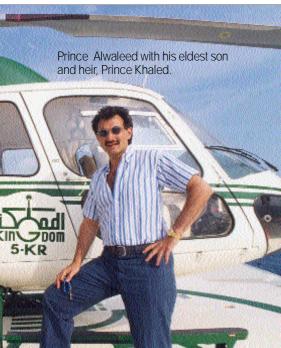
The portfolio of hotel investments is still crowned by his oldest interest, that of the global

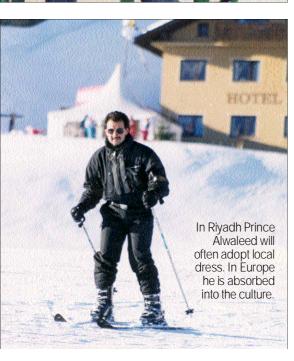












luxury chain Four Seasons. His corporate investments were put together at low prices over a period of years. He proved he can also pay over the odds when he sees a good thing, swooping on Four Seasons. His 27 per cent stake dates back to April 1994 when he bid 50 per cent above the market value and for #120 million got a 27 per cent stake. It was all done in a few days.

Alwaleed proved that lightning can strike twice: Repeating this trick in the same year, he purchased a 50 per cent stake in the Fairmont hotel chain. The company merged with Canadian Pacific Hotels and Resorts in 2000, and Alwaleed now owns 18 per cent of the combined company, which has predominantly US and Canadian hotels, including Boston's best hotel the Copley Plaza, the top ski resort in British Columbia, Chateau Whistler, and Barbadian glamour spot, the Glitter Bay hotel.

To top off his hospitality holdings, he secured a 30 per cent stake in Swiss chain Mövenpick Hotels & Resorts in 1997 and he has since used this as a vehicle for expanding in the Middle East, which included a #140 million hotel on the seafront in his hometown of Beirut.

But Alwaleed's most astute move has been the acquisition of actual properties. Many of

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Four Seasons' and Fairmont's hotels are simply managed by the two companies, not owned by them.

Alwaleed picked the best of the bunch and bought them himself. He personally owns some of the grandest hotels in the world, including the Pierre in New York, the Regent Beverly Wiltshire in Los Angeles, the George V in Paris and the Four Seasons in London.

He also owns 50 per cent of New York's landmark Plaza Hotel and half of Cairo's #300 million Nile Plaza Complex. which includes a Four Seasons

hotel. He purchased the Boston Copley Plaza for Fairmont outright in 1999, but his biggest gains have come from the two Four Seasons hotels he owns lock, stock and barrel - the hotel on London's prestigious Park Lane and the Parisian grande dame, the George V.

The prince proudly proclaims that the George V is the 'best hotel in France', and it's come a long way since he bought it in 1996 for #141 million. After gutting the hotel and closing it for two years, Alwaleed gave it his Midas touch with a #110 renovation project. And proving that he leads by his own example, Alwaleed didn't just restore the hotel to the luxury levels of Art Deco elegance which it was renowned for when it opened in 1928, he also made sure it is a high-tech haven for the 21st century without destroying its essential character.

In contrast to the dozen celebrated 17th- and 18th-century tapestries from Aubesson and Flanders which are the centrepieces of the new George V, the technology to tempt guests to its rooms looks like it's straight out of a plane cockpit. All rooms are equipped with a satellite

television, fax hook-up and multi-line telephones with data ports. And, of course, guests can access the internet from anywhere in the hotel using its 'wayport' system. Alwaleed expects a 300 per cent return on his investment in the hotel over the next few years, despite the high spending. Even though Paris is bucking the global downturn in the hospitality industry, this is a bold boast to make.

Didier le Calvez, general manager of the George V, now a close confident of Alwaleed, says the hotel is 'lucky enough to be able to offer all the characteristics appealing to a leisure traveller – a historical hotel, a great location, personalised rooms, a terrific spa and an awardwinning restaurant, as well as all the required business facilities'. This goes some way to explaining the hotel's high occupancy rates of around 80 per cent. It has tapped into both business and leisure guests, each category providing around half of the visitors.

With such a successful formula for buying hotels and branding them in the chains he has invested in, it's no surprise that Alwaleed is in talks about 'solidifying' his hotel assets. The hospitality sector is ripe for the picking, as it is still struggling to wake up after the recent slump. "When I say solidify, it means increase

> your stake in more real estate to boost the portfolio and to increase the value of the management company," he explains. So another acquisition may be just around the corner.

> "We are on the verge of signing the Hôtel des Bergues in Geneva," he says. The price-tag for this hotel, one of the oldest in Switzerland, is estimated to be #80 million. Having hosted many kings and queens in its 168-year history, it would fit into the Four Seasons chain, says the prince.

The prince may love his hotels but his real passion is his financial investments. He falls in love with

them and never wants to sell. It has earned him the tag 'forever investor', one of which he is proud. But he says it is nothing to do with emotion: "When we decide to stay with a company it is based on economical and financial criteria, not on sentiments," he admits.

But sentiment and emotion are apparent right through his business. Alwaleed may be driven by dollars and cents but many of his investments are based on anything but. His daughter liked the clothes at New York's famous fashion retailer Donna Karan - so much so that he bought a stake worth #20 million.

Some feel he takes the forever investing a bit far when he says: "There are some assets that I would never sell," he says. "My Citigroup shares will never be sold, my Four Seasons shares will never be sold, some of my strategic hotels, for example the George V, will never be sold. My News Corporation shares will never be sold and my America Online shares will never be sold. These are strategic investments that will never be sold."

He continues: "Rather than thinking in ⊳



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But it's not all long term. Alwaleed admits that he's a trader at heart and insists he has a trading portfolio rather than an investment portfolio, even though 'short-term' investing for him means holding on to shares for anything from five to 15 years, while a 'long-term' approach can stretch beyond 25 years. So if his reasons for retaining certain stocks 'forever' aren't sentimental, what does he mean by 'strategic'?

Insiders note that since block-selling many of these significant interests would deluge the market and cause their share prices to fall, this is reason enough for Alwaleed to retain them. And with an immense income each year from

the dividends the companies pay out, being bound to keep the shares is something that the prince is more than happy to concede: "I am with these companies forever because the potential is open for them. If you ask me why I am with Citigroup forever, it is because it has a trillion dollars of assets, US\$92.5 billion of equity, presence in 104 nations, 125 million customers, profits of US\$9.4 billion in the first six months of this year and a price-earnings ratio of 10." In other worlds he sees plenty of upside in his forever companies:

"These are companies that still have incredible growth in front of them." And there lies Alwaleed's real genius. It's one thing being able to select depressed shares in anticipation that the markets will bounce back, but it is a specific skill to home in on several stocks with the kind of growth potential that saw the value of Alwaleed's five per cent holding in Apple Computers rise by more than 200 per cent between 1997 and 2000. What's more, the prince says he bought the shares he won't sell with the intention of never realising these investments. "I bought to stay," he says, and on the whole his intuitions have proved well-founded.

His personal strategy to find such stocks is surprisingly straightforward. The common factors to the companies which Alwaleed invests in are that they 'have a global presence and are facing difficulties, either because of cyclical events, economic downturn or management which isn't solid." Once Alwaleed has isolated a potential target, he looks at the strength of its balance sheet to assess whether five- to 10-year prospects are favourable. The power of its brand worldwide is integral to this: the wider and stronger the brand, the greater the growth potential once the current

problems are resolved. Consistent growth is Alwaleed's goal.

Finally, Alwaleed says that there has to be a strong management team in place to execute a corporate recovery plan. The hallmarks of good management, he says, are 'integrity, straightforwardness, openness, having a good strategy and good planning ability'. He adds that the recent spate of scandals surrounding corporate governance in the US has actually made these qualities easier to perceive – as businesses have been forced to clean up their practices, the success of a company rests squarely on the strength of its management.

It is perhaps ominous that in the aftermath of 11th September, Alwaleed didn't buy any stocks in airlines whose value plummeted. Airline companies are 'very cyclical'" in their performance, says Alwaleed, with undisguised distaste for the investment value.

He doesn't get involved in flights of fancy, although recently he gave his son permission to buy the French Prost Formula One team. But when he examined the figures he changed his mind.

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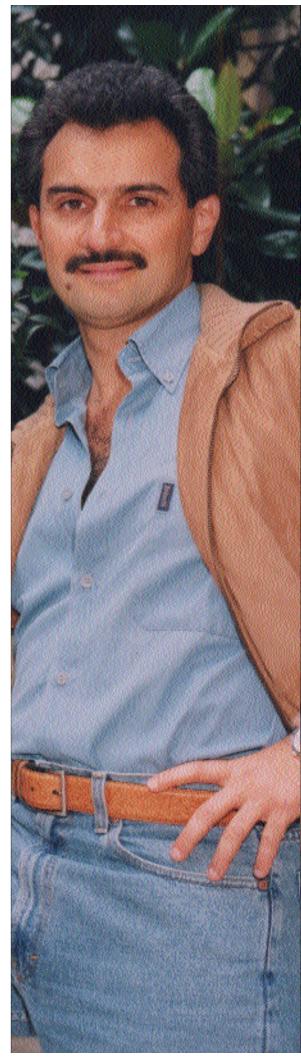
For 'philosophical and religious decisions', Alwaleed won't invest in gambling, alcohol and cigarettes. Religious and moral sensibilities do not, however, affect where Alwaleed invests – he says that Kingdom Holding will consider investing anywhere in the world.

Some times he talks like classic Buffett: "My job is to minimise the risk." He aims for a 15 per cent minimum annual return on his money. He says that in fact he has yielded a 28.5 per cent average rate of return over the last 10 years.

Critics have questioned his exit strategy and timing, and Alwaleed does not instil confidence when he comments that "I do not try to pinpoint where is the bottom and where is the ceiling of a market. I buy a company and just live with it." But the 2001 sale of his shares in London's Canary Wharf, the largest European real-estate project, proves that when Alwaleed realises a deal it is planned with the same precision as his purchases.

Alwaleed was one of a group of investors who funded Canadian entrepreneur's Paul Reichmann's buy-back of the 34.4-hectare estate in London's docklands from its bankers in 1995 for #1.3 billion. Alwaleed invested #63 million for six per cent. It was never one of his 'forever investments' and in January 2001 he sold two-thirds of his stake, raising #192 million. He calculates that the internal rate of return over the five years of the investment was a healthy 47.7 per cent per year, and accordingly holds this up as a case study of the right time to realise an investment. "You invest, you make 300 per cent, you get all your money back and you keep a small portion. That's a perfect example," he says.

Alwaleed is unusual in that he doesn't sit on the boards of any of the companies he invests in.





The reason is simple: he never wants to be classified as an 'insider' and therefore restricted in his investment habits. He pledges that he will never do this because he believes he can be a bigger influence from the outside. He explains: "If the boards make a mistake, you can hammer them as much as you want. If you are inside, you have to hammer yourself."

Alwaleed's other secret is that whilst others only talk about it, Alwaleed practises the art of synergy between his various investments. Next year marks the opening of Citigroup's new global headquarters on the Canary Wharf development. Close by is the UK's newest Four Seasons hotel. Similarly, it seems no coincidence that at Disneyland Paris, where the prince owns an 18 per cent stake, there are Planet Hollywood restaurants in which the prince is also a backer.

The investment cycle is never-ending for Alwaleed. Once he has exited a company, he says that "the objective is to make more out of the money somewhere else".

He takes extraordinary care over choosing the

people who work with him. In fact Alwaleed is as choosy over his staff members as he is over his investments.

He has 10 crucial employees, close advisers who assist him in decisions. Five come from Citigroup's private-banking arm and the prince is accompanied by one of them on his travels, to provide investment-banking services when needed.

Employees must be able to work 24 hours a day in cases of emergency; be fluent in both English and Arabic; and be able to translate both ways as well as type in them. All his staff are also technologically well-versed and believe in God –

both key attributes in order to fit in well with Alwaleed's lifestyle.

The five key attributes he looks for are 'honesty, integrity, straightforwardness, openness and dialogue'. Alwaleed emphasises that he prefers colleagues who are critical of his suggestions instead of simply agreeing with him, which provides little constructive feedback. The prince points out, however, that he has the final word on all his investment decisions. However, not only do his team of advisers help him pick profitable stocks, they also make the right match.

As Alwaleed takes a long-term view in every sense, it is no surprise when he reveals that commitment is the final crucial characteristic that he wants to find in his staff. He says he has hardly changed his team of advisers at all in the past 10 years.

But all the money and all the best advisers in the world haven't been able to stop Alwaleed making some mistakes. "With a big portfolio like this there is no way that all the companies will be all right," he says. Bearing in mind the huge amounts that Alwaleed pours into his investments, it is perhaps not surprising that when they go wrong they go very wrong indeed.

Alwaleed claims to have lost #640 million in four hours one day, but says that he didn't lose his nerve; rather, he looked at what to buy. "When there's a panic I'm always happy," he says, but being a technophile, it seems he might sometimes find it hard to draw the line between business and pleasure.

He couldn't ignore the dotcom boom and caught a cold, although he managed to restrict some of his investments to companies that survived. With his background, he fully understood the risks and the rewards. In 2000 he invested #50 million in priceline.com, the travel website. The shares subsequently slumped nearly 90 per cent and, looking further down the line, he raised his shareholding to #100 million. He also has a #50 million stake each in eBay, Amazon.com and America Online. Rare examples of dotcoms that had solid revenue streams: "I saw that some companies couldn't sustain being there," he says, explaining that many dotcom companies

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made erroneous claims that the internet could be much more than a means of communication, and it was this hype which ultimately led to their downfall. Alwaleed lost #2.3 billion as the dotcom bubble burst.

Alwaleed admits that "America Online is being beaten badly now because of the SEC [Securities and Exchange Commission] investigation, the change in management and because the number of online subscribers is not increasing." However, he adds, 'it is down but not out'.

He also has other risky technology investments where the jury is still out. In 1998 Alwaleed signed a #200 million

deal to acquire 16 per cent of Teledesic, a wireless network based on a series of satellites, which is also backed by Boeing, Microsoft's Bill Gates and cellular pioneer Craig McCaw.

He has also dabbled in another disastrous area: telecoms. He has a 50 per cent share in a telecoms firm called Silki La Silki. In 1990 he merged Silki La Silki, Arabia Online, National Electronic Company and National Group Communication to form Silki La Silki National Communication. Besides building payphone networks in Saudi Arabia and Syria, Silki La Silki is also working on a satellite network which will cover 99 countries in the Middle East and Africa. So as the 270 million Arabs in the Middle East inexorably, albeit slowly, get wired, once again the prince can leverage synergies between his brands to make a profit. With his background he has to believe in the future of telecommunications, and will probably dominate the business in the Middle East.

One of his more famous investments is Disneyland Paris. Alwaleed invested #345 million in 1994 to acquire 24 per cent of the company and rescue the theme park from a risk of \triangleright

THE ALWALEED PORTFOLIO 2002			
	Market Capital (#million)	Alwaleed Holding (% of market capital)	Value of Holding (#million)
Banking			
Citigroup	150,000	6.6	10,000
Saudi American Bank	2,570	7.2	185 *
Al-Azizia Commercial Investment	500	20	100 *
Technology			
Apple Computers	5,000	5	250
Hewlett-Packard	37,900	1	379
Kodak	7,900	1	79
Telecom	,		
Teledesic	1,300	15.3	199
Motorola	23,500	1	235
Silki La Silki Communications	500	50	250 *
Internet	000	30	200
Amazon.com	6,200	<1	62
eBay.com	14,800	<1	52
priceline.com	321	5.4	173
Media and Entertainment	321	3.4	173
AOL Time Werner	F1 200	1	Г12
AOL Time Warner	51,300		513
News Corp.	23,000	3.1	713
Mediaset	77,000	2.3	1,800 *
Arab Radio and Television	920	25	230 *
Disneyland Paris	2,000	18	346
Walt Disney	31,300	1	313 *
Planet Hollywood			
Hotels, Real Estate and Construction			
Four Seasons Hotels and Resorts	1,000	22	220
Mövenpick Hotels and Resorts	400	30	120 *
Fairmont Hotels	1,800	18	324
George V Hotel	300	100	300 *
Plaza New York	500	50	250 *
Kingdom Centre	600	32.5	195 *
Kingdom City	108	39	42 *
Kingdom Hotel Investment Group	211	48	101 *
Ballast Nedam	244	3	7
Retail and Consumer Products		-	
Saks Fifth Avenue	1,000	10	100 *
Proctor & Gamble	115,700	1	1,150
Pepsi	66,200	1	662
Automobiles and Manufacturing	30,200	1	302
Ford Motor Company	17,200	<1	50
National Industrialization Company	228	30	68
Agriculture	220	30	00
Savola Group	900	18	162
Health and Education	700	10	102
Kingdom Hospital	70	2/ /	25.*
Kingdom Hospital Kingdom Schools	70 89	36.4	25 * 27 *
KINGUOTI SCHOOIS	09	30	
19,682			

* = unlisted company, approximate figure

closure. He now has an 18 per cent stake, and has watched the company experience a slow renaissance. Its shares were the best-performing stocks on the French CAC 40 index last year and it is now Europe's most-visited theme park. Alwaleed has seen the management change three times and is naturally cautious about the park's financial future, saying: "This is one of the long-term projects, maybe about 10 years." He even mentions the possibility of providing more capital himself to fund future developments there if internal cash flow is not sufficient.

In late 2002, Alwaleed admits he has become a victim of his own success and other people's expectations. Having made his first #20 billion, he knows the next one will be much much harder. He admits that it will not be easy to

repeat his prior success. The biggest challenge he faces now is finding opportunities that 'will maintain the good return we have had lately'. He is is still investigating new markets, and although Russia looms on the horizon, it provokes a rare display of hesitancy: "We're not there yet. We can't be all over."

He is enthusiastic about investing in Eastern Europe, although he fires off a warning signal to the European Commission by saying that he is discouraged from investing in Europe because of tax and labour regulations. He says he can't ignore the sheer weight of China as a growth area with 1.5 billion people, and the 'sleeping giant' of Japan is also particularly attractive for those waiting for it to wake up from 11 years of recession.

Palestine is the other area in which Alwaleed

has a strong vested interest. He has a #5 million stake in the Palestinian Development and Investment Company, and, as well as visiting Palestine three times over the past few years, the prince has also extended his support to Palestinians through donations totalling around #55 million and investments aimed at developing the infrastructure there.

Alwaleed first visited the Gaza Strip in 1998 when he presented a Boeing 727 to the Palestinian state. "The priority," he says, "is to have things stabilised there, have the Palestinian people prosper and stop the killing by the Israelis."

Alwaleed's charity work is renowned throughout the Middle East, where he is known as the People's prince. During the month of Ramadan he goes round on foot to needy neighbourhoods in Saudi Arabia, distributing charity. To avoid repeat donations, the aides accompanying him note recipients' social-security numbers on their laptop computers.

The prince says that the law of Islam designates he should give to charity 2.5 per cent of his wealth 'according to a certain formula', but adds that he often gives more than this amount, which is believed to be total over #100 million a year. And it's not only in the Middle East where he has shown such generosity.

Soon after the attacks of 11th September Alwaleed visited Ground Zero, taking with him a donation of #10 million to then New York City Mayor Rudolph Giuliani. However, the prince's offer was later turned down after he released a statement saying that the US should re-examine its policy in the Middle East and adopt a more balanced stance towards the Palestinian cause.

Determined to the last, the prince has since reiterated the remarks that irked Giuliani. But, proving that this is far from a business issue, in recent months he has been one of the most vocal commentators, saying that Saudi investors are fleeing the US after Saudi banks and members of the royal family were named in a #1 trillion lawsuit filed by relatives of 11th September victims.

In fact, in March this year, the prince announced he had spent #1 billion on Wall Street in the previous six months, largely on growing his Citigroup and AOL stakes. So by carefully buying shares which had tumbled in value since the attacks, Alwaleed may be one of the few able to profit from 11th September.

What is left for Alwaleed to achieve? Given his, status and proven diplomacy it has been suggested that he could become Lebanon's next prime minister, but Alwaleed strongly denies this. "I am a Saudi businessman, I am happy with what I am doing."

He says he will never retire and will die in the saddle: "I believe a person should retire when he dies." He says he is unconcerned with his status amongst the world's richest 400 people, preferring to spare a thought for the 6.9 billion people who are less fortunate than him and thank God for being where he is.

He says he is currently 'serene', which seems to sit uneasily with his belief that "at the end of the day, the only barometer of achieving results is success and making profits".