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Twitter sells stake to Murdoch-linked Saudi prince

Prince Alwaleed bin Talal, Arab world's richest man, sinks £300m into site, acquiring 3.75% of Twitter shares

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Tue 20 Dec 2011 05.01 EST

The Saudi billionaire **Prince Alwaleed bin Talal**, the Arab world's richest man and News Corporation's second largest shareholder after Rupert Murdoch, has taken a \$300m (£193m) stake in Twitter.

Alwaleed, a nephew of Saudi Arabia's king estimated by Forbes to have a net worth of about \$20bn, has secured a stake estimated at about 3.75% in the micro-blogging site after "months of negotiations".

The timing of his investment has raised eyebrows given the key role Twitter has played as a tool for Arab activists across the Middle East to organise protests and voice their opposition to oppressive regimes. Several Arabs tweeted that they were worried Alwaleed's purchase could influence Twitter's strategy negatively

While Arabic accounts for just 1.2% of all public tweets, the volume of messages has grown by a factor of 22 over the year due in large part to the Arab Spring uprisings, according to French research firm Semiocast.

The micro-blogging site has more than 100 million active users.

Alwaleed has made the acquisition in conjunction with Kingdom Holding Company, his investment vehicle, which has an array of ventures. Earlier this year, the company announced a £736m deal to build the world's tallest tower in the Red Sea city of Jeddah in Saudi Arabia.

The prince has a wide range of media interests, including a 30% stake in a publishing business that runs influential Arabic language newspaper Asharq al-Awsat, and has plans to launch a new Arabic news channel that aims to challenge established players such as al-Jazeera.

"Our investment in Twitter reaffirms our ability in identifying suitable opportunities to invest in promising, high-growth businesses with a global impact," said Alwaleed.

The prince's wife, Princess Ameerah al-Taweel, is a regular Twitter user and has more than 83,000 followers on the site.

A spokeswoman for Twitter confirmed that the investment had taken place but would not provide any further detailed comment on whether Alwaleed or KHC has gained a seat on the board that could lead to influence over the business or any of its future output.

However, Ahmed Halawani, executive director of private equity and international investments at KHC, said that while Twitter will "fundamentally change" the media landscape, the investment was strategic, not political.

"Twitter will capture and monetise this positive trend," he said. Alwaleed's investment could value Twitter at \$10bn, according to some analysts.

The research firm eMarketer estimates Twitter will generate close to \$140m in ad revenue this year and \$260m in 2012.

Alwaleed's KHC has stakes in companies including Citigroup, Disney, Apple and Canary Wharf.

In the mid-1990s, his interest in the US entertainment industry led to a joint venture with Michael Jackson. They launched Kingdom Entertainment, to develop movies, books, hotels, recordings and theme parks all based on "family values", but the project eventually ran out of steam.

Alwaleed holds a mixture of western and Islamic values and he has in the past upheld women's rights; his wife leads a charitable foundation and appears in public without a veil.

While upheaval in the Middle East has put many regimes on the defensive - Saudi Arabia announced a \$130bn social spending initiative to avoid Arab spring style protests - he has argued in print for broader political participation, fair elections and job creation.

He has been a longtime ally of the Murdochs, backing the reappointment of Rupert and his sons James and Lachlan to the News Corp board amid a shareholder revolt at the company's annual general meeting in October, and has previously talked about the importance of ethics.

An interview given to BBC Newsnight aboard his yacht in Cannes in July is widely credited as contributing to the resignation of the News International chief executive, Rebekah Brooks. She resigned the day after his comments on ethics; reports around the world claimed **it was a result of Alwaleed's interview**.

Last year, Rupert Murdoch's News Corporation took an initial 9.09% stake in Rotana Media Group, which is Alwaleed's film, TV and music business, with an option to increase that to 18.18% over the course of 18 months.

In August, social media investor DST Global, the investment fund led by Russian billionaire Yuri Milner, took a \$400m stake in Twitter. DST Global also owns stakes in Zynga and Groupon.

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