

Winemaker with a nose for a fine deal

Harry Wallop talks to magnate and bon viveur Richard Balfour-Lynn

EVEN the most prolific pastry chef would struggle to bake enough pies for Richard Balfour-Lynn to put his fingers in.

Last week the hotelier, property developer and serial dealmaker was picking grapes. Not just any grapes, mind you. They were his own lovingly nurtured chardonnay, pinot noir and pinot meunier grapes, grown on his estate in Kent. They will go into making Balfour brut rosé, an English sparkling wine that Balfour-Lynn has serious ambitions for. In a blind tasting last month the 2004 vintage came within a whisker of beating one of the most famous rosé Champagne houses: Laurent Perrier.

The 2006 harvest should yield a record 22,000 bottles that will – he predicts – be “absolutely lovely”.

Trying to beat bigger rivals has become a bit of an obsession for Balfour-Lynn.

After he finished picking the grapes, he returned to his London office to plot the next move for his property, retail, hotel and conference empire.

Over the last year the empire has grown considerably and according to records at Companies House Balfour-Lynn holds 156 directorships. That’s a lot of pies, even if many of them are related to Marylebone Warwick Balfour, the property firm he runs.

Everything from Liberty, the department store, to The Grand hotel in Brighton, to the Greenall’s gin distillery in Warrington are now under his stewardship.

If these assets were not trophies enough, he has recently taken over part of the Prudential building in Holborn,

Fact file

Name Richard Balfour-Lynn
Job Chief executive, Marylebone Warwick Balfour, chairman MWB Business Exchange and Alternative Hotel Group.
Age 53
Family Married to Leslie. Sons, 21 and 15, daughters, 23 and 13.
Homes London; Kent; Cap d’Antibes, France; Plettenberg Bay, South Africa.
Favourite Film Dirty Rotten Scoundrels. “I could have said some classic film. But the truth is I love Michael Caine. It’s a very funny movie.”

London, transforming a wing of the iconic red-brick site into a conference venue.

When I visited, executives from J Sainsbury were secreted away in the meeting rooms, which keep the character of the building, but offer a low-cost alternative to a hotel room.

It is appropriate that Balfour-Lynn has found himself in charge of the cast-iron Prudential safes that are still in the basement. He can remember as a boy visiting his grandfather – a Jewish exile from Lithuania – when the “man from the Pru came round to collect a penny for our pensions, and all the money came to this building to be collected”.

Now it is Balfour-Lynn who is collecting the pennies.

But he has not always had such an assured place at the top of the pile. In 2002 Marylebone Warwick Balfour paid the price for an acquisition spree – its debts

ballooned, while the share price tumbled.

Isn’t there a risk he is over-expanding once again?

“Although we are aggressive and entrepreneurial, we are very defensive financially. We have very strong cash flows,” he says.

He believes that the economy is on his side, and there will be plenty of buyers for any assets he puts up for sale. “There is money coming from China, from Russia, from petrodollars. There is a wall of money looking for a home.”

Balfour-Lynn will be putting a steady stream of assets on to the market over the next couple of years.

Among the array of pastry goods on Balfour-Lynn’s table, there are two big pies that stand out. One is the listed property company Marylebone Warwick, where he is chief executive and 10pc shareholder.

This company is slowly being wound down and the board has promised to return cash to shareholders by 2008.

This involves selling all the properties, except some favoured assets such as the 27 Hotel du Vin and Malmaison boutique hotels. These venues, frequently featured in glossy style magazines, could be floated or perhaps sold on.

This would be enough work for most people, but not Balfour-Lynn. He and his fellow directors earlier this year set up the privately-owned Alternative Hotel Group – the other pie. Its aim is to snap up hotel assets that can be re-energized.

Hang on a second, I ask, what do the MWB shareholders think of you spending most of your time at another company,



Fingers in many pies: Balfour-Lynn’s latest venture involves turning part of the Prudential building in London into a conference venue

buying up assets that they might want a part of?

“Our shareholders gave us permission. We didn’t do this in a divisive manner, it wasn’t done secretly. It was put on the table and discussed.”

AHG didn’t take long to make its mark. This summer it was involved in a furious bidding war for De Vere Hotels. Most of the fury came from Balfour-Lynn, who kept on increasing his offer, even though the rival bidder Permira never tabled a proper bid. He eventually shelled out £1.1bn.

Bankers suggest he got over-excited and paid too much. He insists that isn’t true and the collection of assets will make him a good return. Included in the deal is the Greenalls distilling business, which he thinks could reclaim some of its glory days.

It is the hotels and their potential to become major conference facilities that most excite him, however.

A year ago he spent £325m buying Rentokil’s conference

facilities, which he describes as “looking like prison cells and not places you’d want to be in for the day.” The food was, apparently, no better than school fare.

He has merged them with De Vere to knock them into shape. The Prudential building has been added to this business and with 30 venues, De Vere is the biggest conference business in UK.

After all the frenetic activity of the last year, Balfour-Lynn says he will take a breather to bed down the De Vere deal.

And then it will be back to the coalface – buying and selling properties, growing grapes. How does he have time to do it all?

“I live a busy life. There is no question about it. I’m involved in very interesting businesses. But I am surrounded by very bright people. I’m not a one-man band.”

With that he thrusts a bottle of fizz in my hand – and very tasty it is too – and rushes off to bake another pie.

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