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THE AUSTRALIAN[™] BUSINESS REVIEW

BUSINESS

David Prior invests \$40m in Scottish whisky distillery



David Prior enjoys a Bladnoch whisky at his Toorak home. Picture: David Geraghty.

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ELI GREENBLAT
Senior Business reporter | Melbourne | @EliGreenblat

David Prior looks remarkably relaxed for a man who just plunged around half his net worth into a sleepy 200-year-old whisky distillery in the Scottish Lowlands, and that's after discovering he needs to pour another \$10 million into the distillery's tumbledown infrastructure.

Prior is a lifelong snifter of Scotland's greatest gift to the world — his tip for the best way to enjoy whisky is to add a splash of water — so, if his plans to revive the mothballed Bladnoch distillery go sour he will at least be left with warehouses packed with enough ageing whisky to last him several lifetimes.



He also has the complete backing of his wife, Sallie. When told about his scheme to take the \$80m the couple had banked from selling their organic yoghurt start-up “five:am” and partly invest it in a bankrupt whisky distillery on the other side of the world, she told him to embrace his passion.

But Prior, who in his 1920s Great Gatsby style mansion in Toorak seems something of a whisky laird of Scotland, isn't the type of guy who could sit back while his money earns a paltry few per cent in the bank, or sprinkle it across a number of VC funds as a passive investor. So he jumped at the chance two years ago to buy Bladnoch out of bankruptcy and save it from being knocked down by a property developer.

The fact only a handful of Scotland's distilleries are not owned by families or multinational corporations made Bladnoch's availability even more appealing to Prior, who also put some of his yoghurt money in a charitable trust.

“Certainly coming out of five:am I could have had a more passive outlook and just put money into businesses that had already done the hard work I suppose, and I'd just be sitting back earning 20 per cent internal rate of return and doing very nicely,” Prior told *The Australian*.

“But I was 44 when we sold five:am and I just wasn't ready for that. I wanted something more, and what I really love is the process, first learning about new categories and I genuinely love it probably because of my manufacturing background — I just love getting in and learning how whisky is made.”



But speaking to Prior you get a sense of something much bigger going on. It's as much a story of father and son as an investment proposal. Prior was introduced to whisky by his businessman father, Malcolm, now in his 80s, and the two had a long tradition of sitting together in a study as Prior junior would hear about the week's events at his Dad's manufacturing company.

"I liked the taste of whisky when I was quite young, perhaps scarily enough, I didn't get that burning sensation, but really got to appreciate the taste and flavour of the spirit."

Prior describes his purchase of Bladnoch as "closing the circle" and it was made all the more special when father and son travelled together to the distillery last year.

"Dad knew how to drink a good scotch and he probably passed that down to me. He would have it with a block of ice, melted slightly, and it's probably a very pleasant way to get introduced to the product."

Now it's time for the son to lead the father. What his \$40 million-plus investment has given Prior is one of Scotland's oldest distilleries (it made whisky seven years before production was actually made legal in Scotland in 1824) situated on the pristine waters of the River Bladnoch, and the very spirit of Lowlands single malt whisky.

But Bladnoch has had a troubled past, and when Prior picked it up — becoming the first Australian to invest in Scotland's whisky industry — it hadn't actually produced any whisky for several years and was in bankruptcy.

So Prior and his team have set about reintroducing and reimagining the Bladnoch brand, relaunching the label and also introducing a new blended whisky, Pure Scot, to appeal to younger drinkers.

For Prior it goes back to what he does best: building brands.

"I really love building brands, but that is very hard to do as a passive investor as you are going into someone else's dream, and it might be digital, tech or biomedical or something like that which is all exciting, but it's not my thing.

"I love that ability to build a brand that ultimately connects with consumers. That's really quite a rewarding and exciting thing to do."