Europe

Mario Fourmy/REA

France

Michel David-Weill

Michel David-Weill, 59 and head of the Lazard Freres banking empire, is in a mood to talk about investing. "Fashion is a great temptation, but don't play at a sport you don't know," he counsels a FORBES reporter. "Consider your true strengths and recognize your structural weaknesses—don't play football if you weigh 120 pounds."

Three Lazard brothers opened a dry goods store in New Orleans in 1848. Then they headed west and ended up buying and selling gold. With the profits, they opened a Paris *banque d'affaires* and a merchant banking arm in London. Michel's great-grandfather, Alexandre Weill, married into the Lazard family, later set up the New York firm in 1880.

In the 1980s other investment banking firms plunged into bridge financing or risk arbitrage. Acting on his own admonition to play to one's strengths, David-Weill resisted the temptation. "I strongly believe in a service concept of investment banking," he says. "This is not a trade where you have a steady business. You are totally on your own. . . . In truth there is no safe investment—so there is no safe business."

Within the firm, David-Weill brings in good people—it is considered his specialty—and then lets them alone. "When people are very good at what they do, they work well together," he says. "Lazard is a place where an individual can make a difference." But he qualifies this: "You must keep it small, it doesn't work in a very large firm."

J.P. Laffont/Sygma

Michel David-Weill
Know thy sport.

Has it worked? Combined pretax profits for the three houses were an estimated \$300 million in 1989 and \$350 million in 1990. David-Weill's interest and other assets are estimated at well over \$1 billion. This is his first appearance on the FORBES billionaire list. –D.A.L.

Seydoux/Schlumberger families

These related families own \$3.2 billion of stock in oil-services giant Schlumberger. Nicolas Seydoux, 52, owns two-thirds of Paris-based film production and distribution company Gaumont. Brother Jerome, 57, runs Chargeurs, a textile and media conglomerate. It has a lot of cash; Jerome wants to do deals.

Serge Dassault and family

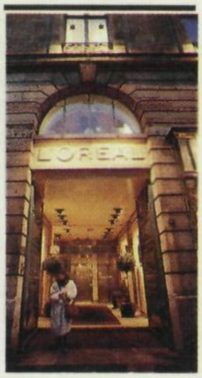
Dassault Aviation S.A.'s Mirage fighters and their Iraqi pilots did not cover themselves in glory during the Gulf war (FORBES, *Mar. 4*). But then 66-year-old Serge Dassault, the son of legendary aviator and industrialist Marcel, who died in 1986, has said he plans to cut military business from 70% to 55% of sales. He intends to fill the gap with increased orders for Dassault's popular Falcon business jet, and with contracts on the European Space Agency's Hermes space plane, an effort to compete with the U.S.' shuttle. Hermes production contracts may be awarded in early 1992 for a manned flight by 2001.

The family owns 50% or so of Dassault Aviation, worth \$375 million. But electronic, computer, communication and medical research stocks worth over \$600 million bolster the fortune Serge Dassault shares with his mother and brother. –T.G.

Peugeot family

A few years back, Peugeot S.A. Chairman Jacques Calvet promised the old-line French Protestant family that controls the company that he would overtake VW and Fiat by 1993. So far, Peugeot has slipped from number

Tom Craig/REA



J. Andanson/Sygma

TOP AND RIGHT:
L'Oreal Paris;
Liliane Bettencourt
Serve all, watch the demographics; promote, promote.

LEFT:
Serge Dassault;
Rafale fighter
What to do about peace?

three to five in the European auto industry in terms of market share. Peugeot remains small in the surging German market.

The stock fell 40% from January 1990 to January 1991 but has since recouped by 30%. Board member Pierre Peugeot, 59, and family own 23%, now worth $1.4 billion.

In March Calvet, 60, launched in France Peugeot's Citroen ZX, a mid-priced car that got excellent notices in French auto publications. While Peugeot has shown it can operate profitably against European competition, it has yet to face its biggest test: the Japanese auto invasion of Europe that is just getting up steam (FORBES, *July 8*). Not surprisingly, Calvet is outspoken in demanding that France and the EC put up political barriers to Japanese penetration. –T.G.

Alain Wertheimer and family

Longtime suspects for this list, the low-profile family behind the haute couture and perfumes of Chanel finally appears this year. Gabrielle (Coco) Chanel, originally a hat designer, took wealthy French businessman Pierre Wertheimer (d. 1965) as her partner three years after her launch of Chanel No. 5 in 1921. For a time, the partners reputedly were also lovers. Wertheimer got the best of the deal: 70%, with 10% to Coco and 20% to the friend who introduced them. For decades Coco tried to renegotiate the agreement. She died in 1971, unsuccessful (FORBES, *Apr. 3, 1989*).

After 70 years, Chanel No. 5 remains one of the world's bestselling fragrances. The Wertheimers now own all of Chanel through Swiss holding company Pamerco (1989 sales, $502 million); it is run by Alain, 42, Pierre's grandson. Since 1984, ten Chanel boutiques—selling clothing and accessories as well as fragrances—have opened in the U.S. Chanel now also ranks number four in sales of prestige watches. Launched this April in the U.S. is its new men's fragrance, Egoiste. Chanel sees the men's business as "the last frontier," says a spokesperson.

The family fortune is more than $1 billion. –T.G.

Liliane Bettencourt

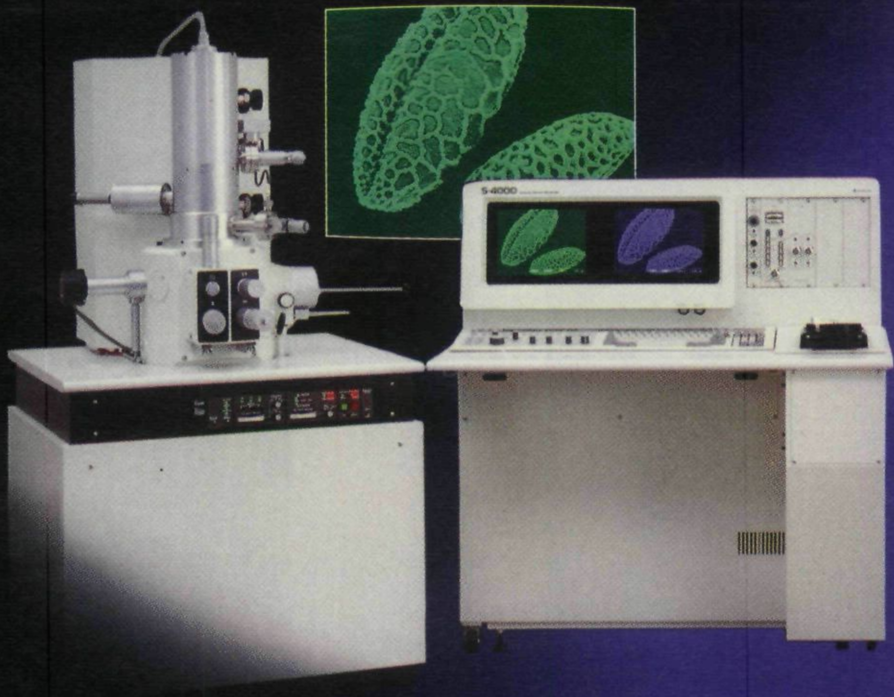
Liliane's father founded L'Oreal. Welshman Lindsay Owen-Jones, 45, now builds its cosmetics market share—about 12% worldwide, an impressive 3-point gain since 1988.

How?

By serving all levels, luxury to mass market; if one sector sags, others pick up the slack. By watching demographics. Is the market getting older? Out come Plenitude, the skin care line, and Coloratives, hair care for dyed hair. By spending heavily to promote products. "L'Oreal doesn't launch a new product, it launches an entire line in a newly discovered market category," says Elizabeth Eagles, president of the Creative Market Place, a retail consulting firm.

Liliane, 68, would be worth more than her $2.1 billion had she not swapped 27% of L'Oreal for 3% of Nestle back in 1974. Nestle has an option on Bettencourt's remaining 28% of L'Oreal, due 1994, but Liliane will likely keep it for daughter Francoise. France's richest woman lives

Electron gun technology may not be a household word . . .



Scientists explore the atomic world with our electron microscopes.

Hitachi's electron gun technology (EGT) affects your life in ways you may not have even imagined. It is involved in the advancement of medicine. Chemistry. Aerospace. Electronics. Biotechnology. Computers. New materials.

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In fact, this technology can be found in products ranging from electron microscopes to super projection televisions.

Hitachi is a world leader in electron microscopy. As the greatest secrets of the universe lie within the realm of the atomic world, our efforts here have made a profound impact upon science. EGT is the reason.

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We built the world's most advanced electron microscope. To give you an idea of its power, imagine discerning a grain of sand on the moon. From your back porch.

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 The inset above left shows a highly magnified image of Liliaceae (lily) pollen. TV picture simulated.

. . . but it's showing up in more and more households.

Our bright and vivid Ultravision TVs are out of this world.

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Which is even more reason to keep our name on the tip of your tongue.

*US$54,872 million; net sales for the year ending March 31, 1991. US$1 = ¥141

For more information about Ultravision, call toll-free 1-800-HITACHI. (Applicable within U.S. only)

HITACHI

quietly in a posh Paris suburb with husband Andre, who is on L'Oreal's strategic committee. –T.G.

Mulliez family

Gerard Mulliez introduced hypermarkets to France. The family owns 85% of $9.5 billion (sales) Groupe Auchan, and other retail interests. The family's net worth: around $2.2 billion. Auchan is expanding into Italy. In the U.S., Auchan has sold its two Chicago-area hypermarkets but retains one near Houston. It plans to add stores in the Houston area after the first starts to turn a profit.

Bouriez family

Philippe Bouriez and his siblings share ownership of Cora-Revillon-Editions Mondiales, a French hypermarket, luxury goods and publishing empire FORBES estimates to be worth around $1.3 billion. Ten years back Bouriez bought Revillon, the famous furrier, but now has it up for sale. He's investing instead in Truffaut, a gardening center chain.

Vuitton family

The Vuitton family, led by Henry Racamier, 79, holds $1.3 billion of the luxury-goods giant LVMH he built on his wife's family's business, Louis Vuitton. Forced out of LVMH by new stockholders, he's selling shares and has started what is to be a new luxury-goods giant, Orcofi (FORBES, *May 27*). As they say, don't get mad, get even. Watch out, LVMH. –H.S.

United Kingdom

Gerald Cavendish Grosvenor

Father to two young daughters, the sixth Duke of Westminster, 39, needed a male heir to whom to pass his title. Happily, in January, his wife, Natalia, gave birth to Hugh, next in line for the family's $2-billion-plus property fortune.

Things are moving on the real estate front, too. Grosvenor International Holdings, the duke's global property development arm, based in Vancouver, B.C., has been lining up U.S. pension funds for partnerships, to begin in 1992, in France, Germany and the U.K. Deals in Italy, Holland and Spain may follow. This is big news from Grosvenor: Until now, the family has always stuck to the English speaking world, whose laws and customs it understood. But so great are the European opportunities that Grosvenor can't stay away.

The basis of the Grosvenor fortune is prime London real estate in Mayfair and Belgravia, received as a dowry in the 17th century. The current Grosvenor isn't into quick paybacks. As one insider puts it: "We look normally on a 10-to-15-year horizon." –A.F.

Sir John Moores and family

Generational transitions are never easy, and Littlewoods Organisation plc., Britain's famous low-end retailer and football-pools operator (1990 profits, $160 million), will probably be no exception. Sir John Moores, the company's founder, is 95, and his heirs have long been squabbling.

There are already preparations. Littlewoods' mail-order business, the U.K.'s second largest, is for sale; the estimated price: $820 million. Two German companies have expressed interest. What's important for the Moores family is that Sir John's heirs—who among them own almost all of the company—can cash out, at least in part, even before his death.

Son Peter, 59, took over in 1977, but plummeting profits brought back Sir John. Elder brother John Jr. and his children have long been trying to thwart Peter from reasserting himself. Says a local analyst: "It's like watching *Dallas* or *Dynasty*." –A.F.

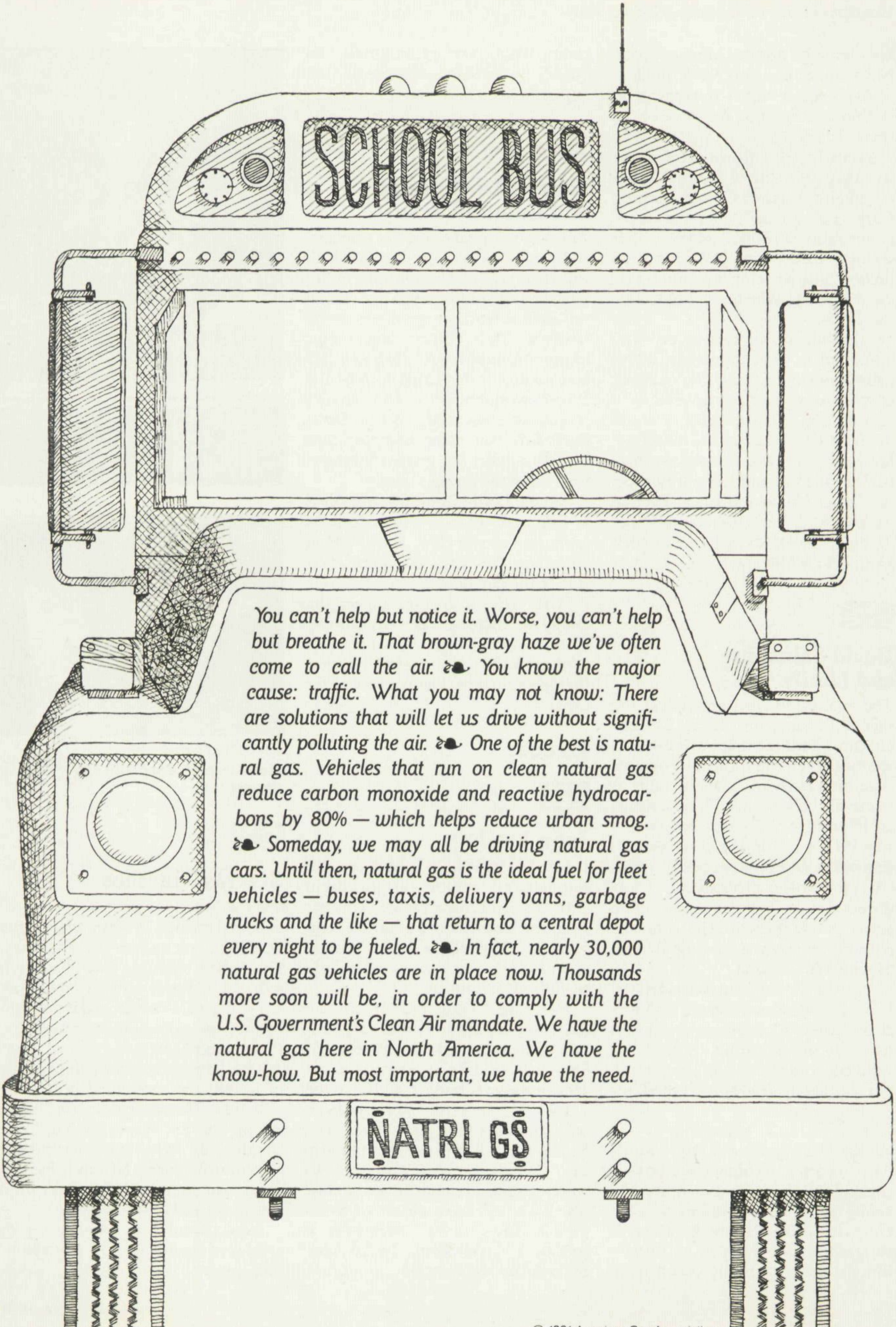
Robert Maxwell

This has been a busy spring for the Bouncing Czech. In April he bought New York's troubled *Daily News* from Chicago's Tribune Co. Later that month Maxwell floated 49% of

Adam Scull/Globe

Robert Maxwell with new possession

Can New York unions be any tougher than U.K. unions? Watch.


SCHOOL BUS
You can't help but notice it. Worse, you can't help but breathe it. That brown-gray haze we've often come to call the air. ❧ You know the major cause: traffic. What you may not know: There are solutions that will let us drive without significantly polluting the air. ❧ One of the best is natural gas. Vehicles that run on clean natural gas reduce carbon monoxide and reactive hydrocarbons by 80% — which helps reduce urban smog. ❧ Someday, we may all be driving natural gas cars. Until then, natural gas is the ideal fuel for fleet vehicles — buses, taxis, delivery vans, garbage trucks and the like — that return to a central depot every night to be fueled. ❧ In fact, nearly 30,000 natural gas vehicles are in place now. Thousands more soon will be, in order to comply with the U.S. Government's Clean Air mandate. We have the natural gas here in North America. We have the know-how. But most important, we have the need.
NATRL GS

his formerly private Mirror Group Newspapers plc. for $395 million. Mirror needed money to repay debt. Within two months, the price of the shares fell by 8%.

Similarly, the balance sheet of the already public side of Maxwell's media empire, Maxwell Communication Corp. plc., groans under a debt-to-equity ratio of 130%. And that's after selling off Pergamon Press for $740 million and pawning off other MCC subsidiaries to Mirror (FORBES, *Dec. 24, 1990*).

Maxwell, 68, appears to be more interested in expansion than in his daily operations, and is stepping down as MCC chief executive in favor of son Kevin, 32. Maxwell says he will focus on Mirror Group and his private holdings. He also considers small deals in Eastern and Central Europe, the Soviet Union and Israel. Even in these difficult times for leveraged media companies, Maxwell's net worth is around $1.9 billion. –A.F.

David Sainsbury and family

The Sainsburys own about half the shares of J Sainsbury plc., a 122-year-old family business that owns Britain's second-largest and most profitable supermarket chain. Their holding is worth $5-billion-plus. The chain nets an impressive 7.9% on sales (which were $13.4 billion last year). A concentration on house brands accounts for some of this profitability. A low dividend and a high reinvestment rate assure steady growth. The company recently proposed a new rights issue to raise $803 million.

In 1983 the Sainsburys invaded the U.S., buying New England's Shaw's chain (sales, $1.8 billion), which is now 70 stores strong. Shaw's has suffered from the region's recession, but in a family like this you think for the long term.

Is more U.S. expansion in the works? The 50-year-old David Sainsbury, who will eventually succeed his cousin John, 63, as chairman, says the family has no interest in buying a big U.S. chain like Pathmark, which is currently being shopped in Britain. But, he adds: "Another small retail chain that was contiguous to Shaw's—we would undoubtedly look at that." –A.F.

Samuel Lord Vestey and Edmund Vestey

The Vesteys own some 20 principal companies on six continents, which together are worth upwards of $2 billion. The companies, which are all privately owned, have grown from the family's 19th-century beginnings, importing meat from South America and poultry from Russia to feed the British working class. The family's most visible asset today is J.H. Dewhurst Ltd., the chain of upper-class British butcher shops that accounts for 15% of the group's sales.

Samuel Lord Vestey, 50, and cousin Edmund, 59, run things. Insiders say Edmund will retire soon, letting eldest son Timothy, 30, represent his side of the family.

Whoever's in charge, expect the family to increase sales in Europe. Currently, the Vesteys have only 10% of their $2.5 billion (sales) business on the Continent. Plenty of scope for expansion. –A.F.

Greece

John Latsis

Latsis, 81, built his $1.3-billion-plus shipping/oil empire on friendship with the Saudi royal family. This has included such gestures as giving King Fahd a $35 million yacht, named *Abdul Aziz*, that's been called the world's most opulent.

But Latsis' biggest deal with the Saudis—building an estimated $2 billion refinery in Rabigh on the Red Sea—is in trouble. By startup in late 1989 it was over budget, and it has the worst financial returns of any large refinery in the Gulf Arab states. The Saudis don't plan to put more money into Rabigh, but that's unlikely to worry Latsis. He and his economist son Spiro still have plenty of Saudi friends. And they have been busy in private merchant banks in London, Switzerland and Athens. –A.F.

Benaroch/SIPA

Stavros Niarchos with sons

Stavros wasn't a poor rich kid.

Stavros Niarchos

Stavros Niarchos, now 82, was brilliant and ruthless in accumulating the best ships, racehorses and paintings. His famed shipping fleet has been reduced by about a third over the last ten years, to 24 vessels, and is now run by professional managers in London, Piraeus and New York.

The next generation, impeccably educated, are considered poor little rich kids. There is eldest son Philip, 38; Spyros, 35; Maria, 33; and Constantine, 31, who once worked for Salomon Brothers. Niarchos has another daughter from his short-lived liaison with Charlotte Ford.

Expect family trusts with stringent clauses to guard Stavros' $1-billion-plus fortune. –A.F.

M. Bottini/Marka

LEFT:
Gianni Agnelli with friends
The EC car market is no joyride.

RIGHT:
Silvio Berlusconi, French TV station
A major entertainment group for Europe.

F. Meylan/Sygma

Goulandris family

The Goulandris family sprang from Captain Ioannis Goulandris of the isle of Andros, and its shipping fleet grew vast under him and five sons. But now about 30 descendants share $1.3 billion split into three companies. The family's New York-based Orion & Global Chartering sold part of its fleet in 1986, and the family collects impressionist and modern art (they are big in Kandinsky). London-based family members still own ships and have significant money in passive investments. –A.F.

Italy

Giovanni Agnelli and family

Agnelli, 70, works hard to protect his family's $4.3 billion fortune. He must make their conglomerate, Fiat, a competitive "Pan-European" company for 1992 and beyond. That means making Fiat number one or two in all its markets, especially in Europe. Hence a rash of acquisitions and strategic alliances that account for an ever-increasing amount of revenues ($50.7 billion in 1990). The commercial truck division, Iveco, acquired Spanish truckmaker ENASA-Pegaso. The farm and construction machinery division, Fiat Geotech, bought 80% of Ford New Holland in Pennsylvania. The new company is second largest worldwide, behind John Deere. And so on.

Cars are 49% of Fiat's sales, and the ratio is slipping. Its Italian market share fell from 58% to 53% last year, mostly because of Ford's new Fiesta and Escort. Fiat is investing $4.5 billion in two plants in southern Italy, where it can get government credits, to fight weakness in the home market. Fiat prays that the European Community will restrict Japanese imports until 1998.

Agnelli's trying to resuscitate car operations, too. Talks with Chrysler last year fell through. Fiat is pushing hard to improve its cars' poor reputation for reliability. And aggressively chasing the Eastern European and Soviet market.

Younger brother Umberto, 57, next in line for Fiat's chairmanship, manages one of the family's three holding companies, IFIL. It, too, is making strategic alliances—with BSN, the leading French food and beverage concern, and with ACCOR, a French hotel and leisure operation. Citicorp recently bought a minority stake in IFIL. After Umberto? Uncertain. Last fall Giovanni's only son, Edoardo, 37, was cleared by a Kenyan court of a charge of heroin possession. –T.G.

Silvio Berlusconi

The new Italian antitrust media law that takes effect beginning next month will force media magnate Berlusconi to sell Milan daily *Il Giornale* by August 1992. But his private holding company, Fininvest SpA (1990 revenues, $8.4 billion including Mondadori), will finally be allowed to broadcast live, which means a great deal of income from sports and news.

That will propel Berlusconi where he is already going: building a major international entertainment group in film, television, books, magazines and newspapers. In a joint venture, he is investing $110 million to produce six major U.S. films. And Berlusconi has won control of Mondadori, one of Italy's top publishers. All to build on a net worth estimated at $1.7 billion. Silvio, 55, is also a noted collector of old masters and modern art. –T.G.

Ferruzzi family

Raul Gardini is suddenly out as chairman of Serafino Ferruzzi Srl, family holding company for all Ferruzzi businesses. He was replaced by the founder's son (Gardini's brother-in-law), Arturo Ferruzzi, 51. "A logical evolution," says a spokesman, after

Parker

Partnerships In Engineering Creativity

Unlocking the Mysteries of the Deep

Graham Hawkes is at it again – probing another perplexing mystery under the seas – with the help of Parker Hannifin's motion-control technology.

Hawkes made headlines again recently when he located five World War II torpedo bombers off Florida's east coast, in 700 feet of water – at first believed to be the long-sought Flight 19 that disappeared mysteriously during maneuvers on December 5, 1945. Hawkes' find has only added to the puzzle, however, since his investigation showed that the planes were not the ill-fated Flight 19, and the Navy has not yet been able to identify them.

It is unlikely that anybody but Hawkes, with his unique Deep Ocean Engineering undersea crafts, could have made such a discovery in the hostile environment of the deep Atlantic.

Graham Hawkes knows a lot about those mysteries.

He has worked hard to unlock the ocean's secrets for many years. Co-founder of Deep Ocean Engineering, Hawkes and a team of engineers have created 50 manned underwater vehicles and more than 200 unmanned systems for probing the deepest, least explored recesses of the Earth's waters. His findings have helped us appreciate the importance of the oceans to our world.

Helping him along the way has been the engineering know-how of Parker Hannifin, the world's leading manufacturer of motion-control components and systems. It is a partnership that has yielded one of Hawkes' greatest triumphs – a pair of manned ultra-deep exploration vehicles that streak through the waters like supersonic jets cut through the skies.

Called *Deep Flight*, the submersible employs technology borrowed from the fields of aviation and space travel. Unlike traditional submersibles, which rise and fall according to buoyancy and ballast, *Deep Flight* gets its mobility from lift and thrust – the principles of flight. Consequently, *Deep Flight* can soar through the water to depths once reserved for lumbering steel bathyscaphes that had little maneuverability. The result is that *Deep Flight* is perfectly engineered to explore the uncharted mysteries of the deep. And it can do so with speed and agility.

Control of the craft depends on a sophisticated mix of hydraulics and pneumatics, both strong areas of Parker expertise. Parker's design and custom-manufacturing capabilities permit advancements never before achieved in deep-water exploration.

The craft's two thrusters can propel it at a brisk 12 knots and a maximum dive and ascend rate of 600 feet per minute. Its use of hydrodynamics allows the craft to roll and pitch, like a bi-winged airplane at an air show.

"Our engineering challenge for *Deep Flight* was to incorporate advanced hydraulics within a shell that can withstand nearly 30,000 psi of pressure," says Paul Schloemer, president and chief executive officer of Parker Hannifin. "Our aerospace technology was extremely useful."

Parker engineering, components and systems for the craft's fly-by-wire electronics, motion systems and advanced seals made the challenge a surmountable one.

That type of expertise is the driving force behind Parker Hannifin's worldwide pre-eminence in motion-control components and systems, with more than 800 product lines for hydraulics, pneumatics and electromechanical applications in some 1,200 industrial and aerospace markets. Parker operates over 200 manufacturing plants and administrative offices around the world and supports more than 4,500 distributors serving more than 258,000 customers in every corner of the world.

Graham Hawkes opens the last frontier

Innovative and reliable Parker motion-control technology helped man reach the moon. It was also at work when Graham Hawkes successfully dove 3,000 feet – man's deepest solo ocean dive – into the last frontier: the sea.

Pioneering the technology to harvest the wealth of the sea, Hawkes and his team from Deep Ocean Engineering have created *Deep Flight* – an innovative exploration vehicle for the sea. *Deep Flight* adapts modern aerospace technology that allows submersible vehicles to soar under water much as aircraft soar into the sky.

Hawkes and his company specify Parker's highly reliable valves, seals, connectors, and hoses for their unique submersibles, which propel them to depths as great as seven miles down into the water. Parker was Hawkes' logical choice because the company's motion-control expertise spans aerospace, marine, industrial, and automotive technologies.

Parker has also achieved trusted partnership-supplier relationships with other high-technology companies – both large and small – around the world. These partnerships have helped make Parker a $2.45 billion-per-year leader in the motion-control industry.

For Parker's annual report, write: Parker Hannifin Corporation, Dept. FB-15A, 17325 Euclid Avenue, Cleveland, Ohio 44112-1290. For product information, customers may call 1-800-C-PARKER.

A partnership in vital technologies Parker (PH-NYSE)

Luciano Benetton
He and three siblings built a world apparel retailing power. As it starts to mature, they're building a sports retailing power.

J. Donoso/Sygma

Gardini's decision last fall to quit as chairman of both chemical and agribusiness giant Montedison, which Ferruzzi controls, and the holding company, Ferruzzi Finanziaria SpA.

The ouster was orchestrated by other family members on the board. Speculation about the upheaval abounds. Arturo Ferruzzi says that the company will continue to be run by the same strategy Gardini implemented. The strategy has included selling Montedison's chemical joint venture, Enimont, back to the Italian government; merging Montedison with its parent; and striving to make chemicals, pharmaceuticals and energy sales ($5 billion) as big as agribusiness ($8.5 billion) in five years. And buying 40% of Italian TV broadcaster Telemontecarlo.

Gardini, 57, now has the time for Montedison's $40 million bid for the 1992 America's Cup. Muses one analyst: "We haven't heard the last of him." –T.G.

Benetton family

Edizione, the talented Benetton family's private holding company, tightened its grip last year on sports retailing. It added Prince, the U.S. tennis racket manufacturer, for $220 million; Kastle, an Austrian skimaker, about $55 million; Italy's Asolo, which makes hiking boots; a maker of sunglasses and a 50% share in Minneapolis-based skatemaker Rollerblade.

At the clothing stores, Benetton (6,000 stores worldwide) is consolidating. In saturated U.S. (where it is fighting lawsuits) and European markets, it's putting in larger stores at more central locations instead of little stores seemingly everywhere; it also halved its dividend to have more funds for expansion and acquisitions. And it is turning its formidable marketing and sales efforts to Eastern Europe and Asia. Color the four Benettons in at some $1.7 billion. –T.G.

Salvatore Ligresti

Sicily's Salvatore Ligresti, a self-made billionaire long dogged by unproven insinuations of Mafia connections, controls Milan's Premafin Finanziaria SpA, a holding company with operations in real estate, construction and insurance. A board member of Mediobanca and Credito Italiano, Ligresti also won a contract to build three Frontierland facilities at Walt Disney Co.'s new EuroDisneyland, outside Paris. –T.G.

Michele Ferrero

Michele Ferrero's namesake family company, worth some $1.6 billion, makes Tic Tac mints and Nutella, the chocolate-hazelnut spread. Last year the second-generation confectioner won his bid to own 24.5% of the troubled, government-owned SME sweets company. Another Italian firm will own an equal percentage, and one or both are expected to run it. –T.G.

Spain

Koplowitz sisters

Spain's steamiest sex scandal is now history, and the Koplowitz sisters—Alicia, 39, and Esther, 41—are back in charge of their $1.2-billion-plus empire.

Called *las Marquesas* by the Spanish press, the Koplowitz sisters are the daughters of Ernesto Koplowitz, a Jewish refugee from Nazi Germany who built the family's fortune with a

EFE/SIPA

EFE/SIPA

Alicia (top) and Esther Koplowitz
Never trust an Alberto.

construction company, Construcciones y Contratas (Conycon for short). With their father's death in 1962, the sisters came under the wing of his partner, Ramon Areces, a regular on the FORBES billionaire list until he died in 1989.

Las marquesas married two cousins, both named Alberto—*los Albertos*. They, too, thrived under Areces' tutelage—until 1987, when they made a run at Spain's biggest bank, Banco Central. Their failure cost millions of pesetas.

Two years later *los Albertos* had even worse luck: Paparazzi photographed each with a mistress in public tow, setting off lurid publicity. The sisters could forgive their husbands the loss of a few million pesetas. They did not forgive them their mistresses.

Legally separated from the Albertos, the sisters again have firm control of their 100%-owned Conycon, their 60% of another large construction firm, Focsa, and 60% of big cement manufacturer Portland Valderrivas. Not to mention $250 million retrieved in a stock buyback following the Banco Central fiasco.

Los Albertos? They came away with 30% of another bank, Banco Zaragozano, worth an estimated $100 million. –J.M.

March family

The March brothers—Juan, 51, and Carlos, 45—are worth some $1.3 billion. They control holding company C.F. Alba, which owns big construction firms, and banks (Banco Urquizo and Banca March, plus 60% of Banco del Progresso). They expanded from banks to building materials far ahead of the Spanish building boom. Now they're moving to pay-per-view television as Spain enters the First World. –J.M.

Botin family

The Botin family, headed by Emilio Jr., 56, and worth over $1.6 billion, is shaking up Spanish banking with its Banco Santander: last year, 11% interest on checking accounts; this year, 2 points off mortgages. But its market share jumped 40%, and it will be ready for rougher, 1992-style competition.

The family is also extending its international presence. In March it bought 13% of the U.S. bank First Fidelity. It already has a strategic alliance with Royal Bank of Scotland (and a 10% stake). And its traditional presence in Latin America is growing. Santander is now the second-biggest bank in Puerto Rico; late last year it picked up the S&L Caguas Federal in an RTC fire sale. Let other Spanish banks stay mainly in Spain. –J.M.

Sweden

Hans and Gad Rausing

Getting bigger—and bigger. Early this year Hans and Gad Rausing's Tetra Pak International S.A. ponied up $2.9 billion to buy Sweden's Alfa-Laval A.B. from the Wallenberg family *(see p. 216)*. Little known outside their native Sweden, the Rausing brothers are among the world's biggest billionaires, owning a business worth some $9 billion.

The family hit the big time barely two decades ago when the brothers' father patented a box-shaped container that keeps spoilables like milk fresh for months without refrigeration. From that start, Tetra Pak has become a global giant, with estimated profits of $700 million on sales of $4.2 billion last year.

While both the brothers own the company, it's Hans, 65, who minds the store; Gad, 69, is vice-chairman. Both live in Britain as tax exiles from their homeland.

Why did they buy Alfa-Laval? Already the predominant "aseptic" packager in 109 countries, Tetra Pak is running out of room to grow. Its prospects in the U.S. are limited, partly because Americans dislike the sterilized milk required for aseptic packaging; and last year Maine banned the packages as nonrecyclable.

The Alfa-Laval acquisition offers growth in a closely related business. Alfa-Laval's packaging machinery will supply large, turnkey production lines anywhere; previously Tetra Pak could build its specialized equipment only into plants equipped by Alfa-Laval or its principal competitor, APV plc., of Britain. –A.F.

Ingvar Kamprad

Kamprad, 65, built his $2.5-billion-plus fortune with Ikea, which makes modestly priced furniture. He himself lives modestly, and takes his time making investment decisions. Montreal hotelier Jonathan Myette, 35, found this out.

Myette had five hotels and wanted to start a chain. Looking through an Ikea catalog, he decided he wanted to attract the same value-conscious customers who shopped at Ikea. Myette

Sweden's shrinking pie

IT HAS DAWNED on Sweden that joining the European Community means the "Swedish model" is out; increasing growth, along German lines, is in.

"We have seen such a long period of sluggish growth," says economist Lennart Ohlsson. "People see that we have had a zero-sum game for a long time and that there is a need to do something about it." Hans Tson Soderstrom, director of the SNS-Center for Business and Policy Studies, a private economic think tank in Stockholm, says the Social Democrats, the Liberals and the Conservatives all believe that growth is now more important than redistributing income. "There is," Soderstrom says, "a consensus."

One visible sign: the government's plan to make inflation its top priority. This will mean defending currency exchange rates, letting unemployment rise and slowing if not cutting government expenditures—a major change from Sweden's old ways.

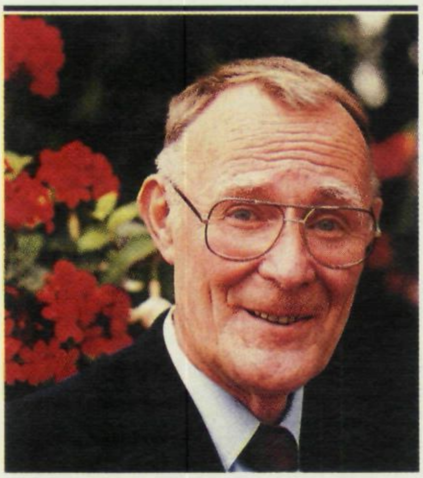
Sweden's current economic trends are among the worst in Europe. GDP grew near an average 3% in EC countries last year, and pushed 4.5% in Germany (pre-unification). Sweden's dropped from 2% or so in the 1980s to under 1% in 1990. This year, most expect decline. Swedish inflation hit 10% in 1990 (the recent tax reform added three percentage points), but compare that with near 5% in the EC and around 3% in Germany. The Swedish stock market plunged, pushing real estate developer Fredrik Lundberg off this list. Only unemployment remained relatively steady, at around 2%. For now.

But if Sweden is to join the European Community (it says it wants to, and it will probably be admitted) inflation must be tamed or trade will suffer: Currency devaluation will no longer be an option. Not joining and remaining on the periphery of Europe could mean capital flight and trade losses.

Already there have been structural changes. The tax burden has shifted: Personal taxes dropped to a top marginal rate of 51% this January from 72% in 1989 and capital income taxes were standardized at 30%. Direct foreign investment rules are being liberalized toward EC standards. "Sweden is going to have a common market profile, like Germany, Belgium or Holland," says Ronald Fagerfjall, editor of *Affarsvarlden* (Business World), one of Sweden's leading business magazines.

How will Swedes deal with the pain that accompanies a transition to a hard market economy? The emphasis on employment and social spending of the past has ill prepared these 8.4 million people for an unprecedented but expected unemployment rate of 5%, maybe even 6%. The growth rate of money wages that has hovered around 9.5% will have to fall in line with the European average of 6.5%. And long run, Sweden will need to cut government spending. Now roughly 60% of GDP, mostly for one of the world's most comprehensive social spending programs, that figure will have to move toward Germany's 47%. Achieving that will be the real test for Sweden. –A.F.

Jeff Mermelstein



Hans Dahlskog/Pressens Bild

Ingvar Kamprad, financier
Ikea stores succeed in the U.S.

wondered if Ikea would be interested in backing his hotels, which he decided to call Sweden Inns.

Myette pitched the idea to Kamprad and six months later received a terse fax: Kamprad would be paying a visit to Montreal's Ikea store. Be there at 11 a.m.

Kamprad toured Myette's two operating hotels and went over his business plan. Something clicked. "We were walking down the stairs," recalls Myette, "and he gave me a hug and said, 'You'll hear from me in the future.' "

Then came the number crunching. Three months later, another fax invited Myette to a U.K. Ikea board meeting, then to Holland to go over his financials. Finally, 26 months after he first wrote to Kamprad, Myette received the tersest fax of all: Congratulations. Kamprad's personal investment company, InterIkea Holdings, would put up more than half of the money on the 50/50 joint venture.

Next year the 158-room Montreal Sweden Inn—advertised in the Ikea catalog and furnished by Ikea—will open. The ultimate plan: hotels in towns near Ikea stores (Ikea has 95 stores, in 21 countries). It's not a huge deal for Kamprad. But he took the time to research it. That is how smart people conserve and expand their capital. –A.F.

Denmark

Kristiansen family

How was LEGO Group able to rack up an 18% sales gain in the U.S. last year, to an estimated $200 million, when the $13 billion U.S. toy market has been stagnant since the mid-1980s? It's called penetration. LEGO, which sells $900 million of its toy blocks in 118 countries, figures that 75% of U.S. homes with children under 15 have at least one set of LEGO, priced from $1.50 to $149.99.

Kjeld Kirk Kristiansen, the closely held company's 43-year-old, third-generation president, lovingly tends this sure, steady winner, which has made the family worth about $1.3 billion. Quietly in the works: a product to appeal to girls 7 and up, who typically prefer Mattel's Barbie. Mattel, beware. "What you're dealing with," says David Leibowitz, an analyst at American Securities in New York, "is the finest niche company in the business today." –A.F.

Netherlands

Anton Dreesmann and family

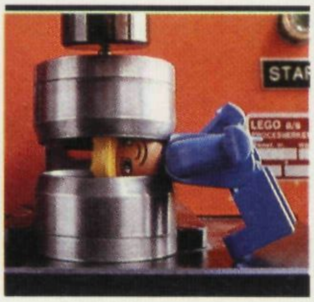
Anton Dreesmann, 68, has faced crippling strokes. Now the family company, Vendex International, faces business reverses. The family's Vroom & Dreesmann department store chain has been allowed to decay. Paternalis-

Marvin Newman/Image Bank

Marvin Newman/Image Bank

LEGO's Kjeld Kirk Kristiansen

The product (below); its possibilities (left). Is this the perfect toy?



tic Anton delayed the necessary firing of hundreds of longtime employees so long that now the layoffs may number in the hundreds. The stores are only now getting long overdue face-lifts.

Elsewhere, Vendex has tried to sell its 79% of investment bank Staal Bankiers. The sizable Brazilian retailing operations are suffering, and U.S. home-improvement chain Mr. Goodbuys has filed for Chapter 11. Fortunately, Dreesmann started buying stock in Arkansas-based Dillard Department Stores in 1978, eventually accumulating a 41% stake. Dillard has been doing brilliantly; the investment has kept the Dreesmanns among the billionaires. But Vendex sold the last of its stake in April 1990. –A.F.

Brenninkmeyer family

From behind its guarded compound near the Dutch-German border, the secretive Brenninkmeyer clan continues to expand its holdings in the U.S. The Netherlands family already owns eight U.S. regional clothing retail chains with over 1,200 stores. These include Miller's Outpost in California and the Southwest, JByrons in Florida, Steinbachs in New York and the Northeast and Uptons in the Southeast. The family's C&A chain in Europe, a middle-market department store, is far larger.

There are Brenninkmeyer stores in 12 countries—in Germany alone there are 165 big ones with combined sales of $4.5 billion last year. Worldwide, the family business probably moves over $10 billion in goods annually.

The business has grown slowly and steadily since brothers Clemens and August Brenninkmeyer opened a dry-goods shop in Holland's Sneek in 1841. How much is the family worth? A conservative guess would be $4.2 billion.

Roelandus Brenninkmeyer, fourth generation, a Harvard M.B.A., lives in the New York area and presides over the U.S. chains through a holding company, Amcena. The 200-member Catholic family sometimes sends its children to university under assumed names. Sons, on graduation, can join the business or a religious order. Sums up Richard Hyman, at Verdict Research, London, "[The family] has no relationship to the outside world except to its customers." –A.F.

Fentener Van Vlissingen family

This spring Noro Group shareholders accused chief executive John Fentener Van Vlissingen, 52, of swapping assets between himself and the group's U.K. property fund. The result, they charge, was that Fentener Van Vlissingen made tens of millions of dollars at a time when the value of the shares took a dive. Though still unproven, the charges have left a blot on the name of one of the Netherlands' richest and most powerful families. The company says shareholders are merely griping over falling property prices—but is setting up a new supervisory board to watch things. Money manager to Europe's super-rich, Noro Group has some $3 billion in funds under management; about $1 billion said to be family money.

Brother Paul, 50, runs Holland's SHV Holdings N.V., the heart of the family fortune. A coal power before World War II, it is now in oil, gas and propane and owns Makro, a chain of wholesale stores that typically teams up with investors in the country in which the stores operate. Older brother Frits Henry, 57, manages Flint Holding, a small investment company. SHV alone is worth over $1.3 billion. –A.F.

Switzerland

Klaus Jacobs

So far the $1.4 billion Jacobs got last year from selling his Jacobs Suchard candy and coffee conglomerate to Philip Morris has been burning a hole in his pocket.

E.J. Brach, the troubled Chicago-

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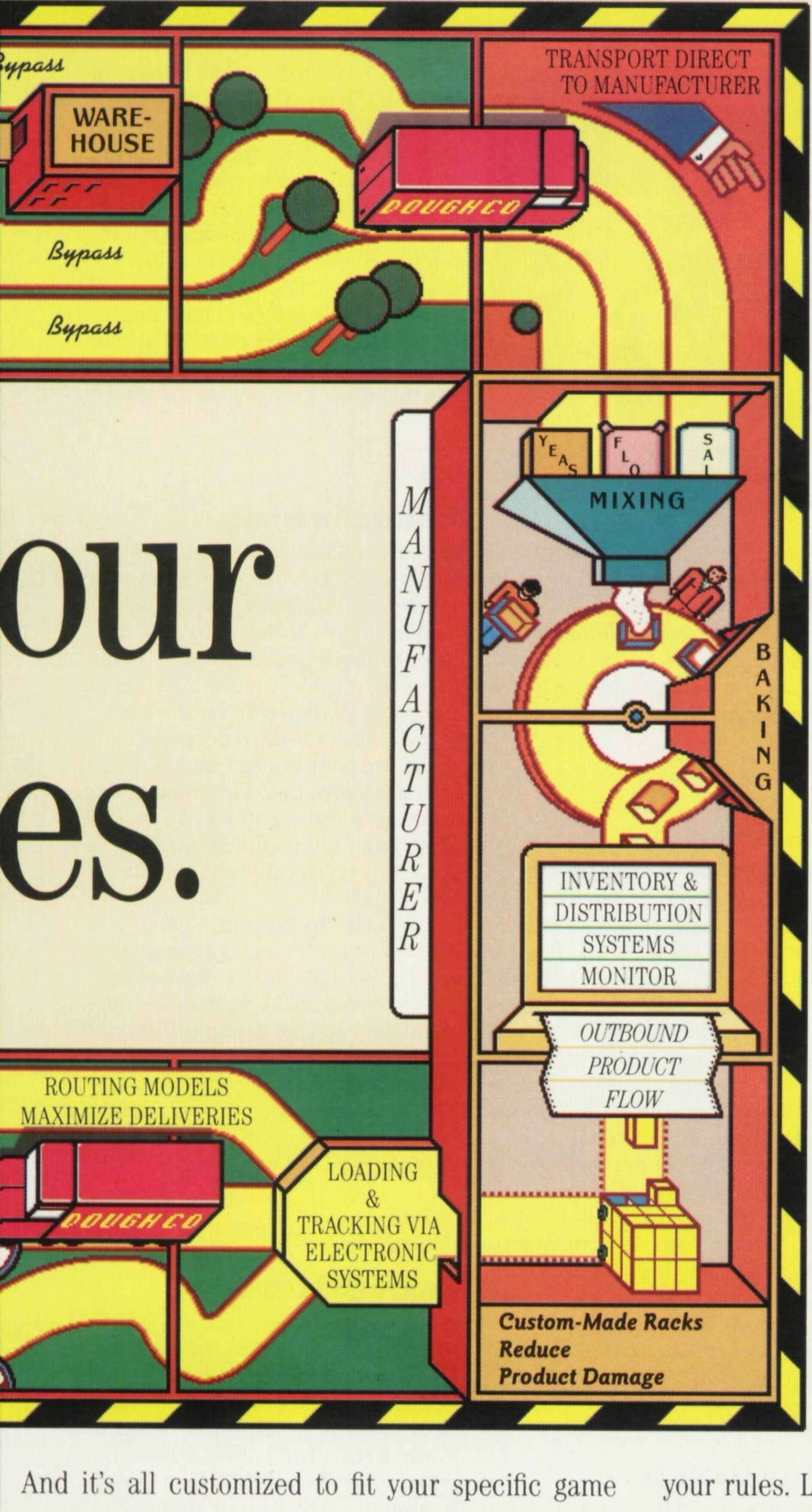

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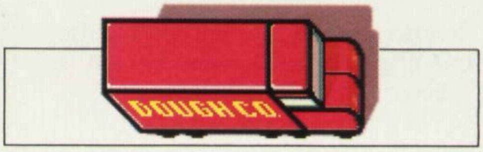

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based confectioner that Philip Morris didn't want to buy, has cost him a pretty penny.

One thing he's done seems an odd fit: buying 53% of Lausanne-based Adia S.A., the world's second-largest provider of temporary personnel services. But another buy, 50.1% of Allgemeine Finanzgesellschaft, a small Swiss investment company, makes some sense: Maybe it will help Klaus decide what to buy with the money he has left. Jacobs, 54, still has some chocolate and coffee interests, four banks, an Argentine sheep farm and a charitable foundation. –A.F.

Maus/Nordmann family

The Maus and Nordmann cousins head Switzerland's leading retail chain, but they're struggling with their U.S. expansion. In 1989 their Geneva-based Maus Freres S.A. paid $450 million for Chicago's ailing Carson Pirie Scott through its U.S. department store operation, P.A. Bergner. Despite cost-cutting and the spinoff of nonretail units, Carson is believed to have lost money last year. Moving the stores downscale hasn't helped with loyal customers, either.

Yet their 80 Swiss stores are profitable, with total group sales of over $5 billion. The family also controls Paris-based Au Printemps, which recently bought the U.K. mail-order house Empire Stores. The Maus (Jacques, 62; Bertrand, 59; and Olivier, 47) and Nordmann (Gerard, 61, and Philippe, 59) cousins are worth some $1.7 billion. At home, they must know what they're doing. –A.F.

Schmidheiny family

Stephan Schmidheiny's $2 billion empire consists of holding companies Anova, Nueva and Unotec—in international trade, real estate, retailing, steel, construction and watches—including 87% of Leica Plc., the renowned optics company. Schmidheiny, 44, is a passionate environmentalist. He has been named chairman of a U.N. environment committee.

Brother Thomas, 46, controls Switzerland's Holderbank, one of the world's largest cement companies (1990 sales, $3.4 billion), and other interests worth over $700 million.

A third brother, Alexander, 41, produces five varieties of California wine under his Cuvaison label. –T.G.

RDZ/Photoreporters

Stephan Schmidheiny
The greenest billionaire?

Hans Heinrich Thyssen-Bornemisza

Baron Hans Heinrich Thyssen-Bornemisza, 70, worth some $1.4 billion, spends most of his time minding his billion-dollar art collection. Last year the art market sank as speculators dropped out. But the baron is a real collector, and he's resumed buying. Last November he paid $21 million for a John Constable at a London Sotheby's auction, a record price for a British painting. Behind the baron is Thyssen-Bornemisza Group (estimated sales, at least $1.8 billion), which makes various engineered products and provides storage, trading and container leasing services. The company is managed by the baron's son Georg, 40. –T.G.

Walter Haefner

Walter Haefner, 80, founded AMAG, the sole Swiss importer of VW, Porsche and Audi. Worth more than $1.1 billion. He holds 21% of U.S. software firm Computer Associates, worth $412 million. Has homes in Zurich and Paris but prefers farm in Ireland, where half his 150 horses are bred and trained (the rest in Kentucky) for the classic American and Irish races. Neither his son Martin, 37, a Swiss math professor, nor daughter Eva Maria, 33, who works with the mentally handicapped, is interested in the business. For the next generation? "The companies will continue with professional management, and my children, who are on the boards, will be the owners," Haefner says. –T.G.

Hoffmann family

In-law Paul Sacher, 85, has been the family's senior member since the 1989 death of his wife, Maja Sacher-Stehlin. She was the widow of Emmanuel Hoffmann, only son of the founder of drug giant Hoffmann LaRoche. With Sacher on the Roche board (the company reorganized under new parent Roche Holding Ltd.) are Maja's son, Lukas Hoffmann, 68, and son-in-law Jakob Oeri, 71. The Hoffmann heirs control roughly a $2.5 billion majority stake in Basel-based Roche.

Last year Roche paid $2.4 billion for 60% of San Francisco-based Genentech Inc. Last month Roche spent an additional $821 million to purchase the Nicholas group of European over-the-counter drug companies from Chicago-based Sara Lee Corp. This giant is moving. –A.F.

Austria

Swarovski family

Austria's Swarovski family, worth some $1.1 billion, are the longtime kings of rhinestones and cut crystal (1990 sales, $774 million). Based since 1895 in the mountain village of Wattens, the family owns 50% of the Irving, Tex.-based Zale Corp., with its jewelry chains Bailey Banks & Biddle, Zales, and Gordon's.

The Swarovskis are aggressively promoting their brand names—Swarovski for higher-priced jewelry and Savvy for its medium-priced jewelry line. –T.G.

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