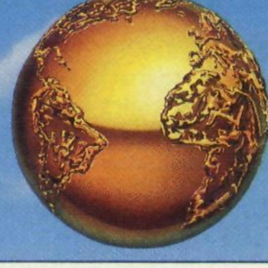
MIDDLE EAST



SAUDI ARABIA

SULIMAN SALEH OLAYAN
The Pleasure Of Diversification

Perhaps the best known of the Arab billionaires, 70-year-old Suliman S. Olayan has been busy during the past year. In October his Olayan Group supplied $600 million in bridge financing for the $1.1 billion merger of First Boston with its European affiliate, Crédit Suisse First Boston. (The financing shell for the deal, SSO Ltd., took Olayan's initials.)

Robert Azzi/Woodfin Camp

Suliman Saleh Olayan

Indirectly, through holding companies, and directly, Olayan maintains a broad portfolio of stock investments in American companies worth hundreds of millions of dollars. Among them, according to 13-D filings and various sources, are Transamerica, First Chicago, Thermo Electron, Mobil, Occidental Petroleum, Chase Manhattan and J.P. Morgan & Co.

While his international investing draws most of the attention, Olayan is still quite active in his native Saudi Arabia, where he started his career by working in oilfields and then forming a construction company. His Olayan Financing Co., for example, has more than 30 joint ventures with foreign firms. Not surprisingly, the news back home is not as good. Olayan is chairman and estimated 11% owner of the Saudi British Bank (assets, $2.9 billion), which lost $67 million last year, entirely as a result of a one-shot provision for bad loans that bank officials say will allow an immediate return to profitability.

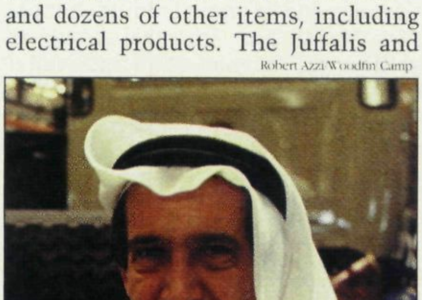
Olayan himself remains exceedingly liquid. Despite significant debt to Saudi lenders, he is still worth more than $1 billion.—**William P. Barrett**

JUFFALI FAMILY
Power Brothers

Saudi Arabia is undergoing severe economic retrenchment, but it isn't down to its last dime. Projects, though smaller and fewer, are still being built, and E.A. Juffali & Brothers is getting its share of new construction business. As a result, the family firm probably remains the kingdom's largest private business outside of financial institutions, a position held for many years. It has done so partly by forming joint ventures with many foreign companies and aggressively bidding on local construction projects and other proposals.

The prosperity of the Juffali organization dates back to 1950, when the three Juffali brothers—Ebrahim, Ahmad and Ali—built and opened Saudi Arabia's first electric power supply system. It just happened to power air conditioners in the mountain town where the royal family had its summer palaces. Pretty soon, the Juffali boys were electrifying the country's growing cities. They also became the Saudi distributor for Mercedes-Benz—and dozens of other items, including electrical products. The Juffalis and the Saudi royals still enjoy cordial relations, so the Juffalis continue to have an inside track.

Robert Azzi/Woodfin Camp



Ahmad Juffali

Ahmad Juffali, 65, now directs the family fortune. The Juffalis have in recent years invested significantly in Western projects, including U.S. real estate and hotels. This, too, has helped the Juffalis maintain a fortune estimated at $1 billion despite Saudi Arabia's current economic problems.—**William P. Barrett**

AL-RAJHI FAMILY
A Bankable Name

Lucky were the Saudi Arabian investors who enthusiastically absorbed the public offering last summer of shares in the money-changing-business-turned-bank owned by the four Al-Rajhi brothers. Al-Rajhi Banking & Investment Corp.—the felicitous acronym is ARABIC—floated about 43% of itself for $26.70 a share, or $86 million. Less than a year later, the stock was up to $160, valuing the Al-Rajhis' 52% stake—the rest is owned by employees—at around $625 million. That's pretty dear for a business that reported a mere $8 million in 1987 profits, especially since the Al-Rajhis are believed to have kept for themselves many of the better assets of the old money-changing business.

On the other hand, the Al-Rajhis—Suliman, Salih, Abdullah and Mohammad—have shown for four decades they know how to make money. Historically, money-changing in Arabia was a kind of service-oriented nonbank bank, enabling individuals to remit funds abroad and make after-hours deposits of surplus funds. The Al-Rajhis were the biggest of the breed, particularly during the oil boom, when they skillfully invested a daily float that sometimes topped $4 billion. The Al-Rajhis reluctantly became a bank at the insistence of government regulators.

Five years ago, before the price of oil plunged, the family probably had a net worth of $5 billion. Declining Arabian property values helped erode their fortune. But the family has been active in ventures all around the world, including real estate in the Washington, D.C. area.

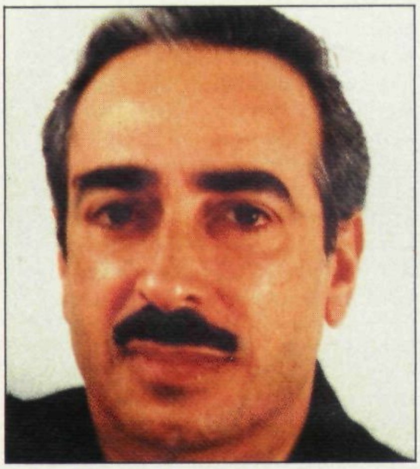
Thanks to that, and to the investing Saudi public, they still must be worth far over $2 billion.—**William P. Barrett**

ABDUL-AZIZ A. AL-SULAIMAN
Risk Diversifier

The key to being a superrich, nonroyal Saudi these days is to have invested outside the kingdom before the oil bubble burst.

Such an individual is Abdul-Aziz A. Al-Sulaiman, 58, who parlayed a cement company into a fortune estimated at about $1 billion.

Al-Sulaiman is the son of Saudi Arabia's first finance minister, Abdullah Al-Sulaiman, who received an exclusive franchise to import cement. A pretty good perk in a place about to experience one of history's great building booms. Young Abdul-Aziz, who was briefly educated at Lafayette College in Easton, Pa., added to this formidable base in the 1950s by forming a new company to import and sell Datsuns and other foreign goods in the kingdom.



Abdul-Aziz A. Al-Sulaiman

Years ago, Al-Sulaiman began channeling some of his capital outside Saudi Arabia, into hotels, financial service companies, banking, real estate and venture capital firms. So the calamitous oil bust that swept the Arabian peninsula in the early 1980s has had only a limited impact on his personal fortune.—**William P. Barrett**

BIN MAHFOUZ FAMILY
Impeccable Timing

The past year has been full of challenges for the Bin Mahfouz family. They control the National Commercial Bank of Jeddah, Saudi Arabia's oldest and largest (assets, $21 billion) bank. The Cyprus-based bank rating agency Capital Intelligence says the family sold its 30% stake in the Luxembourg-chartered Bank of Credit & Commerce International, worth maybe $120 million, just six weeks before BCCI was indicted in the U.S. on drug money laundering charges. Impeccable timing.

Salim Ahmed Bin Mahfouz

Meanwhile, the National Commercial Bank wrestled with a severe case of troubled loans. Just last month, it was forced to sue in New York courts to foreclose on a posh apartment that fallen financier Adnan Khashoggi bought with a $22.25 million loan. The bank reported operating income of $258 million during a 16-month fiscal year ending last Dec. 31, but all the money went into reserves for loan losses.

Shed few tears, though, for the family. Led by patriarch Salim Ahmed Bin Mahfouz and his son, Khalid, the Bin Mahfouz clan runs the day-to-day operations of what is the largest bank in the world owned by a partnership (with the Kaki family). Their 60%-plus holding in National Commercial is worth more than $300 million.

And like other Saudi Arabian billionaires, the Bin Mahfouzes have huge investments around the world in real estate—such as the Cebu Plaza hotel in Manila—and financial institutions; many of these are held through one of their holding companies, Middle East Financial Group, as well as in the names of individual family members. All told, the Bin Mahfouz family is worth—still—at least $1.5 billion.—**William P. Barrett**

KUWAIT

AL-GHANIM FAMILY
Through Boom And Bust

The past year has been the best in a long time for little Kuwait: The end of the nearby Iran-Iraq war has prompted a significant rise, so far, in local real estate values. The prosperity is particularly good for the Al-Ghanims, who have long had important shipping, electronics, auto and food-importing businesses in their Al-Ghanim Industries holding company, along with juicy real estate. Starting with a local trade in kerosene in the 1930s, they added in the 1940s what became possibly the world's most profitable General Motors distributorship.

Long before oil prices headed south, the family was investing in the West, especially in the U.S., where Yusuf Al-Ghanim and his son, Qutayba, formed AI (for Al-Ghanim Industries) International Corp. as their leading investment vehicle. With their links to GM, it was not surprising that the Al-Ghanims entered the auto parts business in the U.S., forming AI Automotive Corp. and buying up rival jobbers and distributors to create one of the nation's largest such companies. How successful this venture has been is not totally clear. Trade publications say the company has sold or closed a number of its distribution locations.

Yusuf Al-Ghanim

No matter. The Al-Ghanims have been in business in Kuwait for more than 50 years, through boom and bust. Their total net worth remains above $1 billion.—**William P. Barrett**

MOHAMED ABDUL MOHSIN AL-KHARAFI
Chunnel Player

The cessation of the Iran-Iraq war and the end of Kuwait's mild (compared to Saudi Arabia's) economic slump have both been very good news for Al-Kharafi, the 76-year-old patriarch of a formidable banking-construction-real estate empire. Al-Kharafi chairs and owns about 15% of the National Bank of Kuwait (assets $12 billion), generally regarded as the best run in the Persian Gulf. It certainly is one of the most profitable. The bank officially reported 1988 profits of $109 million, up 15% over 1987, although some experts say the actual profits are double the reported figure. The bank is a significant player in international lend-

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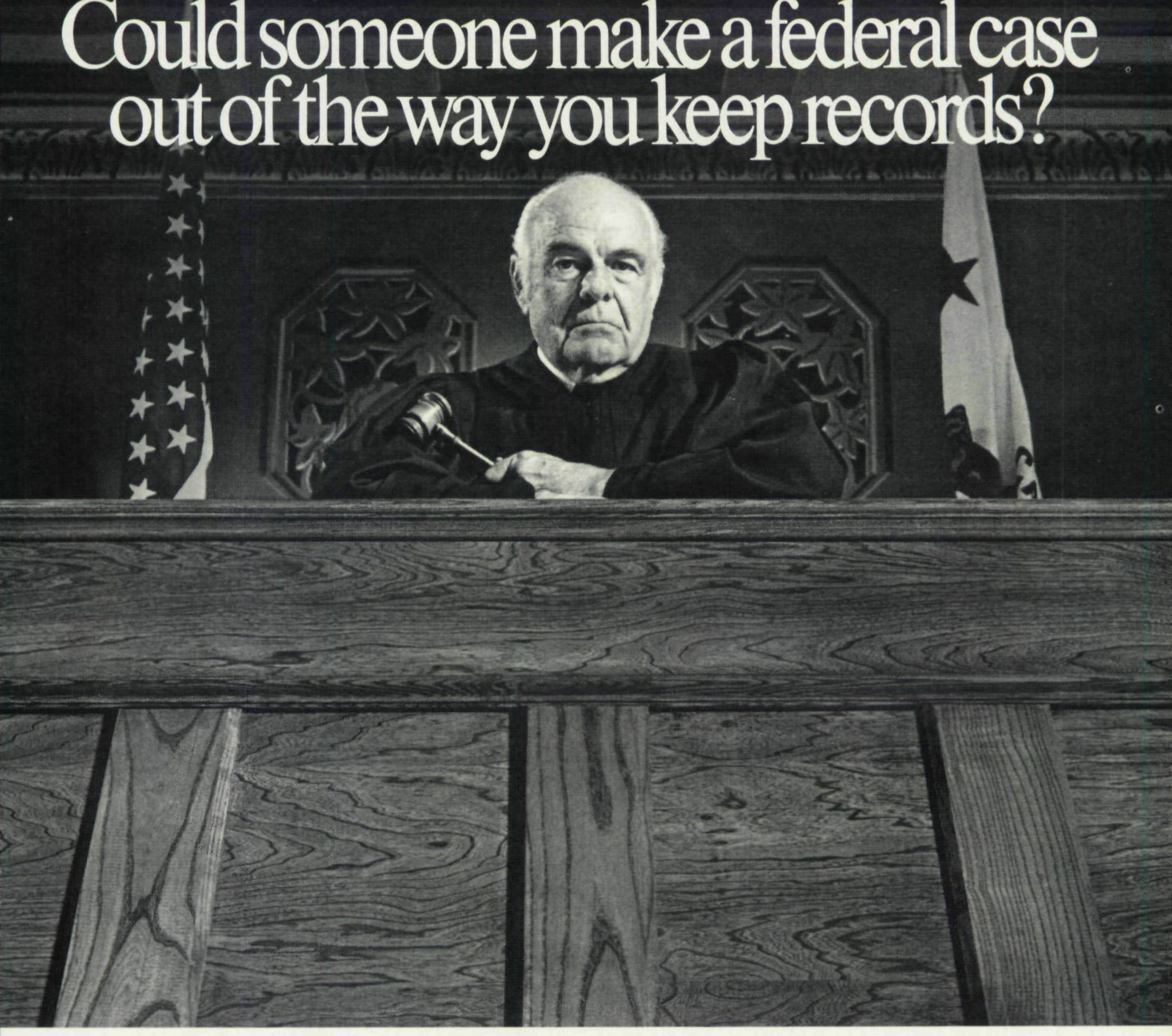

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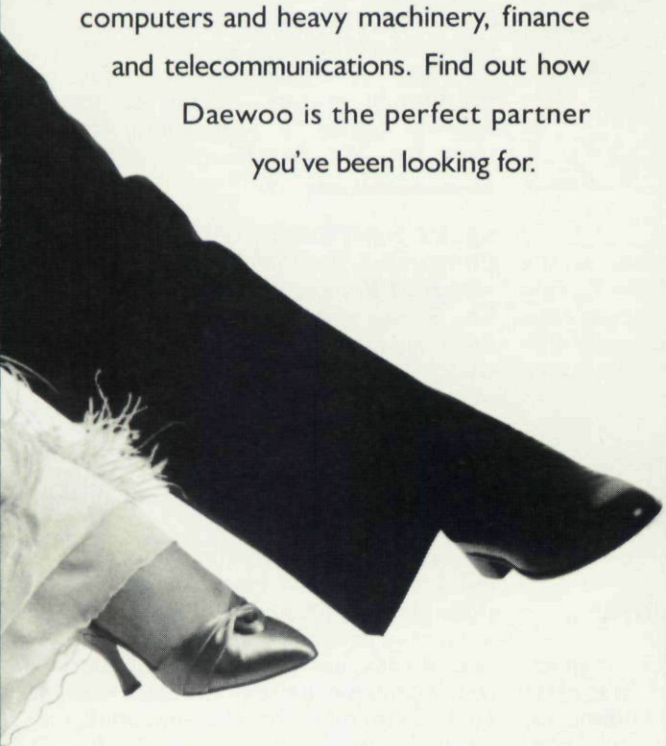

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ing; it is, for instance, one of the underwriters in the English Channel tunnel link between England and France and even brought a Finnish bond issue to market in Kuwait.

Al-Kharafi Industries is the country's largest builder, aggressively bidding on projects large and small. During the oil-fueled boom times of the late 1970s and early 1980s, it accumulated huge surpluses. The family also has extensive real estate holdings in Kuwait and other countries. Prominent Middle East investors estimate the Al-Kharafi family fortune at $1.5 billion.—**William P. Barrett**

Mohamed Abdul Mohsin Al-Kharafi

AL-MARZOOK FAMILY
Army & Navy Game

For many years the wealthy of the Middle East have invested in British real estate. The Al-Marzook clan is no exception. In April the family reportedly paid $48 million to buy the mansion overlooking London's Green Park that houses the prestigious Army & Navy Club, whose president is Prince Philip. Look for a rent increase, too; the club now pays less than $900 a month.

The purchase was another indication that the Al-Marzooks have held on to their wealth, estimated at well over $1 billion. Many of their fellow tycoons earned their money in trading or construction and then moved the proceeds into real estate. The Al-Marzooks, though, basically started with property. They operate through a myriad of companies, including Kuwait International Investment Co., Kuwait Real Estate Co., Kuwait Real Estate Bank, Financial Group of Kuwait—and on the side, Kuwait's *Al Anbaa* newspaper and Pearl Investment Co. of Bahrain. Some family members even operate a swank fashion store in Kuwait. Much of the family's investing is outside the Middle East—in the U.S., Europe and Japan, including real estate and banks. But by no means all. For family leader Khalid Al-Marzook, the rebounding Kuwaiti economy is turning 1989 into a very good year.—**William P. Barrett**

BAHRAIN

KANOO FAMILY
Blessing In Disguise

Bahrain's Kanoo clan operates one of the largest business empires in the Persian Gulf. Bahrain (pop. 400,000) is a tiny island-nation in the Persian Gulf just off Saudi Arabia that has profited mightily over the years as a transportation and commercial crossroads. Besides shipping, the Kanoo Group, as the organization is known, is in importing, insurance, banking and trading. The family's current leader, 66-year-old Ahmed Ali Kanoo, is also chairman of the National Bank of Bahrain.

The Kanoos not only dominate Bahraini business but are major players in Saudi Arabia as well, where many family members live. The crash of oil prices? Yes, it hurt the clan, but the good years were so good that the well-diversified Kanoo family holdings are still believed worth around $1 billion.

Originally the Kanoos were major factors in Persian Gulf pearl diving—a thriving industry that died in the 1930s after a big hurricane wiped out the oyster beds. The disaster was a blessing in that it forced the Kanoos to diversify. By comparison with the hurricane, the drop in oil prices was only a breeze for this adaptable family.—**William P. Barrett**

Kanoo family members

LEBANON

RAFIK BAHAUDDIN HARIRI
Ultimate Challenge

Son of a poor Lebanese businessman, Rafik Hariri rose to wealth in the late 1970s and early 1980s by winning billions of dollars of construction contracts from the Saudi Arabian government. He started with no royal family connections and, in the Saudi scheme of things, probably had to share some of his profits with senior princes who helped him get the business. But he also quickly developed a reputation for getting the job done on time and on budget.

Rafik Bahauddin Hariri

Hariri has been an active international investor, much of it through his Paris-based Mediterranean Investors Group. His investments include interests in banks, buildings and construction companies in Europe and the U.S.

On the negative side, the near-collapse last year of Paris-based Al Banque Saudi, in which Hariri had a significant stake, cost him maybe $30 million. Some U.S. real estate holdings also may have declined in value. But even after factoring in these reverses, Hariri's fortune is still estimated at well over $1 billion.

Still only 44, Hariri has continued his efforts to bring about a sustainable ceasefire in his native, war-torn Lebanon. Some say he harbors a desire for the ultimate political challenge: to become Lebanon's prime minister some day.—**William P. Barrett**

SAFRA BROTHERS
Competing Well Is The Best Revenge

The Safras, with family wealth estimated at more than $1.5 billion, are true globalists. Raised in Lebanon, Edmond J. Safra lives in Geneva on a Brazilian passport. His brothers Moises and Joseph live in Brazil, where they run Banco Safra, the country's 12th-largest bank and reputedly one of the most profitable.

Edmond, 58, last year put up $200 million of his own funds for a 21% stake in newly created Safra Republic, a Geneva-based banking operation that already has become one of the fastest-growing in the world. Safra Republic (with more than $4.3 billion in assets) is 49% owned by New York-based bank holding company Republic New York Corp.—itself more than one-third owned by Safra, who serves as its "honorary chairman." In addition, Edmond has many other assets,

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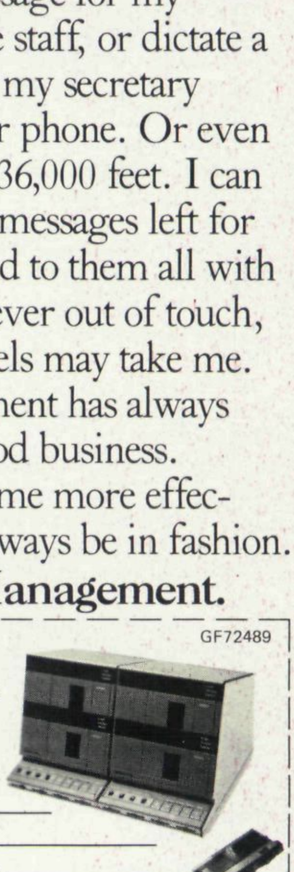


Dictaphone
A Pitney Bowes Company

including two small banks.

With Safra Republic, Safra hopes to duplicate the success he enjoyed from Geneva's Trade Development Bank. He established TDB in the 1960s and in 1984 sold it to American Express for $550 million in stock, which he eventually sold after a split with American Express management. Gossip says a major motive in establishing the new Swiss operation was to get back at American Express for pushing him out of his earlier Swiss creation.—**William P. Barrett**

TURKEY

VEHBI M. KOC
What's Turkish For "Sandbag"?

★ The Koc family is new to these pages this year. The fortune traces to the aftermath of World War I, when many Christian merchants fled Turkey, leaving behind a significant business vacuum. Into this commercial void stepped the family of Vehbi Koc, small-time Ankara grocers with big-time aspirations. Pretty soon the Koc (pronounced "coach") family business was repairing government buildings and acting as agent for such Western companies as Ford. Young Vehbi helped organize Koc Holdings in the mid-1920s.

Thanks perhaps to tough bans on foreign imports, the Koc business grew steadily over the years through startups, acquisitions and joint ventures with Western companies, which supplied parts for assembly in Turkey. Thus, Koc made Peugeot and Fiat cars, and Ford trucks. All this gave Vehbi, who enthusiastically adopted Western management techniques, a well-earned reputation as the Henry Ford of Turkey.

The really dramatic growth, though, has come in the last 15 years, largely under the export-oriented policies of Prime Minister Turgut Ozal. Koc Holding's sales doubled from about $500 million in 1973 to $1.1 billion in 1977, then tripled to about $3 billion in 1983. Today, Koc is Turkey's greatest industrial organization, with 1988 sales of $5.7 billion. The sprawling empire embraces more than 115 companies and owns more than 20 of Turkey's 500 largest companies. Besides vehicles, Koc companies produce food, manufacture textiles, underwrite insurance, conduct banking, build buildings and operate tourist projects. Although there is some public ownership and significant debt, the Koc family's holdings are easily worth $1 billion.

Now 88, Vehbi Koc has turned Koc Holdings' day-to-day control over to his son Rahmi, 58. But the old man is energetic and full of surprises. In 1985, for example, Koc took the occasion of a well-attended Istanbul business luncheon featuring then-U.S. Secretary of State George Shultz to rebuke the guest in public over American textile import policy. Caught completely off guard, Shultz sputtered to the delighted audience, "Do you have a word in your language for 'sandbag'? "—**William P. Barrett**

SABANCI BROTHERS
The Stuff Of Legends

★ Turkey, struggling to enter the ranks of developed countries, would seem an unlikely home for billionaires, but its Sabanci family has built such a fortune from a family cotton trading oufit. (It is said, possibly apocryphally, that six or seven decades ago 14-year-old Haci Omer Sabanci walked 300 miles through rural Turkey to find a job as a cotton worker.)

From cotton trading it was a relatively easy step to banking. In 1948 the by-then-prosperous Sabanci family established Akbank, named after Haci's birthplace of Akcakaya, and in 1954 moved the head office from the provinces to relatively cosmopolitan Istanbul. The Sabancis were in a good position to participate in the nascent import-substitution industrialization of Turkey.

The legendary Haci Sabanci died in 1966, but he left the business in good hands. Five sons now run Sabanci Holdings, which has become one of Turkey's leading industrial/financial organizations, and has put the Sabancis on our world billionaires list for the first time this year.

Akbank, its most important asset, is managed by Erol Sabanci. Akbank is Turkey's fourth-largest bank but first in profits ($151 million last year), with one of the world's highest returns on assets. Capital Intelligence, the Cyprus-based bank rating agency, considers Akbank to be Turkey's soundest bank.

Sabanci Holdings (1987 revenues, $3.7 billion) controls 15 of Turkey's 500 largest companies, concentrated in electronics, cement, tires, plastics, textiles and foodstuffs. The ownership structure is byzantine, but the family seems effectively to own at least 95% of the many-tentacled group. Allowing for debt, that stake is worth something like $1.5 billion. Sabanci Holdings, chaired by Sakip Sabanci, has extensive interests in electronics, textiles, cement and foodstuffs.—**William P. Barrett**

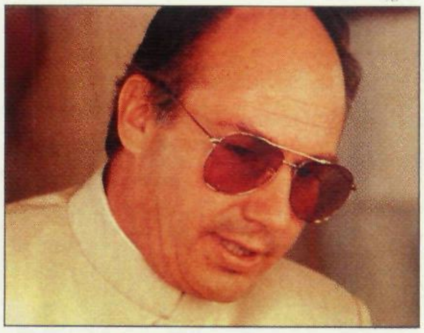
CITIZEN OF THE WORLD

THE AGA KHAN IV
Flying High

For the last 32 years, the spiritual leader of millions of Ismaili Moslems has been the Aga Khan IV, whose real name is Karim El-Husseini. His followers tithe him an estimated $100-million-plus a year, which is no small change. But he is better known in some circles as an airline/hotel tycoon.

Last year Fimpar, the publicly traded Italian holding company he controls, shelled out $20 million for majority ownership of Hispania, one of Spain's largest charter airlines. The Aga Khan already has Alisarda and Avianova airlines, both of which are

Baldev/Sygma



The Aga Khan IV

rapidly expanding throughout Italy and nearby countries. Other Fimpar holdings include the Ciga chain of luxury hotels in Italy, the just-purchased Hotel Meurice in Paris, and a minority share of Austria's Imperial Hotels.

For his personal account, the Aga Khan, 52, has a large piece of the ritzy, 10,000-acre Costa Smeralda tourist complex on the island of Sardinia, which he and a group of investors started developing in the 1960s. Through his Aga Khan Fund for Economic Development, a profitmaking company he owns, the Aga Khan presides over a far-flung empire of largely Third World enterprises. He also owns 500 Thoroughbred horses, many of them champions, and a formidable stock portfolio. Educated in the U.S. (Harvard '59), the Aga Khan lives on an estate near Paris, carries a British passport and is worth at least $1.5 billion.—**William P. Barrett**

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