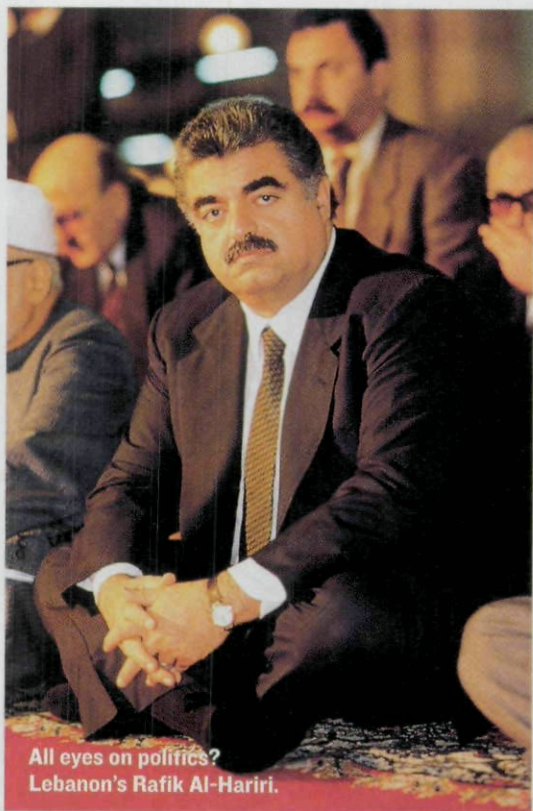


The Mideast Phones Home

Oil still dominates the fortunes of commoners and kings alike in the Middle East. So as oil prices rebounded from last year's lows, the region's rich got richer. So far, the New Economy in the Middle East denotes telecom, since computer and Internet penetration remain low compared to Europe and the U.S. But telecom is sizzling. Egypt's first billionaire, Onsi Sawiris, struck gold at home with wireless phone concessions. Lebanon's

Rafik Al-Hariri—eyeing slow growth in construction—is hoping to do the same in South Africa. In Turkey, billionaire Sahenk and Sabanci families joined to bid for a mobile phone license, but came up short. Other Turks, Mehmet Emin Karamehmet and his family—who parachute onto our list at a whopping \$8 billion—look set to reap possibly billions more when their Turkcell goes public later this year. Lots for some in the region to talk about.



All eyes on politics?
Lebanon's Rafik Al-Hariri.

Cairo. **Time off:** Sailing and relaxing at their Red Sea resorts.

brew for giving), a workplace charity affiliated with United Way.

ISRAEL

Sammy and Yuli Ofer

\$2.1 BILLION ▲

Ages: 80, 75

Claim to fame: Secretive brothers run global shipping empire. Monaco-based Sammy leads international operations while Yuli spearheads banking and real estate from Tel Aviv. **The empire:** Expansive family holdings include high-tech industrial park, marinas and hotels in Israel, and upscale shopping mall in Hungary. **Time off:** Art collector Sammy was named in May as possible buyer of a Picasso, painted in just over 2 hours. Price: \$28.6 million.

KUWAIT

Nasser Al-Kharafi and family

\$5.7 BILLION ▲

Age: 57

Claim to fame: With brothers, runs \$2.6 billion (revenues) Mohammed Abdulmohsin Al-Kharafi & Sons, the construction-to-fast-food group founded by their father. **Latest moves:** Brother Jassim elected speaker of the Kuwait parliament. Americana food division saw profit grow 25%. Group acquired 70% of newly formed Egyptian gas distributor National Gas Co.

LEBANON

Rafik Al-Hariri and family

\$3.5 BILLION ▲

Age: 56

Claim to fame: Construction magnate focuses on politics these days. Son Saad, 30, runs contracting company Saudi Oger, 1999 revenues \$1.8 billion. **Latest quests:** Saudi Oger expanding into telecom. Won approval from South Africa's TV and Radio Authority, Satra, for third GSM license and awaits final award by telecommunications minister. Talk that Hariri may be aiming for prime minister's spot again. **Time off:** The Hariri Foundation funds clinics and education. Established the Hariri Canadian Academy near Beirut, the second of four planned technology institutes.

EGYPT

Onsi Sawiris and family

\$2.1 BILLION ★

Age: 70

Claim to fame: Led construction giant Orascom as it diversified into tourism and telecom, each run by 1 of his 3 sons. **Latest quests:** Orascom Telecom grabbed 18 mobile phone licenses covering 400 million people in the Middle East and Africa, including a stake in Egypt's own MobiNil. Also expanding his Egyptian resorts and building a "Nile City Tower" hotel complex in

Shari Arison Dorsman

\$2.1 BILLION ★

Age: 42

Claim to fame: Low-profile mother of 3 inherited late father Theodore Arison's Israeli operations, as well as a sizable stake in Carnival Cruise Lines, managed by brother Micky. She chairs Arison Holdings, oversees Arison Foundation. **The empire:** Includes lucrative stakes in Bank Hapoalim, Israel's largest bank. Investments in Israel's burgeoning tech sector include Eurocom, big phone player and partner with Nokia. **Time off:** Launched Matan (He-

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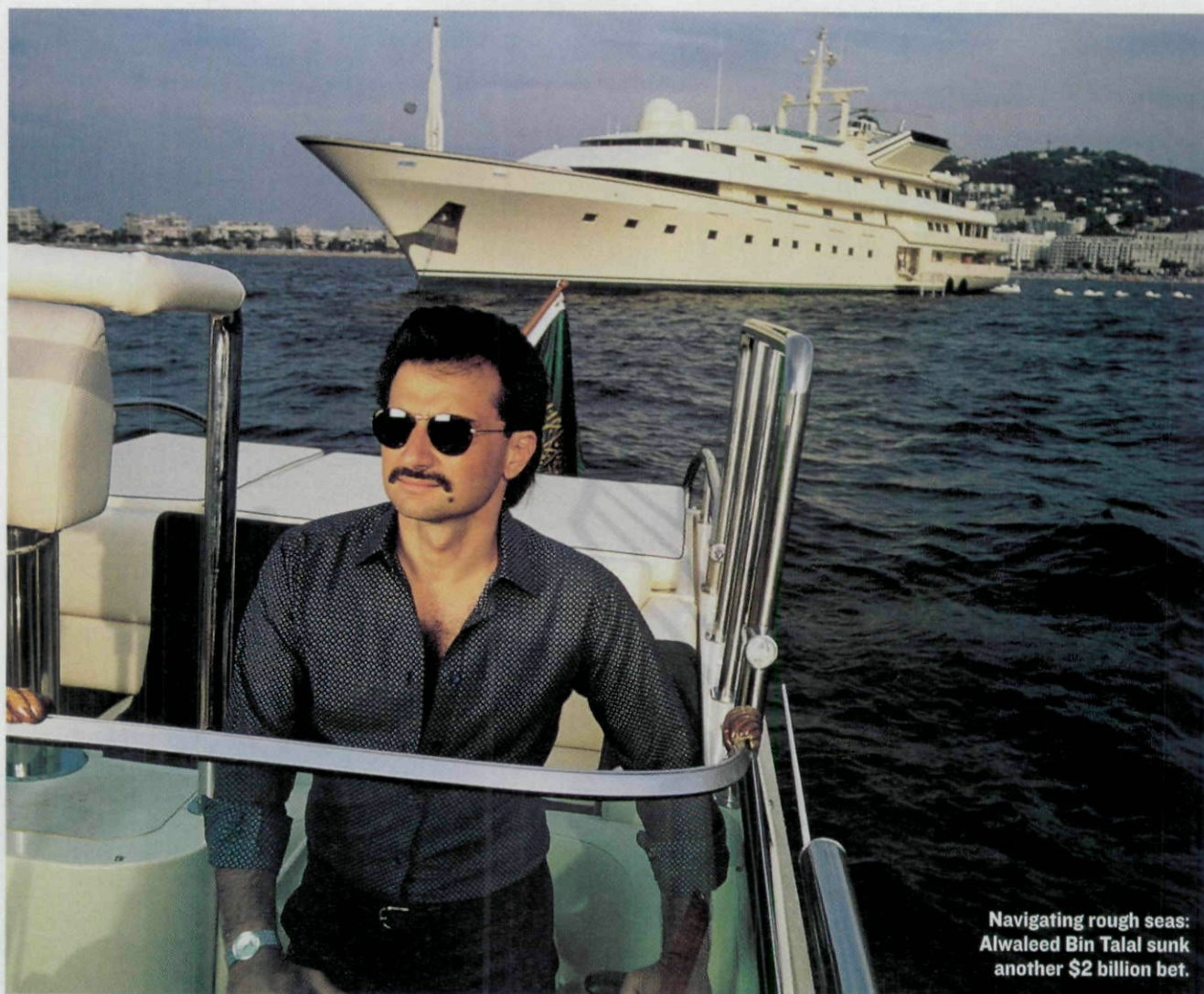


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Navigating rough seas:
Alwaleed Bin Talal sunk
another \$2 billion bet.

SAUDI ARABIA

Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud

\$20 BILLION ▲

Age: 43

Claim to fame: Enthusiastic and prodigious investor in mostly U.S. and European blue-chip stocks. Typically buys when stocks are down but not out. **Latest moves:** Took advantage of the April Nasdaq rout to pump \$2 billion into a basket of tech and consumer-oriented shares. Partially funded the buying binge with a \$1 billion sale of Citigroup shares. Citigroup still his largest holding, worth a recent \$8.4 billion. **For fun:** Hangs out in the Saudi desert with his entourage and watches CNBC on a big-screen televi-

sion. Takes long power walks alone in the desert.

Suliman Olayan and family

\$8 BILLION ▲

Age: 81

Claim to fame: Value investor in European and American blue chips. His 3 daughters and 1 son all are executives in the Olayan Group. **Latest moves:** Olayan bought a stake in MetLife's IPO valued at more than \$350 million. In Saudi Arabia the Olayan Group includes 30 companies plus a 20% stake of Saudi British Bank.

Saleh Abdullah Kamel

\$4 BILLION ▲

Age: 59

Claim to fame: His Dallah Albaraka con-

glomerate runs a regionwide Islamic banking empire, real estate investments and media interests. **Latest moves:** Copying his successful tourism concept, Durrat Al-Arous in Jeddah, at other sites around the Middle East. Chronic moneyloser Arab Radio & Television (ART) continues to flounder despite further capital injection of \$200 million and expanding American viewership. **Time off:** Leaves private jet idling on tarmac and ART vans parked outside of the Ritz during Cannes Film Festival.

Saleh Bin Abdul Aziz Al Rajhi and family

\$3.6 BILLION ▲

Claim to fame: Family runs Al Rajhi Banking & Investment Corp. (total assets \$10.2 billion), which operates on

We've been through turbulent times before.



Regardless of today's market climate, the future includes the distinct possibility of uncertainty and volatility. Not surprisingly, many investors feel adrift, unsure where to turn for advice. Should you invest more in bonds or equities? More in small caps or blue chips? Or keep more cash on hand? While nobody can promise you all the right answers, U.S. Trust can promise you something invaluable: expertise based on experience.

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Where Have All the Oligarchs Gone?

Since 1997 five Russians have made FORBES' list of the world's billionaires. In August 1998 the Russian ruble collapsed, shrinking their fortunes—and knocking them off the list. Now Russia is growing again. The ruble is stable. And the stock market has rebounded 435% from its October 1998 low. So where are the former billionaires?

Not back on our list. Turns out most of these men were better kleptocrats than businessmen. Call them crony capitalists. They accumulated their fortunes during the economic chaos of the Yeltsin era by buying state enterprises at virtually no cost or sucking the cash out of state companies they controlled. In Russia these fat cats were popularly known as "the oligarchs."

Back then the richest was Boris Berezovsky. His car dealership, TV and oil interests, and airline holdings were worth \$3 billion in 1997. Today Berezovsky's ORT TV network gives him political clout, but loses an estimated \$200 million annually. Last year a government cash infusion saved it from bankruptcy. The giant oil company Sibneft, in which Berezovsky is believed to retain a 7% stake, has a market cap of \$1.6 billion—down 68% from 1997. That makes his share worth a mere \$112 million.

The empires of Berezovsky and the other billionaires on our list—Vladimir Potanin, Mikhail Khodorkovsky, Vagit Alekperov and Rem Vyakhirev—have been crippled by bad management, debts and endless schemes to funnel revenues offshore. Khodorkovsky retains a controlling stake in oil giant Yukos, but that outfit's market capitalization is down 73% from 1997, to \$1.7 billion.

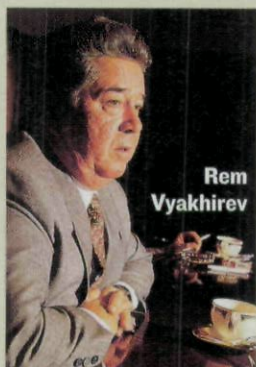
Yes, investors are returning to Russia. But they have shied away from companies associated with the most rapacious of the oligarchs.

Russian entrepreneurs are learning an old lesson: Looting may be a good way to get rich, but it's a bad way to stay rich.

—Paul Klebnikov



Boris Berezovsky



Rem Vyakhirev

Islamic principles, paying no interest on deposits. **Latest moves:** Increasing automation, expanding women's banking branches. Remains Saudi Arabia's leading consumer bank. Founding brothers also control country's largest poultry farm, vast real estate holdings.

Mohammed Abdul Latif Jameel and family

\$3.5 BILLION ★

Claim to fame: Abdul Latif Jameel Group is the world's largest Toyota dealer, with operations in the Middle East, Central

Asia and China. In the U.K. they operate Hartwell and Trimoco car dealerships. Also run Saudi Arabia's largest consumer finance company. **Latest moves:** Completing hotel complex in Mecca, expanding pilgrimage services in Medina and Mecca. In the U.S. Jaymont (USA) Inc. controls trophy properties valued at nearly \$1 billion.

Abdul Al Rahman Al Jeraisy

\$2 BILLION ★

Age: 68

Claim to fame: Built a retailing empire

starting with office furniture, later adding office equipment and computers. Sold the first computers in Saudi; now also manufacturing them.

Latest moves: Launched an Internet service provider with Bahrain's Batelco. Hosted an "e-office" booth at the first Saudi Comdex in April. Added 4 factories, including a joint venture for furniture with U.S.' Steelcase Inc. **Time off:** Longtime head of Riyadh and Saudi Chambers of Commerce.

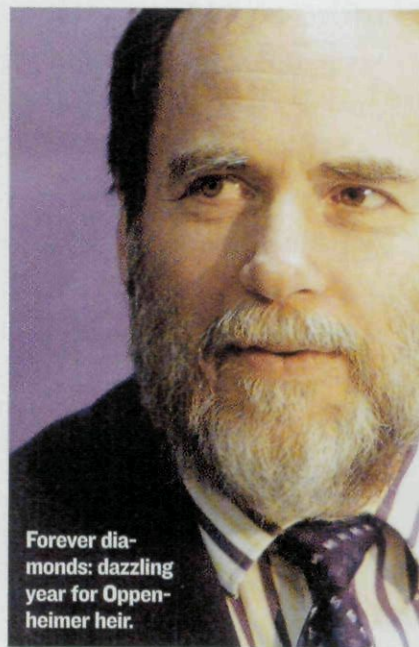
SOUTH AFRICA

Nicky Oppenheimer and family

\$2.8 BILLION ▲

Age: 55

Claim to fame: Heir to the world's largest diamond empire, the De Beers chairman is helping reposition the company for this century. **Latest moves:** Millennium celebration led to record diamond sales of \$5.2 billion. Nicky is working to convince the U.S. to reverse longstanding antitrust charges against De Beers. Also has a secretive private equity group, Task Holdings, focused on investments in tech companies. **Time off:** When in England, family eats organic foods from their farm.



Forever diamonds: dazzling year for Oppenheimer heir.

SENGI GUNEV / SABA (TOP); PETER BLAKELY / SABA

TURKEY

Mehmet Emin Karamahmet and family**\$8 BILLION ★**

Claim to fame: Family's Cukurova Group has interests in media, tourism, banking and steel. Controls two leading consumer banks, Yapi Kredi and Pamukbank, and Turkey's leading ISP, Superonline. **Latest moves:** Preparing for global IPO of dominant mobile phone provider, Turkcell. Cukurova owns about 40%; Finland's Sonera has some 35%. **Time off:** Media-shy family avoids contact with the press.

Sakip Sabanci and family**\$5.7 BILLION ▲**

Age: 67

Claim to fame: Controls Turkey's largest holding company. Has joint ventures producing cigarettes, tires, cars as well as retail, distribution and banking. **Latest moves:** Lost bid with Sahenk (*see*) for

country's third GSM license. Commenced operations of DuPont-Sabancı, the largest polyester producer in Europe and the Middle East. Launched tire-cord joint ventures, also with DuPont, in Argentina and Brazil. **Time off:** Family-funded Sabancı University opened October 1999. All 300 students given laptops.

Rahmi Koc and family**\$4.4 BILLION ▲**

Age: 69

Claim to fame: From cars and consumer goods production to banking, through publicly traded Koc Holding. Estimated 1999 revenues: \$11.2 billion. **Latest moves:** Restructured durable goods division to combine distribution and marketing companies of Arcelik, Ardem and Beko. Arcelik is now sixth-largest durable goods manufacturer in Europe, with 11% of the U.K. market in refrigerators. **Time off:** Plowed \$150 million into Koc University since 1993. Spent another \$60 million for new campus on the Bosphorus.

Ayhan Sahenk and family**\$3.6 BILLION ▲**

Age: 71

See story, p. 220.

UNITED ARAB EMIRATES

Abdul-Aziz Al-Ghurair and family**\$2.4 BILLION ▲**

Age: 46

Claim to fame: Heads family's Mashreq-Bank (total assets, \$5.4 billion), one of most profitable banks in the U.A.E. **Latest moves:** Expanding National Flour Mill in Dubai's Jebel Ali Free Zone. Setting up edible oil refinery. Spending \$380 million to turn their Al-Ghurair Center in Dubai into shopping, business, entertainment mall. **Time off:** Skis in Europe, water skis, paraglides.

By Juliette Rossant, Lea Goldman and Luisa Kroll.



Riding high:
Sakip Sabanci's
Turkish plays are
galloping.

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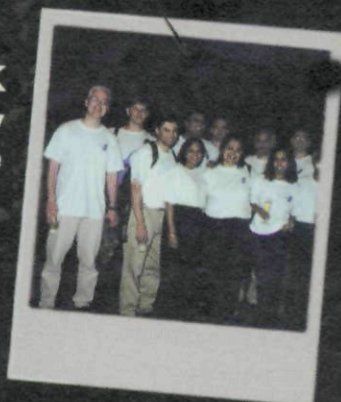
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