



Thomas Gieger  
Karl-Ernst Vaillant  
**People want warm water and warm homes, and Karl-Ernst Vaillant's Joh. Vaillant GmbH delivers. But family management may have run its course.**

### Vaillant family

The Vaillant family has accumulated over \$1 billion from people's need for warm water and warm homes. Their privately owned company, Joh. Vaillant GmbH & Co., makes heating equipment and boilers.

When plumber Johann Vaillant founded the company in 1874 in the town of Remscheid, there wasn't even a central water supply. About 20 years later Vaillant began producing heating and boiler equipment. Exports took off after World War II, and by 1955 a million boilers a year were rolling off Vaillant's line. Today half the company's \$1.1 billion in sales are made abroad. Vaillant has a U.S. subsidiary in New Jersey, and recently opened offices in Hungary, Poland and the Czech Republic to complement its network throughout Europe and Turkey.

Karl-Ernst Vaillant, 59, is one of Vaillant's three managing partners and the only remaining family member in management. His brother-in-law, Franz Wilhelm, who retired in 1989, was largely responsible for the

company's international expansion.

The family's other business, Küppersbusch AG (sales, \$160 million), produces home appliances as well as professional kitchen and catering equipment.

### UNITED KINGDOM

By Marc E. Babej

### Schroder family

Founded 176 years ago, Schroders Plc. entered a second adolescence in 1980. Since then the London-based bank's stock price has multiplied about forty-fivefold. The Schroder family, which owns some 40% to 50% of the stock—worth \$890 million to \$1.1 billion—can thank Schroders' 63-year-old chairman, George Mallinckrodt, and 53-year-old Win Bischoff, group chief executive. Since they took the helm in 1984, the firm has grown from a struggling merchant bank worth less than \$160 million to a diversified investment bank worth about \$2.3 billion.

Mallinckrodt originally joined the firm in 1954 and married the daugh-

ter of Schroders' then chief, Helmut Schroder, a great-grandson of Schroders' founder John Henry Schroder. Mallinckrodt was early in deemphasizing commercial lending and building up fee-based businesses like investment banking and fund management, which now provide for the majority of Schroders' pretax profits (\$294 million last year).

Within the next two years Mallinckrodt is likely to retire and Bischoff, a nonfamily executive, is in line to succeed him. On the agenda: expanding Schroders' international reach, and buying out the 50% of Wall Street investment bank Wertheim Schroder that Schroders doesn't already own.

After Bischoff, a Schroder heir may again get a chance to head the company. Earlier this year Mallinckrodt's son, Philip, resigned from CS First Boston to join a recently created international finance division at J. Henry Schroder Wagg & Co., a unit of Schroders.

### GREECE

By Marc E. Babej

### Costas Lemos

To the names Niarchos, Latsis and other Greek shipping billionaires, add another one: Costas Lemos.

Now in his 80s, Lemos hails from the island of Inousa. First a ship engineer and then a captain, he quietly built a large tanker fleet, then sold most of his ships in the 1980s and reinvested in stocks, bonds, oil and real estate. Said to have hundreds of millions in cash, he's worth at least \$2.5 billion.

Costas Lemos spends much of his time in Athens. Son Michael takes care of most business matters from London. Lemos' two daughters, Chris and Irene, live in Athens and Switzerland, respectively.

### Livanos family

With an estimated \$1.7 billion fortune built on shipping in the years following World War II, the Livanos are among Greek society's most prominent.

Following the maxim of Austria-Hungary's Habsburg dynasty that alliances forged through socially objectionable marriages are preferable to



war, they have wedded Livanos daughters to up-and-coming Greek shipping entrepreneurs who more than made up for their lack of a lineage by business acumen.

Tina Livanos and her sister Eugenia are notable examples. Against the objections of their mother, their father approved their marriages in the 1940s to Aristotle Onassis and Stavros Niarchos, respectively.

The tradition continues. Arietta, daughter of family leader George S. Livanos, has just exchanged vows with longtime boyfriend and Brown University classmate (class of '90) George Vardinoyannis, the affable son of oil and shipping centimillionaire Vardis Vardinoyannis.

George S. Livanos winters in St. Moritz and summers on his 90-foot yacht and his private island near Spetsai.

The other key Livanos is cousin George P., who has reclaimed for the clan the distinction of being Greece's biggest shipowner. George P. was brought up in New Orleans and now spends a lot of time in Greenwich, Conn. One of the most respected men in his business, he works through Athens-based Ceres Shipping and is involved in trade organizations and environmental issues—above all, the pollution of the seas.

## FRANCE

By Philippe Mao

### Defforey family

With his partner, the late Marcel Fournier, Denis Defforey started what has become the Carrefour hypermarket empire. Carrefour is a kind of Euro version of Wal-Mart—offering huge stores, discount prices. Defforey and Fournier opened their first store in 1959. Today there are over 1,500 stores in the Carrefour retail network, including hypermarkets, supermarkets, minimarkets, frozen food, home and office supplies, and super discount warehouses. Last year about 40% of Carrefour's \$22 billion in revenues were generated outside France, from Spain to Malaysia and Turkey.

Defforey's record in the U.S. is mixed. Hypermarkets have flopped here; Carrefour is closing two Philadelphia stores. Unlike the French,



Promodès' second generation leader, Chairman Paul-Louis Halley

**Halley stubbed his toe in the U.S., but the Paris bourse crowd hasn't minded.**

"Americans don't like buying food and televisions in the same store," says a company official.

But Carrefour also owns 16% of Office Depot and 10% of discount warehouse chain Price Costco. Both investments have paid off handsomely for the family.

Now 69, Defforey is still chairman of Carrefour. No successor has been chosen yet. His family's 20% stake was recently worth around \$1.6 billion.

### Halley family

The backbone of the Halleys' Promodès retailing group is the Continent chain; with over 170 hypermarkets in France and western Europe, it concentrates on food. There is also a chain of 450-plus supermarkets in France under the name Champion, and a growing network of local discount and convenience outlets.

Chairman Paul-Louis Halley, 59, has been the guiding force behind Promodès for nearly a quarter of a century. Since taking over from his father in 1971, Halley has expanded the company beyond French national borders. The group currently has about 4,500 stores worldwide, 3,000 of them in France. Promodès is testing the hypermarket concept in Taiwan and Turkey, and plans to open stores in both countries this year and in 1995.

Halley stubbed his toe in the U.S. in the 1980s, after taking over the Red Foods supermarket chain in the Southeast. He tried to sell both food and general merchandise, but the concept never caught on.

Earlier this year Halley threw in the towel and sold Red Foods to Ahold, a Dutch retailer, for \$120 million.

But French investors haven't held that against him. Since the company went public in 1979, its market capitalization has risen about fifteenfold, to around \$2.5 billion. The Halley family owns 41%.



Carrefour cofounder Denis Defforey

**Stakes in U.S. discounters helped.**





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