

EUROPE

ITALY

By Marc E. Babej

Leonardo Del Vecchio

"Signor Nessuno"—Mr. Nobody. That's how the Italian press described low-key Leonardo Del Vecchio a few years ago. But the Del Vecchio family's 73% stake in Luxottica Group S.p.A., the world's largest mid-to-up-market eyeglass frame manufacturer, was recently worth \$1.4 billion, and that's a lot for a nobody to have.

Now 59, Del Vecchio was raised in a Milan orphanage. He worked his way through design school as an apprentice in a factory that made tooling and molds for everything from automobile logos to eyeglass frames. In 1958 Del Vecchio, then 23, opened his own molding shop. Three years later, with backing from two big customers, he moved from Milan to the small town of Agordo in the Italian Alps to start Luxottica.

Growth was steady but slow until the late 1980s, when Luxottica licensed the names of such top designers as Giorgio Armani, Yves Saint Laurent and Valentino.

In 1990 Del Vecchio listed Luxottica's American Depositary Receipts on the New York Stock Exchange. Adjusted for splits, the ADR price has increased fourfold, to a recent \$33, valuing the \$420 million (sales) company at \$1.5 billion.

Luxottica's U.S. operations account for 44% of sales and are run by Mr. Nobody Jr.—Del Vecchio's son and designated successor, 37-year-old Claudio.

GERMANY

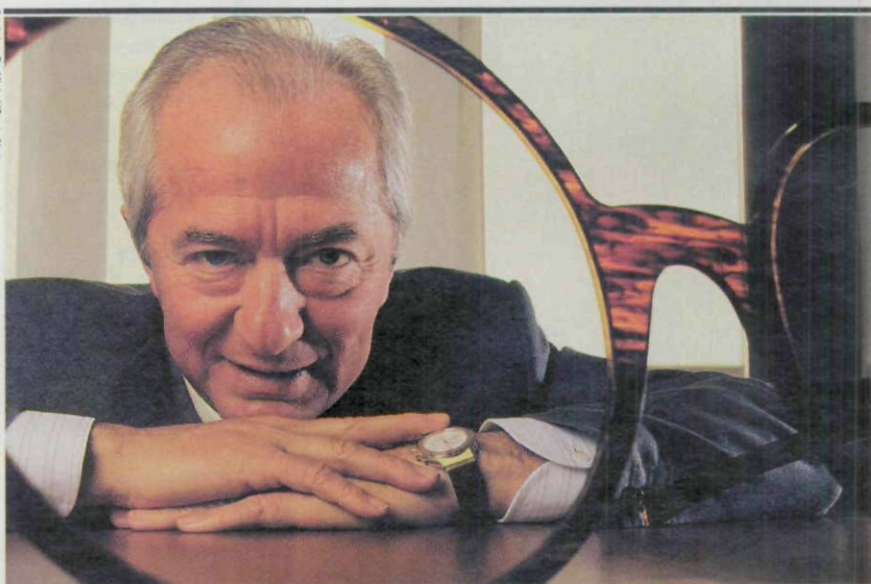
By David Fondiller

Simon family

The Simons own a small piece of Germany's huge beer market, but whereas the overall market is shrinking (down 6% last year), their sales are growing (up 4.7%, to \$326 million). Their brand is 177-year-old Bitburger Brauerei, brewed in the Eifel Hills of Bitburg, near the French border.

A premium brand, Bitburger commands prices 20% to 35% higher than

Giorgio Armani, Yves Saint Laurent and Valentino.



Luxottica Group founder "Mr. Nobody" Leonardo Del Vecchio

The key was signing up Giorgio Armani, Yves Saint Laurent and Valentino.

most of its competitors'; the company nets over 8% on sales, versus maybe 2% for a typical German brewer. Estimated cash flow: around \$120 million a year. The brewery sits on prime land, the full value of which is not reflected in the company's financial accounts.

Last September the Simons launched an eastern German specialty beer, Köstritzer Schwarzbier, and recently took over the Schultheiss Brauerei near Koblenz, strengthening its position in the middle Rhine region. Successful new products include alcohol-free beers and low-alcohol beers.

Three family members run the business: Axel Theobald Simon, 50, is the last relative to carry the Simon name and oversees production; Michael Dietzsch, 53, handles marketing; and Thomas Niewodniczanski, 60, is responsible for finance. Estimated net worth: \$1 billion.

Ströher family

Franz Ströher was a wigmaker who in 1927 bought the rights to a process that used hot curlers and chemicals to put long-lasting waves into women's real hair. Don't laugh. Today the Ströher heirs control a \$1.8 billion (sales) company, Wella AG, that is the world's second-largest hair care and

cosmetics company (behind L'Oréal of France).

Wella is headquartered in Darmstadt, in western Germany, and the company makes everything from shampoos and hair colors to health products and hair salon equipment.

Franz Ströher's descendants own more than 50% of Wella (worth at least \$794 million) but have not been active in daily operations since the 1970s. Several fourth-generation family members serve on the company's advisory and supervisory boards. All told, the Ströhers are worth about \$1 billion.

Wella's professional managers want to expand the core hair care business by making acquisitions in Italy, Spain, France, Japan and Latin America. Last year Wella acquired the hair care division of Britain's SmithKline Beecham, with sales of around \$70 million, and Sebastian International in Los Angeles, with sales of \$80 million.

More recently, the company announced in June that it will acquire a 91% stake in German perfume maker Muehlens (sales, \$294 million), which is best known for its 4711 eau de cologne brand. The deal has been billed as Wella's largest acquisition to date.

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