

## Where Have All the Oligarchs Gone?

**S**ince 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.

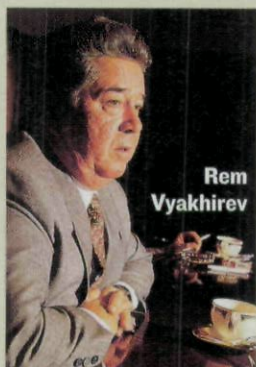
Yes, investors are returning to Russia. But they have shied away from companies associated with the most rapacious of the oligarchs.

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.

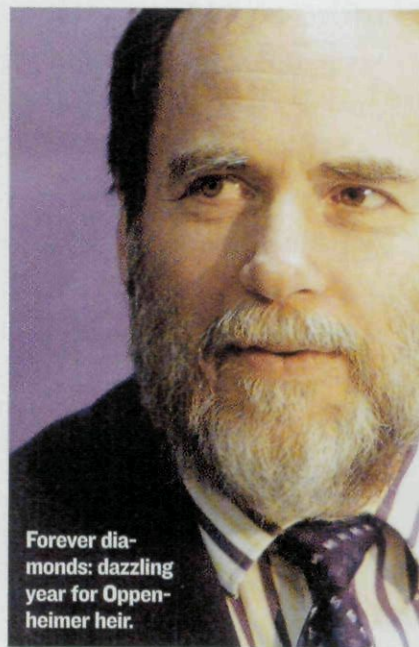
## SOUTH AFRICA

### 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



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