EUROPE

DENMARK

KRISTIANSEN FAMILY

The perfect toy

For four decades the Kristiansens have been producing those ubiquitous little plastic Lego construction bricks. Lego Group is a closely held, secretive company. Sales are an estimated $700 million, up 15% last year. The family is worth $1-billion-plus.

Lego Group was founded in 1932 in the small Jutland town of Billund, by carpenter and joiner Ole Kirk Christiansen (the younger generation changed the spelling). At first he made ironing boards, stepladders and wooden toys. The name Lego comes from the Danish *leg godt*, or "play well."

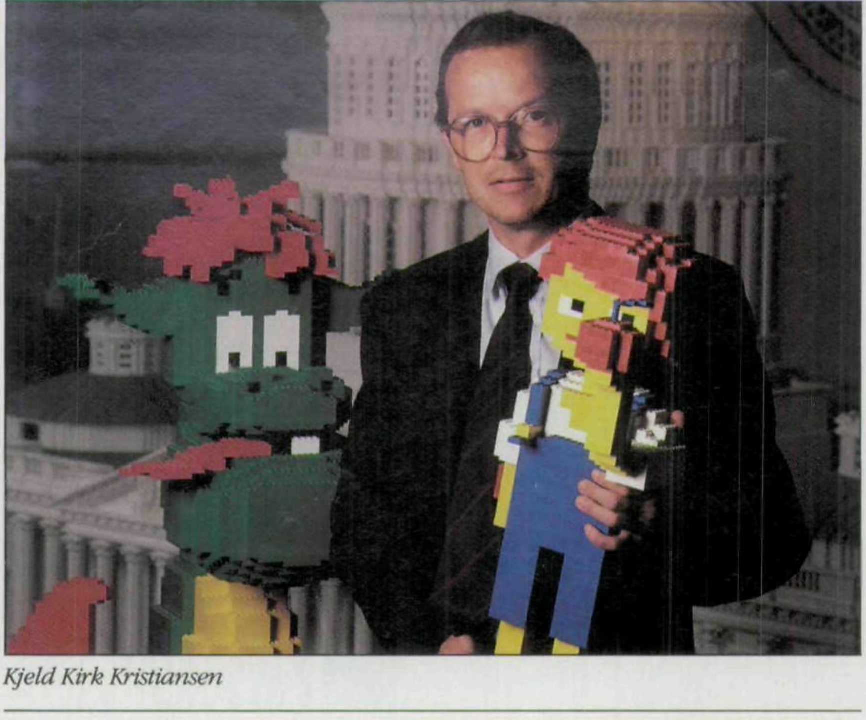
In 1949 Christiansen tried plastic bricks. By 1958 the last interlocking configuration, in use today, was perfected. (Six of the eight-stud bricks can be combined in 102,981,500 ways—this is not counting colors.)

Ole's son Godtfred Kirk Christiansen saw that his father's little bricks fulfilled his ten principles defining the ideal toy:

- unlimited variations for play
- no time limit on play
- good for all ages
- for boys and girls alike
- good all year round
- never out of date
- safe and of good quality
- stimulating, but with no fighting
- encourages imagination
- and the more of it the kid buys, the better the toy gets.

It's those add-on purchases that keep Godtfred, now 70, and his son, current president Kjeld Kirk Kristiansen, 42, smiling. Rather than just replacing older Lego bricks, new shapes and sizes revive and enhance the toy. Now Lego even sells software to computer-control Lego constructions. For those who want to see the toy's full potential, there's the Legoland amusement park in Denmark, complete with Lego cities and Lego Statue of Liberty, as well as Lego Mount Rushmore.—**William Heuslein**

Sally Fear/Impact



Kjeld Kirk Kristiansen

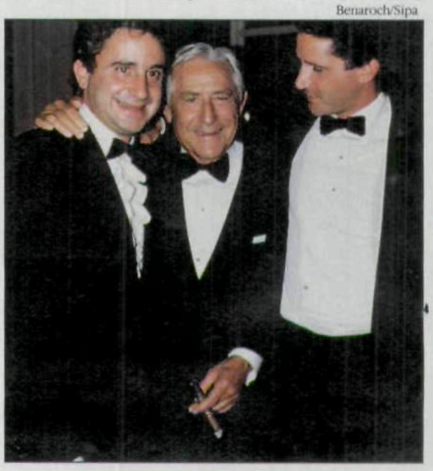
GREECE

STAVROS NIARCHOS

Greek tragedy

This legendary shipowner and archrival of the late Aristotle Onassis likes to call himself a "first-generation Niarchos." His father married the daughter of a prosperous grain miller from Piraeus, then immigrated to Buffalo, N.Y. The couple grew homesick. On July 3, 1909, three months after they returned to Piraeus,

Benaroch/Sipa



Stavros Niarchos and sons

Stavros was born. He eventually went to work in the family flour mill.

The young man saw that most of the mill's wheat was imported, and he realized he could save the mill money by buying, instead of chartering, ships to transport the grain. In 1935 he bought his first ship, reportedly for $50,000. A decade later he began convincing major oil companies to sign long-term charters for yet unbuilt tankers. He then parlayed the contracts into financing for ships.

Rivalry with Aristotle Onassis spurred Niarchos to build Greece's first shipyard, in 1957. Onassis countered by founding Olympic Airways. The rivalry did not stop at business. As in a Greek tragedy, in 1947 Niarchos married Eugenia Livanos, daughter of another famous Greek shipping magnate. It was one year after Onassis had married Eugenia's sister, Tina. Eugenia died in 1970 of an overdose of sleeping pills.

In 1971, after a brief marriage to Charlotte Ford, Niarchos married Tina Livanos Onassis, by then Aristotle's ex-wife and mother of Christina Onassis. Like her sister Eugenia, Tina died of an overdose of sleeping pills, in 1974.

While his private life has been tragic, Niarchos has triumphed in business. He currently owns 24 vessels worth an estimated $300 million—8 tankers and 16 bulk carriers. At 81, he has far more than ships: a substantial portfolio of U.S. Treasurys, blue-chip stocks, real estate and gold and one of the world's finest private collections of Impressionist art, much of it at his 18th-century Hôtel de Chanaleilles in Paris. FORBES found an estimated $1.2 billion of net worth.—**Spyros Manolatos**

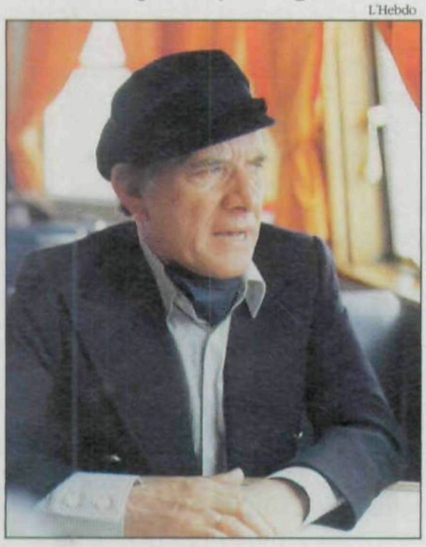
JOHN LATSIS

A Greek bearing gifts

John Latsis, 80, keeps a model of the ferry he worked on in his office, lest he forget his humble origins. Born to a poor family from the Peloponnisos, Latsis was at first a fisherman, then a baggage handler on the Aegean ferries. He got his break in the 1930s, when he became the European representative for United Molasses of Egypt. Through Arab contacts he got financing for two ships based on a contract to transport Muslim pilgrims to Mecca. He eventually became close friends with King Idris of Libya and President Nasser of Egypt. It is believed he lent his whole fleet to Egypt in its 1967 war with Israel.

Latsis reportedly bought fellow Greek shipping tycoon Stavros Niarchos' yacht, the *Atlantis*, for $35 million and gave it to King Fahd of Saudi Arabia. Renamed the *Abdul Aziz*, this is the yacht often described as the most opulent in the world. From such generosity have come lucrative contracts. One of Latsis' most recent projects is a 50-50 joint venture with Petromin, the Saudi state oil company—the new $3.5 billion refinery in Rabigh near the Red Sea.

L'Hebdo



John Latsis

Latsis' oil interests are held under Petrola International. For construction work, he uses his Geneva-based Société Générale pour l'Industrie. He owns Banque de Dépôts of Geneva equity, $177 million. In 1989 Latsis founded Private Bank & Trust Co. in London with what is thought the largest initial equity ever approved by the Bank of England—£100 million. His umbrella company is Interlatsco, of Luxembourg.

Latsis is married to his childhood sweetheart. They have two daughters and one son, Spyros, who has a doctorate from the London School of Economics and is being groomed in Geneva to take over the business—and be generous.—**Spyros Manolatos**

GOULANDRIS FAMILY

Will the cousins return?

All 32 first cousins in this closely knit Greek shipowning family hail from the island of Andros, whose tradition of commerce dates to ancient times. The family fortune was created by the cousins' grandfather, Captain Ioannis Goulandris. The captain's grandsons now tend to a shipping-real-estate-art-liquid-investments fortune that's estimated at $1-billion-plus.

There are three basic branches of Goulandrises. N.J. Goulandris, based in Zurich, has the largest shipping fleet, 6 tankers and 13 bulk carriers. A second branch operates as Goulandris Bros., based in London, with 4 bulk carriers. The third branch goes by the corporate name Orion & Global Chartering, with principal offices in New York and London.

Orion & Global liquidated its 25 vessels in 1986-87 to continue diversifying into real estate throughout the U.S. and London, and even Greece. Among other things, Orion owns its office building at 29 Broadway in New York. This branch may be the richest: In 1985, before selling the ships, Orion could show $500 million in liquid assets.

The Goulandris family is now dipping a toenail into Greece. Early this year the cousins teamed up with fellow Greek shipping magnates Vardinoyannis and Livanos to buy the defunct Bank of Chios from the state-controlled National Bank of Greece for nearly $17 million. The money is not significant to them, but the move might be.

This is one of the first attempts by the Greek government at privatization, after years of would-be socialism. These shipowners, who typically keep their business assets far away from Greece, are giving their homeland a small try.—**Spyros Manolatos**

UNITED KINGDOM

GERALD CAVENDISH GROSVENOR

Long-term view

"The Grosvenor Estate has always been a long-term investor," says Daryl Delmotte, who runs Grosvenor International Holdings Ltd., the estate's Vancouver-based international investment operation. It's an outlook that turned a 17th-century snipe bog dowry into a $3-billion-plus global property empire controlled by Grosvenor, sixth Duke of Westminster, now 38. Its core holdings are in London's Mayfair and Belgravia but spread as far as North American shopping centers and an Australian sheep station.

Topham/Image Works

Gerald Cavendish Grosvenor

Some of that is a 10% to 20% piece of over $2 billion in partnerships with institutional investors, pension funds and big private individuals, for which Grosvenor supplies advice as well as equity. They invest with a ten-year time horizon, strictly in English-speaking countries, where the culture and legal systems are familiar.

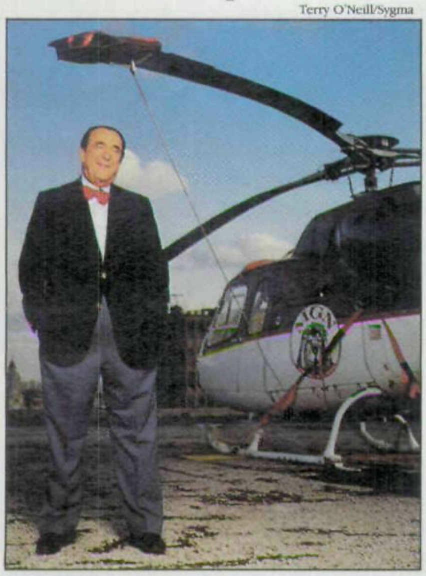
Grosvenor's favorite choice: Vancouver, B.C., burgeoning, clean, pleasant, and full of Hong Kong flight capital. The U.S. ranks high, too. Grosvenor recently launched a partnership with Sweden's Lundbergs *(which see)* that picked as its first project a $75 million office building in Sacramento, Calif. Buy or build North American West Coast, Delmotte's saying, but stick to quality. No snipe bogs, please.—**William Heuslein**

ROBERT MAXWELL

Growing empire

"I love America," Robert Maxwell says. And well he should. Maxwell Communication Corp., once a humdrum, low-margin printer, is now a high-profile publisher, with 90% of its assets and 80% of its sales and operating profits in the U.S. The holdings include Macmillan, Official Airline Guides and Pergamon Press.

Terry O'Neill/Sygma



Robert Maxwell

Maxwell, 67, and his family own 53% of MCC, which is worth $1.2 billion. There's also his private Mirror Group—primarily British newspapers—worth an estimated $500 million, and Pergamon Holdings, a private investment company.

He's currently in a whirl of new activity: an English-language pan-European weekly, launched in May to mixed reaction; 40% of a Hungarian newspaper, *Magyar Hirlap*; and many Israeli investments.

The latter include one-third of *Maariv*, Israel's second-largest newspaper; 18% of Teva Pharmaceutical; and 27% of a maker of electronic graphics equipment. "I'm a great believer that peace will eventually come to the area," Maxwell told FORBES. He may also be betting on Israel's increasing moves to privatize its heavily socialized economy. Whatever, he believes in it enough to put in $200 million so far.—**William Heuslein**

OCTAV BOTNAR

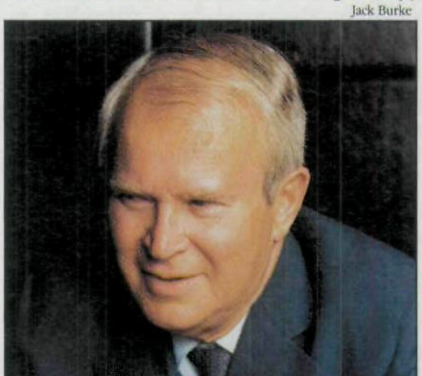
Panamanian puzzle

If one is to believe Octav Botnar, he no longer has any stake in or control over the giant Nissan UK auto distributor he founded in 1968. He has told the press that he "gave" his 71.5% ownership in NUK, now worth $1.2 billion, to a Panamanian charitable trust in 1975.

A Panamanian trust is a great way to stash cash, pay no tax, retain control and regain ownership at will. Under Panamanian law, your charitable trust can be revocable and you can name yourself beneficiary. And you do not have to distribute income unless you want to. Fiduciaries, representatives, employees governmental or private—anyone involved—must keep strict secrecy or draw up to six months in jail and fines. However, the one thing you will probably not do is actually transfer any assets to Panama.

As the sole distributor of Nissan, Botnar supplies 6.2% of England's autos, and NUK (sales, $1.9 billion) is a model of vertical integration. It owns land at the ports of Bristol and Teeside, where cars are unloaded; the trucks to haul cars; and 200 of the 420 outlets. His retail/financing arm was split off last year as a separate entity and sold to Union Bank of Switzerland in Luxembourg. Cut through all the international tax law complexity, and what you find is a very smart billionaire whose money will serve a greater common good—but who will remain in firm control for as long as he wants.—**Dolores Lataniotis**

Jack Burke



Octav Botnar

DAVID SAINSBURY AND FAMILY

It pays—and costs—to keep up

That perennially excellent performer on the U.K. retail scene, J Sainsbury Plc., is investing heavily in the future of affluence. Its quality-conscious customers are more mobile, so Sainsbury's is building modern food superstores on the edge of town, away from the traditional High Street grocery outlets in town.

Topham/Image Works

David Sainsbury

The expansion doesn't come without cost. Good retail locations in Britain are prized and costly. Interest charges are mounting, along with labor costs: This spring Sainsbury's had to give an extra 11% in pay to decrease staff turnover. Last year sales topped $12 billion, but the company's growth rate has slowed by about 2%.

Sainsbury's has hedged its U.K. bets with a modest U.S. diversification: Shaw's Supermarkets, based in East Bridgewater, Mass., has 66 food stores throughout New England. Its 1989 sales were $1.7 billion.

David Sainsbury, 49, deputy chairman, is likely to succeed the current chairman, his cousin Lord Sainsbury, 62, great-grandson of the founder. Whatever happens, the family will retain the luxury of thinking long term: It has around half the stock; David alone has 25%. Which helps explain Sainsbury's financial respect—witness a recent market cap of $7.6 billion—along with all that consumer respect.—**William Heuslein**

SAMUEL, LORD VESTEY AND EDMUND VESTEY

Butchers on the block?

The Vestey family built its $2 billion fortune over the last century by importing meat to nourish Britain's growing masses. They're still a classic case of global, vertical integration: tightly controlled from the top, raising, shipping, insuring and storing meat for wholesale and retail.

Topham/Image Works

Samuel, Lord Vestey, and Edmund Vestey

At the top: Lord Vestey (Samuel), 49—and cousin Edmund, 58. They make major decisions jointly, governing at least 200 very private companies on six continents with visible annual turnover of over $2 billion.

There is J.H. Dewhurst Ltd., Britain's largest retail butcher, with 1,200 outlets. It's been catering to affluent clients with "personal service" and "custom cuts," but there is competition for such retailers from cost-efficient supermarkets. Managing director Colin Cullimore mourns that 1989 was quite the worst for Britain's meat retail trade in his 25 years of running the business for the Vesteys.

Dewhurst has been sinking huge sums into buying competition as the retail butcher industry consolidates. That strategy could pay off long term, even if Dewhurst doesn't: Insiders figure the Vesteys could close Dewhurst, still sell meats at wholesale—and make a killing selling all those butcher shops to Britain's location-conscious retailers.—**William Heuslein**

SIR JOHN MOORES

Beyond mail order

In an economy hit by high interest rates, British retailing has become cutthroat. Sales are sluggish, profits weak. Yet the British consumer, more affluent after the Thatcher decade, is getting a bit more fussy. Downscale is defnitely out, and that's a problem for Sir John Moores' Liverpool-based Littlewoods Organisation Plc., one of the U.K.'s largest private companies. The mail-order catalog business, viewed as somewhat déclassé, has been in serious decline. So Littlewoods, headed by 55-year-old Desmond Pitcher, is trying its Index catalog showrooms, a retail concept until now dominated in Britain by Argos, recently part of B.A.T. The catalog is in a real store, the goods ready in a warehouse in back.

So far, success. Littlewoods is aggressively opening new stores, taking a loss last year to get up to 79 new units. Sixteen additional openings are planned for 1990, but analysts expect Index to break even this year. Littlewoods' overall pretax profits fell to $108 million last year, from $121 million in 1988. Meanwhile, Sir John, 94, worth over $1 billion, is content to count the profits from his dominant position as a soccer-pool operator, his first business and the basis for his success.—**William Heuslein**

ITALY

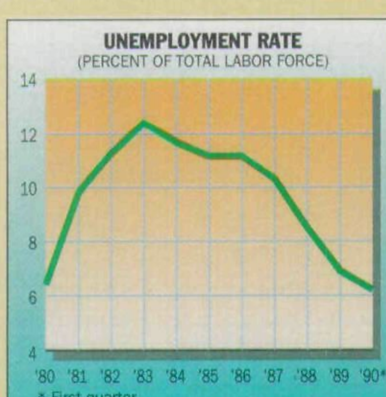
FERRUZZI FAMILY

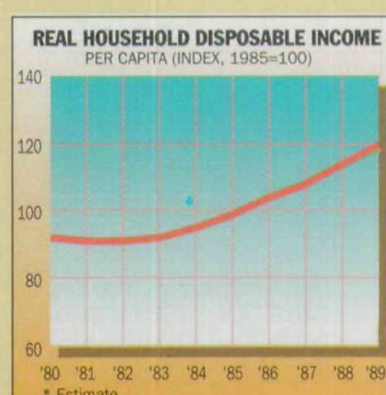
Renaissance man

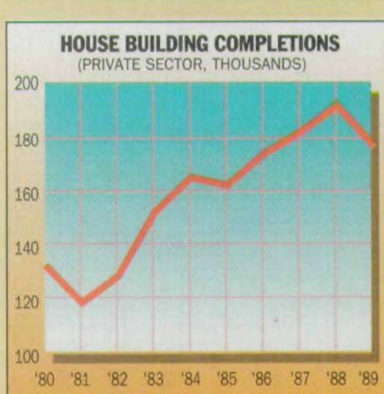
The empire created by the late Serafino Ferruzzi is run by son-in-law Raul Gardini, 57. The Ferruzzi Group (revenues, $40 billion) owns Indiana feed producer and oilseed processor Central Soya. The Chicago Board of Trade imposed an emergency liquidation order on the soybean market last summer to avert the possibility that Ferruzzi and Central Soya might corner soybeans. Ferruzzi officials maintain that they were trading legiti-

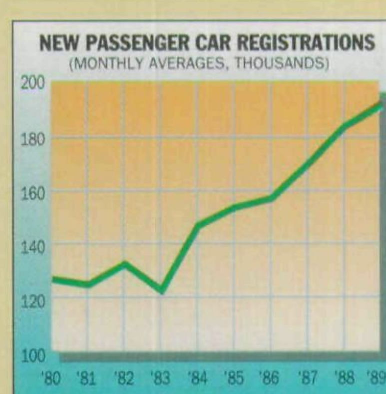
The rising tide that lifted most Brits

Yes, British inflation is running at nearly 10%, interest rates stay stuck at 15%, and everybody's braced for recession. But look back on the Thatcher decade for some perspective. The British standard of living is far better today than in 1980. The improvement is reflected in the U.K. billionaires' fortunes. Octav Botnar with his Nissan automobiles, for instance, benefited, as did the Sainsburys with their premium groceries and larger, edge-of-town supermarkets. The Duke of Westminster's land values went up. But as every smart businessman knows, past performance does not guarantee future success.









Sources: OECD; Central Statistical Office and Department of the Environment, U.K.

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199

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201

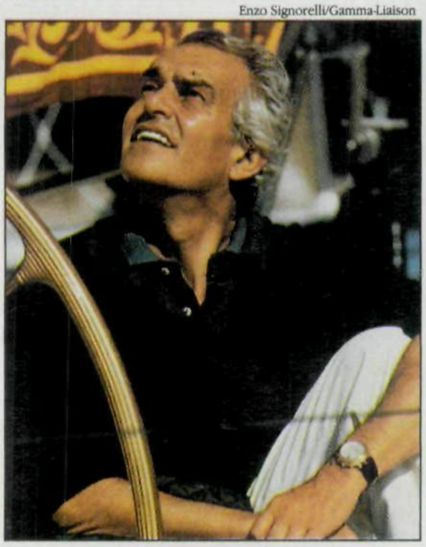
20B

mately; "It was the biggest thing since the Hunts came along and cornered silver in 1980," says trader William Biederman of commodities brokerage Allendale Inc.

On the Soviet front, various Ferruzzi divisions are getting set to build polypropylene plants, help cultivate soybeans, corn and sugar beets, and build or modernize agricultural processing plants, investing an estimated $2.5 billion.

At home, Raul Gardini has been embroiled in a bitter dispute over Enimont, a joint venture between government-owned ENI and Ferruzzi-controlled Montedison which was de-

Enzo Signorelli/Gamma-Liaison



Raul Gardini

signed to rationalize the Italian chemicals industry. Marvels analyst Paolo-Fillippo Lardera at UBS Phillips & Drew: "I have never seen anyone so aggressive toward the state before Gardini."

Anything else? Oh, yes. Gardini, an avid yachtsman, is spending at least $30 million of Montedison's money to win the next America's Cup. Overseeing a family fortune worth upwards of $1 billion, he's entitled to a little fun. **—Katherine Weisman**

BENETTON FAMILY

Back to basics

After their humbling retreat from financial services this year, the four Benetton siblings—Giuliana, Luciano, Gilberto and Carlo—are back at what they know best: retail apparel, worldwide. Edizione, their private holding company, is focusing on its 1989 acquisition of $230 million (sales) Nordica, and a new line of skiwear and accessories, as well as a sportswear collection.

The Benetton family

Gianni Giansanti/Sygma

Just as it grew rapidly in the U.S. in the 1980s, so publicly held Benetton is hoping to grow in the Far East in the 1990s. It acquired 50% of a licensee selling its goods to Japan, and hopes to almost double its existing 440 Asian outlets—under the Sisley, Formula One and United Colors names. A Tokyo stock exchange listing is still in the works.

The four Benetton siblings, who together are worth at least $1.7 billion, seem to have a knack for getting along and running things, and for producing successors. Giuliana, 55, the design wizard, has a daughter, Paola, following in her footsteps. Mauro, the eldest son of Luciano, 53, works on the Sisley line. There are 12 other sons and daughters around for when their parents decide to slow down, which, by all indications, won't be anytime soon.**—Katherine Weisman**

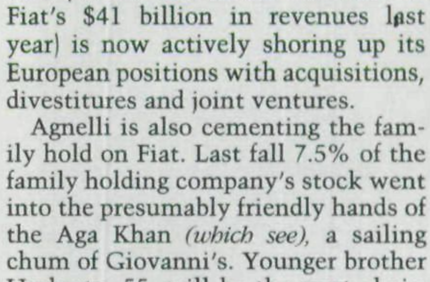
GIOVANNI AGNELLI AND FAMILY

Motorizing Moscow

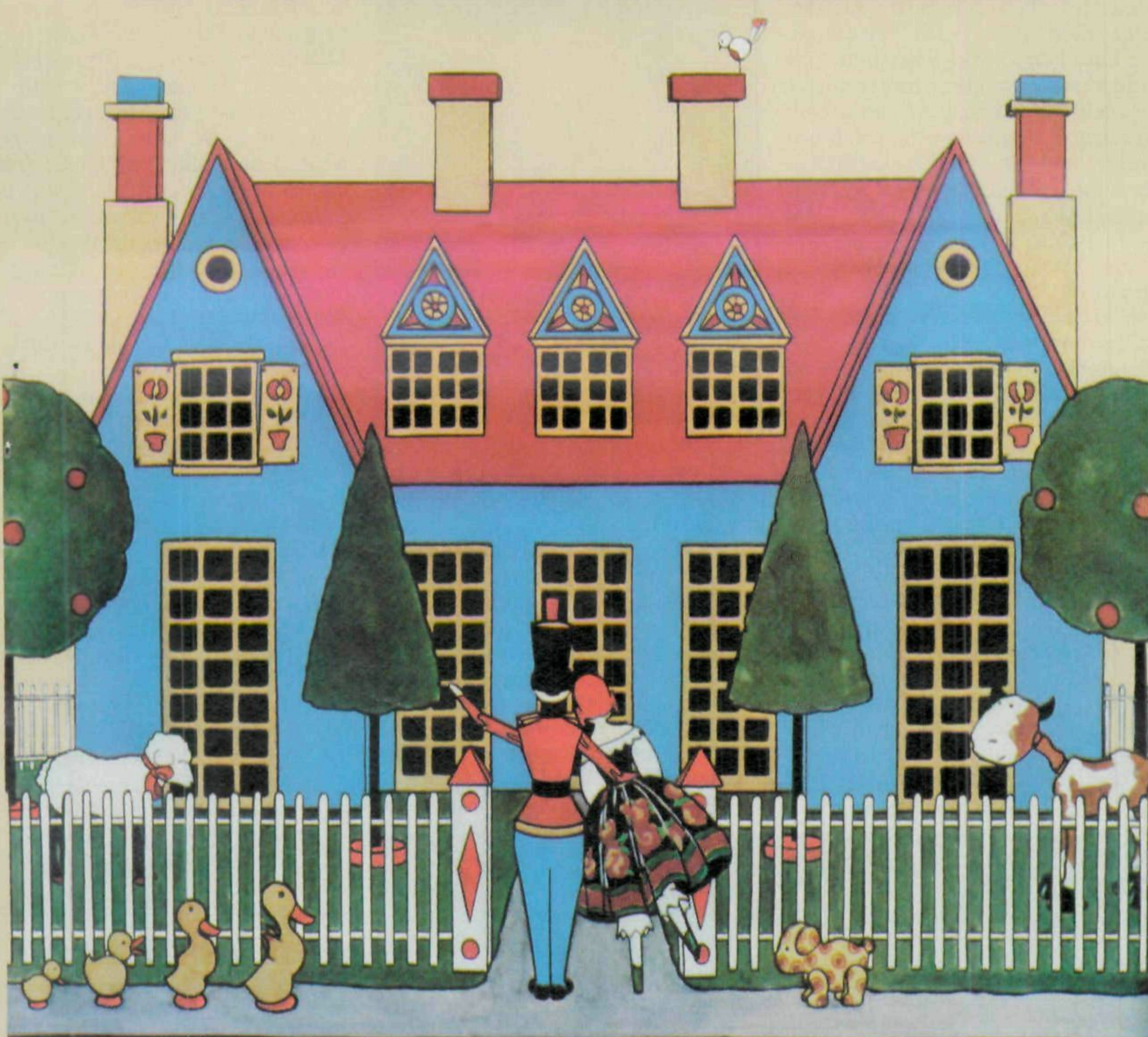
Fiat did its first business in Russia in 1912, under Giovanni's grandfather. When Giovanni became chairman, in 1966, he started the famous Togliattigrad plant; today it produces over half of Russia's cars. Now Gianni is betting an estimated $5.8 billion with the Soviets over the coming decade. A joint venture with Moscow, signed last December, will give Fiat 30% of an ultramodern Fiat-designed plant situated in Yelabuga, 650 miles east of Moscow. Starting in late 1993, the plant will make 300,000 cars a year; 200,000 are for the Soviet Union, the rest for Europe. Another agreement was signed in January to produce an additional 300,000 cars. Meanwhile, Fiat's nonautomotive side (which accounted for 15% of Fiat's $41 billion in revenues last year) is now actively shoring up its European positions with acquisitions, divestitures and joint ventures.

Agnelli is also cementing the family hold on Fiat. Last fall 7.5% of the family holding company's stock went into the presumably friendly hands of the Aga Khan *(which see)*, a sailing chum of Giovanni's. Younger brother Umberto, 55, will be the next chairman. The Agnellis' 40% of Fiat forms the core of a fortune worth more than

Siccaro-Contrasto/Picture Group



Giovanni Agnelli



$4.7 billion. Gianni's stake alone is worth over $1.7 billion; he hopes his Russian friends will help him expand that sum.—**Katherine Weisman**

SILVIO BERLUSCONI

What, me consolidate?

For media mogul Berlusconi, 1990 is the Year of Mondadori. Rival (but not billionaire) Carlo de Benedetti bought into one side of a celebrated family squabble at Mondadori, one of Italy's top two publishers. De Benedetti alienated that faction, which then allied with Berlusconi. Says Luca Formenton, a key heir: "He [Berlusconi] is a great motivator of management and people." Berlusconi was named Mondadori chairman last January, but the battle over Mondadori is locked up in lawsuits, and Berlusconi has had to relinquish his position to a court-appointed trustee. But if the courts finally decide in Berlusconi's favor, Mondadori could raise Fininvest revenues ($5 billion last year) by as much as $2 billion.

Another glitch: A bill appeared in Italy's parliament in the spring attacking media monopolies. Silvio's TV network now has a 43% market share. If passed, the bill's amendments would hurt his empire by regulating commercial TV advertising, the main source of Fininvest revenues.

What next for this fellow, whose current worth is about $2 billion? "There are two schools of thought," says Fininvest executive Oliver Novick. "One is that it's time to consolidate what we have. But Berlusconi is a tremendous entrepreneur, and ideas are always bubbling up. . . . I think he'd really like to see soccer take off in the U.S."—**Katherine Weisman**

SALVATORE LIGRESTI

Unloved but unpoor

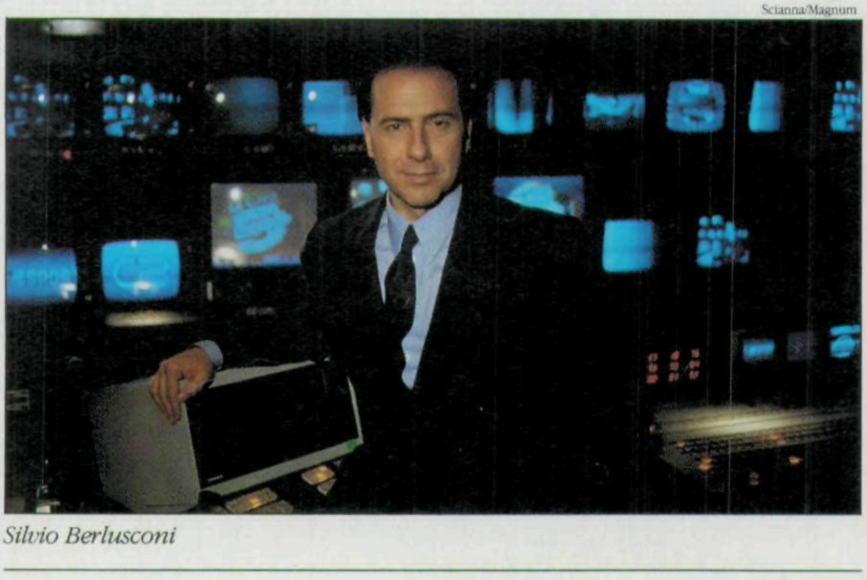
Rightly or simply out of prejudice, many Italians suspect that the real estate and construction empires of Sicily's Salvatore Ligresti grew from shady beginnings. Ligresti understands he has an image problem. So, last November, he took one of his private holding companies, Premafin, public in Milan with the backing of Mediobanca, the investment banker to Italy's business elite. But despite the Mediobanca imprimatur, Premafin's offering was undersubscribed.

Olympia

Salvatore Ligresti

Aside from real estate development, mainly in Milan, Premafin's holdings include SAI, Italy's third-largest insurer; Grassetto, a public works construction company; and a major toll highway, Autostrada Torino-Milano. Ligresti wants to expand abroad. Grassetto has signed with the Soviets to build an industrial park in Moscow, has a joint venture in Yugoslavia to build harbors on the Adriatic, and has even won a $46 million contract for work on the U.S.' Interstate Highway 75. SAI, meanwhile, has acquired minority interests in three European insurers outside Italy. Ligresti's 77% holding in Premafin, plus buildings, hotels and private medical clinics he owns personally, all add up to a fortune worth $1.4 billion or more.—**Katherine Weisman**

Scianna/Magnum



Silvio Berlusconi

MICHELE FERRERO

Sweet success

Michele Ferrero has built his father's company, Brussels-headquartered Ferrero SpA, into the world's sixth-largest confectioner (sales, near $2 billion) by knowing what people like. "Michele Ferrero has to be the most successful new-product creator in the candy business since the end of World War II," says one industry observer. Among his most successful products are the Tic Tac breath mints in the U.S., introduced in 1971, and Nutella, the chocolate hazelnut spread.

At the moment, Ferrero, 65, is test-marketing "Confetteria Raffaello" in the U.S.—coconut and almond cream candies selling for 25 cents each. Ferrero's son Giovanni is involved in Ferrero's international marketing; another son, Pietro, works on the manufacturing side of the business.

Michele Ferrero likes to roam through his new plant in Arlon, Belgium, near Luxembourg. Word has it factory managers get frustrated with his endless tinkering. But that's how he has built the company's value to at least $2.3 billion.—**Katherine Weisman**

FRANCE

SERGE DASSAULT AND FAMILY

Serge surges

The outbreak of peace is tough on a company built to supply Mystère jets and Mirage fighters to the world. When Serge Dassault, now 65, took over Avions Marcel Dassault (now Dassault Aviation) on his father's death in 1986, he had to shutter plants and cut workers, many of whom had spent their working lives at the company. More may have to go.

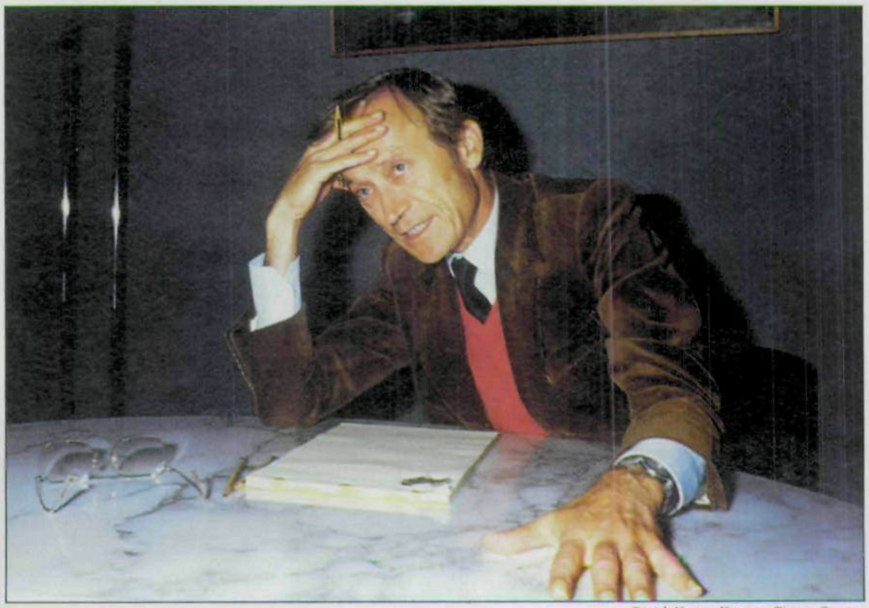
Serge is living in the shadow of a legendary father, Marcel Dassault, an exceptional aeronautical engineer who worked almost every day of his 94 years, becoming the richest man in France and possibly one of the most influential. Serge's struggle to finance the Rafale combat aircraft, due to enter the French air force in 1996 and the navy in 1998, indicates waning clout. So does Dassault's depressed stock price.

Yet Serge and his family return to the billionaire ranks this year. Serge has proved an able investor. He now owns 61.5% of Dassault Electronique

Jacques Langevin/Sygma

Serge Dassault

(missile guidance and electronic banking) and 28.5% of Intertechnique (aircraft electronics and computers). There's 20% of Europe 1 Communication, one of France's most popular radio stations; 15% of Institut Mérieux (AIDS research); and Château Dassault, in Bordeaux' St. Emilion region. Together Serge, his mother and older brother share a visible fortune worth $1 billion.—**Manjeet Kripalani**



Jérôme Seydoux

Patrick Hamon-Keystone/Picture Group

SEYDOUX/SCHLUMBERGER FAMILY

Savvy strategist

Jérôme Seydoux stunned the Parisian business community when early this year his Chargeurs sold its 54% stake in UTA, his profitable private airline, to Air France for over $1 billion cash. The move was unexpected, but totally in keeping with Seydoux' often surprising—but shrewd—business moves. With 1992 approaching, France wants to consolidate its airline resources. Observers say Seydoux may have gotten a quid pro quo from the government.

Chargeurs also has 22% of the world market of the wool trading and combing industry and 12% of BSB (British Satellite Broadcasting). "My eye is turned on a horizon five years from now," Seydoux said recently, in a rare comment.

Normally, the Seydoux, and their cousin Schlumbergers, prefer to avoid the limelight. Brother Nicolas, who owns two-thirds of Gaumont, a successful Paris-based film company, represents the Seydoux on the board of oil services giant Schlumberger Ltd., which is the foundation of the family fortune.

The family owns about 23% of the company, and most of the 20-member third generation is spread across Europe and the U.S. Cousin Dominique de Menil is a benefactor of the arts in Houston. Altogether, they're worth $3.7 billion—and used to taking the long view.—**Manjeet Kripalani**

VUITTON FAMILY

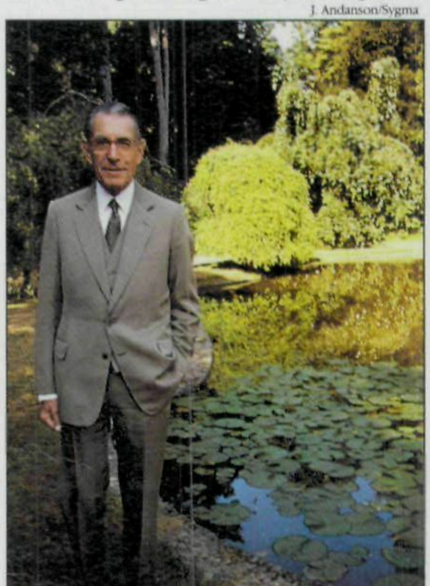
Trojan horse

Vuitton family patriarch Henry Racamier, 78-year-old husband to the original Louis Vuitton's great-granddaughter, sealed his own fate. Two years ago, LVMH (for Louis Vuitton Moët Hennessy), the luxury goods group Racamier built, was under attack. Looking for allies, Racamier invited Bernard Arnault, now 41, to invest in the company. But Arnault was a Trojan horse working for his own account.

After securing support from other companies that among them held 44% of LVMH, Arnault drove Racamier out of LVMH and installed himself as chairman. Racamier still retains his 17.4% holding in the company; his stake is still worth over $1 billion.

It appears unlikely that the formidable Racamier would build up a business to compete with LVMH. But he has Orcofi, the Vuitton family holding company, which recently bought 95% of Lanvin in equal partnership with L'Oréal. Orcofi also controls Gordon Choisy S.A., a leather tannery that has catered largely to Louis Vuitton, and will perhaps be looking around for new customers. Whether Racamier will hold on to or sell his LVMH shares keeps a lot of French investors guessing.—**Manjeet Kripalani**

J. Andanson/Sygma



Henry Racamier

LORD NELSON AND MILSTAR

Trafalgar, 1805, the battle that was to lead to the eventual undoing of Napoleon, was won because Admiral Horatio Nelson had a secret weapon: signal flags.

The technique of communicating over long distances by coded flags had only recently been invented by the Royal Navy. It revolutionized naval warfare.

The system enabled the British ships to cover vast expanses of ocean, looking for the enemy, while remaining in close contact with the fleet commander. It also allowed tactical flexibility once battle had been joined. Other navies were bound by rigid battle plans

The Battle of Trafalgar, by Clarkson Stanfield, 1836, The Institute of Directors, London

agreed upon in face-to-face councils long before the first broadside. They were confounded by the British and their talking flags.

The result of Trafalgar, and in large part this communications system, was that Britain enjoyed undisputed rule of the seas and over a century of relative peace; a *Pax Britannica*.

In modern warfare, command, control, and communication are as decisive factors as they were two centuries ago and even more complex. History is peppered with anecdotes of communication breakdowns leading to fiasco. It has been called the fog of war.

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207

MULLIEZ FAMILY

Hypersuccess

Recently Gérard Mulliez' Groupe Auchan opened hypermarkets in Chicago and Houston, and company spokesmen cheerily say they are doing very well. But Mulliez wants to give the retailing concept time to mature; Auchan plans to wait six years before it builds another hypermarket in the U.S.

Having built his first supermarket in France in 1961, Mulliez currently

F. Soetemondt/Le Nouvel Economiste

Gérard Mulliez

has 42 hypermarkets in France (5% of that country's total), 15 in Spain under the name Alcampo, and 1 in Italy, started last year. He also owns 178 supermarkets and 140 restaurants, pizza parlors and cafeterias. Auchan revenues are over $8 billion, second to publicly traded competitor Carrefour.

Mulliez recently obtained permits for a new hypermarket at Metz, in eastern France, a stronghold of the Bouriez family's Cora group. Blood in the offing? Perhaps. So Auchan's real push is more likely to come in Spain and Italy, where there are few strong local competitors.

As Groupe Auchan thrives, so do its employees, who own 17%. Mulliez has the rest, and 45% of Trois Suisses, France's second-largest mail-order company. The family also owns Phildar, a knitting yarn retailer (sales, $473 million) started by Gérard's father. The Mulliez clan is now worth $1.6 billion.—**Manjeet Kripalani**

BOURIEZ FAMILY

Testing time for the "genius"

Smaller than the Mulliez' Auchan hypermarket chain *(see Mulliez, above)*, the Bouriez family's Cora-Revillon-Editions Mondiales Group is girding for action. President Philippe

Philippe Bouriez Marc Bertrand/Le Nouvel Economiste

Bouriez, 56, is obviously taking seriously widespread predictions that consolidation will leave only half the ten large hypermarket groups in France alive.

Early this year Bouriez reportedly put parts of his Revillon luxury-goods group, acquired in 1981, on the block. Already, Japanese have bid on Karl Lagerfeld couture and Caron perfumes. Groupe Bouriez will be left with cash, and its core business of 54 hypermarkets and 150 supermarkets (revenues, $5.5 billion), and Editions Mondiales, publisher of popular beauty, fashion and TV magazines.

Cora's apparent strategy is to use the cash to expand in France through acquisition. It has already bought some small chains in eastern France, and is reputed to be interested in taking over Euromarche, a $4.3 billion revenues moneyloser. Acquiring existing stores avoids the *Loi Royer*, a restrictive French law meant to protect petit bourgeois shopkeepers.

This, then, will be testing time for Philippe, who has long run the company owned by him and his three siblings. "He's a kind of genius," designer Karl Lagerfeld once exclaimed. That was when things were going well. Now it will be tougher. Cora looks to be worth some $1.2 billion, today. Stay tuned.—**Manjeet Kripalani**

PEUGEOT FAMILY

Battle plan

While others prepare for 1992 by merging or acquiring, France's largest private-sector company is getting ready to fend off the Japanese.

To do that, Peugeot S.A. is willing to endure some pain. Europe's number three carmaker (after Volkswagen and Fiat) has already taken a disruptive seven-week strike last fall. Its relatively low-paid workers saw growing profits and demanded a share. Management eventually yielded a grudging raise of one-third what the workers sought.

Grudging, because there's a lot at stake. Even as some European carmakers lobby the EC against Japanese post-1992 imports, the Japanese furiously build factories within the barriers. Peugeot's answer: Push volume, quality, exports, its expensive new model 605; build in neighboring countries; and most of all, hold down costs.

The family, which mostly lives in Paris, gratefully supports their Chairman Jacques Calvet, 58, former head of Banque Nationale de Paris. A string of heavy losses duly became profits,

Marc Bertrand/Le Nouvel Economiste

Pierre Peugeot

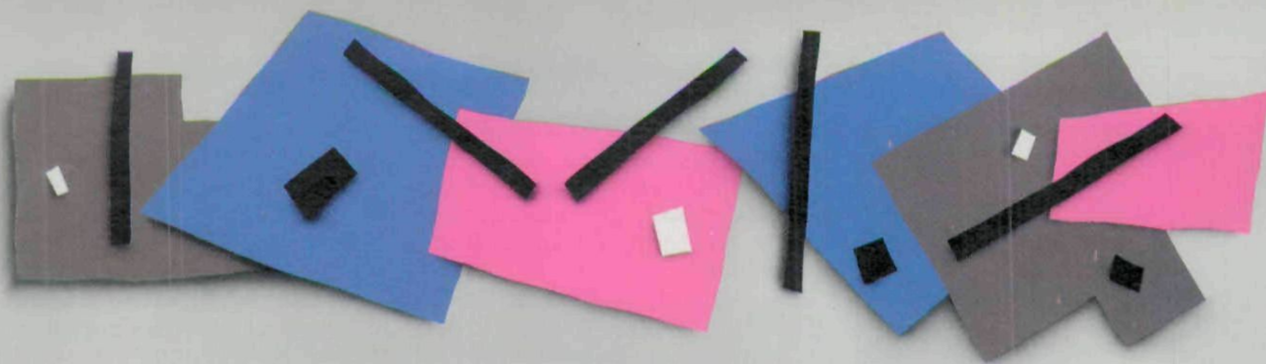
$1.8 billion last year with the strike, and an estimated $2.2 billion this year. Noninterfering Pierre Peugeot, 58, serves as general manager under Calvet, and other Peugeots work in the company; three are on the supervisory board. All the better to mind the family's $1.6 billion investment.—**Manjeet Kripalani**

LILIANE BETTENCOURT

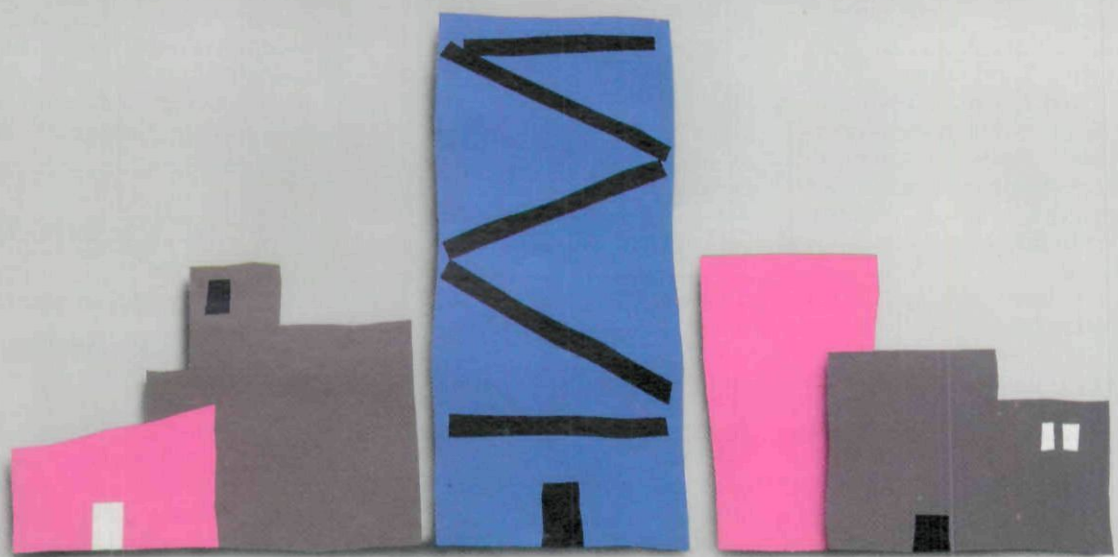
Rooting for Owen-Jones

Founded by Liliane Bettencourt's father, L'Oréal is run today by nonfamily-member Lindsay Owen-Jones, a dapper, 44-year-old, Oxford-educated Welshman, who is chairman. Owen-Jones is expanding L'Oréal's overseas businesses, in earnest: 63% of L'Oréal's $4.8 billion revenues now comes from outside France. And there is still ample room to grow. L'Oréal has only 7% of the U.S. market, which at $16 billion in estimated revenues is the world's largest cosmetics market.

Owen-Jones runs things with pretty



How a communications solution from Ameritech filled a tall order for Inland Steel.



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Liliane Bettencourt R. Reglain/Gamma-Liaison

much a free hand. Liliane Bettencourt, 67 and the richest woman in France, plays no role in the company. Her husband, André, a former Gaullist industries minister, is a member of the company's strategic committee. Their son-in-law Jean-Pierre Meyers is a director.

Investors have bid up L'Oréal's market value by 45% since last year, making the Bettencourt holding worth $1.6 billion. In 1974 Bettencourt sold 27% of her L'Oréal holding to Switzerland's Nestlé, for stock; she currently owns 3% of Nestlé. Add up the pieces and Liliane is worth $2.2 billion. Nestlé has the option to purchase Liliane's remaining 28.3% of L'Oréal in 1994—at significantly higher prices, if Owen-Jones keeps doing a good job.—**Manjeet Kripalani**

SPAIN

MARCH FAMILY

How to invest in Spain

The Marches believe Spain will outperform the rest of Europe. Spanish corporate earnings are expected to grow 13% this year, only slightly lower than last year. "Why the hell would they bother going abroad?" asks Lawson Steele of UBS Phillips & Drew, who recommends Corporación Financiera Alba as an inexpensive way to acquire a diversified Spanish portfolio. (It was recently trading at a 20% discount to net asset value, compared with the Spain Fund's current 13% premium.)

The March brothers—Juan, 50, and Carlos, 44—have carefully distanced themselves from the image of their father (known from his early days as the Balearic Smuggler) as one of Franco's financial advisers. Between the brothers' 55% of Alba and private interests, the family fortune is worth $1.5 billion.

C.F. Alba, the public part of the March family's empire, is 85% invested in Spain; about half that is invested in stocks like Uralita, Spain's largest construction materials company, and Cerveza San Miguel, the brewery.

A.G.E./Woodfin Camp

Carlos March

Alba also has a 13% stake in Finanzauto, the Spanish distributor of Caterpillar equipment. Private holdings include 100% of Banca March and 15% of Spain's new pay-TV channel. C.F. Alba's foreign connections: 16% of Virginia's Signet Bank and 4.6% of France's Carrefour hypermarket chain.—**Katherine Weisman**

BOTIN FAMILY

Muscling in

The Botíns' Banco Santander, now run by Emilio Botín Jr., 55, is traditionally one of Spain's strongest and most profitable banks. Now, with interest rates at 15%, it is using its muscle to take market share from competitors. For instance, where Spanish banks offered as little as 1% on checking accounts, last September Santander started offering 11%. By May deposits had more than doubled.

Elsewhere, the bank is exchanging

Emilio Botín Jr. and Sr.

minority shareholdings with allies abroad. There was Royal Bank of Scotland in 1988, with which it is out buying pieces of smaller European banks. Santander also acquired 3% of Chicago's Kemper Corp. Combining Kemper's insurance base and Santander's strong Latin American presence, the duo have acquired a Chilean insurance company. Meanwhile, Japan's Nomura Securities bought 1.5% of Santander's stock and helped list it on the Tokyo exchange.

This year Emilio Botín Sr. retired from the board, leaving his son on watch: "To the extent that Santander has caught other banks unaware, it is reaching an objective," says Jaime de Piniés, Chase Manhattan's chief economist in Madrid, about the attitude to be expected now that Emilio Jr. is squiring the family's fortune of $1.4 billion.—**Katherine Weisman**

SWEDEN

FREDRIK LUNDBERG AND FAMILY

Smart timing

When we asked billionaire developer and investor Fredrik Lundberg what the hottest market in Europe was these days, his answer was

Ulf Sirborn/Pressens Bild AB

Fredrik Lundberg

West Germany. So why does he have only one small office building there?

Partly, it's timing. Until two years ago the Swedish government didn't permit overseas property ownership for Swedish real estate companies. "We could do developments and construction, but then we had to sell the projects." Then Sweden eased up, and Lundberg started looking. But he hasn't done much, because he thinks

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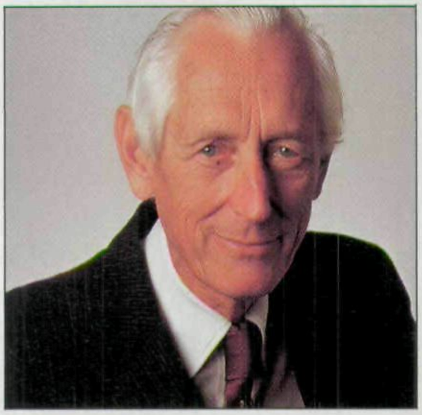
the German market is too overheated, particularly in Frankfurt and Munich.

Lundberg, with $130 million in properties outside Sweden through a Dutch holding company, has another reason for not moving precipitously. Lundbergföretagen, the firm begun in 1944 by his father, continues to invest in underpriced basic Swedish industries. Since 1988 it has spent $350 million for a 25% stake in MoDo, the Swedish paper and pulp company.

Lundberg's pick for real estate investing these days is London, where "yields have come up and good projects have come to market." It's in line with his philosophy of going against the market. Being a little contracyclical hasn't hurt: He is worth over $1 billion.—**William Heuslein**



Gad Rausing

HANS AND GAD RAUSING

Profitable packaging

Hans Rausing, 64, chairman of Tetra Pak, the giant family-owned cartonmaker, doesn't discuss margins. Instead, he likes to talk about the social benefits of his firm's unique method of packaging liquids (such as milk) so aseptically they can sit on shelves for months without refrigeration. "This is not only a question of making money. The creation of something which is needed by millions of people is necessary. I don't like zero-sum games."

This non-zero-sum game makes a very pretty penny for Hans and his brother, Gad, 68, vice chairman. Last year Tetra Pak's revenues from 109 countries were $3.7 billion. And profits? Well, if Rausing won't discuss margins, others will. Aaron Brody, management consultant with Schotland Business Research of Princeton, N.J., considers Tetra Pak the most profitable folding carton maker in the world: "What goes into their plants costs 6 cents to 7 cents, total, and what goes out sells for 10 cents," for an operating margin approaching 40%. Other carton companies, Brody explains, are lucky to make 20%. Moreover, the company's sales grew by a healthy 18% last year.

All this makes the Rausings one of the richest families in the world. Worth $9.6 billion.—**William Heuslein**

Stefan Wallgren/Pressens Bild AB

Hans Rausing

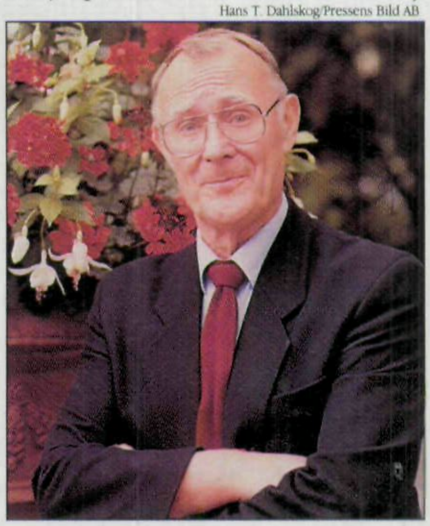
INGVAR KAMPRAD

A world to tap

Ikea founder Ingvar Kamprad, 64, amassed his $2 billion-plus offering inexpensive but solid Scandinavian furniture to younger and working-class families. Those demographic slices are shrinking, and the growing affluent want more upscale stuff.

But Ikea has only 87 outlets spread across 21 countries, and is by no means a mature business. There are only a dozen of its showroom-warehouse stores selling knockdown furniture in the U.S. and Canada. Look for the company to open two to three new stores a year here for the next 10 to 15 years. Ikea started selling in Budapest in March—to an enthusiastic response. And there are plans for stores in Warsaw and Leningrad as well. Last year's sales topped $2.7 billion, up 14% from 1988—a far cry from 1953, when Kamprad, a Swedish farm boy, opened a single store in little Almhult, Sweden.

Hans T. Dahlskog/Pressens Bild AB



Ingvar Kamprad

Kamprad, a tax exile based in Lausanne, Switzerland, controls Ikea through Copenhagen headquarters and a Dutch foundation. He also owns Ikano, a family holding company in Sweden for Ikea's credit card business, real estate and other investments.—**William Heuslein**

HOLLAND

DREESMANN FAMILY

Bleak outlook

Anton Dreesmann, the professor of economics who built his family's department store chain into diversified giant Vendex International, is facing his biggest challenge ever. Profits have dropped steadily to $50 million last year, from $90 million in 1988 and $120 million in 1987. Worse yet, last year's net was little more than results consolidated from its 33.5% holding in the U.S.' booming Dillard's department store chain.

In Holland, the key Vroom & Dreesmann retailer is losing money and market share by not keeping up

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Especially our shareholders.

Georgia-Pacific

215

20C

with consumer trends—a mortal sin. Vendex is looking to sell its education, oil and gas, travel, and Brazilian operations. Other "noncore" operations are in for similar "strategic reorientation," supposedly by next year.

The group's health is as fragile as

ANP

Anton Dreesmann

that of Anton Dreesmann, 67, who struggled back from a stroke to throw out a handpicked successor whose restructuring started with large-scale firings. "Uncle Anton" couldn't bear to sack old employees; he's been finding them "alternative placement."

Can Vendex turn around staffed with the people who helped get it into trouble in the first place? The future is uncertain.—**Manjeet Kripalani**

FENTENER VAN VLISSINGEN FAMILY

Family comes first

Will they go public? The speculation goes on. Never, says Paul, at 49 youngest of the three Van Vlissingen brothers and head of their major business, SHV N.V. Not as long as family is around.

Now the largest private business in Holland, SHV traces back to the 18th

ANP

Paul Fentener van Vlissingen

century, had a coal monopoly in the 19th, and today is the EC's largest independent distributor of liquefied petroleum gas. But it earns 65% of revenues from its 62-store Makro chain of self-service wholesalers in Europe, Asia and South America.

Brother John, 51, chairs the family's Noro Group, a money manager to the Van Vlissingens and other superrich Europeans, tending its interests in real estate, financial and travel services. It has doubled its asset base to $7 billion in two years. Noro has a $1 billion property portfolio in the U.S.

Frits, 56, the eldest, manages Amsterdam-based Flint Holding, believed to be the family holding company, and several minor interests. The three brothers and their seven children control 50%; immediate relatives, 15%; more distant relations, the rest. Shares trade only among family members; every month a banker assesses the group's theoretical market value for them. No one will say, but FORBES thinks that the value was above $1.6 billion.—**Manjeet Kripalani**

BRENNINKMEYER FAMILY

Family ties

It's a family, some 200 strong, once called "the richest shopkeepers in the world." Devoutly Catholic, the Dutch-German clan is based in Amsterdam and the family estate in West Germany, where they remain true to the family motto, "Unity makes strength." FORBES estimates their fortune at $5 billion.

The base of the Brenninkmeyer family wealth is the C&A department store chain in Holland, West Germany, the U.K. and Brazil, begun 150 years ago by cloth peddlers Clemens and August Brenninkmeyer. Today the family is headed by Roelandus Brenninkmeyer, a 1971 Harvard Business School graduate.

The 150 C&A stores in West Germany have over $2 billion in sales and cater to a low-end market; recent East German immigrants head straight for them. In the U.S., after stumbling badly at first, they have rebounded to 1,100 stores nationwide and estimated $2 billion revenues in eight regional chains with names like Uptons, Steinbachs, the Lodge and Miller's Outpost.

While the family's women reportedly enjoy equal entitlement to wealth, the men run the business. The sons are expected to join the family company or join a real religious order.—**Manjeet Kripalani**

SWITZERLAND

KLAUS JACOBS

Philip Morris makes a billionaire

☆ The price announced two weeks ago for the Swiss coffee and chocolate company Jacobs Suchard by Philip Morris makes Jacobs, 53, a billionaire. As part of the deal, Jacobs' Colima holding company, which holds a majority of Jacobs Suchard, goes to the American consumer products giant for about $1.4 billion—and Jacobs still keeps the American confectioner E.J. Brach (now losing money), his own Panamanian bank and

RDZ

Klaus Jacobs

chocolate trading companies.

In the early 1970s the German-born Jacobs took over the family's Bremen-based Joh. Jacobs & Co., founded just before the turn of the century and already a leading European coffee roaster. Jacobs moved to Zurich in 1973, planning to merge with a Dutch company and run the business from Switzerland. The merger fell through, but his second wife was Swiss, so he stayed in Zurich and eventually became a Swiss citizen.

By 1981 his coffee roaster was up to $2 billion in sales, but Jacobs wasn't satisfied. Chocolate was a high-margined commodity he understood. In 1982 he acquired the Swiss owner of Milka and Tobler brands. In 1986 he added U.S. confectioner E.J. Brach for $730 million. In 1987 he outbid Nestlé for Belgium's Côte d'Or chocolate company. In 1988 he lost a takeover battle for Britain's Rowntree to Nestlé, but the wily Jacobs came out $300 million ahead.

For some Swiss, selling out the famous Swiss chocolate brands Tobler and Milka to the American Philip Morris seems like selling the Matterhorn. But Jacobs has had only a slim


"He said, *It's irreplaceable. It must be impossible to insure.* I said, *Not if you have Chubb.*"
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voting majority; further mergers would put him below 50%. So when he got a friendly offer from somebody else who appreciates the value of a name brand, he grabbed it. Over 18 times earnings looked pretty sweet to him.—**Philip Glouchevitch**

WALTER HAEFNER

Buying on weakness

As the biggest shareholder of U.S. software company Computer Associates, Haefner didn't flinch when the stock took a dive from $22 a share to under $11 last year. Apparently, the fall was due to the acquisition for stock of troubled Cullinet Software. Haefner, who wanted to maintain his stake at around 21%, picked up shares last fall for an average price of $17. The stock recently traded at $15.

Urs Siegenthaler

Walter Haefner

Haefner got into computers when his Swiss car distributor, AMAG, started a computer-services subsidiary in the early 1960s. He sold it for stock to a Dallas company, which went bankrupt in 1983. Haefner bought majority control and revived the company—and then sold it to Computer Associates in 1987, giving Haefner his 21% stake, lately worth $580 million.

Haefner, now 80, built his fortune from the ground up. He saved 26,000 Swiss francs and built charcoal generators for cars during the privations of World War II. After the war, Haefner sold jeeps and then Volkswagens. AMAG now has exclusive import rights for VW, Audi and Porsche, and much valuable real estate under the dealerships.—**Philip Glouchevitch**

MAUS-NORDMANN FAMILY

The Mauses who roared

☆ The Maus and Nordmann cousins, whose Geneva-based Maus Frères S.A. is Switzerland's leading department store chain, took advantage last year of the troubled U.S. retailing market to pay $453 million for ailing Chicago-based department store chain Carson Pirie Scott. New to our list, the Maus and Nordmann cousins are: Jacques, 61, Bertrand, 58, and Olivier, 46 (Maus); plus Gérard, 60, and Philippe, 58 (Nordmann).

Maus Frères has been active in the U.S. since 1938 through Milwaukee-based subsidiary P.A. Bergner & Co. Carson Pirie Scott has $1 billion in sales and over 30 stores—including 4 in the Chicago area—but has lost money the past three years. Bergner, by comparison, did $470 million in sales with 31 stores.

Ernest Maus founded his first store in 1892 in Biel, Switzerland. Ten years later Leon Nordmann founded his first department store in Lucerne. The chains grew separately until Ernest Maus' daughter Simone married Nordmann's son Robert in 1929, when the stores covered Switzerland.

Today, it is the children of the Maus-Nordmann marriage, Gérard and Philippe, who run things with their three Maus cousins. They expanded the family's holdings into France in 1972 when they bought voting control of Paris-based Au Printemps S.A., which today does $3.8 billion in sales. Altogether, the family's holdings are thought to be worth over $1 billion. Two years ago Philippe Nordmann raised a lot of money for AIDS research, and for his efforts was voted Genevan of the Year by his townsmen.—**Philip Glouchevitch**

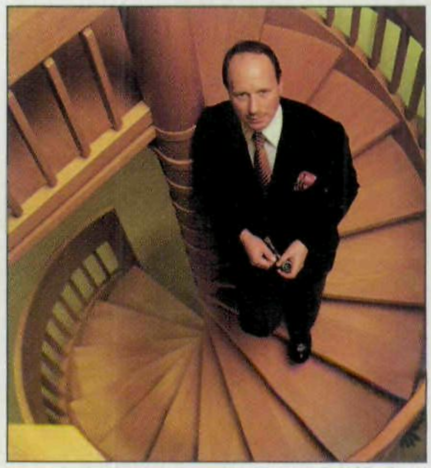
SCHMIDHEINY FAMILY

Leica redux

If you start hearing the famous old Leica name again, thank Stephan Schmidheiny, 43. Stephan's Anova Holding has swapped two construction materials companies with brother Thomas, 45, for undisclosed cash and the struggling optics and camera maker, formally named Wild Leitz.

Stephan has merged Wild Leitz with the smaller, British-based Cambridge Instruments, intending a turnaround as Leica Plc. (combined sales, $1 billion). The cameras are only 10% of the new company's revenues; its strength is in other precision instruments, such as microscopes.

But the new company clearly has ambition as well as a bankable brand name. It'll be a challenge for Stephan, who until now has distinguished himself primarily as a shrewd if low-profile investor, buying—and sometimes selling—sound, well-run companies.



Thomas Schmidheiny Daniel Boschung

Brother Thomas attracts less attention, though he controls the world's largest cement company, Holderbank (1989 sales, around $3.5 billion).

The two brothers took over their father Max's industrial empire in 1984. A third brother, Alexander, 40, owns the California winery Cuvaison and a ski-wax maker. A second cousin, Jakob, 46, has his own diversified company. Their combined worth: over $2 billion.—**Philip Glouchevitch**

HANS HEINRICH THYSSEN-BORNEMISZA

Sí, señora

The latest rumor, in several newspapers, had Baron Heinrich Thyssen-Bornemisza selling his Villa Favorita residence-cum-art-museum in Lugano for $30 million. "Untrue," said a spokesperson. But the baron has been spending a lot of time in Spain lately. So has much of his prized $1-billion-plus art collection of old and new masters. And he did sell his splendid Daylesford residence in Brit-

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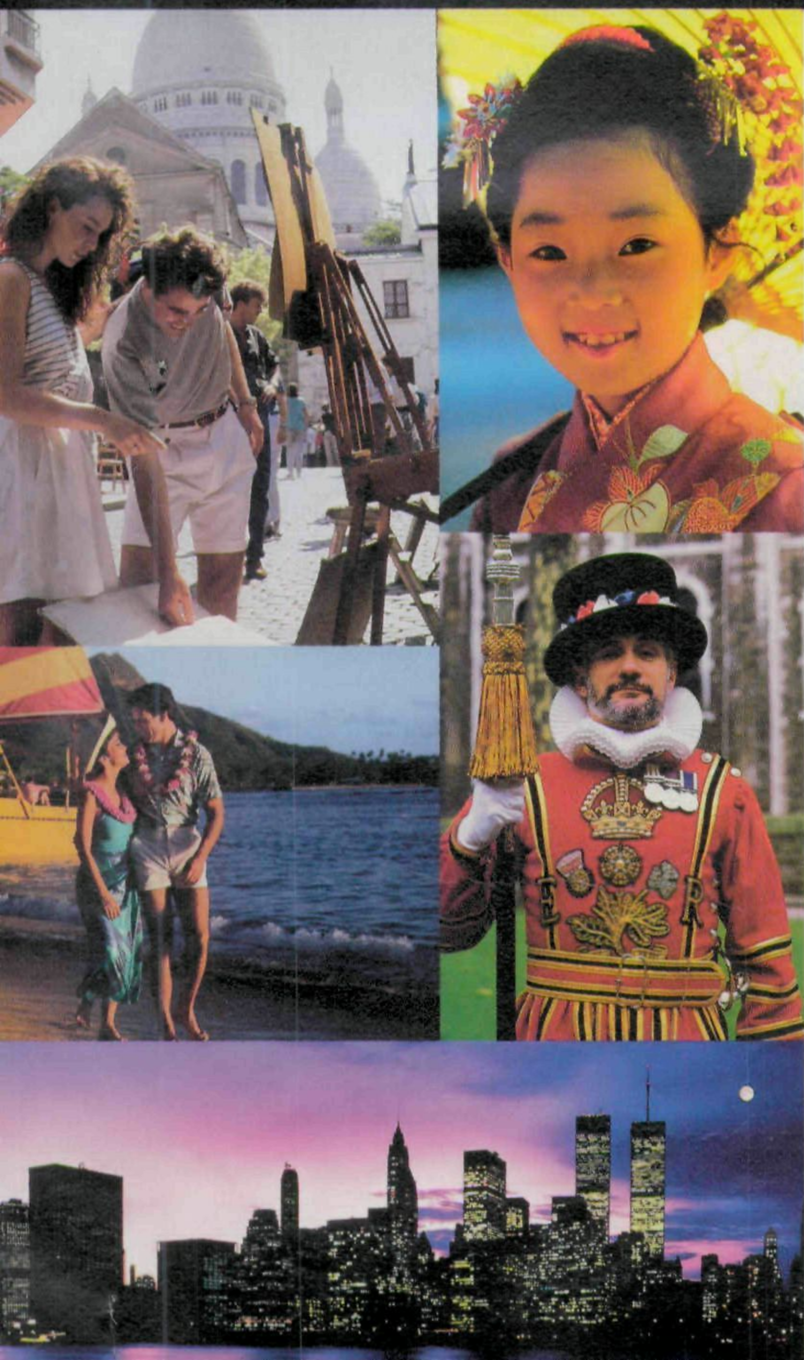
Baron Thyssen-Bornemisza



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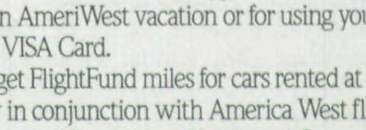

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ain last year, supposedly the baron's favorite. But his latest wife, Carmen, 46 and a former Miss Spain, doesn't like Britain. The couple hangs out in Madrid and on the Costa Brava.

The baron, 69, is the grandson of the August Thyssen who built the famous German steel company and a shipping empire. The baron's father denounced Hitler in 1939 and moved to Switzerland with the shipping companies and his vast art collection. The shipping has been replaced by farm machinery, pumps and other goods. Business is down lately, but the Thyssen-Bornemisza Group, managed by 39-year-old son George, has the Thybo financial investment arm, which reportedly brings in half its roughly $50 million earnings (total estimated sales, $3 billion). The businesses may be worth over $500 million.—**Philip Glouchevitch**

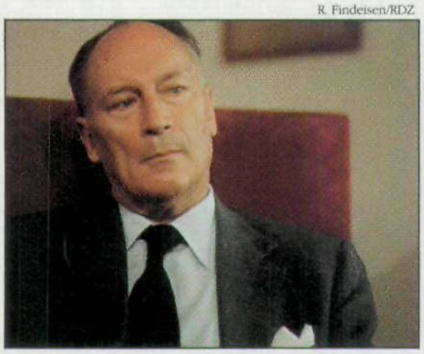
HOFFMANN FAMILY

Conducting business

The Swiss marked the end of an era when Maja Sacher-Stehlin died last August at 93. The widow since 1932 of Emmanuel Hoffmann, son of Hoffmann-La Roche founder Fritz Hoffmann, she devoted six decades to patronizing the arts. In 1934 she remarried, to well-known conductor Paul Sacher, also a key contributor to her native Basel's cultural heritage.

Now Paul Sacher, 84, is the elder statesman of the family, which holds an undisclosed majority of the key registered shares of Hoffmann-La Roche, now called Roche. He is on the board with two other family members from Maja's first marriage: eldest son Lukas Hoffmann and son-in-law Dr. August Oeri. Sacher's role appears secure: Swiss magazine *Bilanz* reported Sacher personally acquired a chunk of the company when the family repurchased its controlling interest in 1945. (Maja's brother-in-law Alfred Hoffmann had sold his shares to Basel Handelsbank, dropping the family's holding to below 50%.)

R. Findeisen/RDZ



Paul Sacher

The family's special voting shares, worth billions, anchor Roche: It can make strategic acquisitions like the recent purchase of 60% of America's Genentech for $2.1 billion without having to look to the stock market for approval.—**Philip Glouchevitch**

LIECHTENSTEIN

MARTIN HILTI AND FAMILY

Fastenating

☆ In the principality of Liechtenstein, Martin Hilti, 75, has made a big fortune. His Hilti A.G., based in Schaan, near the capital of Vaduz, chalked up $1.4 billion in worldwide revenues last year, producing fasteners for heavy construction to do-it-yourself home renovators. This year the value of the Hilti family's shares rose to over $1 billion.

Martin Hilti

Hilti, the ninth of 11 children, studied engineering and mathematics, and in 1939 began working in his brother Eugen's auto shop. In 1941 they founded Maschinenbau Hilti to make auto and truck components.

Hilti took advantage of postwar reconstruction in neighboring countries. He developed guns—the peaceful kind—that shoot bolts, nails and screws into steel or concrete, eliminating tedious drilling. By the mid-1960s Hilti had exhausted the labor pool in Liechtenstein (today he employs about one-fourth of Liechtenstein's industrial workers). Production sites in neighboring countries and the U.S. followed.

The 1970s were rough. The oil crisis slowed construction, and Hilti had a heart attack. Son Michael, now 43, became the heir apparent, reportedly causing strife among other executives. Nevertheless, after he joined the board things improved. Hilti's second son, Markus, 38, helps run the Western Hemisphere operations—one-third of sales—from Tulsa.

Can Hilti capitalize on the expected reconstruction boom in Eastern Europe? "Already for many years," Hilti told FORBES, "we have a well-established partnership with local distributors in most Eastern European countries." Look for even bigger things ahead for Hilti.—**Philip Glouchevitch**

AUSTRIA

SWAROVSKI FAMILY

Rhinestone legacy

The Swarovski family built a fortune on rhinestones, the poor man's jewel. But today the family company is pushing higher-margin items to boost business. Last year the family created a new company, Daniel Swarovski S.A.R.L., based in Paris, to sell fashion accessories and designer crystal to department stores.

The handbags, gloves, belts and so forth are selling better than expected. But the designer crystal—mostly objects like vases and candlesticks selling for $1,000 to $20,000—has been slower to catch on.

The main Swarovski enterprise is in the quaint Tyrolean village of Wattens, Austria, where founder Daniel Swarovski settled in 1895. Today the company is run by the fourth generation, and their name can be found on jewelry and crystal in every corner of the globe. With distribution outlets throughout Asia, Europe and the U.S., the company had sales last year of over $850 million. In 1987 it bought 50% of the largest U.S. jewelry retailer, Zales (1989 sales, $1.4 billion). Last year Zales in turn bought the second largest, Houston-based Gordon's Jewelers. —**Philip Glouchevitch**

Kevin Galvin

Daniel and Manfred Swarovski