

## Aditya Mittal, The Youngest Billionaire Engaged in Serious Ambitions

Written by Administrator

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He is a billionaire's boy with serious ambition. Charming, articulate and handsome, with round brown eyes that mask a degree of calculation, he is already seen as likely successor to his father Lakshmi at the steel giant they created two years ago by merging their family-controlled firm with European rival Arcelor.

For others in the steel industry, he has been a surprise. Travelling side-by-side with his father for the past decade, he has kept his head down, worked the deals, brushed off the accusations of nepotism and helped drive the expansion that has left the Mittals' rivals in their wake. That combined entity, Arcelor Mittal, in which the Mittal family owns a 45% stake, is now the biggest steel group in the world. And Aditya, trained at Wharton Business School and Credit Suisse First Boston in New York, sits as finance director, head of mergers and acquisitions (M&A), and management-board member responsible for flat-steel products, Americas. He is only 32.

In recent years, his ambition may even have outstripped his father's. He suggested, and then led, what became the hostile bid for Arcelor, and later ran its integration. So much for a life of Gatsby-style indolence. He has probably headed more acquisitions than any young man alive.

Sitting in a seventh-floor meeting room at the family's offices overlooking London's Berkeley Square, Mittal looks unflustered by any speculation. Boyish in build, barely filling his tailored suit, he wears no watch or cufflinks, and speaks English softly with both Indian and American intonation.

That unreadable exterior is consistent with the family style, where the jets, the world-leader powwows and London's most expensive home – bought by Lakshmi Mittal for £57m in Kensington – are balanced against a serious sense of purpose, both in business and philanthropy.

Those outside the steel industry had barely registered Mittal junior until this month, when Aditya and his wife, who already have two daughters, gave £15m to Great Ormand Street Hospital. It was the single biggest donation the hospital had ever received.

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And what a business. Arcelor Mittal is three times the size of its nearest rival, Nippon Steel, and still pushing on. Built on the initial gamble of snapping up assets in the last steel slump, the empire is driven by the Mittals' vision that only a truly global, vertically integrated, steel business can better withstand economic and customer squeezes.

Why them? Because others didn't see the opportunity. "The Americans missed the boat," says Mittal simply. "They were comfortable domestically and saw no need to alter the way they were working."

Mittal steel is now in our cars, our appliances, our buildings and bridges worldwide. Arcelor Mittal beams are being used to build New York's Freedom Tower.

And Aditya, Lakshmi's only son – a daughter, Vanisha, also sits on the Arcelor Mittal board – has played his part in getting it all under family control, helping devise the early deals that bought rust-bucket steel mills and turned them into profitable businesses.

Many were bought with "sellers' credit", allowing the Mittals to pay back the purchase price over a number of years. It also meant Aditya learnt the mechanics of acquisition quickly – even if many sellers thought him too young to be taken seriously.

The City has painful memories of entrepreneurs juggling public and private – Robert Maxwell, for one. Mittal is probably too young to remember that.

But that, and issues of corporate governance, and even the Mittals' Indian ethnicity, became battering points during that difficult bid for Arcelor, Europe's steelmaking champion. Mittal says the issues of governance are resolved. The rest was just laughable.

Others say both father and son were clever in not responding to the jibes.

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“That was smart,” says Wilbur Ross, the steel boss who sold the Mittals his ISG group in 2004, and now sits on Arcelor Mittal’s board. “It made it easier to establish relationships afterwards.”

Yet despite promising to put in an Arcelor man as chief executive of the combined entity, within three months Lakshmi Mittal took the helm. They welched on their word?

“Bullshit,” says Aditya, suddenly stern. “Roland Junck” – appointed to the job initially – “couldn’t do the job so he resigned, the pressure was too much. And if you asked him, he would agree.”

Are there still tensions within the business? “No, we are one, unified company.” The IT is not harmonised yet, but there is strong coordination in commercial approach, and staff share knowledge on a continual basis.

Is it threatened by economic downturn? Less so, because of its size and spread, he says. “We have debt of \$22 billion (£11 billion) but an ebitda of \$19 billion, we have 27 production facilities, a very diverse product offering . . .” He rattles out the numbers.

There are specific problems in areas like Kazakhstan, he admits, where its coalmines have seen repeated fatalities. “We need to fix that, but it requires huge change. For every 20 to 30 people we employ in Kazakh mines, western mines would employ two or three.” So why not close the mines till they can be mechanised? “What about the 30,000 people who work there?” counters Mittal. “That’s the issue. We’re rolling out a modernisation programme but there’s a global order backlog for equipment.”

But it’s interesting that his relationship with his father thus far has taken a different course. Advisers who have witnessed the tight bond between the two say Aditya provides an eye for detail that underpins Lakshmi’s entrepreneurial brio.

“Aditya’s a first-class strategist and financier, able to master the big picture and the technical details,” says Yoel Zaoui, Goldman Sachs’ head of European investment banking. “The relationship is based on complementarity and competence.”

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That trust was fostered by an upbringing where Aditya stayed close to his father's side, visiting steel plants with him, living near the business in Indonesia where Lakshmi started his operations.

There may be other stresses looming. This Mittal admits he has itchy feet. He doesn't envisage staying in Europe for the next 20 years. Arcelor Mittal, with bases round the world, could accommodate that. But might he leave? "I am open to opportunities," he says, teasingly.

Is he trying to keep his dad on his mettle? He laughs. "No, but at some point I may want to do something completely different, like dedicate my life to philanthropy."

Some think it unlikely he can leave the business. His experience makes him too valuable. China is the next target after India. Arcelor Mittal's directors know who has the connections, and the ambition.