

Books

All the world's a stage

Janine Goedert

THIS REVIEW is due to a strange coincidence. At Whitsun I was in London with a group of students, and on Saturday evening we went to see Shaw's *Pygmalion* at London's Old Vic Theatre, where thanks to a generous gift from Aditya Mittal a hundred tickets are sold at £12 to under 25-year-olds at every performance. In the afternoon I was looking at David Lodge's new novel at Foyles, when I spotted a book that had clearly found its way onto the literature shelves by mistake: *Cold Steel / Britain's Richest Man And The Multi-Billion Dollar Battle For A Global Empire* – the cover read.

This was definitely going to be my Mittal day! Written by Tim Bouquet, a journalist, and Byron Ousey, an international financial public relations consultant, who advised the Luxembourg government on their communications strategy during the Mittal-Arcelor battle in 2006, the book introduces you to the big players as well as to the many secret meetings and the strategic volte-face happening along the way.

'It is written as a thriller because that is what it was,' the Preface explains. Fast-paced and full of unexpected twists and turns, *Cold Steel* allows you

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to glimpse behind the scenes, where hundreds of international lawyers and investment bankers were hard at work, helping their clients fight on while simultaneously forging careers and reputations for themselves.

The authors clearly admire Lakshmi Mittal's drive and tenacity, the energy of this self-made industrialist, who stuck to his global vision for the steel industry, even though it meant braving the hostility not only of the

Arcelor management, but also that of both the French and the Luxembourg governments as well as the often aggressive comments made in the European press. Mittal patiently bided his time.

If there is one loser (or villain?) in this dramatic tale it is Guy Dollé, 'a life-long steel-maker with pale-blue Caligula eyes', who sensed that his professional ambitions would be thwarted the moment Mittal took over; his undiplomatic perfume/eau de cologne line and his referring to Mittal shares as 'monnaie de singe' only made matters worse. Throughout the book he is described as an irascible, demanding CEO, who does not suffer fools gladly. Meanwhile Joseph Kinsch comes across as a consummate negotiator and a shrewd survivor; 'the Silver Fox', who enjoys golf and Maryland cigarettes, succeeded in more than saving his skin.

Cold Steel gets almost all the details about Luxembourg right and draws convincing portraits of the ministers involved in the fight: apart from Jean-Claude Juncker, 'who has one of the best diplomatic black books on the planet', there is 'fiercely ambitious' Luc Frieden and Jeannot Krecké, who regards himself as a man of the people 'in spite of his relatively expensive sailing hobby'.

On a lighter note Bouquet and Ousey pay homage to the legendary cuisine and wine cellars of the 'grandiose, chateau-like former Arbed headquarters' on Avenue de la Liberté. They are also quite good on the psychological factor, on why so many of us feel emotionally attached to the steel industry.

Elsewhere they criticise the traditional managerial style of Arcelor – board meetings tended to be unanimous endorsements of decisions already taken rather than confrontational discussions – and support the outcome of the epic battle, celebrating the fact that Arcelor shareholders were given the ultimate say as a victory for democracy. In retrospect, John Castegnaro's combative comment 'This is war. We must fight this bid to the last drop of blood.'

sounds utterly surreal and oddly embarrassing. As do the words spoken by our Prime Minister on the Elysée Palace steps in early February 2006: 'To put it clearly, the Luxembourg government is not in favour of the hostile takeover bid for Arcelor. We do not want it because we do not understand it.'

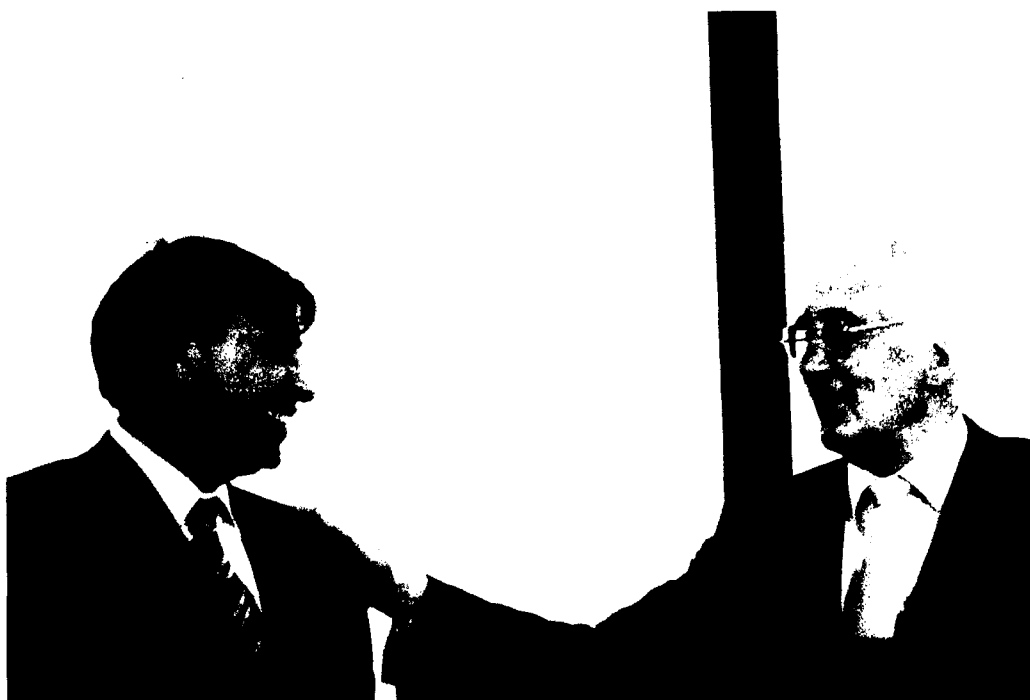
The intricate links between politics and the economy become most obvious in the Alexey Mordashov episode, which also shows how crucial presentation and PR have become in a world where tactics seem to matter more than anything else. Funnily enough, the one book I was thinking of while reading *Cold Steel* is Orwell's *Animal Farm*, which *breakingviews.com* also referred to when discussing the attitude of the Arcelor management board. How often was history being rewritten throughout 2006? How many contradictory versions of the truth were we presented with? Did we not watch the Mittal family move from being predatory foes to miraculously becoming our friends and allies only a few months later?

The final deal was given the governmental seal of approval at noon on Tuesday, June 27. While Luc Frieden formally shook hands with Lakshmi and Aditya Mittal outside Restaurant Clairefontaine, Juncker hugged both father and son. Then came a prime-ministerial address to Parliament: 'He no longer talked of hostile takeovers he did not understand, but of mergers and marriages. He thanked Krecké, Frieden and Georges Schmit (from the Ministry of Economy and Foreign Trade) for bringing the government's ship home.' Economic patriotism and old-style European protectionism had swiftly been thrown overboard: on the other hand, Lakshmi Mittal had been ready to make huge concessions.

Ultimately, it will show you that, like the leaders in *Animal Farm*, senior managers who operate at this level very much live in a world of their own. In contemporary terms this means a world of codenames and corporate espionage, of private jets and astro-

conomic pay-offs (look out for the golden parachute schemes!). One sentence speaks volumes: 'Mittal's total adviser bill for the banking, legal, lobbying and communications work required to acquire Arcelor amounted to \$188 million – a million dollars a day, according to the first annual report of the new company.' The sheer scale of it all is bound to make you feel out of your depth more than once!

Tim Bouquet and Byron Ousey, *Cold Steel*, Little, Brown, 2008 (ISBN 978-0-316-02799-1)



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