



Lunch with the FT

In the fast lane with Ferrari's Luca Cordero di Montezemolo Page 3

Joy racer

Lunch with the FT: over a hearty Italian meal - and some intriguing telephone calls - Luca Cordero di Montezemolo, the aristocratic chairman of Ferrari, talks to Richard Milne about Formula One, his political ambitions and why unbending enthusiasm is key

'With a good-looking woman you can have disappointment because maybe she is stupid. With a Ferrari you expect more'

Screaming down the home straight of Ferrari's test track at 200kmph an hour in a classic red 458 Italia, I suddenly don't feel like lunch. The Fiorano track near Bologna in central Italy is, at 8km, not long. But, partly in an attempt to impress the test driver next to me with some fast cornering, I feel as if I have left part of my stomach on one of its hairpin bends. Matters fail to improve as, in heavy fog untypical of early summer, I take the car off the track and, rather more slowly, on to the winding roads of the Apennines, heading for Ferrari HQ in nearby Maranello.

I am still spinning slightly when we pull into the car park just before the company's elegant and aristocratic chairman, Luca Cordero di Montezemolo, who somewhat incongruously arrives in a small Fiat. He explains that his journey from Rome has been a nightmare as fog diverted his helicopter and forced him to take trains and cars - hence the Fiat. Nevertheless he appears in characteristically enthusiastic mood. "I've just been to a conference at the Vatican (on the financial crisis). Fantastic," he explains. "Fantastic" is a word Montezemolo uses a lot. Ferrari is "fantastic", Italian food is "fantastic", his new high-speed train company, NTV, is "fantastic", as is the 458 Italia I have been driving.

The 62-year-old's profile in Italy has rarely been higher. We meet just a few days after he has stepped down as chairman of Fiat, Italy's largest industrial group, after six years. But he remains chairman of Ferrari (which is 85 per cent owned by Fiat), one of the country's most famous brands and its Formula One team, the revered Scuderia, the sport's most successful. Indeed, so celebrated in Italy are his achievements and passionate exploits in Ferrari's cause - he once smashed a television set at his house when a world

championship was lost on the final corner - that he is spoken of as a future prime minister despite his lack of political experience. Although he continues to deny political ambitions, the rumours are persistent and, on the day we lunch, the Italian minister for industry has resigned. His press officer warns me not to ask Montezemolo about it directly as he will avoid the question.

It is a difficult topic to ignore. The idea of an F1 boss in politics might seem strange in many countries. But, as shown by the incumbent Italian prime minister, media baron Silvio Berlusconi, when it comes to politics and business Italy is not like other countries. Nor has it passed without comment that Berlusconi has recently increased his praise of Montezemolo, a move seen by some as an attempt to neutralise a rival.

As Montezemolo drives me through the factory complex to Ferrari's canteen, he is focused on marketing matters. He is particularly proud of the factory, which in 2007 was named by the Financial Times as the best place to work in Europe. We park in a big space marked "Reserved. President". As we enter his private dining room, the walls covered in pictures of past Scuderia successes, Montezemolo is greeted by the waiter as "Avvocato", meaning lawyer, the same name used by legendary former Fiat owner, Gianni Agnelli (both men studied, but didn't practise, law).

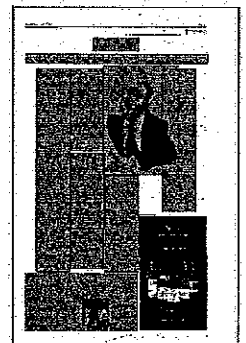
With a plate of small bruschetta in front of us, Montezemolo immediately begins a paean to "one of the fantastic elements of Italy": its small restaurants with good food. He clearly enjoys eating, saying: "I don't like nouvelle cuisine, too small bits. I like to have a nice wine, nice pasta, tomatoes." Having established my dislike of fish, he orders for both of us: two starters of mozzarella, tomato and aubergine lasagne, fol-

lowed by veal and asparagus for me and veal with a marsala wine sauce for him.

As the food arrives we discuss recent grands prix. A fierce competitor, Montezemolo is clearly unhappy about how the season has gone so far (Ferrari are currently well off the pace in third place in the constructors' standings, while its leading driver is fifth). He talks and gesticulates exuberantly, at one point almost knocking my BlackBerry off the table as he discusses the drawbacks of Monaco's famously tight circuit. "Monaco is unique. I can accept one Monaco but not two because sometimes it can be ridiculous when you cannot overtake." I mention that I once drove around the Nürburgring, a German circuit regarded as one of the toughest in the world, in a 1.4-litre Volkswagen Golf diesel. Montezemolo, a former rally driver, looks pityingly at me as he recounts a three-day race he took part in on the same circuit. It makes my one lap sound particularly

timid. "This is a track that I love," he says, "not only for romantic reasons, but because things are really tough and a challenge."

I look up and notice that Montezemolo has already managed to wolf down half his lasagne using only a fork. He also has a habit of getting distracted by a television I hadn't noticed behind me. "Look, it's Greece," he says, pointing at images of rioters in the streets. Before I can register my frustration with him breaking the flow of the conversation, he resumes where we



left off, taking a good swig of white wine while nibbling on a thick bread stick.

I ask him about the differences between his work at Fiat and Ferrari. He took over at Fiat after the deaths in 2003 of its head Gianni Agnelli, and, a year later, Gianni's brother Umberto, left the group leaderless. Montezemolo had long been close to Agnelli and answered the family's plea for him to do the job until John Elkann, Agnelli's grandson, was ready to take over. Montezemolo became chairman but it was Sergio Marchionne, the straight-talking chief executive, who steered the company away from bankruptcy and into a daring bet on Chrysler, the struggling US car-maker. Unused to being in the shadows, it is clear that Montezemolo was happy to hand over Fiat's chairmanship to Elkann.

I ask him if it would be accurate to say that he enjoys his work at Ferrari more than he did at Fiat. The waiter arrives to take his plate but with some food still left on it, Montezemolo immediately swoops in

with his fork, while starting to answer: "Ferrari, together with my family, is the owner of my heart. Next year I will celebrate 20 years as Ferrari chairman and there are no car manufacturing chairmen in the world that have been for such a long time on the job. Nobody in Formula One has won so many titles, so many races as I did. So Ferrari for me is crucial, it is more than important."

Montezemolo has been involved with the sports car maker for almost 40 years but fell into it by pure chance. When he was a rally driver, he appeared on a radio phone-in and took part in a fierce debate with a listener over whether car racing should be allowed. Enzo Ferrari, the company's founder, was listening in. "He was impressed," Montezemolo says. "So he called up and said: 'Who is this young guy that has the balls to answer in such a strong way? I want to meet him. I want to know him.'" The relationship developed quickly and he took over the F1 team - then struggling - in the 1970s, leading it to three world championships.

Following the death of Enzo Ferrari in 1988, Montezemolo took over as chairman three years later. In the period that followed, he revived its sports car business and, at the beginning of the last decade, returned the F1 team, led by the German driver Michael Schumacher, to winning ways with five straight drivers' championships.

Becoming increasingly animated, he compares Ferrari's allure to that of a "good-looking woman: first of all, you have to desire her. Then if you go out with a good-looking woman, sometimes you can have a disappointment because maybe she's stupid, maybe she is not as good as I expect. With Ferrari itself, you need to expect when you start the engine you have even more."

This kind of spiel is classic Montezemolo.

"He is a marketing guy," another leading Italian industrialist tells me a few days later. "He has created a fabulous image of himself. But I don't think he has really managed anything in his life." Though this is rather unfair given his turnaround of Ferrari, it is true that Montezemolo's gift for self-promotion means he is rarely out of the newspapers.

He talks about how much more free time he has now, having given up not only Fiat but also, in 2008, his powerful job as head of Confindustria, the Italian business lobby group, which gave him an almost daily opportunity to criticise the government. (He is soon to end his chairmanship of the second-largest Italian private university, LUISS). To many observers, all these resignations suggest that he is gearing up for a political career.

Recalling the press officer's advice not to ask directly about politics, I say instead: "Aren't you preparing for something else?" Just at that moment his mobile phone rings. He answers it and looks irritated, speaking tersely. Breaking off, he tells me: "It was a journalist saying that Berlusconi has just said I would be the best person to become minister of industry." This being Italy, a land of permanent intrigue, I could almost imagine he arranged the call himself.

As a green salad arrives for me after my veal, he talks about his new high-speed train company, due to launch next year. He is convinced there is a big business opportunity in fighting the state-owned monopoly, Trenitalia, and the airlines on the lucrative Milan-Rome route. But he is upset that Trenitalia also owns the infrastructure. "It is as if Chelsea play Arsenal and the Chelsea trainer is the trainer and referee at the same time," he explains, reaching for an English parallel for my benefit. "It's unbelievable... It is typical of Italy and I will do my best to fight this."

Couldn't he do this better by being in politics? His answer is to emphasise that he is still, despite his retirements, very busy. Although he does concede some-

FAMILY FORTUNES

Big business: Italy's industrial dynasties

Luca Cordero di Montezemolo comes from a grand Italian tradition: the dynastic industrialist. Since Gianni Agnelli, the Fiat scion, style-setter and playboy, gained great fame and greater wealth in postwar Italy, the figure of the larger-than-life businessman from a powerful family has typified Italian success.

Agnelli was not only Italy's largest employer, his glamorous social life helped to restore Italy's image and standing after the second world war. Photographs of Agnelli entertaining Henry Kissinger and Jacqueline Kennedy Onassis on his yacht were as sought after as those of movie stars on Rome's Via Veneto. Even Agnelli's habit of wearing his watch strapped over the cuff of his shirt is still mimicked by Italians today.

No industrialist since has managed so potently to combine glamour and power, and that includes Montezemolo, who, as Agnelli did, regularly makes it

to the top of polls of who Italians most want to be, most want to look like and most want to be governed by.

There remain, though, families with something of the Agnelli cachet, and not only those of his grandsons, John Elkann, Fiat chairman, or Lapo Elkann, a playboy designer living in New York.

In Italy's northern industrial heartlands there are the Pesenti, whose cement group, Italcementi, is among the largest in the world since taking over Ciments Français in the early 1990s. Then there is the Ferrero family, the confectionery creators behind Nutella and Ferrero Rocher, who last year considered a bid for Cadbury.

The Marcegaglia own one of the world's largest steel-processing companies. As head of the employers' organisation Confindustria, Emma Marcegaglia, daughter of the founder Steno, is

the most powerful woman in Italy. In the central Marche region, there are the Merloni, the white goods dynasty behind Indesit, and the Della Valle, who created Tod's and Hogan luxury leather goods brands.

These families still show signs of



Kennedy and Agnelli in Italy, 1962 (Corbis)

the entrepreneurial skill that made their ancestors rich. Matteo Marzotto of the Marzotto clan sold Valentino Fashion Group to Permira, the private equity firm in 2007, in a deal so overpriced that it has come to symbolise the excesses of the boom. But globalisation poses challenges for the future of these dynasties, as does the rise of the next generation.

While most of Italy's best-known industrial families earned their great wealth in the postwar years, there is one obvious exception. In its power, wealth and social and political influence, Italy's most powerful family today - that of Silvio Berlusconi, the media tycoon prime minister - puts all the others in the shade.

Rachel Sanderson

Rachel Sanderson will be the FT's Milan correspondent from September

thing: "I am a person that when I go in the street everybody knows me and goes: 'Oh, you are entering politics.' I want to do something positive for the future. It doesn't mean to become a leader of a party. At least for the moment."

I ask whether he would be more tempted to enter politics once Berlusconi has left the stage. He turns his chair to face me more fully. But barely has he started his answer, than he breaks off to point at a Picasso painting on the television and the record price it has sold for. Then, without missing a beat, he is back: "We need important reform; we need also to have a country with clear rules, we need a country with ethical responsibilities, a lot of things. We will see."

His mobile goes again. It is Elkann, the new Fiat chairman, and I gather they are talking about Berlusconi's comments. Montezemolo ends the call and says laughingly: "He gives me a promotion." In fact, Elkann is merely checking Montezemolo will be in Turin later in the week so that the Agnelli family can thank him in person for his work at Fiat.

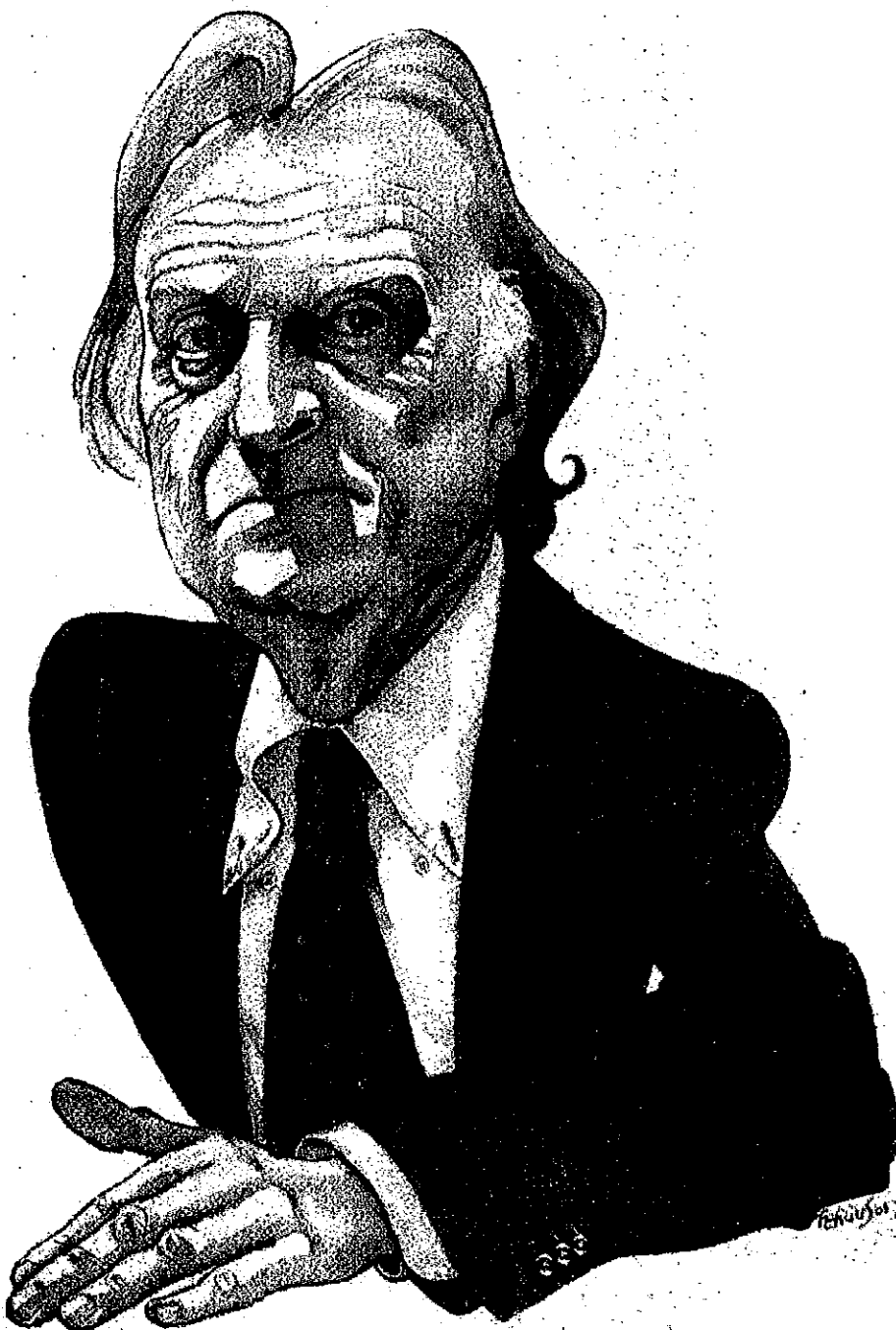
Montezemolo certainly has the background to be a politician. Born in 1947 in Bologna to a Piedmontese aristocrat whose family had served the House of Savoy, which ruled unified Italy in the late 19th and early 20th centuries, his formal title is Marchese di Montezemolo. "I am from one of the oldest families in the country. There is a very nice village in Piedmont called Montezemolo," he says.

Last year he started his own think-tank, called Italia Futura. Montezemolo says this is part of what he sees as his civic responsibility in an era when scandals have caused harm to Italy's image. I get the impression he is deeply tempted by politics; whether he

can reach the top is more debatable, though, in a country so preoccupied by image, he is well qualified in at least one respect.

As we get up to leave, a telephone rings in the corner of the room and Montezemolo starts to get animated. It is Marchionne. If he wanted to show he is still busy after stepping down at Fiat, it strikes me again that - short of Berlusconi himself calling - he couldn't have organised the three calls he has received any better if he had tried. On my way out he hands me a white postcard. "This is what I give to all new employees at Ferrari," he says. Looking at it in a Ferrari 599 on the way back to Milan, it looks to me like the perfect credo for Montezemolo. It starts: "The real secret of success is enthusiasm. You can do anything if you have enthusiasm... With it there is accomplishment. Without it there are only alibis."

Richard Milne is the FT's European business correspondent



Ferrari's private dining room

Ferrari HQ, Maranello, Italy

- Bruschetta
- Lasagne con bufala, pomodoro e melanzane x2
- Piccatine di Vitello con asparagi
- Piccatine di Vitello in salsa di Marsala
- Valeriana con aceto balsamico x2
- Gelatini e frutta fresca
- Pinot Bianco La Rocca
- Still and sparkling water

Total

Free