

# Watches & Jewellery



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Saturday September 6 2014

## Apple makes up for lost time

The most eagerly awaited smartwatch is imminent. Will it disrupt the Swiss watch industry, asks *Elizabeth Paton*

Consumers have been bombarded by smartwatch launches by some of the world's biggest technology companies in the past year. The fast-growing – and often-hyped – wrist wearables sector is crowded with new entrants – and the stakes are about to get higher. The most eagerly anticipated smartwatch is likely to be revealed next week. Apple is expected to unveil its smartwatch on Tuesday at a launch event near its California headquarters. Long called the iWatch by industry observers but likely to be launched under a different name, the device has been the subject of speculation not only among rival technology companies but also within the Swiss watch industry – and with good cause. The technology industry has

invested heavily in wearables. Analysts at Kepler Cheuvreux estimate that more than \$3bn was spent on smartwatch research and development in 2013. In the race to bring mobile communication to wrists, Apple has made big-name appointments, some of them from the ranks of Swiss brands owned by LVMH, the French luxury goods group. The technology company poached Patrick Pruniaux from TAG Heuer in July, where he had been vice-president of sales. Press reports have suggested the rise of wearables could lead to problems in the Swiss watch industry on a similar scale to those of the so-called “quartz crisis” of the 1970s, when inexpensive imports from Japan threatened to wipe out mechanical watchmaking.

But traditional watch brands and analysts say the risks have been overstated, and see opportunities. “The implications for us of a rise in wearables are clear,” says Jean-Claude Biver, LVMH president of watches and jewellery. “Adapt to this new business model and don't underestimate the technology. “But, at the same time, don't forget that it is not the first revolution experienced by the watch industry – and it will certainly not be the last.” Swiss watchmakers have further reasons to remain confident, says Jon Cox, head of Swiss equities at Kepler Cheuvreux. “The industry has modernised in the past few decades,” he says. “It is far more in control of its distribution operations and quality control.”

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**Saleroom star**

The \$15m pocket watch



Photo: Charlie Bibby

The most expensive watch in the world at auction, the Henry Graves Supercomplication, will go under the hammer at Sotheby's in Geneva in November with an estimated value of \$15m. The watch, created by Patek Philippe in 1925, last appeared at auction in 1999 when it fetched more than \$11m. It is the most complicated hand-made watch ever made. (See Page 6)

*Chopard*  
HIGH JEWELLERY COLLECTION



# Small company reveals mighty ambitions

**Interview: Jean-Marc Pontroué, chief executive of Roger Dubuis, believes his young brand deserves high status. By James Shotter**

**R**oger Dubuis is one of the smaller watch companies in the portfolio of Richemont, the Swiss luxury goods group. But its leader has big ambitions.

"I always say you can favour another brand," says Jean-Marc Pontroué, a Frenchman who has been chief executive since 2011, "but if you are after an exceptional timepiece, Roger Dubuis should be one of the top five."

That would be quite an ascent for a brand that has been in existence only since 1995, when it was founded as an independent company by Roger Dubuis, a Genevève watchmaker who had previously worked for Patek Philippe, and his business partner and designer, Carlos Dias.

In 2008, the brand – which makes only mechanical watches, complying with the stringent standards of the *poignon de Genève*, the city's seal of quality for watchmakers – was bought by Richemont. This was a difficult period, as the company battled with the economic downturn and an excessive range of products, say analysts.

"Along with Baume & Mercier, it was certainly among the brands that needed a lot of investment and that weighed on Richemont's margins for a while," says René Weber, at Bank Vontobel in Zurich. "But in the past few years, things have improved."

Like all Richemont's brand chiefs, Mr Pontroué declines to provide details of his fiefdom's revenues – which analysts reckon were about €60m in 2013 – or its profits. But he says that – perhaps unsurprisingly, given its size – Roger Dubuis has been Richemont's fastest-growing marque for each of the past two years.

Despite his ambitions to raise its

## CV: Jean-Marc Pontroué

**Education** Ecole Supérieure de Commerce de Nantes

**1995** Joins LVMH, working at Givenchy

**2000** Joins Richemont and works at Montblanc, overseeing the brand's diversification

**2011** Becomes chief executive of Roger Dubuis

profile, however, Mr Pontroué is keen to stress that he does not want the brand – whose watches are known for their extravagant designs and sell on average for €50,000 each – to grow so fast as to lose its aura of exclusivity.

Analysts reckon that the marque now produces between 4,000 and 5,000 watches a year, and while Mr Pontroué will not confirm this, he makes clear that the upper limit, at least in the medium term, will not be substantially higher.

"We will not produce in the next five years more than 6,000 timepieces [a year], even though we could, and we have the demand," he says. "We will not exceed this number."

Nevertheless, the 50-year-old Breton – who worked for Richemont's Montblanc for 11 years and oversaw its diversification – says he aims to increase the amount of business Roger Dubuis does with its network of retailers worldwide.

"If you want to develop your business, either you increase your number of points of sale, or you concentrate on what you have," he says. "We have made the decision to



**Jean-Marc Pontroué: overhauling distribution**

concentrate on what we have."

The brand currently sells through about 200 outlets, 20 of which are its own boutiques. Although Mr Pontroué plans to keep the overall number roughly constant, there will be some change in where the stores are located.

"We know that about 25 per cent

of our distribution needs to be changed over the next five years, by closing branches in some cities, by closing points of sales that are not relevant any more for our brand strategy," he says.

He is broadly happy with the geographical spread of the brand, which currently has about half its

**'You can favour another brand, but ours should be one of the top five'**

sales in Asia, 30 per cent in Europe, and 20 per cent in the Americas. However, he plans to make cuts in countries including Spain and Italy, where there is neither sufficient local or tourist demand to justify a presence, and bulk up in others where the watch market is booming.

Countries at the top of the list include South Korea, where Roger Dubuis is opening three boutiques this year, and Saudi Arabia, where it will open its first. The brand is also investing in China, the US, the Middle East and Macau.

Just three years after it arrived there, the Chinese territory is now Roger Dubuis's largest market.

New stores do not come cheap, particularly in locations, such as London's Bond Street or Zurich's Bahnhofstrasse, that are favoured by luxury watchmakers.

Mr Pontroué says that the overhaul of the brand's distribution, as well as the additional staff needed for the new stores, will account for a fair share of investment this year.

But as befits a brand that prides itself on the originality of its collections, Roger Dubuis will devote sizeable resources to research and development.

"We are investing significantly more in R&D, in terms of its share of our expenses, than any other brand in our industry. I would say it is about five times more," Mr Pontroué says.

"We came with a world premier at the last SIHH," he adds, referring to Roger Dubuis's Excalibur Quatuor, the first silicon watch incorporating four sprung balances, which was launched at the Geneva trade fair in January 2013.

"And we will come next year again with a world premier. R&D remains one of our priorities."

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# Swiss exporters take long view of China

Costlier watches will still incur 20% luxury tax, writes *James Shotter*

Last summer, Switzerland became the second European country to sign a free-trade agreement with China, following Iceland's lead. On July 1, the pact came into force.

For Switzerland's watchmakers, among the drivers of the export industry, the deal is good news. The rapid growth of the Chinese economy and the penchant of its expanding middle class for western luxury goods has helped boost the value of Swiss watch exports to China from SFr45m (\$49m) in 2000 to SFr1.45bn in 2013. That makes China the third-largest market for Swiss timepieces, according to figures from the Federation of the Swiss Watch Industry (FH).

As far as the industry is concerned, the main advantages of the deal, which took more than three years to negotiate, are a reduction in Chinese import tariffs and greater protection for intellectual property, says Jean-Daniel Pasche, president of the FH.

"The deal will give a clear framework for bilateral commercial

relations, with concrete improvements, such as the reduction of tariffs, and greater protection of the 'Swiss-made' label in China," he says. "That is very positive."

Under the terms of the deal, Chinese customs duties on automatic watches and quartz watches with non-digital displays – which between them account for 90 per cent of Swiss watch exports by value – will drop from their current level of between 11 and 12.5 per cent to between 4.4 and 5 per cent over a period of five to 10 years.

Customs duties on other watchmaking products, such as alarm clocks, movements and exterior components, will also be cut by varying amounts. The only products that will not benefit from lower duties are watch bracelets manufactured from precious metals and exported separately. But these account for just 0.05 per cent of Swiss watch exports by value, according to the FH.

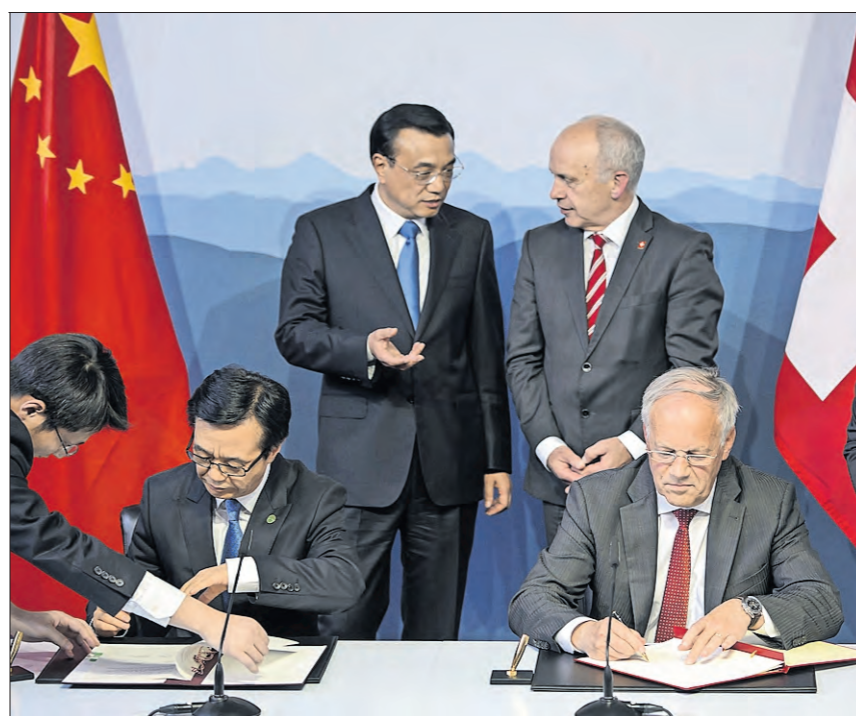
While the reduction of trade barriers is certainly a positive step for Swiss-Chinese relations, the impact

on Swiss watch exports to China is not likely to be that large, say analysts.

A watch bought in mainland China can be as much as 30 or 40 per cent more expensive than if it had been bought elsewhere, according to René Weber, an analyst at Bank Vontobel in Zurich.

The price difference is particularly marked for watches that cost more than Rmb10,000 (\$1,600), as these are subject not just to import duties, but also to a 20 per cent luxury tax, which the free trade deal will leave in place.

The upshot is that, while plenty of Chinese buy expensive watches outside the country – typically in Hong Kong, but also in European countries such as Switzerland, the UK and France – relatively few choose to buy them in China. As a result, most of the Swiss watches bought in China tend to be at the cheaper end of the spectrum. The average export price of the Swiss mechanical watches sold to China was SFr616 last year, far lower



Deal: China's premier Li Keqiang and former Swiss president Ueli Maurer watch as pact is signed

than the global average of SFr2,143, says Mr Weber.

Given that average prices are already so low, and because the tariff reductions will be phased in over a period of years, Mr Weber does not expect them to translate into meaningful reductions in the prices of watches in China. Moreover, Swiss watchmakers have little incentive to cut prices in the country because their cost base there is rising fast, says Jon Cox, head of Swiss equities at Kepler Cheuvreux, a Europe-wide financial services company.

"At the moment China is not a particularly profitable market. This is partly because of taxes. But it is also because rents in the main shopping locations are very high, and staff costs are relatively high, even though they are not selling as much as staff elsewhere," he says.

"I assume that the [Swiss] watchmakers probably aren't going to pass on much of this change to final retail, and as a result, the profitability of the Chinese market will go up for the watchmakers."

John Guy, luxury analyst at Berenberg Bank, takes a similar line. "The luxury goods industry does not tend to cut prices, and I don't think the impact of this tariff reduction will be big enough to change that," he says. "As a result, I don't think we will see a big jump in Swiss watch exports to China."

Mr Pasche at the FH acknowledges that the luxury tax will remain a significant brake on sales of fine watches in China. However, he points out that with the signing of the free trade agreement a working group was set up to discuss further bilateral arrangements between the Swiss and Chinese watch industries. One of the topics for debate will be the luxury tax, he says.

If all goes to plan, Mr Pasche says the deal's impact could go far beyond the Swiss-Chinese trade balance.

"We would like to do deals with the other Brics countries – with Brazil, with India, with Russia," he says. "That obviously depends on them too. If this deal works well, perhaps it will increase their interest in a deal of their own."

**'Watchmakers probably aren't going to pass on much of this change'**

## Apple seeks to make up for lost time

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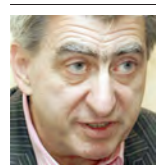
More significantly, luxury brands, such as Rolex, Cartier and Patek Philippe, will, he says, face limited challenges because smartwatches cost far less than their Swiss counterparts, which means they are likely to appeal to consumers with lower budgets.

"Crucially, the area of pricing overlap between smart and luxury watches is very limited."

Mr Cox estimates that about 66 per cent of Swiss watch exports by value are typically priced at more than \$20,000 per timepiece. By contrast, most wrist wearables available to date cost between \$150 and \$500, with an average price point of \$266.

Aldo Magada, chief executive of Zenith, the LVMH-owned Swiss watchmaker, takes the same line.

"We are not competing for the same market," he says. "Wearables buyers look to a smartwatch for specific information and digital features, while customers of classical luxury watches seek technical per-



Nick Hayek: 'Swatch Group is well prepared for wearables market'

formance, craftsmanship and design."

Moreover, smartwatch prices are expected to stay low, because, as others point out, the technology within quickly becomes obsolete.

Stephane Linder, chief executive of Tag Heuer, predicts that prices for smartwatches will be correlated to potential technology obsolescence for the foreseeable future. "As long as smart watches age quickly, prices will stay low," he says.

Swiss expertise in design, longevity and battery life could also prove an advantage, according to Luca Solca, a luxury analyst at Exane BNP Paribas.

He notes evidence of declining usage by early wearables adopters. "The average wrist fitness device is used for three to six months before it is left in a drawer," he says. "Why would the big Swiss players want to enter that kind of market?"

But one company could be exposed to risks from a successful Apple product:



How Apple's device may look

Swatch Group, the world's biggest watchmaker by sales, which accounts for about 70 per cent of Swiss watch exports. Many of its Swatch and Tissot models are priced at the lower end of the spectrum.

In the past, the company has dismissed the threat posed by smartwatches, claiming it had little intention of working with technology groups.

Nick Hayek, the group's chief executive, told the Financial Times in March: "We have been in discussions – not ever initiated by us – with practically all players in smart wearables. However, we see no reason to enter into any partnership agreement."

But Swatch Group has faced headwinds. It shares have fallen 12 per cent this year and in July the group reported a drop in first-half profits for the first time in five years. It cited an uncertain outlook in Hong Kong, the world's biggest export market for Swiss watches.

Last week the group announced it would be adding fitness functions to its Touch line of digital watches, in a move designed to disrupt technology companies that have already taken fitness tracking devices to market.

Suddenly, Mr Hayek appears to be changing his line.

"Everything that makes millions of people more open to put something on their wrist will boost the opportunities to sell more watches, more jewellery," he says.

"And why not, more interactive objects on the wrist? We do not feel threatened. The Swatch Group is well prepared."

Elsewhere, many industry observers believe more middle-ground partnerships between technology groups and traditional Swiss watchmakers may be imminent.

One solution could be introducing Swiss smartwatches that could be used with any open software infrastructure and would not be reliant on mobile programming that could quickly become obsolete.

Brands such as Swatch could also become suppliers to the smartwatch industry, given its expertise in micro-processing, flexible LCDs and tactile technologies.

Mr Cox of Kepler Cheuvreux says: "The titans of Silicon Valley would gain more from co-operation with the Swiss houses than confrontation."

"In terms of retail distribution, association with the big Swiss powerhouses could bring considerable cachet to the brand equity and consumer trusts."

For now, with Swiss watch exports hitting record highs and the sector growing at 7-8 per cent a year, according to estimates by BNP Paribas, those at the top of the fine horology industry are relaxed – at least outwardly.

"Unless there is a major unforeseen socio-economic global crisis, the industry will probably enjoy another record year," says Mr Biver.



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## Watches &amp; Jewellery | News

## Change of guard heralds new era for Tiffany

US group's incoming chief sees Europe as 'land of opportunities', says *Elizabeth Paton*

The past 12 months have been marked by high-profile changes at the top of Tiffany & Co, the world's second-largest luxury jeweller by sales.

The appointment in September of a new design director, Francesca Amfitheatrof, was followed six months later by that of Ralph Nicoletti as chief financial officer. A series of executive reshuffles then took place within the sales, marketing and financial planning departments, before the biggest change was unveiled in July.

After 15 years at the helm, Tiffany's chief executive, Michael Kowalski, announced he would retire on March 31 2015, with Frederic Cumenal, president, named as his replacement.

"I am confident the company is superbly positioned for the future," Mr Kowalski said at the time, adding that he would remain at Tiffany as chairman of the board.

For many on Wall Street, the news Mr Kowalski was stepping down was long awaited, and his decision to appoint Mr Cumenal – formerly chief executive of Moët & Chandon, the LVMH champagne house – hardly a surprise. Mr Cumenal's arrival at Tiffany in 2011 to oversee worldwide sales and distribution had coincided with the strategic turnaround and a new era for the New York-based jeweller.

Overexposure to recession-weary consumers in north America and weaker sales of lower-priced fashion lines had hit the company's earnings. A decision was made to expand internationally into new markets and take the brand further upscale.

Targeted investment was then poured into revamps and rollouts; the company now has 292 stores worldwide. New product lines were introduced, with ambitious merchandising and advertising campaigns.

The strategy has produced results. In Tiffany's most recent quarter, reported last month, net earnings had jumped 16 per cent year on year to



Thinking outside the box: design director Francesca Amfitheatrof, appointed in 2013, has hinted she might review Tiffany's trademark blue packaging

### Succession plan

## Smooth-talking Frenchman was groomed for leadership

Frederic Cumenal, 54, is smart, smooth-talking and amiable, writes **Elizabeth Paton**.

Born in Bordeaux, he attended the Institut d'Etudes Politiques and Ecole Supérieure des Sciences Economiques et Commerciales in Paris before going to Harvard Business School.

After graduation, he began his career in sales and marketing at Procter & Gamble, followed by stints at

vegetable oil producer Lesieur, France's second-largest food company, and at Mars. Fifteen years at LVMH followed in senior positions within the wine and spirits business, most recently as chief executive of Moët & Chandon.

Mr Cumenal proved an adept leader at the champagne maker, capitalising on demand for sparkling wine from both mature and emerging markets. By the end of his tenure, he estimated that a bottle of

Moët & Chandon was opened somewhere in the world every second of every hour – about 86,400 bottles a day. Tiffany & Co poached him in 2011, charging him with the management of its worldwide sales and distribution operations.

Mr Cumenal oversaw an aggressive international expansion after the company targeted markets including Europe and China. He was rewarded last year with

promotion to president and a seat on the board. His remit as president was widened to include overarching responsibilities such as marketing, store development, merchandising and design.

After recent strong sales and surging profits, it seems likely that Tiffany's new leader will ensure the good run continues.

Mr Cumenal has said he believes Tiffany has neglected the continent. Although he faces competition from

challenges. Despite the opening of a three-storey flagship Paris boutique on Avenue des Champs-Élysées in June, sales in Europe have been muted because of strong currency headwinds and slackening local and tourist traffic in Tiffany stores, analysts say.

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**'Tiffany is on track for a good holiday season and sustainable growth'**

\$124m. In stores open for at least a year, a rise of 7 per cent in global sales was reported, fuelled by gains in the US and Asia-Pacific and prompting the company to raise its earnings forecast for the third time this year. Can it continue?

"Yes," says Rahul Sharma, an analyst at Neev Capital. "And Frederic Cumenal is absolutely the right man for this job. He has the record and

global outlook to ensure he can continue making progress and exceed expectations.

"Tiffany is broadening out its product lines into watches and leather accessories. As the company becomes less dependent on North American sales, Mr Cumenal will bring great expertise."

While expectations are high, the Frenchman will face significant

challenges. Despite the opening of a three-storey flagship Paris boutique on Avenue des Champs-Élysées in June, sales in Europe have been muted because of strong currency headwinds and slackening local and tourist traffic in Tiffany stores, analysts say.

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## Dazzling Lima becomes Latin America's latest economic star

### Emerging markets

A new middle class is putting Peru on the luxury map. By *Andres Schipani*

On a grey August afternoon in Lima's affluent district of Miraflores, the Peruvian government auctioned a collection of luxury items that once belonged to Vladimiro Montesinos, the now jailed ex-intelligence chief.

The star lot was a Corum watch encrusted with 400 diamonds – valued at some \$160,000. "Who would be willing to buy the bling that belonged to a crook," one bystander asked.

Soon after, in a short but intense round of bidding, a young woman paid almost \$14,000 for a gold ring encrusted with a two-carat diamond. "There's obviously a growing appetite for bling in this country," murmured another observer.

Despite a recent slowdown, Peru is feted as one of Latin America's economic stars. It has enjoyed Asian-style growth, averaging more than 6 per cent a year in the past decade.

While Peru is still burdened by inequality and poverty, such growth has created a substantial middle class. More job opportunities, higher wages and access to credit mean many more Peruvians today have money in their pockets.

A growing number are willing to spend it on hard luxury, say jewellers. "The luxury market in Peru has been growing constantly in the past 10 years, and that includes jewellery," says Franco Noriega, brand manager of Aldo, the Lima-based jeweller.

In a country with a strong mining industry that is a top producer of gold and silver, this family-owned jeweller has turned itself into one of Peru's largest and most prestigious luxury retailers, with jewellery crafted by its own artisans, and sales of international brands such as

Patek Philippe, Hublot, Parmigiani and Mikimoto.

"Today, Peru is an important market and every day global brands understand us a little better," says Mr Noriega. "All the brands we sell are profitable." He adds that demand for some is outstripping supply.

Mr Noriega says Aldo has moved on from yearly average sales of \$10m a decade ago to \$20m now. About 60 per cent of sales are of jewellery that it designs and makes itself. The rest is imported.

Across its seven stores, shoppers spend an average of \$5,000 per transaction, he says. Last year, Aldo sold a watch worth \$500,000 and three others priced \$200,000 each.

A growing weddings market is providing additional sales. Five years ago Aldo sold 150 engagement rings a year. It expects sales to top 600 in 2014.

"There's growth, there's an evolution. Pricier stuff is being sold. A new group of people has entered the market," says Rafael Jiménez del Río, who owns Joyería

Murguía, a century-old jeweller that stocks Rolex.

"Increasingly, global brands are entering the market," he says, adding that his sales have doubled in the past decade, almost solely thanks to a growing number of local consumers.

Paulo Pantigoso, managing partner at EY in Lima, who follows consumption patterns in Peru, says the Andean country's luxury market is still in its "embryonic phase". He forecasts steady growth.

While Brazilian jeweller H Stern is now one of the leading jewellery retailers in Peru, data from the Federation of the Swiss Watch Industry shows that exports

to Peru jumped from \$1.2m in 2003 to \$27.1m last year.

Meanwhile, locally made jewellery brands have been making inroads, with some setting up franchises overseas, says Juan Carlos Mathews, former exports director of PromPeru, the state promotion agency.

"It is a sector with strong potential," he says. According to PromPeru, last year Peru's jewellery exports were worth \$45.6m.

Illaria, a local producer of silver jewellery, has expanded into neighbouring countries.

The growth in artisan-produced and manufactured jewels can be linked to the rising number of high-end tourists travelling to ancient and ruined Inca cities.

"Inca-inspired jewellery is a best-seller here," says Elsa Tello, Aldo's stores manager, at the brand's flagship store in Cusco, the former capital of the Inca empire.

It is also the gateway to the ruins of Machu Picchu, a tourist hotspot packed with luxury hotels.

Aldo's inventory there runs from standing Inca idols plated in gold to Andean crosses encrusted with diamonds.

The brand's wares are displayed in the large stone archway of a luxury hotel sited within a sumptuous colonial mansion.

But despite social advances, people are wary of display and ostentation in a country that until less than 25 years ago was in the grip of a guerrilla war, explains Aldo's Ms Tello.

"The number of local customers has grown, but security is still a concern; we have some way to go."

Another problem is that unlike Buenos Aires and Mexico City, Lima lacks an premium avenue or street with a concentration of luxury stores.

Perhaps, however, the emergence of Lima as a luxury shopping destination is simply a matter of time.

As Mr Pantigoso at EY says: "Ten years ago, not only were there no brands, there were not even any shopping malls."

Inca gold: traditional designs are popular with tourists





# Kering finds strategic value at Ulysse Nardin

Innovation as well as profitability explain the recent acquisition, says *Adam Thomson*

As analysts dialled in to a conference call in July to discuss Kering's financial results, there was one question that dominated: what did the Paris-based luxury and lifestyle group, formerly known as PPR, want with Ulysse Nardin, the independent Swiss watchmaker it had just agreed to buy?

The answer, according to François-Henri Pinault, Kering's chairman and chief executive, was that the luxury group wanted Ulysse Nardin's "rich heritage, high profitability and solid growth prospects".

The acquisition, for an undisclosed sum but estimated by analysts to be close to €760m, came on the back of a string of Kering purchases in the Swiss watch industry over the past three years that have included Girard-Perregaux and JeanRichard.

It also followed the appointment in April of Albert Bensoussan, a respected industry figure, to Kering's

watches and jewellery division. Ulysse Nardin does not disclose much financial information, but estimates point to an operating profit margin in the region of 25 per cent – roughly double that of Kering's Gucci watch division. Its annual revenues are estimated at about SFr315m (\$343m), which compares with about SFr375m for Kering's watch division, including Gucci timepieces.

That volume is likely to boost Kering's overall watch sales significantly. Yet Ulysse Nardin's main attraction for Kering is strategic.

"Ulysse Nardin is a brand that has been on our radar screens for many years," Kering said in a statement. "The opportunity has materialised... in an industry where the number of top-quality independent watchmakers is limited."

Founded in 1846, Ulysse Nardin was taken over and relaunched in 1983 by Rolf Schnyder, who helped turn it into a strong brand with big profits.

Under the stewardship of Mr Schnyder and, since 2011 that of Patrik Hoffmann, who has agreed to stay on as chief executive, the watchmaker has developed a reputation for technological knowhow and innovation in a market where quality and design are central to brand image.

Just over a decade ago, for example, Ulysse Nardin created the Freak watch, which was unique in the use of

silicon in its movement. Thanks to its strength, the element requires no lubrication and it handles temperature changes better than traditional materials.

The use of silicon has also significantly increased the accuracy of Ulysse Nardin's timepieces, while prolonging the power reserve of its movements because the material is hard and light. The company went further, buying a business specialising in manufacturing diamond coatings for silicon, or Diamonsil, as it calls the combination.

Such innovations could prove valuable for Kering as it looks to boost and add value to its portfolio of companies, allowing the group to share the technology with other high-end brands.

Ulysse Nardin has also worked to build its in-house capacity for manufacturing movements. In an interview last year, Patrik Hoffmann said the company was now one of the few to make its own hairsprings, the delicately coiled strip of metal that sits at the heart of a watch's movement. Before long, he said, production would be sufficient for the brand to sell to third parties.

Analysts say that such autonomy is vital to long-term survival, given the tectonic shifts occurring in the Swiss watch industry. Until now, regulators have forced Swatch Group, the

dominant force in the production of mechanical movements, to sell to third parties.

But that obligation is being phased out, raising the prospect that independent watchmakers will no longer be able to depend on Swatch as the source for its movements.

As John Guy, an analyst at Berenberg in London, says: "If you are solely reliant for your movements on Swatch in the next five or 10 years, life as an independent watchmaker is likely to get very tough."

Mr Guy points out that trying to establish an in-house manufacturing operation now is more than just about setting down the cash. "Even if you have the money, there is no skilled workforce that you can just plug in and play," he says.

Ulysse Nardin already has that skilled workforce – the company has about 400 employees, 150 of whom work at the movement factory in Switzerland.

The company's drive for autonomy

**Patrik Hoffmann: staying on as chief executive**

began with the manufacture of highly complex movements for its limited-edition watches. But last year, it began to roll out the UN-118 automatic movement, its first designed as a large-scale movement.

The acquisition could have big implications for Kering's other watch brands, which have some in-house manufacturing but not nearly enough to cover production.

Ultimately, says one analyst, the industrial scale could help lift Kering's Gucci watches, which account for a chunky €180m of the group's annual revenue, but whose cheaper quartz movements have started to look out of place against the brand's expensive leather bags and wallets.

"Placing a Gucci watch in the same display as a Gucci bag is starting to destroy brand equity," says the analyst. Using some of Ulysse Nardin's mechanical movements for Gucci could restore the balance.

Meanwhile, Ulysse Nardin's innovation and autonomy are sure to play a central role in Kering's ambitions. As Jean-Marc Duplaix, Kering's chief financial officer, said on the July call, Ulysse Nardin "will become the backbone of our watch business".



## Italian partner drives change at Buccellati

Private equity

Brand aims to hold on to tradition. By *Anthony DeMarco*

Since Clessidra, the private equity group, bought a 66 per cent stake in Buccellati in March 2013 for a reported €80m, the Italian jewellery house has changed rapidly.

At Baselworld, the hard luxury industry watch fair, this year the brand unveiled its first engagement rings, bespoke watches and what it calls "high-tech" jewellery – fine cases for mobile devices. The products coincide with a generational shift in the Buccellati family, a fresh logo, a redesigned website and a planned expansion of its boutique network.

Andrea Buccellati, president and creative director of Buccellati, says Clessidra provides financial backing, professional management and the ability to expand points of sale around the world. He adds that the private equity group, being Italian, has an understanding and appreciation of Buccellati's heritage. The Milan-based fund specialises in investing in Italian companies.

"The Buccellati family was facing a generational change and we wanted an investing partner to expand



**Lucrezia Buccellati, 25, is part of the jeweller's fourth generation**

the brand in the world," Mr Buccellati says. "The investment was important, not only in financial terms but also to find the best management team."

Thierry Andretta, Buccellati's chief executive, says: "Our strategy is to be the standard in Italian high-end jewellery. There will be no compromise about the quality of its genetic code."

Mr Andretta, formerly chief executive of Lanvin, the French couture house, says his hiring in 2013 had to be approved by both Clessidra and the Buccellati family. Under the new structure, the Buccellati family owns 33 per cent of the company while Mr Andretta owns 1 per cent. Clessidra declined to comment on the deal.

Mr Andretta says the Buccellati family remains in creative control of the company, designing every piece of jewellery. About 70 per cent of turnover is from jewellery, with 20 per cent from watches and 10 per cent from silver ornaments.

The family relies on Italian artisans skilled in such techniques as Rigato etching, in which parallel lines are cut on to a metal's sur-

face to create a sheen; Ornato patterns, decorations based on natural forms; and handmade lace and honeycomb patterns, created by a craftsman who saws pentagon-shaped holes into precious metal with a fine blade. One collection in Buccellati's New York boutique used a filigree technique unique to Sardinia.

Maria Cristina Buccellati, communications director, says: "It's not so much the weight of the gold but the workmanship that influences the price. Everything is hand engraved, no matter how long that takes," she adds. "It's difficult to find artisans that still do this."

Mr Andretta says the company is focusing on modern consumers. Covers for iPad minis and iPhones are billed as the world's most expensive, at €350,000 (\$460,000) and €150,000 respectively. The surface of each gold case features Rigato etching with sunburst designs made of white gold and diamonds inspired by Leonardo da Vinci's drawings of the sun.

The cases were the first pieces by 25-year-old Lucrezia Buccellati, the fourth generation to take over design and the company's first female designer. "It's a big change for our company," Ms Buccellati says. "We're very attached to the history but we're starting to step into a new world."

Mr Andretta has created a bespoke watch service, where clients design their own Swiss-made timepiece. The company works in partnership with five Swiss movement manufacturers to produce anything from a simple movement to a grand complication.

Unlike most Swiss luxury watches, where much of a watch's exterior design is determined by the shape and function of the movement, these are designed from the outside in.

"My approach to watches is not complications but more the aesthetic design point of view," Mr Andretta says. The watches start at \$120,000.

Alternatively, clients can design a watch from scratch with a Buccellati designer. Mr Andretta had noticed that a few luxury watch companies were creating ultra-exclusive timepieces for Chinese customers.

Mr Andretta has the task of expanding the boutique network, particularly in the Middle East and Russia. The company has four boutiques in the US, four in Europe and three in Asia.

It considered entering the Chinese market but chose to start with Hong Kong. The city, where the company has a boutique, is a shopping destination for wealthy Chinese.

Buccellati plans to move its New York store to 714 Madison Avenue, a five-storey townhouse formerly occupied by French jewellery brand Mauboussin.

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## Watches &amp; Jewellery | Auctions

## Salerooms gear up for Patek's 175th

Sotheby's will offer the 'Holy Grail' of watches to mark anniversary, writes *Simon de Burton*

The competition between the leading watch auction houses to mark Patek Philippe's 175th anniversary this year is hotting up. Christie's first announced a sale devoted to the watchmaker that will take place during the run of high-end auctions in Geneva in November.

Two weeks later, Sotheby's upped the ante, announcing that it plans to offer the "Holy Grail" of timepieces, the Patek Philippe Supercomplication pocket watch, originally made for the New York banking tycoon Henry Graves Jr. The sale will be held two days after the Christie's event.

Graves' watch last appeared at auction in December 1999 when it was sold by Sotheby's as part of the dispersal of the contents of the Time Museum of Rockford, Illinois, founded in 1971 by Seth Atwood, an auto parts tycoon and horophile.

The watch – which Atwood acquired from Graves's grandson – then attracted considerable presale publicity thanks to its \$5m estimate. In the event, and after protracted bidding, it sold to an anonymous buyer for more than \$11m, to establish an auction record that remains unbeaten.

It is important because of a combination of factors.

Graves is regarded as the most

important collector of Patek watches. He commissioned the Supercomplication in 1925 in an effort to outdo James Ward Packard, an automobile mogul and fellow watch enthusiast, with whom he had spent years competing as a collector.

And, with its 900 parts (among them 430 screws, 110 wheels, 70 jewels, two faces, nine dials and 18 pointers) wrapped in a gold case measuring 74mm in diameter and alone weighing 540g, the Supercomplication did the trick.

With its 20 functions, it remained unsurpassed in complexity until 1989, when Patek made its 33-complication Calibre 89 to celebrate its 150th anniversary.

The Supercomplication's current owner remains anonymous, although the piece was displayed for several years in Patek's Geneva museum.

Sotheby's says the Supercomplication could fetch \$15m in November, but it could make considerably more.

Daryn Schnipper, Sotheby's watch division chairman says: "The collecting landscape has changed markedly in the past 15 years and, whereas the Graves Supercomplication was known largely to watch enthusiasts when it last appeared at auction it is now famous in the wider world."

"The pool of potential buyers is also

**Timeless appeal: sold for \$11m in 1999, the Henry Graves Supercomplication set an auction record**

**'He feared knowledge of the watch's existence might lead to him being kidnapped'**

far, far larger, and there is a good possibility that the Supercomplication will be bought by someone who collects the best of the best on a wide scale, rather than simply by a specialist watch connoisseur."

Ms Schnipper says the watch has been researched extensively since the 1999 sale, resulting in the rediscovery of documents relating to its history – including one referring to Graves' intention to throw it into a lake during the 1940s because he feared knowledge of its existence might lead to him being kidnapped.

The watch will have its own comprehensive catalogue for the November 11 sale, which will include about 10 more Pateks.

Christie's, meanwhile, expects to have consigned about 75 exceptional vintage Pateks for its standalone sale, scheduled for 8pm on November 9, with 75 more modern pieces, which will be offered as part of the regular day sale.

John Reardon, Christie's watch department co-head, says: "On many occasions lately, modern Patek Philippe wristwatches have demonstrated inconsistent prices, so we decided to accept only vintage for the evening sale."

He expects the auction will gross up to \$20m.

"We began by creating a list of pieces which best represent the history of the company from the 1840s through to the 1980s and, as word of the auction spread among key collectors, we found we were being offered some really superb watches, almost all of which have been off the market for the past 30 years.

"Owners were encouraged by the fact that the Rolex Daytona theme sale we staged last year realised \$13.2m from just 50 watches, and [by having seen that] the focus of attention will now be heavily on Patek because of the 175th anniversary."

As this report went to press, contracts for many of the most important consignments were in the process of being finalised but among the confirmed entries was an exceptional Reference 1518 perpetual calendar wrist chronograph dating from around 1945.

One of just 281 examples made, it is given additional value by having originally belonged to the acquisitive King Farouk of Egypt, whose remarkable and wide-ranging collections were dispersed by Sotheby's in an eight-day auction in 1954, two years after he was overthrown in the Egyptian revolution.

It is now estimated that the watch will realise up to \$500,000.



## Christie's joins rush to retail

## Ecommerce

Auctioneer's new site is a 'step closer' to a shop, writes *Simon de Burton*

Not long ago, auction houses survived purely by acting as intermediaries between buyer and seller, earning money by charging one or both a commission on the value of the sale.

But with stiffer competition, tighter margins and a broader range of demanding clients, auctioneers have had to rethink that traditional business model.

Sotheby's, for example, sells mid to high-end jewellery through its Sotheby's Diamonds retail business, runs a fine wine shop from its New York headquarters and stages curated selling exhibitions at its S2 galleries in Europe and the US.

Christie's, meanwhile, has its own gallery in New York, and in 2007 acquired the Haunch of Venison art dealership, which has outlets there and in London.

Now Christie's has launched the Watch Shop, an online retail boutique specialising in rare, vintage and luxury models. A soft launch at the beginning of May resulted in a 30 per cent sell-through rate within a week, according to Christie's, with buyers from around the world spending between \$3,500 and \$58,000 on models from popular dial names such as Rolex, Patek Philippe, Omega and Tudor.

The success has prompted the company to promote the service more actively, and it is now openly taking on internet dealers and traditional, pre-owned retailers.

"Every day, we are contacted by collectors, colleagues and friends asking us where they can get the

best price on a vintage or modern watch," says John Reardon, the New York-based international co-head of Christie's watch department.

"In addition, they ask for a watch that is 'right' and that they can buy with confidence in [its] quality and originality. Our new site sells watches of uncompromised quality, vetted by our team of watch specialists and at competitive prices."

Currently, these are sold on behalf of private individuals, who receive 100 per cent of the sale fee – which means that, although Christie's does vet each watch and guarantees its basic integrity, there are none of the mechanical warranties or refund policies offered by conventional retailers.

"The service is something which is one step closer to full retail than an auction,"



**The Watch Shop will offer a choice of at least 30 watches at a set price**

says Mr Reardon. "As the Watch Shop grows, it might make good sense for us to acquire our own stock. It is such a simple concept, but I think it could revolutionise the way auction houses sell watches."

Initially, the site will offer at least 30 watches at a time, each at a set price and available for immediate purchase, without the usual additional fees associated with buying at auction.

New offerings will be highlighted through social media, with potential buyers able to contact a Christie's expert for advice. The site will also feature news, interviews and in-depth reviews of choice pieces.

[christies.com/watchshop](http://christies.com/watchshop)

## The discreet luxury brand that built a cult following

*Nicholas Foulkes on the myths and mechanisms of Patek Philippe*

Patek Philippe is a brand that comes "close to a religion" for watch collectors, according to John Reardon, co-chief executive of Christie's watch department.

At auction, the brand's rarer pieces regularly break the \$1m barrier. And although only a few can afford its products, its advertising campaigns are recognised worldwide.

But the brand behaves discreetly: there are no glitzy celebrity parties with rented film stars, no high-profile sports endorsements and no product placements. Instead, a kind of mythology has been woven around the brand, as collectors and industry watchers try to read meaning into the introduction of a marginally larger case size or a slightly different dial design.

When the brand abandoned the historic seal of Geneva quality mark for its own in-house quality seal from 2009, the industry pored over the decision.

But Patek Philippe has been around longer than the seal and most other brands. Of Geneva marques that have been continuously active in high watchmaking, only Vacheron Constantin is older.

But had it not been for a failed Polish uprising against Russia in 1830, there would have been no Patek Philippe, and no 175th birthday celebrations. Among thousands of Poles in exile was Antoni Norbert Patek de Prawdzic, who settled in what was then the Republic of Geneva, where he decided to go into the watch business.

His first partnership with a Polish watchmaker in 1839 failed. But his second, from 1851, with French watchmaker Jean Adrien Philippe who had perfected a system of keyless winding, established a company that grew and prospered throughout the 19th century.

Medal-winning triumphs at world fairs and success

in competitions followed. In 1873, the Geneva Observatory began precision competitions: the following year, Patek Philippe took the top five places.

In the 20th century, Patek Philippe was unprepared for the great depression of the 1930s, and almost went out of business. The brand was eventually bought by a consortium led by one of its suppliers, a dial maker called Stern Frères. A member of the Stern family has been at the helm ever since.

This same sense of an unbroken link with the past is important to collectors. Patek Philippe has archives detailing the year of production and sale of each of its watches.

I visited its restoration department in Geneva and saw drawers full of everything from 19th-century pocket watch dials to Louis XV-style hands and

mid-20th century watch bracelets. It was hard not to be impressed by the care with which components are catalogued and preserved.

Patek Philippe does not seem to have thrown anything out, even during the "lost" decade of the mid-

**'Its restoration department houses drawers full of 19th-century dials'**

1970s to the mid-1980s, when the mechanical watch industry was on the brink of extinction as it struggled to compete with cheap and accurate electronic quartz timepieces.

Watchmakers that had been in business for

generations disappeared or were bought and sold. But the Stern family maintained the company's independence.

At this time, Philippe Stern, father of current president Thierry, introduced the Nautilus, a Gerald Genta-designed luxury sports watch to equal the Royal Oak of Audemars Piguet. In 1979, he planned the firm's 150th anniversary – then still a decade away – by starting work on a mechanical watch.

The Calibre 89, with its 33 complications, took almost a decade to make, but when it appeared in 1989, became crucial not only to the history of Patek Philippe, but also to the revival of interest in complicated watches.

The expertise gained allowed for the reintroduction of, among other things, minute repeaters.

Patek Philippe has since moved to a Geneva suburb called Plan-les-Ouates, to create a *manufacture* where skills could be housed under one roof. The move freed one of its other Geneva buildings to serve as a museum covering the history of the brand and the development of portable mechanical timepieces over the past five centuries.

This year's 175th anniversary is packed with special events. There will be a series of dinners and receptions in Geneva in mid-October, at which special anniversary watches will be unveiled. The celebrations end next year with an exhibition at London's Saatchi Gallery.

But lively though celebrations will be, Patek Philippe is already planning for the future.

As John Reardon puts it: "I will be looking for the watches that will be on the cover of a Christie's catalogue in 10 or 15 years' time."

*Nicholas Foulkes is writing the authorised history of Patek Philippe, to be published by Random House in 2015.*

Mila Kuni photographed by Peter Lindbergh

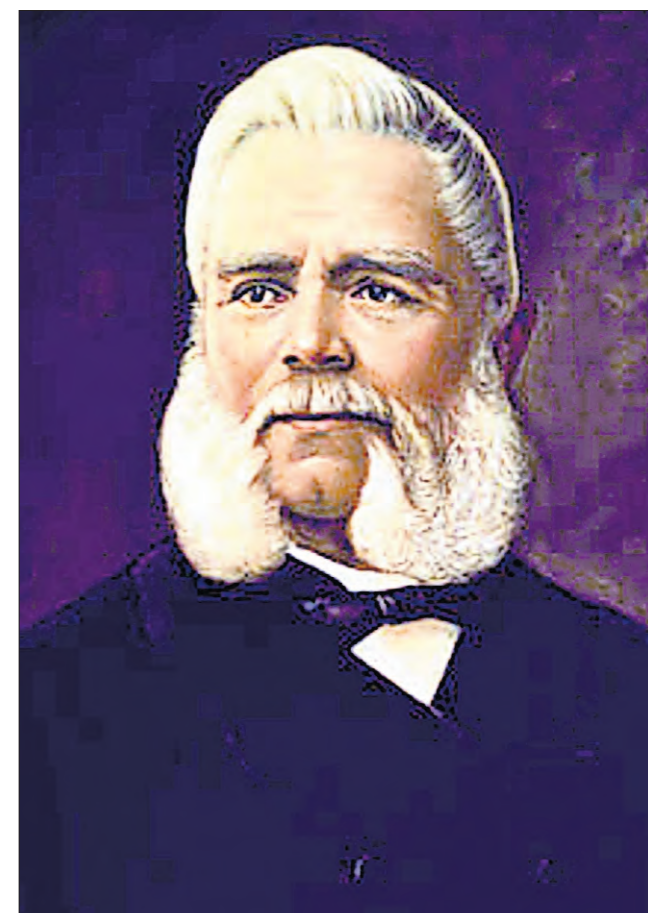


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# Watches & Jewellery | Watchmaking

## Made in the UK (with Swiss help)

A British maker is offering a modestly priced in-house movement, writes *Simon de Burton*

**I**n-house" and "manufacture" are terms brands use to impress on consumers that they really do make their own watches, as opposed to screwing together mechanisms bought from mass-market manufacturers.

For a watchmaker to attain *manufacture* status requires hefty investment in time, design, tools and workforce. Brands are being forced to commit to those costs, partly because ETA, the major movement maker, restricts supplies to companies with dial names outside the Swatch Group, its parent company.

Many *manufactures* charge a premium for their products, which are seen as examples of elite craftsmanship. Now, however, a British-based watch brand has introduced its first in-house movement just 10 years after it was founded – at what appears to be a very low price.

Christopher Ward is offering a chronometer-certified, self-winding movement, the Calibre SH21, with two mainspring barrels and a five-day power reserve in a watch that costs £1,500 – about a third of the price of comparable pieces on the market.

The company was founded in 2004 by Mike France and Peter Ellis – former owners of the Early Learning Centre chain of toy shops – and Christopher Ward, an entrepreneur who learnt watch manufacturing in Asia.

From the start, it maintained a policy of selling online only and direct from its base in Maidenhead, Berkshire, claiming to offer good quality watches at what some say are exceptionally low prices. The company

makes no apologies for sourcing some of its main components from China – notably cases – but also makes use of a large number of Swiss-made parts.

The new Calibre SH21 movement, which is made up of parts acquired from nine Swiss suppliers, is the result of a business merger with a small movement maker called Synergies Horlogères, founded seven years ago by Jörg Bader in Biel, one of the leading centres of Swiss watchmaking. Mr Bader has worked in the watch industry for 30 years and invented the now-ubiquitous *deployant* clasp.

His most important employee is a German watchmaker called Johannes Jahnke. As well as developing modified mechanisms for limited edition Christopher Ward "big date" and single-button chronographs, Mr Jahnke has spent four years designing the SH21 from scratch using the motor industry's *Baukastensystem* principle of creating a basic platform that can be easily adapted.

This involved working directly with each of the nine suppliers of the 112 individual elements that make up the 164-part movement, with each component created to Mr Jahnke's design.

Although Christopher Ward acknowledges those components are not made by the company, it argues that its "in-house" claim is a legitimate one, because they have been specifically designed and produced for the SH21 movement and are assembled in the Biel *manufacture*.

"We set out to create an ultra-reliable, precision movement to match the most respected available in the industry," says Mr Bader.



Unadorned: the minimalist look of the C9 Harrison Five Day may not suit all tastes

**'The price seems remarkably low for a movement designed and built from scratch'**

It is the finishing – or lack of it – that is partly responsible for the low price of the C9 Harrison Five Day Automatic, the first watch to contain the SH21 movement. In traditional high-end watchmaking, the decoration of a mechanism using recognised finishing techniques can add as much as 30 per cent to the price of the product.

The C9 Harrison Five Day's movement is, however, entirely unadorned save for the "Chr. Ward" name on its tungsten rotor – a look that may reduce its appeal to horophiles.

But Mr Ward thinks otherwise. "The finish is intentionally minimal," he says. "It emphasises the fact that the movement is strong, robust and adaptable. Johannes has designed it so it can be used as a modular base to which complications can be added."

The low price for which Christopher Ward is making the SH21 available has surprised experts, because the cost of developing such a mechanism is so high.

"It seems remarkably little if the movement is, indeed, genuinely

designed and built from scratch," says Samir Merdanovic, chief executive of Eterna Movement, which recently launched its Calibre 39 in-house movement, aiming to produce 100,000 a year to supply to other brands.

"Eterna Movement spent SFr20m [\$22m] over the course of five years in machinery and assembly lines alone in order to bring the Calibre 39 to fruition," he says.

However, Mr Merdanovic adds: "[If] Christopher Ward is selling direct, then it should be possible to offer a piece with an in-house movement at such a reduced price. Even so, the watch still seems inexpensive."

The first batch of C9 Harrison Five Day Automatics was available for pre-order in July, with deliveries expected at the end of September.

Currently, the *manufacture* has the ability to produce numbers "in the low thousands" annually. But if sales take off, plans are in place to enable a significant increase in capacity, with the ultimate aim of supplying movements to other brands.

### Social enterprise

## The timepiece that was once a lethal weapon

**L**uxury watch brands have long laid claim to philanthropic aims, some more convincingly than others, writes *Camilla Apar*. Now one company is hoping the hardware in its watches will contribute to a better world.

Launching this month with a price tag of \$195,000, the limited edition, rose gold Inversion Principle is the latest watch from Fonderie 47, a watch and jewellery brand set up in 2009. One of the brand's aims is to reduce the number of guns circulating in African war zones and other post-conflict regions.

The 10 timepieces have been manufactured in the Vallée de Joux in Switzerland and feature a sapphire crystal dial, enamelled minutes and seconds and a central, three-minute flying tourbillon.

Each incorporates an AK-47 rifle component from a weapon recovered from an African war zone, and a hand-engraving of the former weapon's serial number.

Each sale, the company says, will fund the destruction of 1,000 assault rifles through programmes run by Mines Advisory Group, a UK charity.

Fonderie 47's funding is currently centred on the Democratic Republic of Congo, where AK-47 guns can be bought for \$20 or \$30 – a significant amount that makes them a lethal commodity. According to the World Bank, average household income amounted to \$422 in 2013.

"In a place such as Congo, where a gun is worth [a significant proportion] of the money that someone may earn in an entire year, the risk of having weapons sitting around after a conflict is pretty high," says Peter Thum, founder and chief executive of Fonderie 47.

"It's like having a pile of money."



# PIAGET

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## A turbulent take-off for Bremont's high flying design

### Movements

*Robin Swithinbank* navigates the bumpy launch of an 'in-house' model

**B**remont's limited edition Wright Flyer, launched in July, seemed to have the qualities of a winner.

The watch had collector appeal – each contains a piece of muslin used in 1903 to wrap the Wright brothers' plane, the first heavier-than-air craft to take flight. But, more significantly, it was powered by what the brand described as its first "in-house" movement.

Bremont had, it said, designed the movement itself and was making some of the parts in Britain.

But in the hours following the watch's unveiling in London, talk among industry enthusiasts worldwide turned sour.

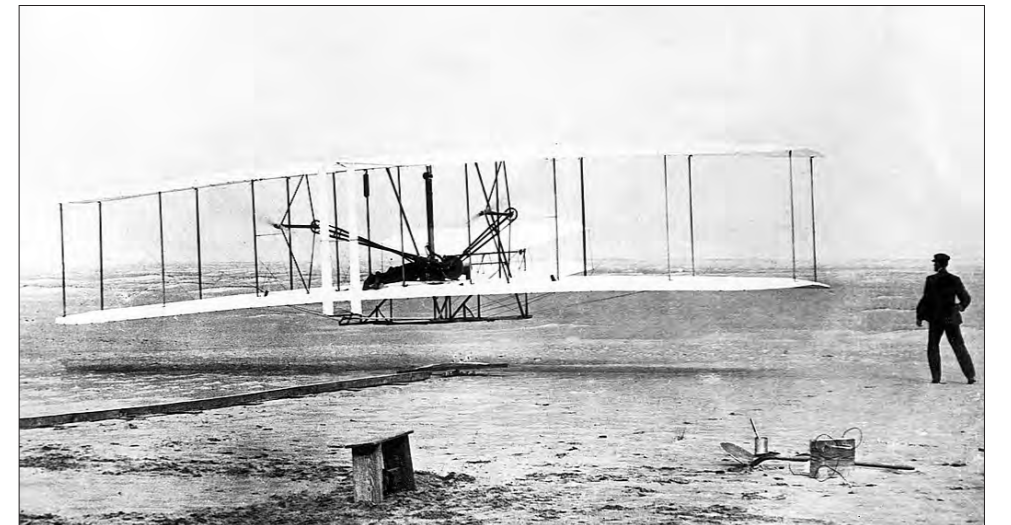
Comments on online forums and blogs challenged the claims for the BWC/01 calibre, the accusation being that it was not designed by Bremont but by La Joux-Perret, a specialist Swiss watch movement manufacturer with which Bremont has worked in the past on both its limited editions and its core collection chronographs.

Bremont apologised, acknowledging the movement had indeed been designed in partnership with La Joux-Perret. It said that it had used a tried and tested gear train also used by the Swiss company in other movement designs.

The brand maintained, however, that the movement was otherwise unique and exclusive to Bremont.

"Yes, La Joux-Perret is involved, but our involvement is much greater than before, compared with say the La Joux-Perret movement we used in the Codebreaker [a limited edition watch launched last year]," says Nick English, one of Bremont's co-founders.

"BWC/01 is a joint effort – our designers have been working with La Joux-



Piece of history: Wright Flyer watches contain muslin used to wrap the original aircraft AFF

Perret's designers long and hard on this, and we're making some of the parts here in the UK. This movement is a stepping stone to... making everything [in a watch movement] in the UK."

Bremont now refers to the movement as "proprietary" – an exclusive calibre made with parts that will be manufactured in a facility in Henley-on-Thames, Oxfordshire, where the company is registered.

The controversy underlines the fact that there is no industry-agreed definition of the term "in-house". Over the past 20 years, some larger brands have bought specialist Swiss movement manufacturers, absorbing them into their own operations to create "in-house" movements. The practice of commissioning an in-house movement from a third-party supplier and calling it "in-house" is more common.

Justin Koullapis, technical editor of *The Horological Journal*, says: "If Bremont were to produce a movement that had a substantial number of parts made in-house, it would be right and proper to say that it's made in-house – but exactly where the line is drawn is unclear."

For Bremont, the controversy surrounding BWC/01 overshadowed both a coup for the brand in securing a reciprocal relationship with the Wright Family

Foundation (Bremont paid an upfront fee – believed to be hundreds of thousands of pounds – for 14 square inches of the Wright Flyer muslin) and, of greater long-term significance, the emergence of the company as a legitimate British manufacturer of watch parts.

The episode struck a sour note in a strong year for the brand, which sold its first watch as recently as 2007.

In March it announced a five-year partnership with Boeing, a deal that will run through the US aviation

**'This movement is a stepping stone to making everything in the UK'**

company's centenary year in 2017. Most recently, it has produced a bespoke watch to partner the much vaunted Jaguar Lightweight E-Type. The brand's busy marketing schedule reflects increased sales. Bremont reported 80 per cent growth in 2012-13, and expects a further 40 per cent growth when it reports at the end of the year.

Staff numbers have doubled in the past 12 months, and it is on course to become one of the watch industry's top 10 producers

of chronometer movements. This autumn, it will take delivery of its first milling machine capable of manufacturing the base plates, bridges and rotors that will appear in the BWC/01.

"Bremont has ordered one machine, an NTX 1000," says Steve Finn, UK managing director of DMG Mori Seiki, which will supply the unit. "For them, it's probably a £500,000 investment by the time they've bought the machine and got people to run it."

Provided it can recruit and train the workforce, Bremont estimates it would be able to produce up to 20,000 watches a year at the new site, compared with the 8,000-9,000 it expects to make this year.

The company opened its first Asian boutique in Hong Kong last year and is searching for retail space in New York, where it hopes to open a boutique by the end of this year.

While the longer-term impact of the BWC/01 controversy on the brand's fortunes remains to be seen, Bremont is chastened but positive.

"We do not feel any of the discussion surrounding the BWC/01 will have an adverse effect on the brand," says Giles English, Bremont co-founder and brother of Nick.

"The Wright Flyer has been the fastest-selling watch to our retail network of any we've made."



## Rotonde de Cartier Astrocalendaire

Time display

Amphitheatre display

Tourbillon carriage

Day, date and month indicators

Winding crown  
calendar  
adjustment

Leap year  
indicator

Winding weight

PL950 stamp

Limited edition  
number

Source: Cartier

FT graphic

### Deconstructed Simon de Burton on the latest fine timepiece

## Long life, happiness – and perpetual calendars with 328-part movements

William Hague, leader of the House of Commons, is rumoured to have a peculiar talent for being able to name the day of the week on a given date will fall. So challenged with July 12 2017, for example, expect the swift response: “Wednesday”.

If the rumours are true, Mr Hague may be interested in the latest timepiece from Cartier’s fine watchmaking workshops, the *Rotonde de Cartier Astrocalendaire*. It contains a perpetual calendar mechanism programmed to display the correct day, date and month until 2100 – assuming its owner is diligent enough to return it to its automatic winding box when not in use.

The technical ability to remain accurate for the next 86 years, however, will be little more than an intriguing irrelevance to any owner who does not expect to live longer than the average lifespan.

But the perpetual calendar mechanism has been regarded as a demonstration of horological mastery since it first appeared in the early 19th century. It is believed to have been invented by Abraham Louis Breguet, who incorporated it in to a grand complication pocket watch for Marie Antoinette.

The genius is that the mechanism automatically accounts for long or short months as well as leap years. So it should

only need adjusting during the three century years that occur every 400 years – the next being 2100 – when February 29 is omitted, to account for the fact that the accumulation of leap years over a period of four centuries creates three extra days.

In 1925, Patek Philippe became the first maker to reduce the mechanism to wristwatch size, and since then the display has traditionally taken the form of a system of sub-dials with hands or discs driven by levers and springs.

But in the case of the *Astrocalendaire*, the movement – called “the brain” and created by Carole Forestier-Kasapi, Cartier’s chief watchmaker – is almost entirely gear-

driven and uses an amphitheatre-like concentric display.

The most obvious benefit is that the time is far more easily read than with the usual jumble of discs and pointers. Equally, it reduces the risk inherent with perpetual calendar mechanisms of causing catastrophic damage if the watch is adjusted at a time too close to midnight, when the day and date pointers are simultaneously preparing to move forward.

The *Astrocalendaire*’s day, date and month indicators can also be corrected, in either direction, simply by turning the crown rather than by the usual system of multiple pushers set in to the case – which

are unforgiving to the ham-fisted, because one prod too many means the entire adjustment process has to be restarted.

To contain the 382-part movement, which includes a tourbillon regulator, Cartier created a hefty, 45mm case hewn from platinum and fitted with a sapphire crystal case back, through which can be seen the leap year indicator.

The watch goes on sale this month, but those who part with the required £99,000 to own one of the 100 made will have to wait until February 29 2016 to see its tiny pointer advance to the leap year position.

That day, incidentally, will be a Monday. But Mr Hague probably knew that already.

## Louis Vuitton to bring fine watchmaking under one roof

Nicholas Foulkes on the Geneva home of ‘creative independence’

The term *manufacture* is in danger of overuse. In the watch industry, it is usually used in connection with movements that are conceived and constructed in-house rather than bought in from suppliers, and is intended to imply skilled workmanship. But there are no rules on what may or may not constitute a *manufacture* – which might explain why Hamdi Chatti, head of Louis Vuitton’s watch and jewellery division, avoids the term to describe the French luxury goods house’s new 4,000 sq metre watchmaking facility in Meyrin, a suburb of Geneva. Instead, he prefers to talk about “creative independence”.

The building, which officially opens in October, will place all LV’s watchmaking under one roof. Its assembly factory in La Chaux-de-Fonds will close and many of the workers will move with the brand to Geneva.

**‘To understand watchmaking properly, you have to meet the watchmakers’**



A VIP area with mountain views is being prepared to receive customers.

Mr Chatti says that, from a customer’s point of view, there is no substitute for seeing watchmakers at work. “To understand high watchmaking properly, you have to see it and you have to meet the watchmakers.”

Technical investment is among the big changes to the Louis Vuitton watch brand in recent years.

Despite producing its first watches in 2002, by 2010 the brand still employed only two watchmakers, who were primarily concerned with quality control at the assembly plant in La Chaux-de-Fonds, where movements arrived in kit form.

Of the 80 staff that will be working in Meyrin, about 25 per cent will be watchmakers, another sign that the brand has become much more ambitious in terms of its creativity.

For example, the *Escale Worldtime* model, which launched this year, does away with hands, using a system of rotating disks and a hand-painted dial.

“We came up with the idea in-house, designed the watch, designed the movement module on top of the ETA base [produced by an external supplier], and we produced the dial.”

The aggregation of all departments under one roof will also, Mr Chatti says, speed up prototyping and cut development times. For instance, before the brand acquired a dial-making capability, prototypes could take a month and half, but now it takes a week.

LV is now capable of tackling the top level of complications.

“We produce minute repeaters – all of these are made in-house – and whenever we produce a minute repeater it sells out right away,” says Mr Chatti.

“The idea behind this is that when you master the very top, you can master everything.”

Geneva in the 18th century.

“The decision to open the factory was taken when we bought *Fabrique du Temps* because Geneva is the heart of high watchmaking,” says Mr Chatti.

But while the choice of the city may signal respect for the traditions of watchmaking, Meyrin has also been chosen for pragmatic reasons, not least its proximity to the airport.

“As we are a retailer, we train our own retail people,” Mr Chatti says, “and the best way to train them is to organise the training in the factory, so to be near the airport was very convenient.”

**Streamlined: the aggregated departments will aid creativity and speed up the development process**

Léman Cadran, the brand’s dial maker, will also be located here, as will the *haute horlogerie* department *La Fabrique du Temps*.

Meyrin is already home to Roger Dubuis and Chopard, and with the arrival of the new LV facility, the area is offering an alternative to Plan-les-Ouates on the other side of the city as a centre of watchmaking.

The new site, known as *La Fabrique du Temps Louis Vuitton*, references in its title both the specialist movement supplier LV bought in 2011, and *la fabrique*, the name given to system of watchmaking in

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Why the star is a latter-day Elizabeth Taylor **Page 15**



**Old treasures, new light**  
On the road with Bonhams' fine jewellery expert **Page 17**



**Buying back**  
How archive collections make sound investments **Page 16**

## In search of unblemished rubies

Ethical mining in Mozambique offers consumers a way to buy with a clear conscience, writes *Jessica Diamond*

Coloured gemstones dominate today's global fine jewellery market, sparkling in the windows of Bond Street, Place Vendôme and beyond. Rubies, particularly the deep red colour known as pigeon blood, are among the most prized stones, but supplies had become scarce until recent months.

This was largely because of a US ban on imports from Myanmar, one of the world's most important ruby mining countries. But human rights abuses under the country's military dictatorship had led to sanctions.

Yet demand remained high, especially in India and China, where red is regarded as a symbol of wealth.

The ethical conundrum continued until 2012, when Gemfields, a mining company specialising in ethically sourced coloured gemstones, acquired a 75 per cent interest in the Montepuez ruby deposit in Mozambique.

Gemfields held its first rough ruby auction in Singapore in June this year. Of the 2.03m carats on display, 1.82m were sold, generating revenues of \$33.5m.

The auction took place over six days, with the floor-to-ceiling windows at the Singapore Turf Club allowing light to flood in, providing optimum viewing conditions.

John Guy, a senior analyst at Berenberg, says: "The number of companies placing bids at Gemfields' inaugural ruby and corundum [the mineral name for rubies and sapphires]



Rare commodity: supplies of rubies reached all-time lows after a US ban on imports from Myanmar, a leading producer

auction in Singapore was 1.4 times greater than the average number bidding for emeralds and beryl from Gemfields' Kagem Zambian mine in April and November 2013.

"Increased interest in coloured gemstones underpins our view of a growing global appetite for high-quality and responsibly sourced gemstones."

In line with Gemfields' ethical policies, those invited to the June auction were vetted by Adrian Banks, product director, with each lapidary required to complete a questionnaire.

"It was essential for us that none of the hard work of bringing the material to auction was jeopardised by the next step in the process," says Mr Banks. "We asked everything, from questions about the companies' distribution channels, to their factory conditions, to ensuring they had the necessary funds to pay."

Sixty-two lots were on offer, packaged in varying degrees of quality, with participants allowed unlimited viewing access over the first three days, then restricted to 45-minute

slots in the last three days. Closed bids could be placed at any point over the auction.

ian Harebottle, Gemfield's chief executive, is upbeat about the company's first foray into the ruby market.

It has spent \$34m at Montepuez, including acquisition costs, capital and operational expenditure, taking measures to limit the mine's environmental impact (for example, no explosives are used) and support-

ing the local community alongside its ethical mining practices.

Mr Harebottle says: "[Conditions are] very dry, so one of our first commitments was to provide water. We have now dug eight bore holes, and built two schools, a market, a football pitch, and bought and leased tractors to the local farmers."

He adds: "We're doing our best, but striving to do better. I'm not saying it's perfect, but the area is better for us being there."

He has recruited a manager locally, while seeking outside help and advice from organisations including the World Land Trust.

Security is another problem. *Garimpeiros*, or unlicensed miners, operate illegally on the Montepuez site, which covers more than 300 sq km.

Unlike emeralds, which require deep bore holes, rubies are found at a depth varying from three to 10 metres, making illegal mining a tempting proposition.

What do these new supplies mean for those in the jewellery industry, or those in the market to buy?

The cutting and polishing division of Gemfields, headed by Gabriella Harvey, will track the progress of the rough stones that were purchased in June.

She will act as a fixer between the lapidaries and the jewellery houses, with the aim of ensuring that those who want to buy high-quality rubies will have access to a steady flow of stones, consistent in quality and size – exactly the gems in demand at the big jewellery houses.

Ms Harvey predicts that Mozambican rubies will be highly visible in jewellers' displays by Christmas. A marketing campaign is planned, and another ruby auction will take place before the end of 2014.

Meanwhile, Gemfields is considering its next move. "I'd love to be able to tell the sapphire story too," says Mr Harebottle.

"I call it the traffic light of colour – adding a third stone into our proposition. I'm looking at Madagascar and also Australia, but as with all these things, it has to be exactly right."

## The pink shrink leads to global price push

**Gemstones**  
As the Argyle mine winds down, demand ramps up. *Claire Adler reports*

Rio Tinto's Argyle mine has produced some of the world's most valuable pink diamonds during its 30 years of operation. But with limited reserves left and coloured stones in high demand, the prices commanded by the gems it produces are expected to rise steeply.

The mine, located in the rugged outback of Western Australia, opened its annual travelling exhibition in August in Sydney, showcasing 55 exceptional diamonds, comprising pink, fancy red and purplish-red stones unearthed this year. The stones will travel to New York and Hong Kong before the exhibition culminates in buyers placing sealed bids in October.

But the event is not open to all comers. Just 150 purchasers of rare diamonds are invited, and their names have not been disclosed. In the past, invitees have included Graff, Tiffany, Moussaieff, Chow Tai Fook, John Calleja, Mondial and private gem collectors.

Pink diamonds from Argyle are among the most concentrated and portable forms of wealth. Josephine Johnson, Argyle Pink Diamonds manager, calls them "one in a million" because "for every million carats of rough diamonds produced from the Argyle mine, only one polished carat is offered for sale at the tender".

Significant stones in this year's tender could fetch more than \$1m per carat, according to Ms Johnson.

At Christie's in 2013, a 1.92 carat fancy red rectangular cut Argyle diamond ring sold for \$3.25m. That sale holds the record for the highest auction price for a red diamond as well as the highest auction price per carat for a red diamond. After the sale, the stone was named the Argyle Renaissance.

But future supply is uncertain, particularly because the Argyle mine produces more than 90 per cent of the world's pink diamonds. Argyle says the mine will continue to operate until at least 2020 but would not comment on what will happen beyond that date.

Accordingly prices of high-quality pink stones from the mine are increasing.

"Recently, prices have consistently appreciated 10 – 15 per cent a year," says Ms Johnson. "Between 2002 and 2010, the index price for diamonds from the Argyle Pink Diamonds Tender increased 108 per cent, while white diamonds rose 22 per cent."

"More than half of annual production goes into India, China and Asia," she adds.

Ehud (Arye) Laniado is principal of Mercury Diamond, a diamond pricing consultancy and advisers to Cora International, a US jeweller whose acquisitions include the 29.6 carat vivid Blue Moon diamond and the largest fancy vivid yellow diamond in the world sold at auction, according to Sotheby's. Mr Laniado believes demand for Argyle's top stones could soon outstrip supply leading to soaring prices.

He says: "Argyle's concentration of pink diamonds, its regular production of stones averaging 0.75 – 0.8 carats and their superior colour is not found anywhere else."

"Because the supply from Brazilian and African mines is less constant, no alternative source to Argyle is foreseen in the near future. This, coupled with growing Asian demand for its pink diamonds means demand for its small to medium-sized pink Argyle diamonds could outstrip supply."

But one industry insider acknowledges that three decades of the Argyle tender have benefited more than just the market for pink diamonds.

"Argyle has invested heavily in marketing and has done a magnificent job positioning its mine and diamonds," says Eden Rachminov, owner and president of Rachminov Diamonds 1891.

"All of which has helped promote pinks, but also coloured diamonds in general."

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## 'We need to be contemporary'

**Boucheron**  
Interview Ecommerce is on the jewellers' agenda, says chief executive. *By Camilla Apcar*



Pierre Bouissou: bespoke focus

One of the first decisions made by Pierre Bouissou after he was appointed chief executive of Boucheron in 2011 was to bring the brand back to the Biennale des Antiquaires, the prestigious art and antiques fair held in Paris this month.

The French jewellery house, founded in 1858 by Frédéric Boucheron, is best known for its predominantly gold creations. Having been acquired by Kering (formerly Gucci Group) in 2000, the family business returned to profit in 2006 after years of losses.

Mr Bouissou says he does not know why Boucheron had been absent from the fair for eight years, but suggests the jeweller lacked a creative director and a budget to support the standard of stones expected. Its 60 exhibits this year will include the *Tresor de Perse* suite: two strings of diamonds joined by a pair of cabochon sapphires.

Exhibiting at the biennale is important, he says. As well as meeting clients, it "permits us to expose the knowhow [of the brand]". Boucheron will exhibit alongside other Place Vendôme jewellers such as Cartier, Chaumet and Van Cleef & Arpels.

Boucheron was the first jeweller on the Place Vendôme in 1893, and it is here that its workshop, salon and boutique remain.

The market is clearly defined, Mr Bouissou says: "We don't have competitors. There are a lot of nice brands such as Cartier, Van Cleef, but Boucheron is exclusive – is expertise – and we don't want to open a lot of stores."

Boucheron has 34 boutiques internationally and its products are sold through more than 100 retailers.

Focusing on territories and developing a boutique for each has been an objective for Mr Bouissou since his arrival. While Place Vendôme serves Europe, Ginza in Japan, and Hong Kong in China serving the Asia-Pacific region, there are no independent boutiques in the US.

Sales of high-end jewellery, produced for private orders and in two annual collections, are very strong in Russia, the Middle East and China. Developing the retail presence has been more difficult in these areas because of the problems of recruiting and training staff, with China remaining the greatest challenge.

The company plans increased investment in the Asia-Pacific region,

but the first step is to revitalise existing stores.

Japan is Boucheron's second most important territory in terms of turnover after Europe. Bridal offerings have proved particularly popular and the range of rings – from £2,300 but much more expensive for bespoke items – is expected to expand.

Elsewhere, the focus is not on expansion. Instead, Mr Bouissou has concentrated on identifying distinct products in each category. In 2012, Claire Choise was appointed creative director, the first person to hold the post since Solange Azagury-Partridge's tenure ended in 2004.

"We don't need to develop another product, but we need to be contemporary," says Mr Bouissou. The brand's Quatre ring illustrates the point. Multi-textured in four shades of gold, it was created in 2004 but was "not a huge success", because of a lack of investment in advertising, he says. The ring's relaunch has transformed it into a best-seller, favoured by younger, trend-conscious consumers. A £1,220 version is Boucheron's entry-level product.

But the brand's focus in future will be bespoke orders rather than lower price points. "The strategy of the brand is not [to widen] access," says Mr Bouissou.

Ecommerce is also on the agenda, after an online project in 2007 proved costly – and unsuccessful.

He is "completely confident" in Kering's strategy for the brands within its watches and jewellery arm, introduced in May. But he does not yet know whether this will mean more interaction with others in the division, which includes watchmaker Girard-Perregaux and most recently Ulysse Nardin (see page 5).

Whatever the future holds, Mr Bouissou will continue to set the highest standards. "The problem for us now is to be perfect," he says, "in terms of service, stock, window, everything."





# ‘On bad days, I wore carnivorous animals’

**My favourite pieces** Madeleine Albright signalled the political mood with the help of her symbolic brooches. As told to *Kate Youde*

**‘W**hen I arrived at the UN as US ambassador in February 1993, it was after the first Gulf war. The ceasefire had been translated into a series of sanctions resolutions. My job was to make sure the resolutions stayed [in place], which meant that I was instructed to say all kinds of things about [the then president of Iraq] Saddam Hussein.

A poem appeared in the papers in Baghdad comparing me to many things but, among them, “an unparalleled serpent”. So I decided to wear an **antique snake brooch** (far right, bottom) when I talked about Iraq. Some camera zeroed in, and the press asked, “Why are you wearing that snake brooch?” I said, “Because Saddam Hussein compared me to an unparalleled serpent.”

I thought, well, this is fun, so I went out and bought a lot of costume jewellery – most of my things are costume – to depict what I thought was going to happen on any given day in the UN Security Council. On good days, I wore flowers, butterflies and balloons, and on bad days, horrible insects and carnivorous animals.

I was the only woman on the Security Council at the time. The ambassadors noticed, and they asked, “Why are you wearing...” whatever brooch. President [George] Bush had already said “Read my lips: no new taxes”, so I just said “Read my pins.” I have two [brooches] that are favourites and they are a symbol that inanimate objects can have great emotional connections.

One is a **coloured ceramic heart** (far right, top) that my daughter, Katie,

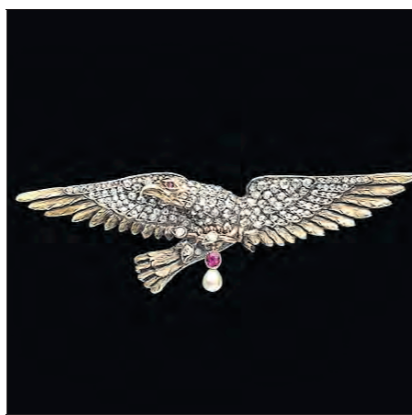


made for me and that I have always worn on Valentine’s day. My daughter is 46 years old. She said, “Mom, you have to tell people I made the pin when I was five.”

Another I call my **Katrina brooch** (right, bottom). I was in New Orleans about a year after Katrina, the [2005] hurricane. A young man came over and said, “My father is a veteran and he earned two Purple Hearts [US

military medals].” This young man opened a box and there was a beautiful brooch with two amethysts and some diamonds. He said: “This is the brooch my father gave to my mother but she died as a result of Katrina and we want you to have the brooch.”

I said: “I can’t possibly accept,” but they said: “No, our mother loved you and she would want this to happen.” I went to a shop I like, Tiny Jewel



Box [in Washington DC], and they showed me an **eagle brooch** (above, top left) with spread wings and diamonds. It was really pricey. I thought, “There’s no way I’ll get this brooch.” Nobody believed that a woman could become secretary of state, so I thought to myself, “On the off-chance, I will buy that brooch.” But I really did not think I would be.

When I was named secretary of state, I bought the brooch. I decided that I would wear it when being sworn in. I was swearing with one hand on the bible and one hand up and I look down and this pin is just flapping because I had not fastened it properly.

I thought: “I’m going to screw this up, the pin will fall on the bible”. Because it was an antique brooch, I had not fastened it right. So, after all that, during the swearing in you cannot see the eagle.

I got a brooch [as a gift from] Leah Rabin, the widow of Yitzhak Rabin, who had been the [Israeli] prime minister and somebody that I had known when he was ambassador to the US. She gave me a **Cécile et Jeanne brooch** (copy worn in main picture), a peace dove, and I wore it whenever I gave a speech on the Middle East.

I arrived in Jerusalem and there was a necklace of doves in the hotel room with a note that said something like, “It takes more than one dove to make peace in the Middle East.” I have a copy of that brooch and I wore it when Shimon Peres was given the Congressional Gold Medal [in June].

I’m known for brooches. When I don’t wear a brooch, which I don’t when I exercise or go shopping, or when I’m on an aeroplane because it’s too complicated taking everything off, people ask, “Why aren’t you wearing a brooch?”

\*Madeleine Albright was the 64th and first female US secretary of state. Her travelling exhibition of brooches, *Read My Pins: the Madeleine Albright collection*, is at Franklin D Roosevelt Presidential Library and Museum in New York until November 2.

**‘I thought, I will buy that brooch if I become secretary of state’**

## Fool’s gold leads this groovy 1960s revival

Modernist designs from the mid 20th-century are the new saleroom stars, writes *Helen Barrett*

**A**s a rule, fine jewellers avoid “fool’s gold”, and not only because its name is unflattering to the wearer.

Pyrite is often next to valueless. What is more, it is a brassy coloured material, formed of jagged, cuboid crystals. But pyrite’s awkward forms and low value did not stop an abstract-style 1967 gold evening watch with a pyrite hinged face cover by John Donald, the British designer, fetching more than £2,000 at auction at Bonhams in London last year.

Modernist jewellers, such as Mr Donald, working in the 1960s and 1970s were not interested in rules, nor in persisting with demure designs of previous decades. They were preoccupied with abstraction, texture and scale.

He and his UK contemporaries such as David Thomas and Andrew Grima, and Scandinavian and US counterparts such as Georg Jensen and Pierre Sterlé, sought to subvert jewellery design in the early 1960s.

“We had just come through a long period of austerity,” says Mr Donald, who continues to work as a jeweller in London.

“From a designer’s point of view, we could do anything we liked in the 1960s. People were looking for different jewellery.”

In a move away from the “boring” materials used by his predecessors, he looked at pyrite. The material was typical of the playful and counter-intuitive approach at the time. “I struck out into using geometric shapes and pyrite fitted perfectly. It formed into square rods, and

it matched all that was happening in fashion.”

Many collectors have overlooked work from this period for decades, experts say, and those designers’ uncompromising approach might partly explain why.

But dealers and auctioneers are noting a resurgence of interest in modernist designs. A highly geometric, 1970 white gold and aquamarine pyramid watch by Grima was sold by Bonhams this spring for £18,750, more than £10,000 over its estimated value. A gold and diamond ring and earrings suite also by Grima and designed to resemble a pile



**Fool’s paradise:** John Donald’s 1967 gold and pyrite watch

of logs, fetched £15,000 – more than £11,000 higher than the estimate.

Modernist jewellery is sought by “private collectors who have grown up with that modern mindset. They don’t want pearls on double clips,” says James Nicholson, international head of jewellery, silver and watches at Dreweatts & Bloomsbury Auctions.

The change, he says, can be explained in part by a generational cycle. Estate collections of those who bought pieces directly from the designers’ studios are coming up for auction.

“It is certainly the turn of jewellers from the 1960s and 1970s, the products of the art school movement with postwar ideas,” says Mr Nicholson, who had sold an

abstract amethyst and gold ring by Grima in July for £2,356 – double its pre-sale estimated value. “We’re finding more of it on the market, so there’s more exposure.”

In the 1960s and 1970s, leading jewellery houses copied the modernists’ style to strong effect, says David Bennett, chairman of Sotheby’s jewellery department, Europe and the Middle East. “Grima in particular had a huge effect on a lot of European jewellery.”

The appeal for women then and now, says Daniela Mascetti, Sotheby’s international jewellery specialist, is accessibility.

“They are recognisable because they were on the border between costume and real. Women feel more comfortable wearing them than a diamond necklace.”

Sotheby’s auctioned a pair of 1960s sputnik-shaped gold ear clips by Cartier in July for £6,500, and an abstract 1970s gold ladies’ belt, also by Cartier for £8,750.

Jacque Gray, creative director of Grasilver, a dealer specialising in rare modernist Scandinavian jewellery, says finding pieces of high quality is increasingly difficult as competition increases. “Ten years ago the 1960s were hopelessly out of fashion. But now, the people that like it are wealthy [and] from all over the world.”

David Chu, chief executive of Georg Jensen, says designers at the Danish company draw inspiration from its modernist roots. He points out that Georg Jensen jewellery is today manufactured in Thailand with the same tools and with materials from the same suppliers the company used in the 1960s.

Andrew Grima died in 2007, but the Grima brand and atelier continue in London under the stewardship of his wife and daughter.

Jojo Grima says her late husband’s work is worn by women who enjoy sculpture as much as jewellery, and “who have reached a certain point. They have enough big diamonds.” Today’s Grima, she says, tries to stay loyal to the design principles of the original pieces.

How does she feel about the fresh interest? “More happy than surprised,” she says. “I always had huge faith [in his work].”

**Sixties Cinderellas:** original jewellery by Grima is in demand



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## Watches & Jewellery | Designers

# New Romantic with a pair of pliers

Thirty years after setting up a studio in east London, Slim Barrett remains true to his artisan roots, writes *Jessica Diamond*

Slim Barrett burst on to the British jewellery scene 30 years ago with large, sculptural work made from unorthodox materials. Bronze, copper, oxidised silver and blown glass were fashioned into assured pieces with a startling punk aesthetic.

Since then, the 52-year-old Irishman has established himself as a maverick, eschewing a conventional career that would usually culminate in a Mayfair boutique in favour of maintaining an independent and creative workshop, with a style set firmly in his artisan roots.

Today, he is best known for private commissions, particularly bespoke crowns and tiaras (he made Victoria Beckham's tiara for her wedding in 1999). But his early influence and subsequent output has long been seen as groundbreaking.

"He forged his own way regardless of current trends, following his whim and artistic yearnings," says Clare Phillips, a curator of sculpture, metalwork, ceramics and glass at the Victoria and Albert museum in London. "There was something about the hand-drawn lines and rough-hewn forms that particularly appealed to those stranded in the urban environment of central London – a glimpse of wildness, romance and legend."

At Barrett's Bloomsbury workshop and studio, his background in sculpture and fine art is plain to see. The space is part metal workshop, part inventor's den. The walls are neatly lined with tools – hammers, spanners, pliers – and high-fashion images of models wearing his pieces. An array of projects past and present decorate the space: here lies a candelabra, there a chainmail body piece.

Upstairs in the eaves, drawers are stuffed full of past collections – more than 2,500 pieces, ranging from bold, medieval style crowns to delicate silver linked pieces embellished with vintage crystal drops.

Barrett's artistic career began in the late 1970s at the Regional Technical College, Galway. Students took classes in many disciplines – life drawing, painting, sculpture, pottery and photography, which suited his love of experimentation. By deliberately not taking the end-of-year exams and taking a year out, he was able to repeat the course four times.

In 1983 he was travelling between Galway and London, when a chance meeting on the streets of Camden proved pivotal.

That day, Barrett's girlfriend was wearing jewellery he had made for her, and it attracted the attention of Tatiana von Saxe Wilson, a businesswoman, who introduced him to a couturier to Diana, Princess of Wales.

The princess loved his work and in turn introduced him to Bruce Oldfield, the fashion designer, who



**'If I wasn't dropping tools and clubbing, I was working through the night'**

commissioned Barrett to make pieces for his catwalk show. All of this happened within the giddy timeframe of eight weeks.

Collections for Harrods and Harvey Nichols followed and, although Barrett still wanted to be a sculptor, the instant success of his jewellery designs meant that he started showing at London Fashion Week.

He shared a studio with Jimmy Choo, the shoe designer, in the former Metropolitan Free Hospital building in Dalston, east London, keeping his metal tools in an old army coffin.

"It was pretty rundown but that was also great, because untapped resources were within walking distance," he remembers. "I was able to get my stampings, plating and metal supplies locally."

"The Kingsland Waste street market on Saturday morning was a great [source of] collectables from house clearances, piled on to the street and selling for a couple of quid."

It was while in Dalston that Barrett learnt to solder (his art college training meant he could already weld). The technique allowed him to refine his

**Head for business:** Slim Barrett (top) is known for private commissions, particularly crowns and tiaras, such as that made for the wedding of Victoria Beckham (above, centre)

Rosie Hallam

aesthetic and brought further attention. He designed the prototype for Vivienne Westwood's orb motif, but – perhaps demonstrating a business naivety at the time – he says he failed to negotiate a percentage of royalties.

In 1989, he moved to Camden, where he opened a gallery, exhibiting artists including Grayson Perry and Andrew Logan alongside his own work, while also wholesaling his jewellery.

"This was a frantically busy time – the creative community was buzzing," he says. "If I wasn't dropping tools and clubbing, I was working through the night."

Julia Bigham, a Slim Barrett collector and at the time a curator at the Victoria and Albert Museum, remembers the gallery. "It was a magical world," she says. "Everything he sold was unique."

After five years, Barrett moved across north London to a 2,500 sq ft space in Islington, a move he says he now regrets: "I became a manager with eight people working for me."

After the birth of his son in 1994 he scaled down, reducing his operation by 80 per cent in 18 months and concentrating on private commissions and consultancy, making one-off pieces for clients including Madonna and Mick Jagger. The Beckham wedding tiara was among such commissions.

"[Victoria Beckham] asked me to sign a confidentiality agreement, and I said no. If I make jewellery for someone, it's a private arrangement, so I stood firm on that."

The tiara, still owned by Barrett, was put up for sale at Bonhams in November 2013, valued at £18,000-£25,000. It did not sell (bidding stopped at £14,000), but the publicity was valuable. As Barrett says, "the online spike was out of control for several months."

Barrett did not work for more than two years following a car accident in 2008. But with the opening of Fortnum & Mason's jewellery department in March 2013, he took his first steps back into the wider retail market.

Jo Newton, head of buying at Fortnum, describes knowing Barrett and his work as "like having a well-kept secret. He thinks three-dimensionally and scientifically."

What next? His accident, he says, has given him time to rethink his goals. A five-year plan is in the offing, that involves the seeking of substantial financial backing (essential for any independent to crack Mayfair), and plans for a retail space in London.

Dover Street would be his ideal location, he says. And he cannot resist a smile at the suggestion that he might end up neighbours with Victoria Beckham – who will open her first standalone store in the street this autumn. "Well, wouldn't that be funny?"

## The many layered allure of agate

Comeback for Queen Victoria's favourite stone. By *Elisa Aniss*

Agate, chalcedony formed from layers of quartz and often treacle-brown, has long been associated with 1970s cheap and cheerful hippy pendants roughly strung on pieces of leather.

But recently, fine contemporary jewellers have started to recognise its variety and versatility.

The material is fine-grained, variegated with colours arranged in stripes, blended in clouds, or revealing mosslike forms. For this reason, it is not always as instantly recognisable as it is in the bold, banded pieces created by Mattijs van Bergen, better known as a ready-to-wear designer.

"My silversmith mother inspired me to use agate. Some of the very first pieces she made in the 1970s featured large stones, and somehow the raw quality of them touched me," says the Dutch designer.

His pieces come in brown, black, honey yellow and blood red, and he recently purchased green and purple stones. But he says that sourcing the most beautiful pieces in the right colours and sizes can be a challenge.

To date, his pendants have been set in copper or brass and sold in boutiques such as Luisa Via Roma in

Italy, but the designer now plans to add gold and silver settings to the range.

Lesley Schiff of London's Talisman Gallery says the return of agate has been prompted by a leap in prices of precious stones. She points to Melissa Joy Manning, a US-based jeweller who combines agate geodes and druzy (the crystals that form within a geode) with 14-carat gold on pieces that retail from £200.

Iidar-Oberstein, a town in the Hunsrück mountains in the west of Germany, is, says Ms Schiff, a European centre for agate. She considers the Victorian period the heyday for such jewellery, which included brooches and bracelets, fashioned with motifs such as the Scots thistle or the Celtic knot, made for wearing on tweeds or tartans.

"Queen Victoria sparked the fashion," says Clare Blatherwick, jewellery specialist at Bonhams in Edinburgh. Examples that are signed Rettie, or Marshall & Sons, Edinburgh, or those honed from stone from the Burn Anne source, known for its grey, orange, red and pale purple colours, are increasingly sought after.

Pieces mounted in gold, rather than the usual silver, are also in demand, such as a Victorian Scots agate

bracelet in a geometric design, included in the auction house's sale on June 4.

More modern takes include designs by Amedeo Scognamiglio, whose whimsical cameos feature non-traditional images, including lions and monkeys. His collection sells in London's Dover Street Market.

Mr Scognamiglio says a favourite material is blue agate. "We always carve one stone and use its layers to create the design we envisage. With agates, we can find several colours, and that's its beauty."

"I am a carver before I am a jewellery designer," he adds.

Agate is also favoured by more established fine jewellers. "I love the various patterns and colours and varieties of agate, ranging from moss or dendritic to Laguna or Brazilian or Botswana. Each variety has its own characteristics and patterns," says Kimberly McDonald, a New York-based jeweller.

Her pieces include a pendant that features a large agate in a signature asymmetrical 18-carat rose

gold setting, framed with brown diamonds. It sells at Browns in London for £24,017.

Pippa Small, a London-based designer, finds that, like other semi-precious stones that she typically sources in India, agate is becoming hard to find. Her 18-carat yellow gold, three-stone fire agate ring (£3,200) has an unusual, waxy brown appearance and is a variety of agate that she says is not often used.

"Like quartz, agate is not regarded as in the higher rank of the gem kingdom," she says. "But it's wonderfully freeing. With agate, there is less snobbery and there are no rules about how it's cut, so you can really play around."

Gabriella Kiss is an American designer who sells exclusively in London at Mouki Mou in Marylebone. But pieces such as her dendritic quartz agate earrings (£1,150) and ring (£930) with their cloudy appearance often confound customers, who cannot tell what the stone is.

Despite its long history, it is the varied appearance of agate that keeps the stone under the radar.

## Young creatives revive skills and styles of Georgian era

### Techniques

Nearly lost arts are being rediscovered, says *Syl Tang*

Amid booths stocked with diamonds at the Antique Jewelry & Watch Show in New York in July, a discreet box of enamelled rings stood out.

The six samples were made by Cyrus and Rhian Shennum, jewellers who own Bell & Bird, the retailer that specialises in 18th- and 19th-century fine pieces.

Inspired by mourning rings from the Georgian period, the Shennums created their own range of "birth rings" – a bespoke angular band with enamel inlay for adding inscriptions of loved ones' and children's names, alongside a bezel-set diamond.

"[Mourning jewellery] is incredibly popular but can be dark to some people, so we found a way to adapt it for the modern world," says Cyrus Shennum.

Finding new methods to employ Georgian jewellery techniques has become popular with a new generation of fine jewellers such as the Shennums, Larkspur & Hawk, Lulu Frost, Lauren X Khoo, Wendy Brandes, Elizabeth Locke and Elizabeth Gage.

"The Georgian era [from 1714 to 1830] was a time when jewellery became widely available through new manufacturing techniques and for the first time jewellery wasn't just for the extremely wealthy," says

Emily Satloff, owner and designer of Larkspur & Hawk.

Ms Satloff, whose speciality is a technique known as "foiling", creates earrings and necklaces sold at Liberty in London and Barneys in New York. Gems are set on coloured foils in a closed-back setting, lending hues to the stones.

"Gem cutting then wasn't what it is today, so this was common. But it didn't have to be only pure gems. Even Marie Antoinette owned paste jewellery [set and faceted lead glass], because it was the same workmanship but less expensive," says Ms Satloff.

During the Georgian period, industrialisation contributed to the development of techniques, while global exploration made gems more available in Europe. But poor sanitation and disease also meant travel was a dangerous pursuit in the newly sophisticated world, leading to jewellery being worn for sentimental reasons.

"Life was hard. People were trying to hold their loved ones near," says Lisa Salzer, designer at Lulu Frost.

Ms Salzer who uses horse hair in the brand's George Frost line for men, created with her business partner Marlon Taylor-Wiles, says human hair symbolised a lover's significance, particularly if the lover was at war or travelling.

Pieces of jewellery would not only hold a lock of hair but also feature locks woven as chains or cords.

Modern buyers may balk at the morbidity of human hair. Horse hair, Ms Salzer says, allows her to use the technique without the "creepiness factor".

This month Ms Salzer will expand Lulu Frost's women's fine jewellery

**'Life was hard. People tried to hold loved ones near with jewellery'**

range at Net-a-Porter, the online retailer, with a range called Code Words, which picks up on another Georgian trend – words spelt out with precious stones.

Georgian love tokens rings often used a row of stones –



A Lulu Frost love token ring spells 'Dearest'

such as ruby, emerald, garnet, amethyst and diamond – with the first letter of each gem spelling a word such as "regard".

Ms Salzer's modern interpretation will spell out words such as "cool" and "hot" using coral, opal and labradorite and hematite, opal and turquoise.

Experts say the resurgence of Georgian techniques is the result of a new generation rediscovering nearly lost arts.

"Georgian is an incredibly collectable period. I've had a piece that went for \$30,000," says Lenore Dailey, a dealer who showed at the Antique Jewelry & Watch Show.

1stDibs.com, the high-end collectables website, reports an increase in sales of rare Georgian pieces, including a gold chain link necklace, diamond bow chain earrings and chandelier earrings this year.

Clair Watson, 1stDibs.com content and creative consultant, attributes the revival to exhibitions at the Victoria and Albert Museum in London.

But the revival has some dealers cringing. "It's important that new designers are expressing the old techniques in ways which cannot be mistaken for vintage," says Pat Novissimo, of Lowther Antiques in London.



# All go for the head to toe

Designers and buyers are pushing the full-body look, writes *Rachel Garrahan*

Jewellery has adorned ears, fingers and necks since ancient times, but hair, ankles and stomachs have tended to receive less of a show.

Now, body jewellery is enjoying a period where designers and buyers are seeking to bedeck their clients from head to toe – and everywhere in between.

Delicate gold body chains peeked out in May from beneath models' clothing on the catwalk at Louis Vuitton's 2015 resort collection. Lupita Nyong'o, the actress, modelled Ann Demeulemeester's body chain-style necklace for US Vogue in July.

After multiple orders for body jewellery through its custom ordering service, Editorialist, the luxury accessories e-tailer, has added hand jewellery pieces by Oscar de la Renta, as well as body jewels from smaller fine jewellery designers to its autumn range.

"There was a bit of a lag, but now no one can get enough," says Editorialist co-founders Kate Davidson Hudson and Stefania Allen.

Ana Maria Pimentel, fashion director for women's accessories at Neiman Marcus, the US luxury department store, attributes the trend's growing popularity to its prominence on social media among fashion editors and trendsetters, and to the way it makes women feel when they wear it. "It's very empowering but it's also playful," she says.

The retailer initially stocked body jewellery in its fashion section but has expanded the range to the fine jewellery floor.

"Body jewellery pieces are comfortable, wearable and make a woman feel super-sexy," says Colette, a designer who offers a fingerless mesh glove in white gold and diamonds for \$70,000.

Ms Pimentel points to Lebanese fine jewellers Yeprem, stocked at several Neiman Marcus stores including Beverly Hills and San Francisco, as being among the brands leading the trend.

With a collection that includes diamond-heavy palm bracelets, a brow bar worn across the face and a \$400,000, one-of-a-kind snake necklace that wraps around the neck, shoulder and chest, the brand says it spotted an opportunity for wearable, avant garde pieces.



All over glamour: body chains (above), and ankle jewellery (below) by Jacquie Aiche



"We create sculptures that become an extension of the body or hand," says John Chakardemian, the company's managing director. "When you offer something new like this in the market, there's crazy demand."

He adds that the collection is selling strongly in the US, Europe, Hong Kong and mainland China.

Coomi Bhasin, an Indian New York-based designer, says customers expect to pay a high price for body jewellery. She added it to her collection in 2002 and says sales have been strong

among private clients in North and South America.

With pieces ranging from a \$3,000 diamond toe ring to a gold and diamond hand bracelet for \$200,000-\$300,000, she believes demand is less influenced by trends and more by her customer looking for something unusual.

"My customers are very confident and aren't following anyone," she says.

If a statement-making brow bar is too much, there are easier ways to wear body jewellery, including hand bracelets, ankle chains and ear cuffs, from high-end brands such as Piaget and Mellerio dits Meller.

Jacquie Aiche, a US designer, offers a collection that includes delicate body chains favoured by Rihanna (see panel, right). Ms Aiche designs body jewellery to be comfortable enough to keep on during sleep or showering: "The jewellery becomes a part of you. It's like lingerie," she says.

She emphasises that body jewellery is bought by women of all ages. "It could be worn by a young woman in her 20s or by a mom in her 50s," she suggests.

Fine jewellery e-tailer Stone & Strand stocks Ms Aiche's pieces, including a \$4,000 Gemfields shaker hand ring.

Nadine McCarthy, the company's chief executive, says body jewellery is particularly well-suited to the sophisticated female collector who buys pieces for herself. "Body jewellery is all for the self-purchaser. Good luck to the boyfriend who buys a body chain," she says.

Sasha Sorokin, buying manager for Net-a-Porter, has been selecting mid-arm cuffs as well as foot and hand jewellery for several seasons and more recently added anklets and chest pieces. She sees the opportunity for many more interpretations.

"There's a long way to go for this trend," she says.

"I'm still hunting for pieces that cover the body in unexpected ways. When I see too many of something on the market I know a trend's exhausted but the supply [for body jewellery] is not really there yet as far as the diversity of design is concerned."

## Body jewellery

### Rihanna: influence of a latter-day Elizabeth Taylor

Rihanna, the Barbadian pop star known for her taste for avant garde and audacious body adornment, has been a significant influence on a generation of women who buy and collect fine jewellery, industry experts say, writes *Rachel Garrahan*.

Whether on the cover of W magazine – where she poses wearing a septum ring for the September issue – or on stage wearing Jacquie Aiche body chains and multiple rings, her enthusiasm for jewellery is translating into strong sales for the designers she favours.

Some compare her influence to that of Elizabeth Taylor, the actress and eager jewellery collector, whose estate was auctioned at Christie's in 2011.

Sasha Sorokin, a buyer at Net-a-Porter says "She's taking that [Taylor] status for a fresh generation. She holds people in awe of her style decisions, wondering what she'll wear next."

Jeff Kim, a fashion stylist, says the glamorous but streetwise star and Mel Ottenberg, her stylist, have helped elevate body jewellery in particular from being perceived as somewhat trashy to high fashion: "They make it edgy and luxurious at the same time," he says.

Rihanna frequently wears fine jewellery from a wide range of high-end designers. And like Elizabeth Taylor, she typically wears multiple pieces at once.

"She has changed the way people look at fine jewellery and how to wear it," says Lynn Ban, a designer whose coil rings were created for Rihanna's 2013 world tour and subsequently sold out.



Star power: Rihanna's enthusiasm boosts sales

Other jewellers report a similar effect on sales. For Delfina Delettrez, a designer whose single earring designs the star favours, Rihanna's influence is such that the Italian designer says she works hard to meet demand. "I struggle to make enough single earrings," says Ms Delettrez.

Jacquie Aiche also noticed a spike in sales of ankle chains after Rihanna wore 12 at once in a recent ensemble. "She's been a loyal client since 2009, and the most random people get in touch with you after they've seen her wear something," says Ms Aiche.

Nadine McCarthy of Stone & Strand, the online fine jewellery retailer, adds: "People respond to her accessibility on social media: she posts a lot of images of her everyday style that effectively show people how to wear jewellery."

While Elizabeth Taylor was showered with gifts of fine jewellery by husbands and boyfriends, Rihanna's enthusiasm extends to paying for the pieces she wears herself.

"She doesn't ask for or expect anything for nothing," says Ms Ban. "In this day and age, that is very unusual."

Advertisement

## VICENZAORO FALL 2014



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## Previewing the TRANSFORMATION of the JEWELLERY TRADE SHOW

The **VICENZAORO Fall 2014** International Jewellery Show, which will draw thousands of exhibitors and buyers from across the globe to **Vicenza, Italy, from September 6 to September 10, 2014**, is a key component in Fiera di Vicenza's ground-breaking programme to develop a global array of fairs and industry events that transform this Italian trade show organiser into one of the jewellery sector's most important service providers



It is a strategy that Fiera di Vicenza is rolling out both in Italy and around the world, and is one that rethinks the role and function of the traditional trade show, which today must serve the interlinked, digitally focussed and multinational jewellery industry of

the 21st Century. The organisation's goal is to meet the dynamic requirements of both exhibitors and buyers, while still preserving the tradition and legacy of the Italian industry.

Another component of this strategy will come as a result of a recent strategic alliance with the Dubai World Trade Centre during the most recent edition of VICENZAORO Spring in May 2014.

It will result in the inauguration next April of the **VICENZAORO Dubai Exhibition**, a major stand-alone show in United Arab Emirates' financial centre, managed by Fiera di Vicenza. The show has the potential to develop into a global event, drawing in buyers from the developing markets of the Gulf region, China, India, Africa

and the states of the former Soviet Union.

Closer to home, the upcoming VICENZAORO Fall will provide a preview of **VICENZAORO the Boutique Show**, which will be launched officially in January 2015. It involves a radical rethink and reorganization of the way in which exhibitors are positioned, and the way in which buyers navigate the fair. Without compromising on variety and choice, VICENZAORO the Boutique Show individualizes the buyer's experience, plotting for each a route that maximises their exposure to the specific merchandise, companies, individuals and information that is relevant to each of them, thus making the trade show experience more manageable, efficient, effective and successful.





## Watches & Jewellery | Brands

# Savelli holds the line with its emerald-encrusted smartphone

### Tech luxury

'Insane' gadget may be a rational buy, writes *Elisa Anness*

Using a phone is inconvenient. Losing a £145,000 limited edition Emerald Insane smartphone by Savelli, one of only eight in the world, would be traumatic.

The phone is encrusted with 12.5 carat brilliant cut diamonds and 4.5 carat baguette-cut emeralds by Gemfields. It launched this year in Harrods, the London department store,

although Savelli will not say how many have been sold. Google's Android operating system lurks beneath the jewels.

Cheaper alternatives exist: the Blue Jeans Ostrich Elegante, also by Savelli, starts at £7,450. It has a specially developed "ultra-bombé sapphire crystal screen", which Savelli says is scratch-proof.

Savelli is one of a few labels positioning themselves where technology and luxury meet, by copying the techniques, materials and marketing practices of luxury watches and fine jewellery.

Phones that double as fine jewellery could catch

on, say analysts. "Imagine a woman at a cocktail party holding the phone in her hand," says Robert Burke of New York-based luxury consultants Robert Burke Associates. "Savelli and Gemfields have been highly creative. It targets the fashion customer."

Alessandro Savelli, the Italian born chief executive, says: "Our number one objective was to create an elegant product."

The 34-year-old entrepreneur co-founded the company in 2011 with Kitty Maisonrouge, a luxury-marketing expert he met at Columbia Business School. He started his career as an investment banker for UBS

and had a connection to fine jewellery via his father's Vicenza-based jewellery business.

Savelli launched in 2013 in Harrods in London and Printemps, the Paris department store, backed by institutional and individual investors.

These included executives from LVMH and Richemont, Enrico Mambelli, the former chief executive of Gianfranco Ferré, James McArthur, chief executive of Anya Hindmarch, and Peter Ashall, co-founder and former chief executive of Vertu.

Vertu, which was set up in 1998, designs and builds its luxury phones in

England. It has stores in cities including Paris, New York, Hong Kong and Tokyo, and sells phones in more than 50 countries.

Mr Savelli questions why, given that 1.8bn smart phones were sold globally in 2013, Swatch, Richemont, Cartier or even Samsung have not followed in Vertu's footsteps, leaving it to lesser-known brands such as watchmaker Ulysse Nardin's Chairman and Le Million, a solid gold mobile phone by Goldvish.

Peter Ashall, who co-founded Vertu with Frank Nuovo in 1997, joined the Savelli board three years ago. He says the brand appealed to him primarily

because of the jewellery approach. "There's a fine line between extraordinarily well done and blingy, and it takes great finesse to do something like this well," he says, adding that the design of the product has been well received.

But in the US, sales of exclusive luxury smart phones have floundered. Even Vertu, the market leader, has seen lower levels of market penetration. "The US is not really on our radar," says Mr Savelli, adding that the brand is targeting China and Hong Kong.

Jason Campbell, a US-based commentator who describes himself as a "wardrobe therapist for

high net-worth individuals", says a retail price of \$10,000 - \$25,000 is acceptable to his clients. "Something fun and handheld at this price would enjoy resonance," he says.

He adds that his mostly "prudent" US clients might be fearful of losing a more expensive piece and that there could even be a level of embarrassment attached to having spent up to £145,000 on a phone.

The solution to losing a phone? "Buy another one," quips its creator.

But he adds that a large part of Vertu's turnover is based on returning customers, and hopes Savelli can follow suit.

**'There's a fine line between extraordinarily well done and blingy'**

Wearable items are helping homeware groups to reinvent themselves, writes *Rachel Felder*

## From table to trinket – top brands downsize

Luxury tableware brands such as Lalique and Baccarat are focusing on products other than champagne flutes and paperweights. Recently, such heritage names have introduced fine jewellery lines – and with much higher price tags than might be expected.

By offering premium jewellery, they hope to broaden their appeal to a younger generation and attract new business.

"Our objective is to start attracting a completely younger, new audience – a smart, well-travelled customer that appreciates design and craftsmanship," says Maz Zouhairi, president and chief executive of Lalique North America.

Lalique has sold mid-market, colourful crystal jewellery such as heart-shaped pendants for years. But the company says the introduction of fine jewellery two years ago has helped double jewellery sales, although it will not disclose figures. The brand says total jewellery sales now make up 15 per cent of its North American business, and jewellery sales are on track to make up a fifth of the brand's overall North American business by the end of next year.

Lalique's precious pieces are ornate

and delicate rather than bright and bold, and priced as investments. A Vesta Haute Joaillerie necklace, for example, with 2,672 small pavé diamonds, costs £435,800, while its companion bracelet, with precisely set diamond detailing suggesting feathers decorating the wearer's arm, is priced at £88,000.

Lalique's focus on fine jewellery has led to an overhaul of its boutiques in some markets.

In June, it opened a Paris store on Rue de la Paix, which does not sell its core tableware products. Instead, the focus is on jewellery, with fragrances and scented candles added to the mix.

Meanwhile, in the US, Lalique's recent store openings in Las Vegas and Bal Harbour, Florida give jewellery equal billing with tableware, with boutiques elsewhere in the US undergoing similar renovations in the next 12 months. "When you walk into the store now, you're not just seeing vases and bowls," says Mr Zouhairi. "You're seeing a brand that, although inspired by art nouveau and art deco, is presented in a contemporary and fashionable way."

Baccarat, meanwhile, has added more precious metals, such as gold and silver, to its crystal-based jewellery lines, which range in price from

£265 to £2,665. Its jewellery business made up 9.3 per cent of its €149.3m net turnover in 2013.

This month it introduces its Louxor collection, including a limited-edition, collar necklace with large diamond-cut crimson crystals set in silver, which is priced at £20,000.

Baccarat aims to increase jewellery's share of its global sales to 20 per cent within four years.

"It's a way for us to open the door to new customers," says Dominique Delale, Baccarat's vice-president of jewellery and accessories. "They will enter the brand through those products – it's like an initiation. These activities are strategic to us, [giving] us some exposure and a way to enlarge our customer base."

But it is not only crystal purveyors who have found fine jewellery an appealing prospect.

Christoffe, the high-end silversmiths, has also seen an uptick in jewellery sales, recently adding casual leather bracelets with silver hardware to an extensive assortment that

includes chunky rings and fluid necklaces made of tiny silver pieces. Bernardaud, the French porcelain maker, has added to its ceramic range of jewellery.

Wearable accessories help to break customers' preconceptions of established brands as formal and fusty, and brands have taken this into account, creating pieces that appeal to young women.

"I want the jewellery lines to be a little bit more fashionable instead of timeless," says Stéphane Parmentier, creative director of Christoffe, who has worked with an international team of designers on its new collection, launched this month. "In the past, it was a little bit too 'Frenchy-Frenchy'."

The connection between jewellery and home items might seem unlikely, but experts say that it is a logical move.

"For a brand such as Lalique, entering the jewellery business is a natural progression, because it gives the opportunity to utilise brand recognition, the heritage it's built, the quality and the value the brand stands for," says Marshall Cohen, chief industry analyst of NPD Group, a market research company.

"Why not be able to take the



Lalique luxury: Vesta Haute Joaillerie necklace (left) from the brand's current collection; 1901 art nouveau brooch in gold and pearl (right); undated 20th-century fish hat pin in gold (below right)



**'When you walk into the store now, you're not just seeing vases and bowls'**

## Heritage names buy back their histories

### Design

Archive collections are an investment for brands, writes *Camilla Apcar*

How do fine jewellery houses prove status and prowess? Increasingly, many are investing in heritage collections – archives of important jewels from past decades.

But the business strategies for acquiring and displaying those collections are as varied as the pieces they contain, and some remain entirely private.

Cartier owns one of the largest, oldest and most public collections. In 1983 the French jeweller started to accumulate antique pieces to be made available for cultural institutions to organise their own public exhibitions. The collection consists of about 1,500 pieces, divided between jewellery, clocks, watchmaking, objects and accessories.

In that time the collection has been the sole subject of 27 exhibitions internationally, the latest at Shanghai's Power Station of Art. "We don't impose anything. [Curators] select their own pieces within our

collection to create an exhibition," says Pierre Rainero, head of style, design and heritage at Cartier.

The jeweller seeks examples of a particular period or creative expression, with some sold on if a superior example is found. "The plan is to enrich it all the time, but we don't have a budget – it's a question of opportunity," says Mr Rainero.

Fabergé is another brand attending to its heritage, but with a different approach. Having acquired the worldwide rights to the Fabergé name from Unilever in 2007 (previously used on products such as household cleaner and Barbie dolls), restoring the jeweller's brand and its association with pre-revolutionary Russia is a priority, says Sean Gilbertson, executive director.

But Fabergé does not own its heritage pieces. Instead, it borrows from private collectors and institutions such as the Royal Collection in London, sourcing items on consignment or loan for its own occasional exhibitions through a brand "heritage council".

"What's the difference between whether we physically own the pieces, or whether we are able to advance the cultural understanding of Fabergé, [and] get involved with



Cartier collection: brooch (above) and ear clips (below)



some of the projects that do put on these exhibits," asks Mr Gilbertson.

Fabergé says its strategy is already boosting contemporary sales, and, although Mr Gilbertson will not give figures, he describes the impact of these exhibitions as "significant". The house does not have plans to assemble its own heritage collection, nor does it have any to create an own-brand museum, though Mr Gilbertson believes Bulgari's opening of Domus in Rome (see panel, right) will spark a trend among other jewellers.

**'We do not have a budget – it is a question of opportunity'**

Chaumet, the French house, has a broader purpose with its collection. "[It] has a triple vocation: to be a source of inspiration for contemporary creations; to act as a renowned reference for the authentication of antique jewellery; and more generally, for French history of art," says Béatrice de Plinval, curator of museum and archives.

Ms de Plinval has since 1980 worked on buying back antique pieces, which are not easy to find, she says. "For many years, the production was very selective."

The 350-piece collection is open only occasionally to the public. Chaumet lends to other institutions as well as organising public exhibitions, held most frequently at its Hong Kong and Paris salons.

Other heritage collections are more private. Boucheron and Van Cleef & Arpels, for example, have collections used solely for the private purposes of the house and to inspire contemporary creations.

Others, such as Chanel, have smaller scale strategies. The brand's commercial fine jewellery output is comparatively young at just 21 years old.

Coco Chanel designed one jewellery collection in 1932 and items are bought when pieces appear on the market, but progress is slow.

However, that collection is still of use to the brand. "It gives us the freedom to create what we want," says Benjamin Comar, international jewellery director at Chanel Fine Jewellery.

"I hope that the pieces we are creating now will be the legacy of Chanel in the future."

### Retail in Rome

## Past treasures at Domus

One of Bulgari's latest marketing ventures opened above its Rome boutique in July, writes *Giulia Segreti*.

Domus occupies a two-room, 100 sq m space – part salon, part brand exhibition area – and is intended to be where "the visitor will... understand what the key milestones of the brand history have been", according to Jean-Christophe Babin, chief executive.

The space will be a "natural extension of the boutique", and will also be employed for private sales and training.

Bulgari did not disclose how much it has spent on the project, but says that the space is intended to complement its efforts elsewhere in the world to promote its heritage, including events and exhibitions at its London boutique.

"It's important because we have a lot of markets where the tradition of jewellery is recent," says Mr Babin. "What has to be explained is not only the craft of jewellery, but also what is behind the name."

Domus's first exhibition, the Magnificence of the Italian Jeweller, will run until



On display: Bulgari jewels

October, and showcases more than 40 pieces from private collections and the company's heritage collection.

Other exhibitions are planned, and the pieces on show will change to highlight different eras and styles. The next exhibition, Hollywood on the Tiber, will focus on the period in the 1950s and 1960s when Rome served as a location for international filmmaking. It runs until January.

Domus has been designed to recall the homes of wealthy families in ancient Rome and the earthy tones of the city. "The past has always helped us; we have always taken inspiration from it," says Nicola Bulgari, vice-chairman and grandson of Sotirio, Bulgari's founder.



# On-the-road valuations cast new light on old treasures

*Helen Barrett* rummages through private collections with Bonhams' head of fine jewels

The sleek, shell-pink presentation box is retrieved from a supermarket carrier bag and placed on the table.

Its owner snaps open the box to reveal a strange assortment – fine old pearls, bright coral and gold beads, diamonds and emeralds – fashioned into mismatched pieces: a brooch, a tiny pair of earrings, a choker.

The milky sheen of the pearls and clear white of the diamonds suggest fine quality but the designs are distinctly ordinary.

"I spoil it," the owner says with a sigh, as she slumps back in her chair. "I realise that now."

She has brought her jewellery collection to a satellite branch of Bonhams, the auctioneers, in Guildford, a town 30 miles southwest of London, to have her pieces valued by Jean Ghika, one of the world's leading experts in fine jewellery.

Ms Ghika, Bonhams' head of jewellery for the UK and Europe, is based in the auctioneer's saleroom in London's Bond Street where she oversees international sales of fine jewellery. Her most recent sale in April saw her auction \$7.5m worth of rare diamonds, coloured stones and natural pearls.

But she also tours the UK and Europe giving "valuation days" – an appointment service where members of the public line up to have their private collections valued without obligation. The format is reminiscent of *Antiques Roadshow*, but without the gawping crowds.

One such valuation day has brought the dispirited jewellery owner to Guildford. The contents of her box, she explains, were once a single bracelet. "But it wouldn't fit my wrist, so I had it made into lots of items."

She describes the original art deco design, bought in Paris in the 1930s and inherited from her French mother-in-law. It featured a jewelled clasp set in rock crystal and was strung with nine straight rows of pearls.

"Is that the maker's mark?" Ms Ghika asks, pointing to the lettering inside the box. She reads it, then draws breath.

The now-dismantled bracelet,

Ms Ghika explains, was designed by René Boivin, who made "stylish, fashion couture jewellery – like Schiaparelli [the Italian fashion designer]" in the 1920s and 1930s.

"In the past 10 – 15 years it has become incredibly collectable," she says. But the damage has been done. Not even a photograph of the original survives.

Ms Ghika inspects each of the pieces with a magnifying eyepiece before offering her verdict. At auction, the box's contents would fetch between £1,200 and £1,500.

And if the original bracelet had been intact? "It would be about £20,000," she says, in a carefully neutral tone.

The owner is mortified, but Ms Ghika is sympathetic: "That's the problem with inherited jewellery," she says as the box is packed away. "We lead lives different from your mother-in-law's generation. And at least you can wear them now."

Ms Ghika has four more valuation appointments this morning. She is expecting "very pretty period jewellery – often things inherited. Late 19th and early 20th-century jewellery is quite typical."

For Bonhams, sending a leading expert to one of its regional offices is an exercise in long-term relationship-building rather than instant sales and profits. "People ask me when is a good time to sell and what the market is like," Ms Ghika says.

"They may not choose to sell at that point, but they may down the line. And they may ask us to alert them if the market sees an increase for their item."

Three types of jewellery are in demand at auction, she says. Most collectable is period jewellery from the first quarter of the 20th century: "the big names – Cartier, Van Cleef, Boucheron."

Next, come natural pearls: "So desirable – the market has gone up and up, and that's been a result of over-fishing, pollution. There just isn't the supply."

And jewellery from the 1960s and 1970s is fashionable she says. "We have seen a huge upsurge because the supply is finite."

**Details:** Jean Ghika inspects a charm bracelet from a private collection (above); a pearl and gold necklace by Goldsmiths & Silversmiths Company (below); Jean Ghika (right).

Charlie Bibby



Another client proves Ms Ghika's point. Her first item is a large 1970s bracelet by Hermès with a buckle-shaped clasp, signed and in its original box. It is silver, but no matter – because of its provenance and style, the bracelet could fetch up to £1,200. A similar estimate is given to a gem-set and pearl brooch created by an anonymous jeweller.

"But [the Hermès bracelet] is great because of the scale," says Ms Ghika. "It's a really chunky one and that's the most desirable. It's signed, and we're seeing prices rise sharply."

Another client arrives clutching a nylon shopping bag, from which she retrieves handfuls of Victorian leather jewellery boxes. They open in ingenious ways, with hinges and levers revealing secret compartments.

The pieces inside form a substantial family collection of late 19th-century fine jewellery. Ms Ghika's table is littered with bracelets set with rows of white diamonds, delicate bar and spray diamond brooches and graceful, gem-set collars.

Fresh from storage in a bank vault, many of the pieces "have not seen the light of day in my lifetime, and I'm hitting 80", the client says.

Ms Ghika picks up a delicate pearl and gold collar embellished with star and moon motifs. It bears the mark of the Goldsmiths & Silversmiths Company, precursors to Garrard & Co.

"In this period you didn't have jewellery signed by makers in the way that you do now. But it's weighty and great quality," she says. Her estimate is between £4,000 and £5,000.

More fine pieces emerge: a chrysoberyl necklace in the shape of a serpent, garnet-encrusted bangles and a bracelet with a diamond and pearl crest motif intended to be converted into a brooch.

Clients arrive and leave throughout the morning, carrying everything from

paste costume pieces to dazzling fine family collections. The pieces are covered in bubble wrap, tea towels and newspaper. One client presents not a piece of jewellery but an ancient-looking, spoon-shaped metal item of unknown provenance – the only time Ms Ghika is stumped.

When the session is over, she tots up the value of all the pieces that have passed across the table.

More than £30,000 worth of jewellery has been valued, about £10,000-worth of which will be auctioned.

But regardless of values, her regional tours, Ms Ghika says, always bring revelations.

"People know what they have, but they don't understand the context in the marketplace – that's what's exciting."

[www.bonhams.com/valuation\\_events](http://www.bonhams.com/valuation_events)



## Second life for family diamonds as demand increases for bespoke designs by skilled jewellers

Jewellery collectors seek out fine vintage pieces, but not necessarily because they long for a period look.

Many want the fine gems and metals within to refigure into bespoke, modern designs with the help of experts. Others ask jewellers to rework old family jewels in the same way – and some are making valuable discoveries in the process.

Yana Zaikin, founder and artistic director at London-based jeweller Emily H, cites a recent example when a gem collector client brought her a Victorian brooch studded with three scuffed emeralds. The old piece became a set of bespoke jewellery with a six-figure value, though neither client nor designer would have believed it at the time.

The client suspected the emeralds might be valuable, but as Ms Zaikin says: "You would not have known it from the brooch, as the workmanship was not great and the emeralds were scratched and not cut symmetrically."

Ms Zaikin sent the stones for certification in a laboratory. "They were Colombian emeralds, with a hue unlike anything else. After cutting and repolishing, the biggest emerald was about 17 carats and the two others were 10.5 and 10.6." The largest emerald alone was worth more than £30,000.

Elsewhere, women are repurposing family diamonds into modern engagement rings.

According to Nicole Carosella, who co-founded Sorellina, a New York-based jeweller in 2011, demand is rising, partly because such commissions are cheaper than opting for new diamond creations.

"I love it when a client brings me her mother's or grandmother's diamonds and I can design a ring that suits her personality," Ms Carosella says.

Sorellina's Hail Storm ring, a one-off design, was fashioned this way, taking Ms Carosella's grandmother's jewels, then creating flower petals in platinum and recycled gold studded with old diamonds of different cuts: single, full and old mine cuts.

"Each of the cuts reflects light differently to create more dimension and different types of sparkle," Ms Carosella says.

Repurposed jewellery can be cheaper than new pieces, but craftsmanship still costs. For example, Sorellina's Puccini necklace, also made from vintage and modern materials, is priced at \$26,000.

A new lease of life can mean costly repairs or replacements, even for early 20th-century pieces.

Nicholas Luchsinger, international retail department director at Van Cleef & Arpels, says it is "quite common" for clients to request the recreation of a partner for a lost earring or refashion a piece to fit a new owner, with prices varying according to the style, setting and complication of design.

However, he says: "Our workshop has barely changed since 1906 and we have excellent archives. You will not see the difference between the old and the new."

**Simoney Kyriakou**



**New look: Sorellina's Hail Storm ring**



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