



Vin Lee

EDITORS' NOTE Vin Lee has held his current post since January of 2000. He is also the Founder of Cinemagic Marquee, and Chief Executive Officer and Partner for The Boble Company. Lee attended the University of Michigan.

COMPANY BRIEF Grand Metropolitan (*grandmetropolitan.com*) is a privately held American multinational luxury goods holding company founded in Beverly Hills, California in 2000. The group controls a portfolio of 120 brands that have conducted over \$200 billion in revenue collectively since their founding.

Would you highlight Grand Metropolitan's subsidiaries and their market leadership?

Currently, Grand Metropolitan operates in seven different industries with 120 subsidiary brands in its portfolio.

Today, Heilig-Meyers Furniture owns and operates several of the leading furniture retail brands in the United States dating back to 1858, and collectively achieved \$100 billion in revenue in the last century. By 2000, the group represented Thomasville, Drexel Heritage, and Pearson, among others in over 3,000 stores with \$5 billion in annual revenue. In addition to our group of 50 retail and consumer brands, Heilig-Meyers Furniture also participates in home furnishings. Our Rodeo Collection manages approximately 100 pieces of fine art from such noted artists as Klimt, Picasso, Rembrandt, and Rodin.

Finlay Enterprises is one of the largest privately held jewelry groups in North America. Finlay operated France's largest leased jewelry operations since its 1994 acquisition of Société Nouvelle d'Achat de Bijouterie (Sonab), which included 104 locations in leading French stores. Prior to a 2010 bankruptcy, Carlyle & Co., J.E. Caldwell & Co., Park Promenade, and Congress independent fine jewelers were added to the operation. At the turn of the century, Bailey Banks & Biddle was commissioned by the U.S. Government to update the Great Seal of the United States; its design today remains the official version of the seal. The company also designed and made many of the military medals that are still used today.

A Luxury Brand Leader

An Interview with Vin Lee,
Chairman and Chief Executive Officer, Grand Metropolitan

Bailey, Banks & Biddle was the jewel of the fine jewelry group in the Finlay Enterprises operation at the time of bankruptcy. It was sold off to investors. We began buying stock in then publicly traded Finlay Enterprises, the original holding company of Finlay Fine Jewelers in 2005. Finlay management soon borrowed \$500 million from GE Capital using \$200 million to acquire the fine jewelry group from Zales Corporation. This overextension coupled with the economic downturn bankrupted the parent company. We ultimately acquired the Finlay Enterprises brand and have assembled over 50 legacy jewelers under that banner. Today, we operate dozens of national and regional brands.

IMASCO Ltd. was formed to hold Grand Metropolitan's liquor and tobacco assets. St. Aubin du Cormier Vin & Spirit is the Group's liquor collection available only at select private clubs and events. United Cigar Stores was the largest chain of cigar stores in the United States and the e-commerce subsidiary of IMASCO Ltd., which services over 1,500 tobacconists both wholesale and retail, and direct to American clients. The company also operates the largest network of social clubs. We are active in charity auctions, celebrity events, and red carpet functions. In addition, Grand Met brands have hosted and sponsored events with NASCAR and Formula 1, among others. In early 2006, Grand Metropolitan added iHumidor, part of a \$30-million portfolio, to its operations. Assets also include Cigar Club News, Cigar Registry, and Cigar Finder as consumers are relying more on technology to improve their experience. Portfolio brands in both retail and social clubs participate in most of the top 100 markets in the world.

French fashion house Orcofi, originally founded by Louis Vuitton family patriarch Henry Racamier in the late 1800s, has earned an international reputation for luxury goods products. Early in its history, the original holding company joined Paribas and L'Oréal in buying the Lanvin fashion house. Between 1989 and 1991, Orcofi acquired leather conglomerate Andrelux Industries, French trunk maker Moynat, the luxury grocer Hédiard, Cristalleries Daum, Philippe Model, signature ready-to-wear Ines de la Fressange, and Lanvin. Racamier later sold Orcofi to AXA S.A. AXA sold Orcofi's Orcanta to François-Henri Pinault's Pinault-Printemps-Redoute. Founded in 1995, the exclusive boutiques sold for \$42.5 million. In 2006, PPR sold Orcanta to Groupe Chantelle. They started another series of acquisitions. L'Oréal purchased 50 percent of the House of Lanvin from Lanvin in 1996. Lanvin was later acquired from L'Oreal by Taiwanese

media magnate Shaw-Lan Wang in 2001. Gordon-Choisy was initially sold to LVMH and then to Hermes International. Luxembourg-based luxury holding company Luvanis SA bought the rights to Moynat in 2009. In a twist of irony, Groupe Arnault, LVMH's CEO Bernard Arnault's holding company, bought Moynat in 2010, relaunching the brand in 2011. Qatar Luxury Group, owners of QELA, announced the acquisition of a controlling share of Le Tanneur & Cie in 2011. Cristalleries Daum is now part of Financiere Saint-Germain, parent company of Lalique and Haviland Porcelain Works. In 2013, Grand Metropolitan acquired Orcofi and is reassembling a collection of global luxury brands to be offered through the Bonwit Teller & Company platform.

What can consumers expect when you relaunch Bonwit Teller & Co. this year?

Started in 1895, Bonwit Teller has a complex history of ownership.

The company's flagship store was sold separately to Donald Trump. The flagship Manhattan location was demolished in 1980 to build the original Trump Tower and Bonwit's opened a new location at Fifth Avenue and 56th Street. Ultimately, Bonwit's only lasted a short time in its new location, before being closed in 1990. Bonwit's would be replaced by Galeries Lafayette.

Bonwit Teller, in conjunction with the opening of the "Fantastic Art, Dada, Surrealism" exhibit at the Museum of Modern Art, had commissioned a series of windows by Surrealist artists. Who better to contribute than Salvador Dali, exemplar of the movement, creator of the ubiquitous melting clocks, and the man who said, "I myself am surrealism"?

Bonwit did retain a role in the development of fashion and design, most notably helping to launch the career of Calvin Klein. This connection to fashion royalty inspired us to acquire French fashion house Orcofi, recreating its portfolio of iconic brands including Andrelux, Lorenzo, Collaert, Bohata et Cie, and Acanta. We would also add banners like Morty Sills, John Phillips London, Mitsuhiro Matsuda, and Wandalan.

Between 2005 and 2008, we began negotiations to acquire and relaunch the Bonwit Teller department store brand. It would serve to be the retail showcase for all Grand Metropolitan consumer luxury goods. With the new economy, Bonwit's will be rechristened with offerings found in Qatar Holdings' Harrods, Russia's Gum, and Orcofi's (Luxador) Hediards. We have been approached by many luxury brand partners from Lalique to Lamborghini. ●