

Faberge's Brand Value Could Top \$1Bln in 3 Years

By [The Moscow Times](#)

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JOHANNESBURG — Brian Gilbertson, former head of BHP Billiton and investor in Faberge, expects the value of the Russian jewelry brand to jump sixfold to exceed \$1 billion in about three years, with "relatively little" investment.

Gilbertson's Pallinghurst Resources, part of a group that acquired Faberge in 2007, has spent about \$60 million developing the brand, the entrepreneur said in an interview in Johannesburg on Monday. Pallinghurst values its 49 percent stake at \$86.6 million, which would make Faberge worth \$173 million.

"In two or three years' time, we will have delivered the kind of value that luxury brands are worth, with relatively little expenditure," said Gilbertson, chairman of Guernsey-based Pallinghurst. "Luxury brands with great names are worth billions — I can't think of one that's below a billion."

Gilbertson has introduced two Faberge collections since August 2009, including jewelry items of as much as \$7 million each, and opened a shop in Geneva. Founded in St. Petersburg in 1842 by Gustav Faberge, a goldsmith of French descent, the House of Faberge became Russia's largest and most prestigious jewelry maker under his son, Carl, who took over the business in 1872.

"The value of this brand has increased dramatically," Pallinghurst chief executive Arne Frandsen told investors in Johannesburg on Monday. "Coming into 2011, we're now seeing our best performing months," he said.

The difference between the amount of investment in Faberge and its potential value gives the brand the most potential among Pallinghurst's businesses, Gilbertson said. Pallinghurst also invests in platinum, gemstones, iron ore and manganese in southern Africa and Australia.

Gilbertson, who stepped down as BHP's chief executive in 2003, set up Pallinghurst in 2007 with son Sean to revive Faberge and invest in mines. The 67-year-old was also president of SUAL Group before it merged with RusAl.

Pallinghurst is considering an Australian coking-coal "opportunity" that may involve an acquisition, Gilbertson also said yesterday, without elaborating.

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