



CÍRCULO
ESPAÑOL
DEL LUJO
FORTUNY

Major Spanish luxury companies unite to promote, protect and enhance the image and recognition of the sector

Loewe, Numanthia, Lladró, Carrera y Carrera, Natura Bissé, Pagos Marqués de Griñón, La Amarilla de Ronda (LA Organic) and Sotogrande are the founding member companies of the Círculo Español del Lujo Fortuny (name of the organization)

Madrid, June 8, 2011 - The Casino of Madrid hosted today the official launch of the **Círculo Español del Lujo Fortuny**, an association founded by a group of companies in the luxury sector: **Loewe, Numanthia, Lladró, Carrera y Carrera, Natura Bissé, Pagos Marqués de Griñón, La Amarilla de Ronda (LA Organic) and Sotogrande.**

Círculo Fortuny's main objectives are: to **promote and protect the luxury sector as part of the Cultural and Creative industries, at both national and international level**, acting as spokesperson of the Spanish brands in this sector. In addition it will **enhance the image of high end Spanish brands' products and services abroad**, and to **represent and defend the specificity of this sector as a key driver for the Spanish economy**, by promoting training and sharing experience and common knowledge among its members.

During the presentation of the association to the media, Mr. **Carlos Falcó** – Marques de Griñón –, Executive President of the Círculo, and Mr. **Enrique Loewe**, Honorary President, emphasized the **social aspect** of the luxury sector in Spain and the importance of its role as a **key driver of economic growth** in the XXI century. "The luxury sector - which values handmade manufacturing and guarantees excellence in craftsmanship - is particularly resistant to economic downfalls, and will therefore be a key element for the economic recovery," said **Carlos Falcó** during the event. Ms. Almudena Arpón de Mendivil, partner at Gómez Acebo & Pombo, was appointed general secretary of the Círculo.

Currently, the **luxury sector's contribution to the Spanish economy** is highly significant yet poorly recognized. Luxury products are characterized by - among other things - **fostering tradition and craftsmanship**, while modernising and innovating production. Thanks to the **creativity** of this sector, its **foundation in culture** and the **meticulous standards of their distribution channels**, the **industry employs around 800,000 people in Europe** with sales volume of approximately 136 000 million euros. In Spain, despite a slower recovery compared to other countries, the sector shows strong signs of improvement thanks to purchases by tourists on the one hand, and to high levels of exports, on the other. Therefore enabling the companies of Círculo Fortuny to benefit from the economic recovery of other countries (or the maintenance of activities in countries which were not affected by the crisis) avoiding thus restructurings that have taken place in other sectors. Barcelona and Madrid alone hold nearly two-thirds of Spanish high end consumption. It is important to highlight that the sector's products are manufactured in Europe regardless of whether they are destined for the internal market or third countries, which again allows the sector to maintain employment locally which is crucial for the Spanish economy and the

economy of neighbor countries. In brief, the dynamic of the sector shows it's resistance to the economic crisis. One figure that is particularly significant is the 8% expected global growth of this sector according to the survey Bain Altagamma Worldwide Markets Monitor 2011.

The European Commission Vice-President, Antonio Tajani, supports the launch of Circulo Fortuny: *"The European Cultural and Creative Industries of which the luxury goods sector is a key component, has shown sustainable growth through its on-going Creativity and Innovation. Luxury exports have continued to grow throughout the financial crisis and the sector is an example of European Cultural Excellence at its best. The creation of the Spanish Circulo is good news."*

Other interesting figures on the luxury sector are the ones by Spanish Citizens which were gathered through the survey by TNS Sofres¹, in Sep 2009:

- 70% believe that the luxury sector ensures the cultural influence of Europe throughout the world
- 52% believe that the luxury sector is a key driver for the maintenance of craftsmanship
- 61% say that the luxury sector has a very important role in securing employment in Europe
- 56% declare that the luxury sector is critical to ensure European and Spanish competitiveness worldwide.

This is the framework which has led the luxury companies to unite under the umbrella of this new association, to promote the benefits of their activities and to act as an intermediary with Spanish citizens and authorities. They will thus merge their efforts to generate synergies by sharing the principles of their business models as key drivers for employment in the country and as net exporters, which success is based on innovation and creativity. This strategic alliance is an important milestone for the luxury industry in Spain.

MEMBERS OF CIRCULO FORTUNY

Circulo Fortuny was created with the desire to welcome the brands that wish to be part of this association and that meet strict requirements for quality, excellence, creativity, identity, international orientation and selective distribution. Only brands whose candidacy is proposed by two or more members will be submitted to the admissions process to join the Circulo.

INTERNATIONAL PRESENCE

Circulo Fortuny is part of the European Cultural and Creative Industries Alliance (ECCIA), which is composed to this day of the three major associations of luxury companies in Europe, Comité Colbert (France), Fondazione Altagamma (Italy) and Walpole British Luxury (United Kingdom). This European association agrees that the luxury sector is one of the key drivers for sustainable growth and plays a particular role in the economy, competitiveness, creativity, innovation and employment. European brands account for approximately 75% of the global luxury market, and among the top 25 international companies in the sector, a total of 17 are based in the European Union.

HISTORY

¹ Survey done by TNS Sofres on 'The perception of Europeans on Luxury Industry', September 2009.

Círculo Fortuny was in fact created two years ago to defend the common position of the Spanish luxury sector versus the regulatory reform of Selective Distribution that the European Commission initiated then. The first meeting was held on 23 December 2009 and, for the first time, companies in the industry in Spain joined their interests, particularly regarding the relevance of selective distribution, to protect the value of their brands, image and quality of their products. The activities of the Círculo which took place at both European and Spanish level were successfully concluded with the adoption of the new regulation, which recognized the specificity of the luxury sector in selective distribution, on 20 April, 2010. The success of these first steps are what led to the formalization of the Círculo, which has now a solid legal structure to offer to its new members who want to join in on this project.

FOR MORE INFORMATION

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