


# THE SWISS WATCH MYSTERY MAN

BY JOE THOMPSON



*Miguel Rodriguez is a man to keep an eye on, if you can find him. The ultra-secretive Spaniard is the most powerful watch mogul you've never heard of.*



In the fall of 2003, wrapping up a busy week in Switzerland's famed Vallée de Joux, I stopped for lunch at the Hotel de la Truite overlooking Lac de Joux. The hotel is in the village of Le Pont, located at the northern point of the lake, next to L'Abbaye, where Montres Breguet is headquartered. As I passed through the rustic bar area toward the restaurant, I heard someone call out "Hola!" in a deep baritone voice. I recognized the voice instantly. I turned around and there was the watch king of Spain, Miguel Rodriguez, owner of the European quartz-watch powerhouse Festina and other brands, nestled in a corner table, surrounded by his ever-present posse and smoke from his ever-present cigarette.

I was astonished to see him. Rodriguez sightings are rare, particularly in daylight. But I was especially astonished to see him in the Vallée de Joux. "Miguel," I blurted out, "what are you doing here?" We both knew the question was rhetorical. Rodriguez keeps his cards close to his vest, especially around journalists, a life form he ranks somewhere below pickpockets. He smiled a Cheshire Cat smile. "Are you here to buy Breguet from Mr. Hayek?" I kidded, referring to the billionaire chairman of the Swatch Group, which owns Breguet. Laughter was the answer.

We spoke briefly, through one of his team who spontaneously translated. Rodriguez speaks no English; I speak no Spanish. Then he and his gang headed out and I went in for my blue trout lunch. But I knew something was up. The road from Bienne, where Rodriguez's Candino brand is based, to Barcelona, where Rodriguez lives and works, does not pass through Le Pont. What, I wondered, was the man who is the world's largest buyer

of Citizen Miyota quartz movements, doing in the cradle of Switzerland's high horology, home to, besides Breguet, Jaeger-LeCoultre, Audemars Piguet, Blancpain, Daniel Roth and other prestigious mechanical watch marques?

The answer is that he was adding a major new mechanical-watch wing to his quartz-watch empire. Within weeks, Rodriguez quietly — he does everything quietly — acquired DTH S.A. (Dubois Technique Horlogère), a producer of mechanical parts and movements in Le Sentier, the home town of Jaeger-LeCoultre. “I saw that mechanical components were not available to everybody and I wanted to break into that market,” he told me later. “DTH had the ability to make escapements.” His goal, he said, was to be able to build his own movement. “Escapements were the key.” Another part of DTH's appeal was that it had access to hairsprings, a key component of the escapement, through DTH's sister company, Astral Technologie Sàrl, located in Porrentruy, Switzerland. “The key to making your own movement,” Rodriguez says, “is the escapement and hairspring. Once you have them, the rest is easy.” (DTH recently was renamed MHVJ [Manufacture Horlogère Vallée de Joux]).

Since then, Rodriguez has quietly emerged as a new power in the mechanical watch and movement sector. In 2004, he acquired the Perrelet brand. With Perrelet and three dormant brands he already owned (L. Leroy, Joseph Chevalier, and Berney-Blondeau), he created Holding Hispano Helvetique de Haute Horlogerie, known as the H5 Groupe, based in Bienne. (The Hispano in the H5 name is a reference to Rodriguez's Spanish heritage and Barcelona headquarters.)

Last year he expanded his foothold in mechanical movement manufacturing. In August, Rodriguez's Festina Lotus Group took complete ownership (it had been a minority shareholder) of Switzerland's SFT Holding S.A. (Société Holding de Finances et de Technologie), the parent company of Soprod S.A. Soprod has two facilities. In Les Reussilles, it develops and makes modules for ETA-based mechanical movements. In Sion, the company (formerly called Intec S.A.) makes movement parts and performs what the Swiss call T0, T1, and T2, the pre-assembly and assembly of mechanical movements. It also produces quartz watch parts and finished, high-end quartz movements there. SFT has a third company, Imm Ineltec Sàrl in Maîche, France, which specializes in cutting and milling bridges and other small mechanical movement parts.

“The goal,” Rodriguez says, “is to build an industrial base.” The SFT/Soprod acquisition was a giant step toward that. Today Rodriguez has an impressive watch portfolio: He owns five companies that manufacture mechanical watch components and movements, which he has reorganized in a new holding company called H1 Holding (see sidebar). He will in the near future launch the group's first *manufacture* movement, using it to



Perrelet, acquired in 2004, marked Rodriguez's entrance into the haute horlogerie segment of the market.



## MOVIN' ON UP

In the past five years, Miguel Rodriguez has added two mechanical watch wings on his Barcelona-based Festina Lotus Group. The group now has three pillars:

### MID-RANGE WATCHES / FESTINA GROUP:

Festina  
Jaguar  
Candino  
Lotus  
Calypso

### HAUTE HORLOGERIE WATCHES / H5 GROUPE:

Perrelet  
L. Leroy\*  
\*Relaunch expected in 2010

### MECHANICAL MOVEMENT MANUFACTURING / H1 HOLDING:

MHVJ  
Astral  
Soprod Sion  
Soprod Les Reussilles  
Imm Immeltec

revive the L. Leroy brand, which will join Perrelet in the *haute horlogerie* segment. He will also supply mechanical parts and movements to third parties. Moreover, through Festina Lotus S.A. in Barcelona and Festina-Candino Watch Ltd. in Bienne, the group annually produces and distributes more than 4.5 million mid-priced watches under the Festina, Candino, Lotus, Jaguar and Calypso brands in markets around the globe. It also has an ultra-modern assembly plant in Herbetswil, Switzerland, where it makes Swiss movements and assembles Swiss watches, plus a factory in Cordoba, Spain, for manufacturing gold cases and bracelets. All told, Rodriguez's Festina Lotus Group employs 500 people and has annual revenues of more than 250 million euros (\$317 million).

So just who is Miguel Rodriguez and why have you never heard of him?

**THE ANSWER TO THE SECOND** question is easy. You've never heard of him because he studiously shuns the spotlight. Rodriguez is the Stealth watch executive, delighting in flying under the radar. (One example: he refused to sit for a photo shoot for this article. Instead, he provided the photograph shown here. Take it or leave it. Another example: a six-page history of Festina in the company press kit never mentions Rodriguez's name.)

The answer to the first question is more complex. Rodriguez is, as I described him in a 1998 profile, "your standard Spanish working-class, self-educated, ex-Communist-labor-organizer-turned-red-light-district-discount-watch retailer who got into watch wholesaling and wound up a millionaire workaholic with a professional cycling team, a professional basketball team, four kids, a Mercedes, and a yacht."

Eleven years on, he's divested the yacht, the Festina cycling team, and Barcelona's Festina Joventut basketball team. Having widened his watch horizons, Rodriguez spends his time these days developing his mechanical-watch business.

I first met Rodriguez in 1998. At the time, I was the editor of a U.S. watch trade magazine called *American Time*. He had just established a U.S. subsidiary to launch the Festina brand here. He hired a team of American executives and they wanted him to meet with me for an article on the brand and the man behind it. Rodriguez said no. He had never ever spoken to the press and had no desire to start. The Americans were insistent, however, so he agreed to go through with the ordeal. The head of Festina USA and I flew to Barcelona and met him and his export manager for dinner. Around midnight, we proceeded to the "Festina," his yacht in Barcelona harbor. He began talking about politics, a favorite subject — he is a former Marxist and remains a political leftist. He spoke in Spanish, with his export manager translating back and forth. He was, by his own assessment, rude, going on at length about his objections to U.S. foreign policy. We went back and forth on the subject for a long time. It was clear that he was a super-smart, passionate guy. Eventually I stopped him. "I didn't come all this way to talk politics," I said. We switched to watches, where he was even more interesting. The conversation went on until after 4:00 in the morning.

In the course of it, I learned about his amazing odyssey from



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being a card-carrying Communist to a credit-card carrying capitalist. He was, and remains, the unlikeliest watch mogul I've ever met.

Rodriguez was born into a poor family in southwestern Spain. From the beginning, he was a maverick. He was one of just three kids in his Catholic grammar school who were openly anti-Church and anti-Franco. At the age of 16, the family moved to Barcelona so his father could find work. By then Rodriguez was a closet Communist (the Communist Party was banned in Franco's Spain). A few years later, in 1968, seeking a freer political environment, he emigrated to Switzerland. He settled in Geneva and joined the Communist Party. He taught French to Spanish immigrants and took menial jobs. Within a year he had quit the Communist Party (the Commies turned out to be just as dogmatic as Franco) but continued to work for better conditions for immigrant workers. He liked Switzerland. He was poor, but he had been poor in Spain. In Switzerland, at least, he was free.

**HE VISITED BARCELONA, OF COURSE.** On a trip in 1977, a friend remarked that since Miguel lived in "the land of watches," perhaps he could get him a watch. Rodriguez knew Swiss watches weren't cheap, but he would see what he could do.

*Rodriguez has owned the Festina brand, distributed in 65 countries, since 1984.*



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Back in Geneva he went into a watch shop. The jeweler showed him a watch for 150 Swiss francs. Rodriguez explained that it was a gift for a friend and that he could only afford to pay 80 francs. The jeweler sold it to him.

When Rodriguez returned to Barcelona, his friend was away. But an acquaintance of some friends, a banker, saw the watch and offered to buy it. He asked the price. Rodriguez told him the peseta equivalent of 150 Swiss francs. Sold.

Rodriguez didn't realize it at the time, but he had found a new career. Two days later, the banker called him. "Can you get me more watches?" he asked. Rodriguez could. He took the long train ride to Geneva, saw the jeweler, and returned with 15 watches. The banker wanted more. For seven consecutive weekends, Rodriguez made the Geneva-to-Barcelona run. He sold 500 watches and made more money than he did in an entire year at his job mopping floors in a Geneva hospital.

*Rodriguez owns the Swiss brand Candino*



A few months later, Rodriguez opened a watch shop called “Discount” in the only area he could afford, Barcelona’s red-light district. The Geneva jeweler was the co-owner. Business boomed. For all his leftist leanings, Rodriguez turned out to be a terrific capitalist. He developed a clever, very profitable formula. He arranged to get a steady supply of digital watches, which were rare in Barcelona in those days. He drew crowds and beat the competition by selling Swiss mechanical watches at less than cost. The digitals, however, he sold at five times cost.

At one point, Rodriguez got a visit from a Swiss watch producer named Luciana Taifumier. Taifumier was having problems in the Spanish market so she called on Rodriguez (over the objections of the taxi driver who was reluctant to take a lady to the red-light district). Out of sheer sympathy, Rodriguez bought 10 Lotus watches from her. (Lotus was one of the brands she owned.) They sold quickly, so Rodriguez bought more. Lotus sold so well that Rodriguez suggested to Taifumier that he become the Lotus distributor for Spain.

Rodriguez’s watch distribution sideline was so successful (he also distributed digital watches) that he gave up the retail shop. Lotus’s success gave him the means to acquire in 1984 a brand called Festina, founded in Switzerland in 1902. The Festina takeover was the turning point of Rodriguez’s life. Five years later, he acquired the Lotus and Jaguar brands from Taifumier. He went on to make Lotus and Festina the top two best-selling watch brands in Spain (in that order), and Festina one of the best-selling brands in Europe.

The former Communist had no trouble adjusting to his commercial success, as his sports teams, Mercedes and yacht (with four bedrooms, two Jacuzzis and a full-time captain) attested. Yet, Rodriguez did not develop nouveau riche airs. Sporting a green jacket and ascot on the yacht was not his style. His demeanor remained modest and informal; it’s one place you see traces of his leftist past. His standard business attire was jeans and a sports shirt long before Silicon Valley adopted it. He keeps rock-group hours. He and a few aides routinely work until 4 or 5 a.m. Sometimes, those close to him say, he does not sleep at all. If not talking business, he loves to talk for hours about politics, history and philosophy, all the while chain-smoking and sipping herbal tea or soda (he doesn’t drink alcohol).

Nor has he forgotten where he came from. At the 1995 Basel Fair, buyers looking for him on Monday, May 1, were surprised to learn that he had ditched the show to march with a local union in a May Day demonstration.

One postscript: My *American Time* article on Rodriguez appeared in the April 1998 issue. Rodriguez was astonished when at the Basel Fair that same month, top American watch buyers came to the Festina booth and asked to see him. Rodriguez was delighted with the development. But he roars with laughter when he recalls that he later discovered the real reason for the appointments: None of the Yanks had ever seen a real Communist and they wanted to meet one. ○

**RODRIGUEZ IS AN UNLIKELY WATCH MOGUL.  
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