

Business

Shattered china cup maker's recovery gets perfect finish

Deirdre Hipwell M&A correspondent

It was, according to one of the turn-around experts brought in to pick up the pieces, a company “shattered on every level and in every element”; but the owner of some of the world’s oldest fine china and crystal brands now has found a buyer for its unique collection of crockery. KPS Capital Partners has sold the parent of Wedgwood, Waterford Crystal, Royal Albert and Royal

Doulton to Fiskars for \$437 million in cash. WWRD’s new owner is a Finnish company named after the fishing village where it was founded as an ironworks in 1649. It has long since grown into a supplier of products for the home and garden in more than 60 countries, best known for its scissors and garden tools. It also has developed a taste for luxury brands, acquiring Royal Copenhagen, the Danish porcelain group, and Iittala, the Finnish



Wedgwood’s cup and saucers remain in demand among lovers of fine china

kitchenware maker, in recent years.

The sale is a coup for the New York-based KPS and its rebuilding strategy for WWRD, which collapsed six years ago, dealing a devastating financial blow to Tony O’Reilly, the former rugby international, former newspaper proprietor and former billionaire. The failure of Waterford Wedgwood, after restructuring attempts, cost him and Peter Goulandris, his brother-in-law, an estimated €440 million.

KPS bought Waterford Wedgwood out of administration in 2009 for €107 million and placed the brands in WWRD, a parent company taking its name from the initials of Waterford Wedgwood and Royal Doulton.

Under its control, KPS has brought in new management, built a centralised structure, introduced new manufacturing processes, repositioned the brands, introduced products and expanded into new markets, particularly in Asia.

Michael Psaros, a managing partner of

KPS, said that the changes had helped to save 3,800 jobs and had preserved the heritage of some of Europe’s most famous brands.

He said, too, that in his 20 years of buying and reviving failed businesses he had never had a more “complex” turnaround. “We are one of the world’s largest turnaround investors and we have never encountered a business that was as shattered on every level and in every element of running a business as this one,” he said. “Everyone said that it went into administration because of the financial crisis. That is not true. It did not fail because of the financial crisis — it was going to fail regardless.”

He said that Fiskars was the “perfect buyer” because it recognised the importance of heritage and tradition. KPS ran an auction, managed by Goldman Sachs, and said that private equity groups had been interested, but “we knew from the first meeting with Fiskars that they were going to buy this company. They are real gentlemen.”