

# europa star

WATCH AFICIONADO



WEB & IPAD SPECIAL

**PATEK PHILIPPE**  
**THE VOYAGES**  
**OF THE NAUTILUS**



**THREE-FOLD  
VERTICAL  
INTEGRATION**

[www.watch-aficionado.com](http://www.watch-aficionado.com)



# Romain Gauthier

THE EVOLUTION OF TRADITION



## LOGICAL ONE SECRET

The vision of Art by Romain Gauthier





## MR. UP AND MR. DOWN



► **Pierre M. Maillard**  
Editor-in-chief  
Europa Star

**E** Everyone has their ups and downs, the days when they are full of beans and those when they are at the end of their tether. So is the watchmaking industry up or down? .... Asked in this way, the question has no sense. Just as we are not all up or down at the same time, the watchmaking industry has brands that are up and those that are down. Trends that are down and technologies that are on the up. A global exhibition like BaselWorld is a snapshot for which everyone poses and, even if they are down on the inside, tries to look as if things are on the up. Nothing could be more normal or logical: even if you are really down, at the end of your tether and your power reserve is exhausted, it's not really the time to let yourself go, take your eye off the ball, to hide away or disappear under the carpet. No, being upbeat at this time of year is an obligation.

So you will understand the difficulties that we face as journalists. How do we drag the truth out of people, how can we find out more about the state of their "power reserve", how can we tell the difference between the true, the false and the approximate when it is all smiles and the noise of champagne corks popping? More than ever we need to go back over our information, compare, weigh up, evaluate, sort. We have to find out, here and there, that behind these flamboyant displays somebody may be on their last legs, that there is a silent battle being waged between shareholders behind this brilliant and harmonious smokescreen or, on the contrary, that somebody else, who has always kept a low profile, is at the height of their form and raring to go. A salon – we used to call it a "fair", which had a slightly popular and raffish side to it – is a vast stage on which actors parade, adorned and made up for the show. They have learned their lines, prepared their responses, committed their talking points to memory, rehearsed their performance: everything is ready, everything is "up"! We will take stock afterwards and that is when we will know who is up and who is down. Not



△ The power reserve of the Legacy Machine No. 1, created as a collaboration between MB&F and Chinese artist Xia Hang. The power reserve has been modified to allow Xia Hang's "comma man" (4mm high, in polished aluminium) to move from his arched position when the power reserve is low to his upright position when the watch is fully wound. By means of an invisible hinge, the head, shoulders, back and chest of Mr. Up (the name of the power reserve when it is fully wound) gradually lean towards the horizontal as the barrel unwinds: Mr. Up becomes Mr. Down.

forgetting all those (the majority, in fact) who are quite frankly neither up nor totally down. They are somewhere between the two, with some power reserve remaining. But will the energy they take on during BaselWorld be enough to allow them to raise their heads high? Or will a brand-new connected watch put them on a serious downer? Find out in the next issue of Europa Star international edition. ■

europa star

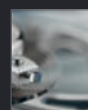
www.watch-aficionado.com



## NAUTILUS TRAVEL TIME CHRONOGRAPH by Patek Philippe

Brushed and polished stainless-steel case and integrated steel bracelet, dial with embossed horizontal relief, applied hour markers in white gold, date dial at 12 o'clock and 60-minute chronograph counter at 6 o'clock, day/night indications for home time and local time, central baton hour and minute hands for local time and a skeleton hour hand for home time, powered by the Patek Philippe calibre CH 28-250 S C FUS with patented Spiromax® balance spring in Silinvar® and 21-carat gold oscillating mass. Water resistant to 120 metres.

www.patek.com



## EDITORIAL

Mr Up and Mr Down

## RETROSPERSPECTIVE

Three-fold vertical integration



## LETTER FROM CHINA

China in 2013, a zone of turbulence

## COVER STORY

Patek Philippe – The voyages of the Nautilus



## SWATCH GROUP

Interview with François Thiébaud, CEO of Tissot  
The Swatch Group has all bases covered  
Glashütte Original at the Berlinale  
Stripping down the Sistem51  
Interview with Elmar Mock



## LVMH

Interview with Stéphane Linder, the new CEO of TAG Heuer  
TAG Heuer – the V4 Tourbillon... with belt drive!  
Blossoming Bulgari



## PRESTIGE

Gallery – Hermès, Dior  
The 2014 Chanel collection in tactical formation



## GRANDES MAISONS

Catching up with the extremely busy Michele Sofisti  
The very radical Neo-Tourbillon under Three Bridges by Girard-Perregaux  
When H. Moser & Cie goes wild  
DeWitt: Imperial in style and innovation  
Ulysse Nardin, the joys of manufacture  
Jacob&Co. celebrates new movement development partnership with the Astronomia Tourbillon  
The beginnings of the new Eterna  
Carl F. Bucherer: Assertive but measured expansion



# THREE - FOLD



## MID RANGE

Raymond Weil, the legacy of a unanimously respected gentleman

Frédérique Constant, manufacture for the masses

The discreet strength of Ernest Borel

Fossil – the antithesis of its name

Emile Chouriet: a new manufacture on the horizon?

Football to fuel Rotary's global expansion

Folli Follie – Creating and housing fashion



## INDEPENDENTS

Armand Nicolet – Traditional Swiss watchmaking meets Italian design

Auguste Reymond, the discreet brand with a beneficent edge

Gallery – Rudis Sylva & Manufacture Royal



## JAPAN

The Japanese race for absolute precision



## AMERICAN SPIRIT

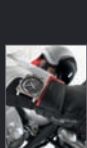
The home of industrialized watch production is back at it – in many forms



## NEWCOMERS

Beltonn watches, or the enigmatic Mr. Inthavanh

Barbour: from the waxed jacket to the wrist



## SPORT

Who is going to be a good sport?

Bell & Ross B-Rocket

## SERVICE, PLEASE!

Service experiences where the rubber meets the road – at the retail level (Part 1)

The customer's perspective – Ghita Ramdhiansing

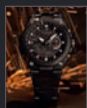


## WORLDWATCHWEB

Demand for Swiss luxury watches continues to grow

## LAKIN@LARGE

This could leave a bitter taste in your mouth



## ADVERTISER'S SPOTLIGHTS

CASIO – Twisted Trio

Electro-mechanical innovation from ORIENT

Read all articles on  
[www.watch-aficionado.com](http://www.watch-aficionado.com)



Subscribe to  
**Europa Star magazine**  
**International edition**

[www.europastar.com/subscribe](http://www.europastar.com/subscribe)

6 issues: CHF 140 per airmail delivery

**I**t is always easier to look back and analyse what happened last year than to look ahead and try to predict, even in the most cursory way, what will happen in the future. Nevertheless, each year we try to do this with our “retrospective”, to use this rather far-fetched term.

But before attempting this, we took a look at what was being said exactly a year ago and we note that the two main subjects that concerned industry observers at the time, the increasing domination of the major groups and their “advanced consolidation” on the one hand and the fate of the luxury industry in China on the other, were indeed the main things on people’s minds throughout 2013.

**If we take a closer look at the total Swiss watch industry export figures we see that the industry overall is performing much worse than the groups.**

If we look at some of the statements made in the spring of 2013, we can see that some of the predictions, which were relatively prudent, more or less came true. Thus, in March 2013, Nick Hayek said that “the Swatch Group has the potential to reach 9 billion in turnover in 2013 and 10 billion by 2014 or 2015”. And it almost did: in 2013, the Swatch Group generated 8.817 billion Swiss francs in turnover, an increase of 8.3 per cent on the year, whereas Nick Hayek had predicted “growth of 6 to 7 per cent in 2013”.

These are very good figures, especially since the group considerably increased its profitability, with a 20.2 per cent increase in net profit to almost 2 billion (1.928 billion Swiss francs) and an operating margin of 27.4 per cent – better than LVMH (21 per cent) and the same as Richemont (27 per cent for the first half of the year, with the group closing its accounts at the end of March – in the middle of BaselWorld). Having said this, the watchmaking and jewel-

lery division of the LVMH group performed worse than its rival, with turnover in this category of 2.784 billion euros, a reduction of 2 per cent, but a 12 per cent increase in profits (to 375 million euros in 2013 compared with 334 million in 2012).

If we take a closer look at the total Swiss watch industry export figures published at the end of January by the Federation of the Swiss Watchmaking Industry, we see that the industry overall is performing much worse than the groups. In 2013 we saw a measured increase of 1.9 per cent, or 400 million Swiss francs, to reach a total of 21.8 billion Swiss francs for 28.1 million units, a little over a million units

less. The immediate conclusion: Switzerland continues its headlong rush to export fewer watches, but ones that are more expensive! But we have to be careful with this analysis because it was actually in the mid-range segment, specifically in the category of watches with an export price (not a final retail price) of between 200 and 500 Swiss francs, where there was the biggest increase: +14.2 per cent in volume and +12.7 per cent in value. In the other categories, including the famous “watches over 3,000 Swiss francs” (a category that should one day be seriously reviewed, since it hides enormous differences covering watches for 3,000 Swiss francs and those at 100,000 Swiss francs) the increase was a lot less: +2.8 per cent in value. The same is true for the entry level (less than 200 Swiss francs), with a reduction in volume of 8.5 per cent, to 18.2 million units, which is a drop in the ocean compared with the billion watches produced in this category each year.

# VERTICAL INTEGRATION

So Switzerland's watchmaking industry seems to have restructured its offer slightly in 2013. This is undoubtedly due in large part to the substantial reduction in the Chinese market which, in 2013, imported "only" 1.446 billion Swiss francs' worth of watches, a drop of 12.5 per cent. Over the same period, Hong Kong, which remains the number one market for Swiss watches, recorded a drop of 5.6 per cent.

1	Hong Kong	4,125.0	-5.6%
2	USA	2,239.9	+2.4%
3	China	1,446.5	-12.5%
4	Germany	1,306.4	+9.0%
5	Italy	1,229.0	+4.6%
6	France	1,191.0	-9.6%
7	Japan	1,155.0	+5.7%
8	Singapore	1,135.5	+1.0%
9	United Kingdom	952.7	+18.2%
10	United Arab Emirates	934.1	+9.2%
11	South Korea	537.0	+11.4%
12	Taiwan	431.0	-1.1%
13	Spain	425.0	+1.7%
14	Saudi Arabia	352.4	+6.6%
15	Thailand	287.6	+4.7%

Source: FH

Looking at these figures we see that this timid refocusing on the mid range corresponds logically with the good health of the European markets, which showed renewed vigour, in particular the United Kingdom, with a surprising +18.2 per cent, Germany with +9 per cent, astonishingly in Italy, too, which increased 4.6 per cent despite the crisis it is in. In the European contingent, only France, with a reduction of 9.6 per cent, lets the side down.

This refocusing on the mid range (which is very good news for the overall health of the Swiss watchmaking industry) was corroborated by Nick Hayek who, when his group's figures were published, insisted that "if we are recording

**This refocusing on the mid range is very good news for the overall health of the Swiss watchmaking industry.**

such growth rates it is also thanks to brands such as Longines, Tissot and Swatch. We are not just a luxury group." (Read more about the Swatch Group in our article The Swatch Group has all bases covered).

The Swatch Group's ability to cover the entire spectrum of watchmaking, from the plastic watch (and not just any old plastic watch, since the Sistem51 is a marvel of engineering, cf. our article, Stripping down the Sistem51) to the traditional grand complication, gives it a foundation that shields it from structural or ad hoc corrections in the markets, like the one we are seeing in China. All the more so given that the group is also the main supplier to its competitors for movements and regulating organs.

With these different pillars, the Swatch Group therefore appears to be the most stable power in the industry, and also has a mountain of cash (estimated at 2.5 billion Swiss francs) and, it is said, a considerable stock of watches and movements (the equivalent of 433 days, according to the analysis of Exane BNP, quoted by Business Montres).

### CALM ON THE MOVEMENT FRONT

The situation regarding the supplies of movements and regulating organs, which was extremely tense last year, seems to have stabilised a little at the start of 2014. Several factors have contributed to this. Among them, the "final" agreement signed between the Swatch Group and the Swiss Competition Commission (COMCO) in October 2013, which obliges ETA to ensure continuity in deliveries to third parties until 2019, with a gradual reduction

against the 2009-2011 average that is fixed at 75 per cent for 2014/2015, 65 per cent for 2016/2017 and 55 per cent for 2018/2019. As for regulating organs, there is no question of a reduction in deliveries for the moment and this subject will have to be renegotiated.

But the situation has also calmed down a little because in parallel with this agreement a number of initiatives that were launched at the first signs of the Swatch Group's intentions are now reaching maturity. The likes of Sellita, Soprod, Dubois-Dépraz, La Joux-Perret, Technotime and others are gradually gaining strength and producing new and ever-more reliable movements (the majority of which are ETA-compatible, meaning that their size allows them to replace some of the most common ETA "tractors"). Other initiatives are also coming to light, but bringing a movement into mass production and strictly containing costs requires considerable investment (100 million Swiss francs is the general estimate). But we hope that these initiatives will continue to gain ground in parallel with the planned reduction in ETA deliveries.

Another reason for the relaxation is that the vertical integration of in-house movement production seen at several big brands is also reaching maturity, as is the case at TAG Heuer, which can now produce tens of thousands (up to 100,000) of its own chronograph movements autonomously.

**Even if the planned restriction in movement supply is manageable, it is above all the regularity of deliveries that is important.**

But on the other hand, as a number of independent brands have pointed out to us, even if the planned restriction in movement supply is manageable, it is above all the regularity of

deliveries that is important. And on this point, it is quite clear that ETA has a strong and effective means of pressure.

We must also not forget that some specific mechanical movements, such as the ETA 2671, a small self-winding ladies' movement that is 17.20mm in diameter, has no equivalent on the market. (We can therefore predict, without too much risk of error, that there will be a reduction in the number of small self-winding watches for ladies available on the market this year!).

### THE FIRST TWO TYPES OF VERTICAL INTEGRATION

After the vertical integration in production, which we have seen over the past ten years, we saw a second vertical integration in distribution, which is still under way, then a third vertical integration that we could call "vertical integration of communication".

Although the Swiss watchmaking industry still consists of a dense network of suppliers and sub-contractors that is indispensable to it (you only need to have a look around the small workshops in the Jura region to see all the components being produced for the most vertically integrated and most famous brands), these very brands are gradually taking full control of their own production.

In parallel with this vertical integration of production, distribution has also been gradually vertically integrated. It started with brands setting up their own subsidiaries around the world, which impacted on the "old" intermediary professions that are (or were) agent and distributor, then continued with the increasingly frenetic openings of monobrand stores, this time indirectly impacting on multi-brand retailers, and is now directly affecting retailers, for example with the take-over by the Swatch Group (them again) of the network of Rivoli Dubai, which operates no less than 360 stores in the Middle East and employs 1,500 people! This symbolically important take-over also has its strategic significance, when you consider the importance of the hyper-commercialised hubs of the Middle East for the Chinese customers passing through.

The consequences of this take-over – but this is just one example of a strong trend shared by other groups – were quickly felt by the "small" brands who were politely brushed aside.

Access to the market is therefore becoming increasingly difficult for the "small" independent brands. In this context, the general trend is for these brands to focus on regions where they have a strong position, to the detriment of a truly international presence.

### The current model of own-brand stores, a trend that has affected almost all watch brands, seems to be reaching its limits.

Having said this, the current model of own-brand stores, a trend that has affected almost all watch brands, seems to be reaching its limits and in recent months we have seen several closures, in particular in China (Omega and Cartier have been mentioned). In view of this it is hard to resist quoting the financial analyst Philippe Béchade's description of one of his recent trips to China: "There are a lot more of these malls and luxury shops (Louis Vuitton, Cartier, Gucci, Ferragamo, Zegna, Tiffany, Rolex, Blancpain, Omega...) than I expected, even in medium-sized cities (with a population of between two and four million). On the other hand, they are a lot less frequented than I thought they would be given the astonishing sales figures of LVMH and Hermès in Asia.

More worryingly, there were often much fewer Chinese at Cartier or Chanel than there are in Paris in the stores on the Champs Élysées or Avenue Montaigne.

When I say 'fewer', in reality it is a lot fewer! I covered thousands of square metres of shopping space – in at least six different cities during my trip – without seeing anybody. Everywhere, there are more sales staff than there are customers."

### "WATCHMAKERS ARE NOT RETAILERS"

Or "salesmen" to be precise. As Stéphane Linder, the new CEO of TAG Heuer told us recently (see

our interview TAG Heuer, "A precisely calculated move up range"), whose network of monobrand boutiques now totals 170: "Let's be clear: watchmakers are not – yet – retailers. This is a profession in itself. We do not want stores that are just images with products floating in them. We have to bring something more: watchmaking culture. But how do we do this?"

Retailer is definitely a profession in itself, one that requires not just highly specific knowledge but a robust address book and a serious local network of loyal customers.

This is undoubtedly one of the great obstacles that the watchmaking industry has to overcome in the short and medium term: training salespeople and watch repairers is an area that requires a lot of work, starting with the so-called "emerging" markets, where the culture of watchmaking is still rudimentary.

(But it is not just in the "emerging" markets. A recent anecdote told to us by a totally trustworthy source, involves the manageress of the Geneva store of a very high-end Swiss brand who, in answer to the question "Are there silicon components in this watch?" replied, "But sir, everything in this watch is in silicon"!!!)

On the very problematic subject of training we must welcome in passing the initiatives launched by the Fondation de la Haute Horlogerie, which has implemented a whole range of tools to help with this very necessary improvement in watchmaking culture.

### "Are there silicon components in this watch? But sir, everything in this watch is in silicon"!!!

### THE THIRD TYPE OF VERTICAL INTEGRATION: GRATUITOUS "INFOBESITY"

The third type of vertical integration is that of communication.

The appearance of new communications channels that allow watch brands to connect directly with their virtual customers (Facebook, Twitter and the like) has made people believe that "intermediaries" could be cast into oblivion in this field, too.



This movement, accompanied by an explosion in the number of websites, blogs and forums, has transformed the media landscape and its conventions, calling a number of existing business models into question.

At Europa Star, we are well placed to note these radical transformations in the media landscape. They pose a certain number of problems, since, in the current deluge of advertising disguised as information it has become difficult for the “ordinary” consumer to tell the difference between what is true and what is false, the “sponsored” opinion from the independent analysis, the expert from the amateur, the paid prescriber from the genuine enthusiast.

But recourse to all imaginable channels (some of which are quickly forgotten: who still remembers SecondLife and the “virtual islands” that were bought up there by the big watchmaking brands...?) not only creates this media chaos but also impinges on the legitimacy of all external communication in general. Increasingly, the potential customer is no longer interested in dialogue with the brand directly, in whom he or she generally only has limited trust, and prefers instead to converse with like-minded people and to exchange experiences.

Marie-Claude Sicard, an expert in brand analysis and strategy and a professor at the Celsa (Paris IV-Sorbonne), explains this very well: “The real ‘conversation’ is the one that consumers have among themselves, about brands, either face-to-face or on the web. All the studies confirm this. For those on the web, 87 per cent of the opinions of their equals represent a ‘quite’ or ‘very’ useful source of information on products or services offered by companies, whereas the confidence in the discourse of brands, as we know, deteriorates as they are lost in the media ocean. (...) All of these people are aware of the thorny issue of the reliability of opinions posted on the web, which needs to be solved, but in cases of doubt, they prefer the more natural language, which is closer to real life. But real life is complex, contradictory, plural and disordered. Prisoners of the sacrosanct dogma of coherence, among other things, brands cannot express them-

ves in this way. Today they are paying the price,” because, from now on “customers decide themselves the time, the place and the price of what they buy and the image they have of it. And now that they have it, they will not give up this freedom, especially because it allows them, for the same price, to avoid the most common pitfall in the purchasing process: the human dimension.”

**From now on “customers decide themselves the time, the place and the price of what they buy and the image they have of it.”**

This “dimension” is all the more important given that watchmaking has made this its biggest selling point. What else is the industry selling today, when we can see the time everywhere, other than a “dream” or desire? In other words, “luxury”. (In this regard, read our interview with François Thiébaud, CEO of Tissot.)

This brings us back to the importance of the welcome, the training for sales staff, who should be the first ambassador for a brand, to the relevance of advice given, to customer service (read more on this in our Service, Please! column, which provides an edifying list of good and not so good experiences from retailers all over the world).

Of the three types of vertical integration, those of distribution and communication therefore have their “natural” limits. We will never be able to do entirely without the expertise and external validation of these “go-betweens” and builders of loyalty that are the retailers, not to mention us specialist journalists. Avoiding one or the other may seem worthwhile in the short term but could be damaging over the medium and long term.

### **“CONNECTED”, THE YEAR’S MANTRA-WORD**

One of the most talked-about subjects of the year has without doubt been that of smartwatches. Are they a good thing or bad thing for the watchmaking industry?

For the most apocalyptic minds, connected watches could create a tidal wave similar to that of quartz watches and by neglecting this phenomenon Swiss watchmakers will repeat the catastrophe that occurred when Switzerland completely lost its footing in face of an invasion of quartz watches from Japan. The most optimistic, on the other hand, just see them as a fad that will only affect them marginally, or not at all. Between the two, pragmatists say that they will produce “luxury smartwatches” if need be.

It is difficult to put oneself in the position of an oracle and settle this debate, especially since the connected watches that are already on the market are disappointing from an aesthetic point of view and are riddled with deficiencies (in particular regarding their power reserve), some of which will no doubt be gradually solved. But their major problem is their indisputable obsolescence, which is part and parcel of the high-tech industry. As Stéphane Linder, CEO of TAG Heuer, explains, “The luxury sector, where we operate, is completely at odds with the idea of obsolescence because we are selling a status symbol, a dream. Maybe if and when the technology has stabilised we will have to come back to the issue and consider a luxury smartwatch. Having said that, it’s a phenomenon that you can neither neglect nor mock.” (Read our interview TAG Heuer “A precisely calculated move up range”).

In the best of worlds, the connected watch could gradually become a segment of the watchmaking industry in its own right. But if this was the case, we should already anticipate the arrival of new and very powerful actors (the likes of Apple and Samsung) who will try to take a share in the global watch market. And we should not rule out a move up range by them to counteract the Swiss response.

But are we all nerds? The recent anecdote about an American journalist who was showing off his GoogleGlasses in a bar in San Francisco and was beaten up made us smile... (but we sympathise with him). “Connected”, okay, but “over-connected”, no thanks! We sometimes feel that the wind is changing and that,

**(Continued on page 12 )**

# PATEK PHILIPPE

## THE VOYAGES OF THE NAUTILUS

**T** “The devil is in the details,” as the proverb says. It’s a proverb that Patek Philippe seems to have assimilated very well, since their horological activity is anchored in this absolute cult of the tiniest detail (to the extent that the ultimate goal is probably to reverse the proposition, as the famous architect Mies van der Rohe did when he said that “God is in the details”).

As an example, take the new Nautilus Travel Time Chronograph reference 5990/1A launched at BaselWorld this year. For the first time at Patek Philippe it associates a self-winding chronograph with a dual time zone. The story of its gestation shows how the brand from Geneva takes things step by step, progressively “securing” its technological advances before incorporating them as subtly and aesthetically as possible in its different collections. This “devil in the details” approach largely explains the impression of extreme coherence throughout the brand’s collections. This coherence is the result of a kind of natural lineage that links every watch to the next, with a “dynastic” logic.



### BACK TO 1997...

To fully understand the amount of patient work behind this new Nautilus Travel Time Chronograph, we need to go back to 1997. This was the year when Patek Philippe launched the Travel Time watch that enriched its collection of “small” and useful complications that the brand went on to develop with considerable success. The originality of this clever Travel Time based on an original patent from 1959, which had a manually-wound movement, is essentially down to its extreme simplicity of use and the clear way in which it displays the time. Unlike the dual time zone watches that were around at the time, the Travel Time was a beautifully classic watch (33.85mm in diameter for the gents model, which is minuscule by today’s standards, and 29.50mm for the ladies’ model) with central hours and minutes

and a sub-dial with a 24-hour scale and small seconds. There are two clever aspects to the watch and they only become apparent when the dual time function is activated: the black hour hand that displays the Travel Time discreetly hides another hour hand – in gold – that moves in perfect synchrony with it. The Travel Time hand only “separates” when either of the two pusher-correctors on the case middle are pressed, when the other hand starts to display the permanent Home Time. The second technical trick is that these two pushers can then be used to move the Travel Time hand forwards or backwards – which was not possible with other dual time watches at the time, for which the hand could only be moved forwards in time. Over two years of research and development was required in order to offer this ease of use and reading.



△ NAUTILUS  
TRAVEL TIME  
CHRONOGRAPH  
REF. 5990/1A

◁ CALATRAVA  
TRAVEL TIME  
REF. 5134P-001  
(2001-2009)





## THE ADAPTATION OF A USEFUL COMPLICATION

In 2001, Patek Philippe decided to incorporate this useful complication into its flagship Calatrava collection. It thus became the Calatrava Travel Time, with a 37mm case and a large mirror-polished bezel – characteristic of the new Calatrava shape that had been presented the year before. The mechanical logic of the second time zone's operation remained identical, but for the first time a hollowed-out black hand was used instead of a gold hand. A lot of work had been done from an aesthetic point of view, in particular for the perfect integration of the two pushers for moving the local time hand forwards or backwards. Modelled on the shape of the crown protector, these two integrated pushers highlighted the classical symmetry of the piece. The movement and its meticulous finish could be admired through a sapphire crystal case back.

## IN 2006, THE FIRST RETOUCHES TO THE NAUTILUS

For the 30<sup>th</sup> anniversary of one of its great classics, the Nautilus "elegant sports" watch, which had become a cult object, Patek Philippe made some very slight aesthetic and technical retouches to the watch that was originally

△ AQUANAUT  
TRAVEL TIME  
REF. 5164 A-001 (2006)

MVT 324 PS FUS 5164  
The movement is at the  
origin of the mechanism  
that activates the travel time  
function.



sketched out by the famous designer Gérald Genta. The case is constructed in the same spirit as the watches launched in 1976, with the system of hinges that recall a porthole and the flat gasket compressed between the bezel and the case middle. The main changes are aesthetic in nature. The "porthole" mechanism was kept for the bezel fitting. But this new design allowed some small aesthetic restyling, in particular to the two hinges, which were given a slight curve to extend the profile of the bezel (we did warn you: the devil or God is in the details!). Its elegance was improved.

At the same time, the first complications were launched in the Nautilus collection. First we saw a new self-winding chronograph movement, Patek Philippe Calibre 28-250 C, with a column wheel. Introduced in a larger Nautilus case size of 44mm, this flyback chronograph was read on a large and quite exceptional "monocounter" that displayed the minutes and hours of the elapsed time on three concentric scales. There was an enthusiastic welcome for this model, which confirmed the extraordinary attraction that this watch – as sporty and robust as it is subtle and elegant – continues to exert.



▷ NAUTILUS  
CHRONOGRAPH  
REF. 5980/1A-014



◀ From left to right:

NAUTILUS  
REF. 5712/1A (2006)

NAUTILUS  
REF. 5726A (2010)

▷ NAUTILUS TRAVEL  
TIME CHRONOGRAPH  
REF. 5990/1A

In the following years more useful complications were added to the Nautilus, fully in line with the spirit of this watch, including, in 2010, an annual calendar version.

### THE NAUTILUS'S TURN TO BECOME A VOYAGER

For 2014 it is the turn of the new Nautilus Travel Time Chronograph, which combines in its own distinctive way the “monocounter” display of the chronograph and the easy to use Travel Time function that has gradually been perfected by Patek Philippe.

In order to accommodate these two different complications, chronograph and second time zone, in the same timepiece, the brand had to develop a new calibre (CH 28-250 S C FUS). The Travel Time mechanism had to be added to the integrated chronograph movement, with its traditional column-wheel control and its innovative clutch using discs. This mechanism, as we explained above, allows the local time to be moved forwards or backwards in one-hour increment and is totally disconnected from the basic movement during these operations. So this function has no effect on the amplitude of the balance and the going rate of the watch. The date display, which, logically, is coupled to the local time and was originally displayed in a window at 3 o'clock, has been transformed into a subdial at 12 o'clock with a

hand, while the chronograph's “monocounter” has been converted into a 60-minute totaliser at 6 o'clock.

These modifications to the display have alone accounted for 47 new components. Yet the movement is only 0.3mm thicker, mainly thanks to the use of a new patented Spiromax® balance spring in Silinvar®, which beats symmetrically and isochronously on one axis and takes up much less space than the traditional Breguet spring with its raised terminal curve. Furthermore, this self-winding calibre CH 28-250 S C FUS is fitted with a central oscillating mass in 21-carat gold and beats at a frequency of 28,800 vibrations/hour and has the Gyromax® that was already invented by Patek Philippe (1949) over 60 years ago!

Its superlative finish – *Côtes de Genève* on the hand-bevelled bridges, circular graining on the oscillating mass – can be seen through the sapphire crystal case back.

### AESTHETIC AND TECHNICAL FINESSE

But integrating this new Travel Time function inside the Nautilus chronograph also required detailed work on the famous porthole-shaped case. Yet this case, with its two lateral protuberances, offered the ideal form for incorporating the two extra pushers that were needed for the Travel Time function. The right-hand







△ MVT CH 28 250 C FUS

protuberance acts as a protection for the two chronograph pushers, which were brought closer to the crown so that they act more directly on the mechanism. From an ergonomic point of view, these pushers have "a softer feel and a firmer action". On the left, the original protuberance has been replaced by two pushers that mimic its shape exactly. Despite these new perforations, water resistance is still guaranteed to 120 metres (12 bar).

We also find the famous Nautilus steel bracelet with foldover clasp, characterised by its polished central links that punctuate the taper

of the brushed lateral links, that offers unparalleled comfort on the wrist.

The addition of the Travel Time function also required a rearrangement of the indications on the dial, which nevertheless maintains all the identifying signs of the Nautilus collection: an embossed horizontal relief, a slightly graduated colour tone that gets lighter closer to the centre of the dial, applied hour markers in white gold covered in luminescent material and a perfect symmetry to the whole.

At 12 o'clock we find the new date dial with a hand, which mirrors the chronograph's 60-minute counter at 6 o'clock. On the central

horizontal axis we find two small day/night indications, for the Home Time at 3 o'clock and for the Travel Time at 9 o'clock. The local time is displayed by a baton style hand, with a luminescent coating, while the home time is displayed by a hollowed-out hand.

"Everything that a man expects from a watch", say the makers of this new timepiece that undoubtedly marks an important stage in the Nautilus saga. ■



Discover more on Patek Philippe  
at [www.watch-aficionado.com](http://www.watch-aficionado.com)



(Continued)

given that we might find the NSA or other commercially aggressive entities practically grafted on to our wrist... a good-old mechanical watch will still be welcome. And what's more it should (theoretically) never become obsolete.

So the issue remains open and will no doubt be discussed at length in the halls of BaselWorld.

## A REFOCUSING IS UNDER WAY

We are ritually asked the question of "trends". So, what are the trends? The watchmaking spectrum we see today is a real bazaar that contains anything and everything. But we have a vague impression that the tide is turning and that many of the sumptuous objects it deposited on the beach have sunk into the sand. In other words, after the great crisis of 2008 – 2009, the one-upmanship quickly started again, as if everything had been forgotten and people were starting afresh. At the time everyone saw China as the Promised Land but the country soon put a damper on the most pressing of expectations. Already in January the SIHH left people with mixed feelings. After the great wave of

derived from the show on the other. Those that are sold during the intermission but which bring in most of the revenue.

This is where the pragmatic issues of value for money, robustness and non-obsolescence count... while nevertheless maintaining a certain level of prestige.

Isn't that a definition of Rolex?

The silent giant, which allows impeccable optimisations of its timepieces to trickle out over the years and whose unwavering path is not affected by the trials and tribulations of the world.

The horizon of the Swiss watchmaking industry?

## THE LAST WORD

With its recent referendum, Switzerland has seriously shot itself in the foot. While its prosperity – and the prosperity of the Swiss watchmaking industry in particular – depends mainly on its openness to the world, this small country has decided to barricade itself inside its small territory. Without the tens of thousands of employees in the watchmaking industry who come from France, Germany and even further away, the Swiss "factory" would simply cease to function and the research and development departments, deprived of en-

**Without the elsewhere, the Swiss watchmaking industry would never have existed.**

tourbillons the new watchmaking continent was called "Métiers d'Art" (artistic crafts). Some of these crafts had barely been re-established before they were being piled on top of each other, with engine turning being sculpted before adding grand feu enamel and a few feathers or some straw... We exaggerate, but only just.

In face of these sometimes vain fireworks we felt that there was a precautionary return to the more basic, solid, durable and... affordable. But this is, of course, less newsworthy. In some ways there is the show on the one hand and the products

gineers with an international background, would be drained. Not to mention the "top floors": how many of our media-friendly CEOs come from France and elsewhere? Even the charismatic and "so Swiss" Jean-Claude Biver is from Luxembourg.

We can only hope that BaselWorld, by opening up to the watch brands from around the world, will offer a scathing contradiction of the country's sad attempt to close in on itself. Without the elsewhere, the Swiss watchmaking industry would never have existed. ■

## CHINA IN 2013, A ZONE OF TURBULENCE

**After years of growth at over 40 per cent, the Chinese market started to lose steam in 2012 and took a nose dive in 2013. Is this the chronicle of a pre-announced crisis or the effect of the anti-corruption campaign? The result is more like the first signs of the end of the crazy years in China, which "needs rational consumers" according to David Chang.**

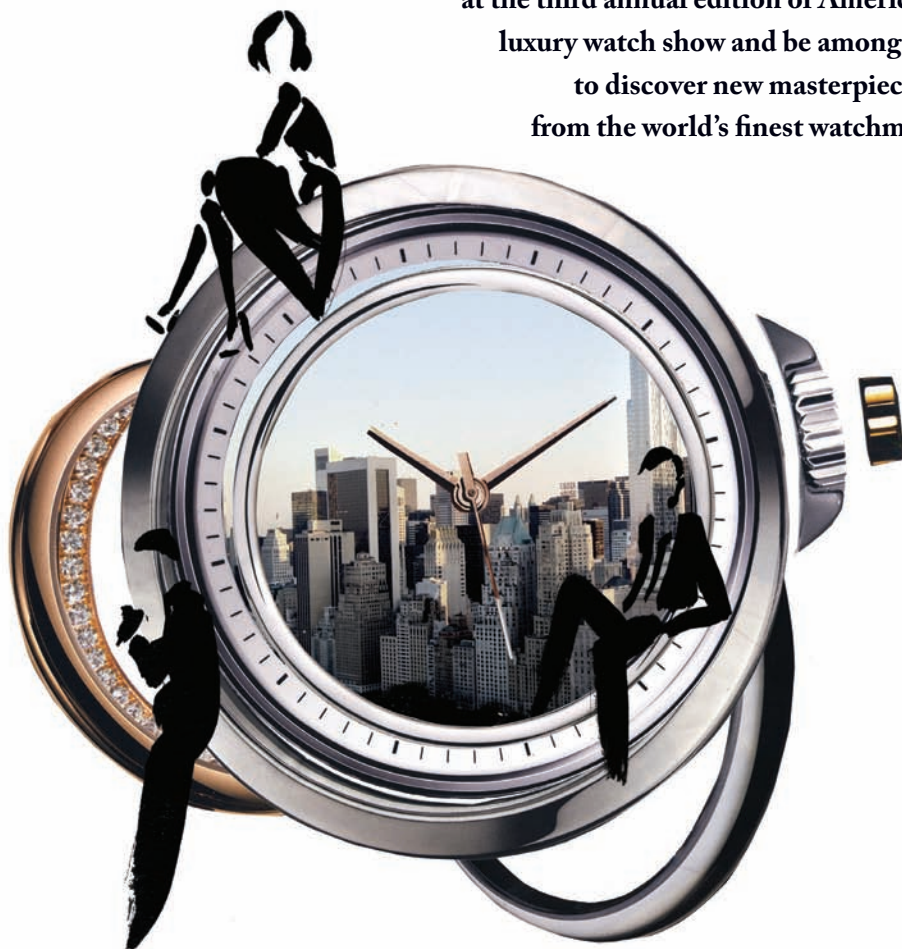
In 2013, sales of Swiss watches in mainland China dropped by 12.5 per cent to 1.45 billion Swiss francs. This drop is all the more destabilising for the Swiss watch industry, which, paradoxically, closed the year on a new record (+1.9 per cent to 21.83 billion francs), because the monthly sales in its third biggest market are highly volatile (ranging from +19 to –34 per cent). So what is happening in China? For David Chang (常伟), editor-in-chief of the Chinese magazine "Perfect Time" and one of the main opinion leaders in the country, "It is above all the high-end segment that has stopped growing, while mid-range brands such as Tissot have not been affected at all and still enjoy considerable success". Consultants Bain & Company reach the same conclusion, citing 13.9 per cent growth in the mid-range segment, buoyed by the economic growth in China's second-tier cities and helped by slightly lower tariffs. The more expensive the watch, however, the bigger the drop and the more retailers are cutting prices, as the example of the customer in Shanghai shows, who was offered a 60 per cent reduction from the outset on the collection of a renowned Parisian jewellery house.

Has the government's anti-corruption campaign really dissuaded customers in the luxury segment? "The political influence is evident, since we have to admit that gifting watches is a Chinese speciality. But on the other hand we must not ignore the economic aspect that could, moreover, become more important," explains Chang. How are the main national brands doing in this context? "Thanks to their judicious positioning in the mid range, their sales are growing and these brands are extending their sales networks. Some have even become very active at the high end, sometimes by celebrating Chinese art." The year 2014 started with rebound in sales, can we expect this to last for the entire year? "No, 2014 will be a year of slowdown and this is after all a good thing, because China needs rational consumers. Only the brands that satisfy this demand will be successful. Each model – national or foreign – will have to adjust its price on the market and become more transparent," the journalist concludes.

There was strong growth in jewellery watches for ladies in 2013 and, in terms of sales volumes, female consumers are starting to close the gap with the men. Several brands have already restructured their collections to take this into account – a strategy that may help to compensate for the losses from the anti-corruption campaign, which will continue unabated in 2014. We must also point out in passing that female luxury consumers in China are also increasingly attracted by the technical aspects of a watch! Another surprise is that, despite the slowdown in sales in mainland China, the share of Chinese buyers increased considerably in 2013, with one in three customers in the world now Chinese – and even more than a third in the luxury segment! So the slowdown in sales in the Chinese market is really a delocalisation of shopping abroad, far from the zones of control (Hong Kong and Taiwan, which are also slowing down considerably), undoubtedly influenced by Xi Jinping's campaign. According to Bain & Company, two-thirds of Chinese now do their shopping for luxury abroad. But these purchases are not always for personal use alone, they also feed the parallel sales networks. In this game, the Beijing government loses a fortune in import duties but makes enormous gains in terms of image. And it has a vested interest here, because it allows it to reassure foreign investors and encourage international trade. In the thick smog of particulates and under the more or less encrypted layers of the Internet, the Chinese citizen knows that the fight against corruption is a smokescreen, just like the fight against pollution or the respect of human rights. ■

# time Crafters

Enter a world of elegance  
at the third annual edition of America's premier  
luxury watch show and be among the first  
to discover new masterpieces  
from the world's finest watchmakers



*Join us in celebrating the grand craft  
of haute horlogerie as it has evolved over centuries  
of innovation and savoir-faire*

**Save the date!**  
**May 16-18, 2014**  
**Open to the public**

EXCLUSIVE MEDIA SPONSOR

**The New York Times**  
NYTIMES.COM

 **PARK AVENUE ARMORY**  
643 PARK AVENUE, NEW YORK CITY

*Please visit [www.timecrafters.com](http://www.timecrafters.com)*

# EXCLUSIVE – STRIPPING DOWN THE SISTEM51



**T**he Sistem51 watch, which Swatch presented at BaselWorld 2013, only started to come off the automated production lines just before the Christmas holidays.

The first Sistem51 models were sold from a pop-up store in Zurich. *Europa Star* managed to get its hands on a few (at 150 Swiss francs each) in order to better understand this quite astonishing watch.

The Sistem51 owes its name to the number of components in its self-winding movement. The most astonishing characteristic is that, among these 51 components, there is only one screw! Normally there would need to be at least thirty.

Another characteristic is that the production, assembly and adjustment of the Sistem51 is fully automated, without any human intervention. Besides these few snippets, Swatch has provided very little information. We wanted to know more, to understand how the movement was constructed, to test its performance.

To do this, we asked the expert watchmaker from Geneva, Denis Asch ([www.heure-asch.com](http://www.heure-asch.com)) to help us. Together, we opened up the Sistem51.

**The most astonishing characteristic is that, among these 51 components, there is only one screw!**

## TESTS

But before we opened it up, Denis Asch wore it for a while and subjected it to various tests.

The first tests were for water resistance. The results were that the Sistem51 is perfectly water resistant, whether tested under pressure or not.

Then, the Sistem51 underwent a whole series of precision tests: after the first winding, after 24 hours of wear, after 24 hours of rest, after 72 hours of rest, after full winding and waiting 30 minutes.

First observation: the watch stopped after 93 hours of operation, which is a lot for a self-winding watch.

Second observation: its amplitude is good, varying between 344° and 257° (after 72 hours at rest). Its delta on the other hand (which indicates the difference between its positive and negative variations in rate) is mediocre. The watch tested showed a delta of 18.4 seconds after the first winding (i.e. from -6.1 to +12.3 seconds per day), and  $\pm 36$  after 72 hours at rest (-6.9 and +29.1 seconds/day). But, surprisingly, another Sistem51 tested, which had been worn for a month, showed much better results, "almost chronometer level", according to Denis Asch, with a delta of 8 (-4 + 4 seconds/day).

But since they were both purchased on the same day and from the same place, only hours after the watches came on the market, these two Sistem51 models should logically come from the same production lot. Could it be a problem with the settings of the robot regulators? "It would appear that automation does not guarantee a consistent quality in adjustment..." notes Denis Asch. "We can see the limits of machines in the quite sensitive area of adjustment, which depends on so many micro-details and delicate balances that have more to do with the human eye and experience,"

says the man who as a watchmaker passed a few years in the strict Rolex school.

"But having said that, these results are more than satisfactory. Swatch has always offered the best reliability and quality for the money, with Rolex being a case apart."

## AUTOPSY

After these first observations, we are about to open up this Sistem51 and see what is inside. We start by removing the spring bars for the strap (which means that the strap can easily be swapped for another). It is supple, made of a material similar to rubber, comfortable to wear and has the very "chic" detail of genuine contrasting colour stitching.



But the first problems occur when we try to open up the case that was not designed to be opened (the Sistem51 is not repairable: "that would have cost a lot more ...", says Denis Asch). First we try from the back because he thinks he has spotted a small pin. In vain. Half an hour later, we still haven't managed to open it (but we did succeed in seriously ruining the back) and Denis Asch even managed to pierce his finger with a screwdriver. I have to go and find a plaster. (...)

**Read our full account of the stripping down of the Sistem51 and our discoveries on [www.watch-aficionado.com](http://www.watch-aficionado.com)**

[www.watch-aficionado.com](http://www.watch-aficionado.com) is brought to you by Europa Star HBM SA, 25 route des Acacias, 1227 Carouge, Geneva Switzerland, [contact@europastar.com](mailto:contact@europastar.com)  
For full information on Europa Star click on [www.europastar.com](http://www.europastar.com) ABOUT US and CONTACT US







Discover beyond.



Visit us at Baselworld, Hall 2.2, Booth no. B05  
Ernest Borel S.A.  
+41 32 926 17 26 / [info@ernestborel.ch](mailto:info@ernestborel.ch)  
[www.ernestborel.ch](http://www.ernestborel.ch)



# Métiers d'Art

## FABULEUX ORNEMENTS



*Ottoman architecture • Indian manuscript • French lace  
Chinese embroidery*



### VACHERON CONSTANTIN

Manufacture Horlogère. Genève, depuis 1755.