



# the INTERNATIONAL CORRESPONDENT

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DUTCH

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PHILIPS'  
DAUGHTERS  
**ASML AND NXP**

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**ON OUR WAY**  
**TO OSAKA**

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SUCCESS

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with one of the most  
illusive families in Europe*

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*Philippe Baron Sereys*  
**De Rothschild**

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## Q &amp; A

*De Rothschild Heritage***FAMILY  
AFFAIRS**

*The De Rothschild family is probably one of the most remarkable in Europa. Qua wealth, some say the banking family built up a fortune of several hundreds of billions and a substantial art collection (supposedly the largest in the world). But also with regard to the involvement in European politics in the eighteenth, nineteenth and twentieth centuries. Acting as bankers for states and royals and informal ambassadors. Times have changed. But De Rothschild's have maintained to keep most of their wealth. The family nowadays not only owns a bank, an investment fund and a winery, but also make their own champagne. The International Correspondent met with Philippe Baron Sereys De Rothschild, the director of the family's champagne brand, in Paris, in his city house on the corner of the Champs Elysées.*

**THANK YOU FOR INVITING US TO YOUR HOME. AS IT SEEMS, WE COULD HAVE MET ANYWHERE, YOUR FAMILY OWNS QUITE A LOT OF ESTATES THROUGHOUT EUROPE.**

Yes. Actually we do. The family has been well known throughout history for its houses and estates. Most often built in a romantic nineteenth century style, which became called the De Rothschild Style, between 1850 and 1910, when we were at the height of our wealth. We had much more property. Nowadays the family, through inheritance process, shares many assets with approximately 300 people. We had a family reunion ten years ago at the cemetery in Frankfurt. There we counted 260 people, children not included.

**IT'S NO SECRET YOUR FAMILY IS STILL VERY WEALTHY. SOME SAY, DE ROTHSCHILD'S ARE THE RICHEST FAMILY IN THE WORLD. SEVERAL BILLIONS WORTH.**

We are a rich family. But what's most notable about our family, however, is that we've maintained our wealth through so many generations. The first generation of De Rothschild's dates from the 1720's. The five sons of our paterfamilias scattered through Europe. All of them were successful in their respective country. Since then we've not only succeeded in keeping the family together, but maintaining and sometimes enlarging our wealth as well. Apart for the example of the De Medici-family, in the 1500s that hasn't happened in a family earlier in European history. We've had our ups-and-downs throughout history, of course. Branches of the family disappeared, like the Austrian branch and the Italian one. In some cases because of the Second World War. The French bank was nationalized and then recreated successfully. But at the same time we've made a name for ourselves in investments. And in my branch of the family with our family wine business.

**HOW MUCH IS YOUR FAMILY WORTH?**

I don't have the faintest idea. Really. I wouldn't know. We have our interest here and there. But I

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can't look in every family member's portfolio. To tell you the truth, I don't even care how rich my branch is. What is wealth? Who is rich? One feels rich with one million dollars in the bank. The other with 200 million. It's been said we have billions. If that were true, I wouldn't change my life. Money does facilitate. It does very well.

**YOUR FAMILY ONCE OWNED ONE OF THE LARGEST PRIVATE ART COLLECTIONS IN THE WORLD. A SIGNIFICANT PROPORTION OF THE ART IN THE WORLD'S PUBLIC MUSEUMS ARE DONATIONS FROM YOUR FAMILY.**

The family has always been closely involved in creative arts and artists. Many people in our family have donated collections to the Louvre museum; they are remarkable for their rare items and their size. It illustrates the aesthetic and historic judgment of an enlightened and humanist collector. Apart from that we have a private collection of artists that illustrates the label of Mouton Rothschild every year: It is a mix of everything. From film director John Houston label, to writer Jean Cocteau. Consequently we have a great painting collection: Picasso, Miro, Tapiés.

**DO YOU FEEL A CERTAIN RESPONSIBILITY TO MAINTAIN THE FAMILY'S FORTUNE AND GOOD NAME?**

Absolutely. In everything we do, we put forward our reputation. It's not always fun. But maintaining our heritage too. Our business depends on that. We don't live by family rules, though there are certain common grounds. There are things we do and things we don't do. My uncle for example quite recently bought the La Liberation newspaper. We've had quite some discussion about that; does it fit in our moral and ethical code? We try to cultivate elegance, style, art and a way of living. We try to keep on doing new things, invent new businesses. And we never make debts. That is one rule, everybody in the family clearly acknowledges. There is no hardcode in the family, no judge.

We are much more flexible than that. Stories and even conspiracies about our family develop mostly because we tend to be very discreet. We never talk about one another. You won't hear me saying anything about Éric or David\* behind their back. And, people are simply jealous. That's natural human behaviour. People are jealous of Bill Gates or Sir Richard Branson too.

**THE DE ROTHSCHILD BANK IS NOW ONE OF THE MOST SUCCESSFUL BANKS IN EUROPE. HOW DID YOU SUCCEED IN DOING THAT?**

Erik De Rothschild started that in 1985, a couple of years after the former French President Francois Mitterand nationalized our financial institution in the country. He had to start over again from scratch. I can remember very well, people said in 1995 that they were mad trying to build a bank. It was a stupid idea, they said. Only five years later, they were proved wrong. Nowadays the De Rothschild Group - both the investment firm and the bank - is one of the world's largest independent financial advisory groups. It employs over 3,000 people in 42 countries.

**CAN YOU EXPLAIN THAT SUCCESS?**

On the one hand I believe we've been lucky. There's always a part due to luck in any success, but never a miracle. You have to create your own luck, as one of my Harvard friends used to say to me. Facilitate yourself with chances. But we also work very hard as well. If you want to get things done, you really have to set yourself to it. I've learned that from my parents, who were both actors in theatre and made long and tiresome days.

**A BUSINESS GENE?**

Probably. We do things because we like to do it. Because we want it. We're not always successful though; sometimes things work out. Sometimes they don't. You have to live with that. Learn from your failures. And from each other. We are quite competitive in our family. We always want to

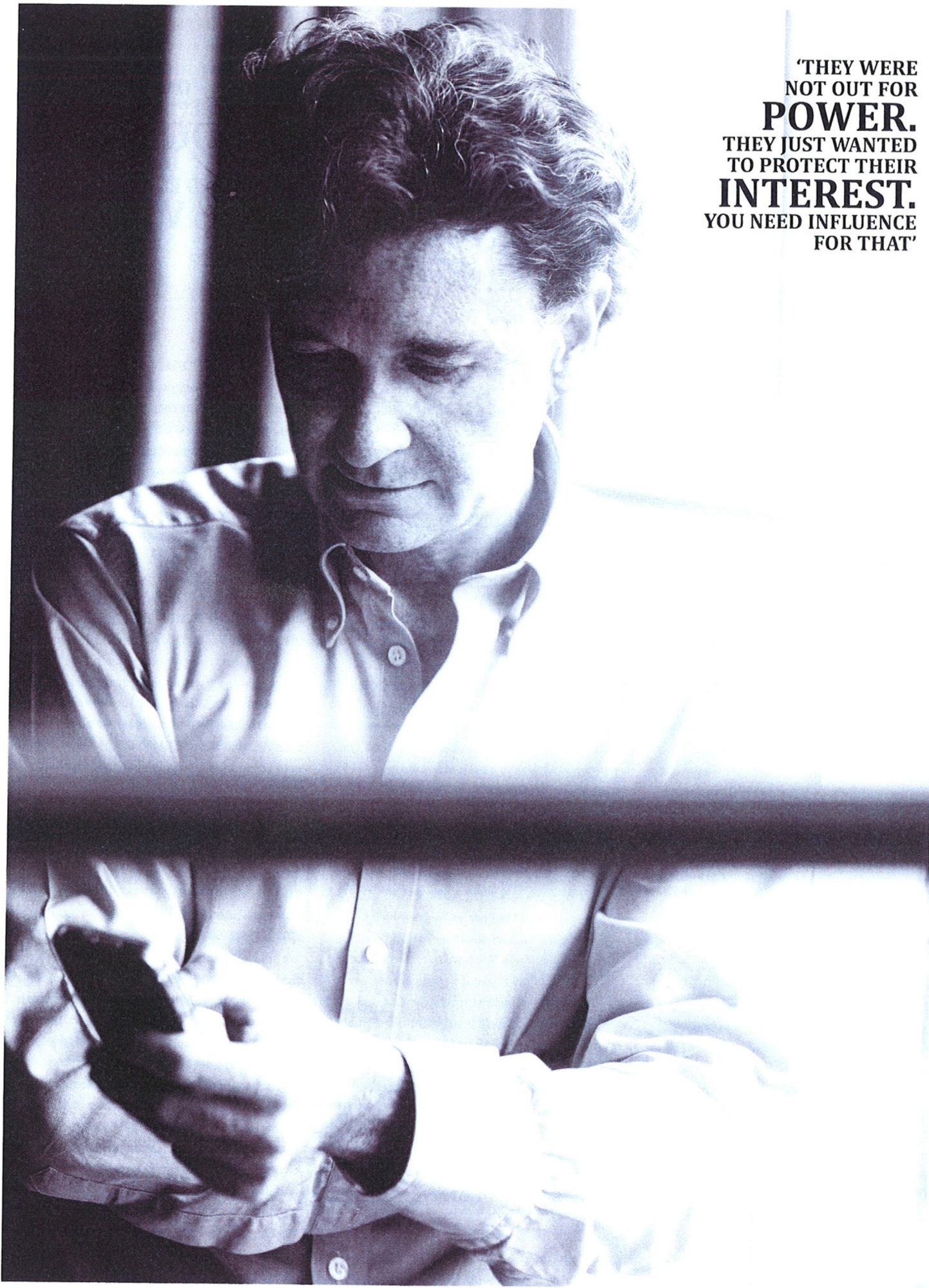
outdo each other in business. Whether it's the bank, the investments or our family-run wine business. We play fair though; we do not stab each other in the back. Or talk in a negative way about other family members. Furthermore, in all our branches we believe in meritocracy; you succeed or you don't. You are never put forward because you've done something special. You have to prove yourself.

**IN A RECENT INTERVIEW WITH THE BRITISH NEWSPAPER THE TIMES, EDMUND DE ROTHSCHILD SAID THAT YOUR FAMILY NAME OPENS DOORS. DO YOU ACKNOWLEDGE THAT?**

With our name, we get things done. That's right. Two years ago, for example, I acquired a private school. It was relatively easy to get the finance done and get it up and running. We have a huge network, that's true. That makes it easier to talk with people. Or at least to get a foot in the door. But we still have to convince people in business though. In comparison that's maybe even worse: people have a preconceived image of us. About who we are and what we say.

**YOU YOURSELF ARE IN CHARGE OF THE FAMILY CHAMPAGNE BRAND. HOW DO YOU START YOUR OWN CHAMPAGNE?**

We actually thought it through for a very long time. Obviously we've always had a connection with champagne. My grandfather Philippe was a 30 percent shareholder in the renowned house Ruinard and he created his own champagne reserve. But it never became a great success. We love champagne. And all drink it quite a lot. We thought, why not start our own brand than? Remarkable thing about our champagne is that this is the first pan-family business with almost two-thirds of the family engaged. We produce and distribute wine -so we knew the markets, but champagne making is something very different. We bought grapes from some 30 hectares. Attracted a great wine maker.



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# 'WE'VE BUILT A BALANCED SYSTEM IN THE WORLD. THAT DOESN'T LET POLITICAL OUTCASTS DECIDE HISTORY'

## WAS IT EASY TO ATTRACT PROFESSIONALS FOR THAT NEW VENTURE?

At first, when we started in the early 2000s, the market was very tight. When people started to realize we were in for the long term, and were not going to disappear after a couple of years, they became quite enthusiastic. Suppliers now come to us, to ask if they can give us their grapes. You must understand that most champagne brands are major corporations now; they're not very personal anymore. People like the idea of a new family champagne brand.

## HOW ARE YOUR SALES? WERE YOU SUCCESSFUL RIGHT AWAY?

We started building the brand piece-by-piece. Focusing on the product. It took us quite some time -over 5 years- before we had our very first bottle out on the market in 2008. At first we mainly sold our champagne in Japan, Switzerland and the Netherlands. Your country is great to start; the market is small but very much consuming. Later, we developed our business in the US, Canada, France and other countries in the world. I believe we are active in 50 markets. From Nigeria to Brazil and the Middle East. We sell over 300,000 bottles a year. In two years that will have grown to 400,000. I don't want it to go over 6 or 700,000.

## WHY NOT?

We want to focus on certain core markets. Say 8 or 9 countries where we have 80 percent of our turnover. We don't want to be a big brand. Rather

develop high quality champagne.

## DO YOU WANT YOUR CHILDREN TO SUCCEED YOU IN THE CHAMPAGNE BUSINESS?

Yes, of course. I would like that very much. But first I want them to see the world. Develop own interests. I have two daughters of 21 and 22. And a 14-year old son. That's quite a handful.

## YOUR FAMILY WAS VERY STRONG IN THE GOLD MARKET. ARE YOU STILL ACTIVE IN GOLD?

We were. But not anymore. In the 19th and at the beginning of 20th century the family very much controlled the reserves. They could set the prices. And with that also industries like the diamond trade.

## WITH GOLD COMES POLITICAL POWER. UNTIL A WHILE A GO, MOST CURRENCIES WERE BASED ON THE GOLD STANDARD. HOW BIG WAS THE INFLUENCE OF YOUR FAMILY IN EUROPEAN POLITICS?

I believe we did have quite some political power. The family settled in many countries in Europe - England, France, Austria and Italy - and developed as major bankers, with contacts at all the major courts. When states wanted to communicate with one another, they frequently did through us; 'get the De Rothschild's together'. We facilitated in contact between the different European powers. The balance of risk between several countries, gave the family a certain objectivity as well in banking. In comparison with

other families, who maintained in one country. The early De Rothschild's were early Europeans, one might say. They were not out for political power though, they just wanted to protect their interest. You need influence for that. De Rothschild's financed major projects. The founding of states and several wars. We made name for ourselves at one point in history as financier of Napoleon. But I don't believe we were influencing in European politics, people exaggerate.

## DOES SOME OF THAT POLITICAL INFLUENCE STILL EXIST TODAY?

Well, yes and no. Probably certain people in the family help to advise governments. Because of their insight in certain parts of the economy. Prime Ministers and Presidents call for our advise. But that's not unique. More people like us, talk. People vision.

## YOUR FAMILY MEMBER LADY LYNN FORESTER DE ROTHSCHILD QUITE RECENTLY HOSTED A MAJOR ECONOMIC CONFERENCE IN LONDON. WITH NOTABLE GUESTS LIKE MRS. LAGARDE OF THE IMF. ONE MIGHT SAY, THAT STRETCHES JUST A BIT FURTHER THAN JUST ANSWERING A CALL.

There are many conferences and seminars like that. I would say, our name helps us in reaching more high-level guest speakers. Lady Lynn Forester De Rothschild admitted that inclusive capitalism no longer exists and has become 'an oxymoron': we should share more. She

brings forth a great concern about the general public's increasingly negative view of businesses. It is really dangerous when business is viewed as one of society's problems. I do agree with her. The family is very active in philanthropy. In Israel. And France and England. And elsewhere in the world. But there's no general political thought in the family though. I might say we tend not to agree, but to debate.

**TALKING POLITICS, HOW DO YOU FEEL ABOUT THE OUTCOME OF THE EUROPEAN ELECTIONS? BRUSSELS IS BOOED AWAY; EXTREMIST - EVEN ANTI-SEMITIC - PARTIES ARE IN THE RISE.**

The family has very strong Jewish roots. So anti-Semitic sentiments concern us. But extremists like Front National or the anti-Semitic powers elsewhere in Europe are very worrying but they don't scare me. I think you can see it in a positive way; when people start voting on extremist parties nowadays, it's out in the open. In the end, I believe, most will wake up and realize that they don't want the extremists to really grasp power. That happened in the second term of President Chirac in France. He stood against Jean Marie Le Pen (Front National). With just days before the elections, most people realized that he had to be stopped. They woke up. Chirac won in a landslide victory with over 80 percent of the votes. Most extremist voters turned out to be protest voters. Furthermore, the communication between different countries has improved immensely. We've built a balanced system in the world, that doesn't let political outcasts decide history in our European democracies.

**WHEN DO YOU THINK THE TABLES WILL TURN IN EUROPE?**

We've been through a very violent crisis. Nearly 50 percent of all young people in Spain, and in other countries in the southern part of the continent, are unemployed. Europe hasn't come up with a clear answer to end the crisis. There's unrest in the Middle East. Asian countries are developing in a fast pace. That has its effect on how the people feel. They are very disappointed. That makes parties like Front National strong. I don't know when things will change. But I know they will.



**WHY DO WE KNOW THE DE ROTHSCHILD'S?**

No other family in Europe speaks to the imagination like the famous Rothschild's. Hundreds of (unauthorized) books have been written about the family, and even more blogs and online magazines. Some believe that the family amasses over 1,000 billion euros in just three centuries as bankers of European monarchs and American politicians. Others, conspiracy theorists and extremists, see the clan as a group of conspirators who are out for political and economical dominance. Fact is that the De Rothschild's have been financier of many political enterprises since the late eighteenth century, starting with the Napoleonic wars. As bankers the family controlled the gold market until the late seventies of last century and the De Rothschild's had a great share in De Beers - the world's largest owner of diamond mines in Zimbabwe and South Africa. The De Rothschild's have one of the largest private art collections in the world, of which a significant part is lent to major museums in France, the UK and the US. They own many dozens of city palaces and castles in Europe.

The history of the De Rothschild's starts with Mayer Amschel De Rothschild (1744-1812), a German Jew, son of a money changer in Frankfurt am Main, who worked his way up from bank clerk to large investor. The progenitor of the banking family had

five sons, to whom he left his immense capital and parts of his business empire. Mayer Amschel De Rothschild sent his sons to five capitals in Europe to expand his business network. In 1816 the Austrian Emperor Francis I raised four brothers to the peerage, as thanks for their commitment to the empire. 69 years later, the London branch received the title of Baron in England. The De Rothschild Bank was the most influential financial institution in Europe for almost a century. The family were mocked and used for anti-Semitic propaganda of the National Socialists in the thirties; In World War II the Nazis stole a significant portion of the family wealth and a large number of works of art in Austria. In addition, the German rulers demolished a dozen castles of the family in and around Vienna. In the late twentieth century, the more than 200 family members sold a portion of the family bank and other investments. The De Rothschild's are now mostly involved in private investment (the Swiss-based LCF Rothschild Group and RIT Capital Partners and St. James Place in London) and rule the French De Rothschild bank. The family has its own winery and champagne brand.

*More about these bubbles in our champagne special in The International Correspondent 19 (December 2014).*