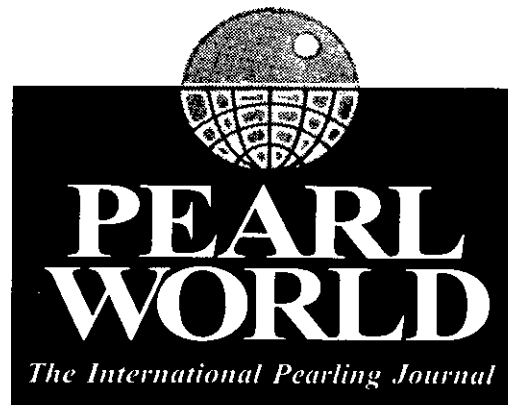


Contents:

- Risen from the ashes: the International Pearl Organization's attempts to resuscitate the IPA and WPO of yore
- Cultured pearl overviews: Gokay, *JNA*
- Sales and events at the HK Show
- A new look for Assael International
- Atlas Pacific Ltd's Indonesian success



RISEN FROM THE ASHES

A new pearl group attempt: But will it succeed?

A new umbrella association for the global pearl industry, the International Pearl Organization (IPO), held its inaugural meeting in September in Hong Kong to call for genuine, wholehearted support from the worldwide cultured pearl trade for its establishment.

About twenty representatives from fourteen pearl producing and consuming countries and regions attended this first convocation.

Participants in general supported the formation of the IPO, but were concerned about funding and support from major pearl producers... in particular Paspaley Pearling Co Pty Ltd in Australia, which had no representative at the meeting.

Initiated by the President of the CIBJO and also General Manager of GIE Perles de Tahiti, Martin Coeroli, the IPO was seen as a revival of the International Pearl Association which was formed in 1994 with a view to addressing various topics regarding the pearl sector, from production to trading, promotion and a code of ethics.

People may remember that the IPA, which started up with such enthusiasm, was boycotted

by the Japanese, and ultimately fell apart due to internal bickering and mismanagement.

Sometime later, Mr. Tasaki started up a similar group called the WPO (World Pearl Organization), but this, too, withered and died on the vine.

Skeptics were born after both of these failures, saying that there never could be a successful pearl cartel due to conflicting egos and

lack of cooperation between most producing regions and among the major personalities in the producer ranks (who would have to be tapped for their financial resources in order to support coordinated activities).

It is hoped that Mr. Coeroli can overcome these historic shortcomings, quite especially as he is in a perceived neutral "IPO" to page 3

PEARL SALES UP AT HK SHOW

Sales of pearls and pearl jewelry at the Hong Kong Jewellery & Watch Fair held last September were satisfactory and showed improvement compared with last year's, said many exhibitors.

This year there was renewed interest among buyers in medium-to-higher-priced pearls, particularly Chinese freshwater pearls, reversing a trend over the past several years that demand had been concentrated on medium and lower-end categories.

Multi-colored pearl strands were prevalent also: many South Sea pearl suppliers displayed strands mixing Chinese freshwater pearls, particularly pink ones, with South Sea as well as Tahitian pearls. On the other

hand, freshwater pearl companies in mainland China and Hong Kong showcased multi-colored strands and received enthusiastic responses from visiting buyers.

The importance of buyers from Southeast Asia has been on the rise. South Sea pearl suppliers said although there were fewer buyers from South Korea, there was significant increase in the turnout of Taiwanese buyers who purchased fine-quality large pearls in a range similar to that demanded by South Korean buyers.

Sales to customers from mainland China remained significant though they bought in lower quantities compared with the June show. Attendance by

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*Wishing
You and Yours
A Happy & Prosperous
New Year*

from the
officers and staff of

Pearl World



**PEARL
WORLD**

The International Pearling Journal

K. Obuchi • President

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P. Brutcher • Production Manager

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*M*ay 2006 be
an even better year
for all who toil in the
pearl vineyards.

"IPO" from page 1

leadership position within the industry as a CIBJO executive... and who has achieved quite some acclaim as an international pearl marketing expert.

Mr. Coeroli said that— given Hong Kong's status as the trading center for all pearl categories— he expected the IPO to be based in Hong Kong, and that it would be formed by September 2006.

He explained at the meeting why establishing this organization was essential: "The strong internal and external competition that our pearl sector is facing, on both production and sales and distribution levels, and the fragmentation of our industry require more than ever a global body to defend and promote its interests on a worldwide level.

"IPO is the authoritative body that regroups the main actors and organizations of the pearl industry and that defends and promotes their interests at an international level. As a modern, customer-focused organization, it also provides key services and support to all of its members and stakeholders."

He stated that IPO's mission was to: create a unique platform for the pearl industry; raise awareness of the power of the unique beauty and natural characteristics of pearls; develop the knowledge of and create maximum excitement about pearls among consumers worldwide; and, ultimately, contribute significantly to the growth of the entire pearl industry and its members.

A tentative budget for the first year of operation amounting to US\$2.55 million, was also proposed at the meeting.

Tahiti Perles in French Polynesia and Jewelmer International Corporation in the Philippines

were the only major producers attending the meeting, held alongside the September Hong Kong Jewelry & Watch Fair.

There were no representatives from Paspaley Pearling Co Pty Ltd, the largest pearl producer in Australia, nor from Indonesia or China, important producers of South Sea pearls and freshwater pearls respectively.

Mr. Coeroli said he would maintain efforts in communicating with the Indonesian Pearl Culture Association, or ASBUMI, and with Robert Sukendy, the largest SSP producer in Indonesia. He said he would also contact the Hong Kong Pearl Association and the Professional Association of Pearls, Zhejiang, to gain support for the organization from the Chinese freshwater pearl sector.

"I am very satisfied with the attendance and responses of pearlery at the meeting. It is very clear that everybody at the meeting supports the formation of IPO and agrees that such an organization is needed. Their major concerns are how the organization will be monitored and how it will be structured."

At the meeting, a steering committee with representatives from different countries was formed to work out the structure and funding of IPO. The members of this committee are as follows: Andy Müller of Autore Japan KK; Vidhan Chaudhari of Orient Pearl Co. Ltd.; Yoshihiro Shimizu of Hosei Co. Ltd.; Sonny Sethi of Tara & Sons Inc.; David Norman of Aquarian Pearls Pty. Ltd.; and Till Schoeffel of Schoeffel GmbH.

Mr. Coeroli said that although he was not a member of the committee, he would work out with the members the agenda for their first meeting, which it was expected would be held during the Hong Kong International

Jewelry Show in March, 2006.

He added that he had no intention of being a member of IPO's board of directors, but was interested in working on the marketing side of the body.

Countries and their representatives who attended IPO's inaugural meeting were as follows:

Australia

David Norman President of Aquarian Pearls Pty Ltd, Sydney.

Britain

Martina Cawley, Buying Director of Isle of Wight Pearl, Isle of Wight.

Canada

Papken Akkelian, Vice President of Canadian Gems, Quebec.

French Polynesia

Robert Wan, Chairman of Tahiti Perles, Tahiti.

Martin Coeroli, General Manager of GIE Peries de Tahiti, Tahiti.

Hong Kong

Hanspeter Pieth, Managing Director of Golay Hong Kong.

Japan

Andy Müller, Managing Director of the Pearl Division of Autore Japan KK, Kobe.

Yoshihiro Shimizu, Chairman of Japan Pearl Exporters Association and of Hosei Co. Ltd., Kobe.

Vidhan Chaudhari, President of

"IPO" from page 3

Orient Pearl Co Ltd, Kobe.

Germany

Till Schoeffel, Managing Partner of Schoeffel GmbH, Stuttgart.

Kingdom of Bahrain

Mohammed Al-Mannai, Mannai Group, Manama.

Lebanon

Claude Mazioum, Ambassador for Middle East, North Africa, Turkey and Iran, CIBJO.

Philippines

Pierre Fallourd, Assistant Managing Director of Jeweler International Corporation, Makati City.

Angela Poblador, Marketing Manager of Jeweler International Corporation, Makati City.

Singapore

Bruce Barnes, Director of Golay Pte Ltd.

South Korea

Gregory Park, President of Pearlman Gempearls Co Ltd, Seoul.

Spain

Antonio Aria of Aria SA, Barcelona.

United States

Sonny Sethi, Managing Director of Tara & Sons Inc, New York.

Francis Mastoloni, Frank Mastoloni & Sons Inc, New York.

Joseph Padulo, President of Padulo Co Ltd, New York.

INDUSTRY COMMENTS

Robert Wan, Chairman of Tahiti Perles in French Polynesia, was among the few pearl producers that attended the meeting.

"Shunsaku Tasaki of Kobe-based Tasaki Shinju Co Ltd set up a global pearl organization in 1994 but it turned out that not much was done. I agree that key players in the pearl industry should contribute to the IPO. I will do my part," Mr. Wan said.

Jacques Branellec, President of the Philippine Association of Pearl Producers and Exporters and Managing Director of Jeweler International Corporation in the Philippines, sent representatives to the meeting.

He commented after the meeting: "The role of an international organization is essential in strengthening cooperation among producers in the pearl industry for long-term collaborative activities. I feel it is important to have a body that meets regularly to share scientific knowledge and other information about pearls; to discuss clean and responsible farming techniques that will ensure the survival of the pearl farming industry; to exchange ideas about latest market and production development; to create events to increase the interest and awareness of pearls; to strengthen consumer confidence in buying pearls more than any other gem category; and to have a common approach to pearl quality standards.

"The body should be established as an association of producers. It is important that all producers come together as a team

and then work out specific goals and events that are implemented throughout the trade. The Philippine pearl farmers are open to such cooperation and will fully support this international organization for the common goal of growing the market for pearls."

Andy Müller, Managing Director of the Pearl Division of Autore Japan KK in Kobe, is a member of IPO's steering committee. He called for tolerance at the meeting:

"IPO is a great idea, but it involves so many people with different interests, and how to include them in one organization is an obstacle we have to face. Great tolerance is needed, and before anything can be done we need practically unconditional support from the industry's key players, such as Mr. Paspaley and Mr. Robert Wan."

Another steering committee member, Till Schoeffel, Managing Partner of Schoeffel GmbH in Germany, said:

"My feeling is that it is better to do some joint promotions even if it is small, rather than doing nothing and I think the timing is right for such a joint effort.

"Ten years ago it wasn't possible because most pearl varieties and pearl companies were doing well. But now that the pearl business has been through a very difficult time, and I believe there is a greater understanding in the industry for the need for such an organization. The testing point would be when people have to pay for promotions."

Francis Mastoloni of Frank Mastoloni & Sons Inc in New York commented:

"It is a monumental challenge, but I am optimistic that

"IPO" to page 5

"IPO" from page 5

we can form an international organization that can help resolve the issues in the industry. There have been substantial changes in the market in the past decade that more distributors are handling all types of pearls, so it is time to come together and promote all types of pearls with a view to enlarging the overall market for pearls."

Rene Hodel, who left Schoeffel and took over the existing Schoeffel Asia operation – now called Hodel (Hong Kong) Ltd–said: "A world body must be well-represented by key players and there must be general agreement on a work plan; otherwise we will not support it.

"What must be understood is that there is space in the market to expand sale of all varieties of pearls. If the industry worldwide chips in a little bit we can really make a difference by promoting pearls and educating the consumer on the value aspects of pearls.

"In addition, there has to be a body that enforces disclosure: if there are pearls that are artificially colored then they should be disclosed to the end consumer and people know what they buy. In this context a world organization is particularly relevant for the industry in Asia, which is not as well organized as in Europe or the United States." ❖

Source: *Jewellery News Asia*, overseas correspondents

OUR VIEW

Quite obviously, we are fully behind this start-up venture begun by an old friend, Martin Coeroli.

We (as previously noted) have been present at the two earlier incarnations of this long-held dream: to create a deBeers-type cartel for the cultured pearl industry so that all segments of it can be on the same page, to minimize any bickering or problems, and to maximize the efficiency of supply

in regards to demand.

We turned to a dear friend of ours, among the major players in the overseas markets, for his comments, and they echo ours:

"As for the IPO, we must all be positive and it will not happen unless key producers all agree... as without them, it will never happen! As for me, I don't need to be involved at all, but I give my fullest possible support to this cause; it must happen, for various good reasons. So I stand back and pray it materializes!"

This is exactly the point: everyone must get on the bandwagon. There can be no holdouts or mugwumps (folks who sit on the fence, with their mug on one side and their wump on the other) as in the past.

And there cannot be continual monumental clashes of ego which, alas, is all too common a happenstance between major (and even some minor) producers.

Is it just possible that this venture might succeed?

Time will tell.

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visitors from the United States continued to be limited while those from European markets grew slightly, according to pearl exhibitors.

SOUTH SEA PEARLS

Leading pearl supplier Man Sang Jewellery Co Ltd in Hong Kong saw growth in the turnout of customers at the recent fair. These included companies from mainland China, particularly Beijing and Shanghai, and companies in the U.S. and Europe. However, there were fewer customers from Southeast

Asia, according to Vice-Chairman, Cheng Tai Po.

"The prevailing trend is that many companies do not purchase in large quantities to avoid stocking due to the current economic conditions.

White South Sea pearls were the best-selling category and there was strong demand for pearls above 14mm, wholesaling from US\$400 to US\$600 a piece."

Sales at Jewelmor International Corporation were better compared with previous year, thanks to its long-term continuous promotion efforts that put Philippines on the pearl map, according to the company's Assistant Managing Director,

Pierre Fallourd.

"As a result of increasing exposure, and broader range of jewelry designs and styles, more clients made concrete commitments. Actually, more retailers expressed their interest in franchising of Jewelmor's branded collections.

"The buyers from the U.S. have remained active, so have those from Europe. We noticed Indian, Taiwanese and Korean customers made consistent purchases and expressed interest in jewelry collections.

Buyers from the U.S. and Europe looked for fresh designs of high quality finish. With French

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GOLAY'S GLOBAL VIEW

Golay has a long history in pearls. Founded by Louis Golay in 1887 to supply natural pearls and components for the watch industry, Golay was among the first to introduce cultured pearls from Japan to the European market in the 1920s. It was the first European company to open a buying office in pearl center Kobe, Japan, in 1957. Today, the group is recognized for its expertise in the domain of cultured pearls.

Over the years, Golay has built close contacts with pearl producers in French Polynesia, Australia, Indonesia, the Philippines, Myanmar, Japan and China, and has developed an international distribution network of select retail partners. Golay pearl offices, with the 18th opened in Shanghai in 2002, stretch over 13 countries.

The following is their most recent global pearl overview.

THE 21ST CENTURY PEARL RENAISSANCE

Pearls have registered a significant revival in recent years. Consumers today are rediscovering the contemporary charm of this aquatic gem. Perceived for generations as the classic elegance around the neck of ladies of good families, pearls have taken on a very different allure in the 21st century.

We have always known pearls to be white, round and discreet, but nowadays pearls can be ostentatiously big, in a rich palette of intriguing nuances, taking the form of various fanciful, organic shapes. Celebrities and models on catwalks are lavishly draped with stacks of long sautoirs, heralding a new era of pearl renaissance.

The significant growth of pearl jewelry demand from 1995 to 2005 can be attributed to four major factors:

- Full-fledged pearl farming industries in different Pacific regions benefited from accumulated experience and technological breakthroughs and bring out pearl harvests of improved quality and quantity.
- A profusion of creative pearl jewelry designs in an extensive price range fulfil the demand for haut joaillerie, medium to high-end fine jewelry, and affordable fashion accessories; and target all market segments including fine jewelry for mature women, fashion accessories for fashion-conscious clientele, and the niche of men accessory.
- A fast-growing pearl jewelry retail network comprises independent jewellers, chain stores, department stores, catalogue houses, fashion boutiques and internet companies.
- High-profile promotions and communication on pearls conducted by pearl organizations and companies on a local, national and international scale to reposition pearls as a contemporary chic.

The acquisition rate of pearl jewelry has subsequently increased from the standard 2 to 5 percent in the past to about 10 percent, i.e. for every 100 pieces of jewelry sold, about 10 items

Pearl jewelry market share by country in 2004

Country	Share	US\$
USA	30%	1.5 billion
Japan	24%	1.2 billion
Europe	18%	900 million
China	12%	600 million
Southeast Asia	10%	500 million
Other countries	6%	300 million
TOTAL		\$ 5.0 billion

are with pearls as the principal gems. Pearls have become the third major jewelry category after diamond jewelry and plain gold jewelry.

In mature markets where consumers possess a good knowledge and awareness of pearls, such as Japan where the technique of pearl culture originated 100 years ago, the pearl jewelry segment takes up to 17 percent of the total jewelry sales. It is estimated that about US\$1,200 million is spent on pearl jewelry in Japan per year.

Since 1999, the United States has taken over Japan to become the largest pearl jewelry market, with an estimated sales of US\$1,500 million of pearl jewelry per year.

In fast growing economies in Southeast Asia, China, Russia, and the Middle East, the year-on-year growth rate for pearl jewelry outperforms the rate in the established markets of Japan and Europe.

Globally, the pearl jewelry market is estimated at US\$5,000 million, about 10 percent of the world's total jewelry market.

"Golay" to page 7

"Atlas" from page 18

or grafting and post-operation husbandry.

Importantly, Atlas has instigated a major selective breeding and genetic research program at its Bali farm in collaboration with the premier James Cook University in Townsville, Australia.

This program complements Atlas' existing breeding program which has seen the company's harvests expand from producing less than 60% white pearls in the 1990's to over 99% white pearls over the last year or so.

In fact, Atlas is now producing pearls that are selling for prices previously reserved for only the best of the Australian production of white South Sea pearls.

What about gold pearls?

Taylor doesn't see golds playing a major role in Atlas' immediate future.

"Gold pearls are valuable--no argument there. We produced excellent golds from 1999 to 2003. But the problem is this: for every beautiful gold pearl you produce,

you'll produce a much larger quantity of low-value yellow by-product.

Golds are fantastic, but the 30% premium on gold doesn't compensate for the 70% loss on yellow when either color is compared to equivalent quality silver/white pearls.

"To be truly competitive with white production, I believe one would need to be able to produce at least 70% gold reliably.

"Compare this to the fact that we're able to repeatedly produce 99% silver/white. The best I've seen for golds on a commercial scale is around 20-25%, with the remainder being mostly yellow or cream.

"This is why we've focused our efforts on whites where we have a proven ability to produce a high percentage and thereby maximize the value of the entire crop. But we're continuing to work on the possibility of breeding a gold strain."

A record year looming

2004 harvests didn't meet expectations, but Taylor is quick to point out that these results followed a downturn in hatchery production due to the El Niño events of late 2001/2002.

The upshot was a significant financial loss for 2004, but 2005 has seen the company bounce back and Atlas is expecting its highest ever revenue during 2006.

From January through November, 2005, Atlas sold roughly US\$6 million in loose pearls. In 2006, this is expected to increase by 30-40%.



Managing Director, Joseph Taylor, harvesting some of Atlas' excellent South Sea pearls.

As of June 31, 2005, Atlas had recorded a profit of \$664,199 and Taylor is confident that this will top \$1.5 million for the entire year. He attributes this success to the re-structuring.

Indeed, because of the success of its operations in Bali, Atlas has recently secured two other pearling leases on the island. These new sites will be dedicated to low cost, high quality production utilizing the current oyster surplus that has resulted from a very successful breeding season.

Taking advantage of tourism

Pearl experts may find Bali an unusual location for major farming operations. After all, most farms are situated in the world's most inaccessible locations—not in densely populated areas, with millions of annual visitors. Taylor laughs when he hears this.

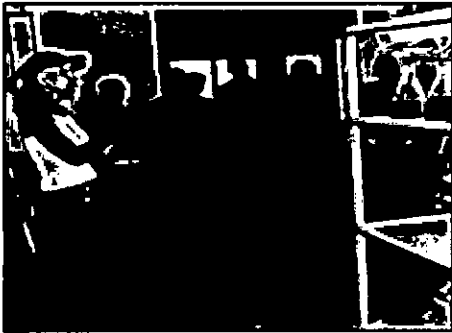
"Yes, tourism and pearling may make strange bed fellows, but Bali enables us to take advantage of a major educational and marketing opportunity."

In July, the North Bali facility opened to the public as "North Bali Pearls." Since then, the farm has welcomed, entertained and informed hundreds of tourists

"Atlas" to page 20



"Atlas" from page 19



Atlas is quite unique in allowing tourists to enter their hatchery.

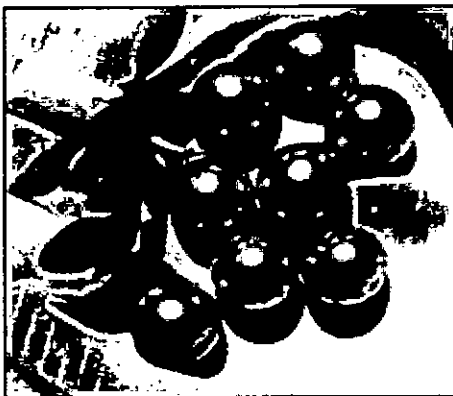
from around the world about pearl farming.

Visitors have the unique opportunity to see a real, fully commercial pearl farm without any of the less scrupulous gimmicks that are often associated with pearl tourism ("Pick an oyster from the bucket, everyone's a winner!").

Atlas allows people to witness, film or photograph the seeding and harvesting procedures, as well as visit the hatchery—strictly forbidden at most of the world's farms.

Staff provides a complete explanation of the pearling process, along with a few gems of history and "hands on" experience.

"We hope to become an important North Coast attraction," said Taylor. "In fact, the response from our visitors has been so great that we're teaming up with Bali Hai Cruises to open up our latest



pearling venture to the public.

"Our farm at Nusa Lembongan Island on the South Coast where most tourists stay will be open in February, 2006. We'll have an interactive tour program that will showcase the beauty of pearls and pearl jewelry."

Although tourism is expected to boost the company's sales, wholesale distribution will remain the cornerstone of Atlas's marketing efforts.

"It's important to look at the scale of a pearl farm operation and its relationship to tourism. For a small or family-based operation, direct farm-gate sales makes perfect sense. But at the scale our farm operates, this is impossible. We can't depend on farm sales and, besides, we're extremely happy with our relationship with pearl marketer Pearlantore International," Taylor said.

"So far this year," Taylor went on to say, "We've sold around \$300,000 of by-products—jewelry, homewares and seafood. Farm sales of pearls are relatively small at this stage, but it's a profitable business in its own right and the sales are certainly sufficient to defray some of our operational costs.

"By the end of 2006, we'll probably have all three Bali sites open to the public, contributing—perhaps—10% of our revenue."

The development of the Bali pearling ventures has had a major positive impact on the local economy.

North Bali Pearls employs over one hundred people from the local villages and is now the third largest contributor to the regional economy. The opening of the site

to visitors has attracted other tourist ventures to the area with a new diving center soon to open next door.

Moreover, Atlas has become actively involved in a range of community-based activities including the training of local artisans in mother-of-pearl carving, the establishment of scholarships for underprivileged children, and environmental programs, such as coral reef restoration and the planting of mangroves to assist in shore erosion.



Atlas pearls: sorted, packaged and ready for delivery to Pearlantore in Australia.

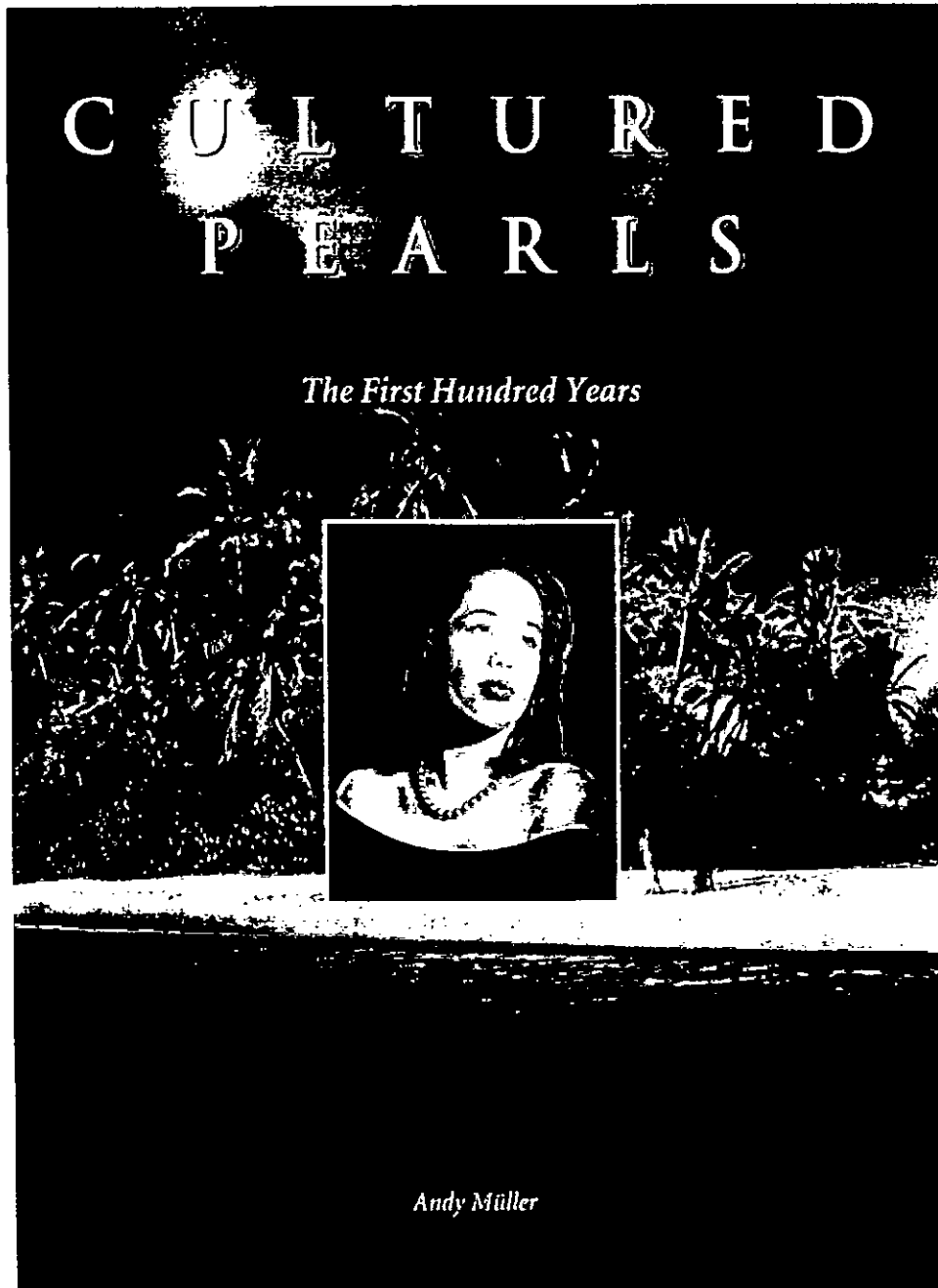
Looking ahead

Taylor is highly optimistic about the new directions his company has taken.

"We've experienced the challenges of pearl farming. It's not an easy business, but we're entering an exciting new phase and we expect bigger and better things in the future. Nobody could have imagined when we got started that we would now have two far-apart locations—and a tourist attraction, too!" ❖

C. Richard Fassler is an Economic Development Specialist for the State of Hawaii. He organized Pearls '94 in Honolulu, and has since chaired or co-chaired pearl sessions at World Aquaculture Society conferences around the world. He visited Atlas' Bali farm in May, 2005.

A RECENT FIND



We have recently discovered a small stash of Andy Müller books, which we believe are now out of print. This is one of the best books describing the beginnings of the cultured pearl trade up until our modern day times, lavishly illustrated, clearly and precisely written... a must for every pearl aficionado. Original cover price: US\$60. If you would

like a copy, send a fax to XXX-602-678-6799 here in America, with your name, address, return phone/fax, credit card type, number and expiration date. We shall mail out for US\$35 domestic, US\$45 elsewhere, with receipt, on a first come, first served basis. We urge you to act quickly as there are only a very limited amount of these books available. ❖

RATHER PRINCELY PEARL DESIGNS

What's not to like about pearls?" wonders HRH Prince Dimitri of Yugoslavia, Vice President and Creative Director of Assael International.

Although it's a rhetorical question for this longtime pearl lover, he stresses the point: "They're beautiful and mysterious. They are the most feminine of all gems."

Two years ago Prince Dimitri Karadjordjevic became the creative force at Assael International, among the world's best-known importers and wholesalers of top-end pearls... and, not surprisingly, where ninety percent of the designs revolve around pearls.

"I've always loved pearls and felt that nobody had really done anything truly interesting with them, anything groundbreaking. So, I was genuinely excited when Assael International presented me with an opportunity to do just that, using the gems I so adore."

Prior to joining Assael, the prince was a jewelry appraiser at Sotheby's for 15 years and— at the time he left, decamping to Phillips auction house (now Phillips, de Pury & Company)— he was Senior Vice president in charge of Sotheby's jewelry department.

He spent two very successful years at Phillips as its International Director of Jewelry. His experiences at both houses gave him the rare opportunity to work on some of the most outstanding estate jewelry sales of the century, including those of the Duchess of Windsor and Jacqueline Kennedy Onassis.

Born and schooled in Paris— and fluent in five languages,

Prince Dimitri was raised among Europe's privileged and intellectual elite.

His parents (Princess Maria Pia of Savoy and Prince Alexander of Yugoslavia) exposed him, from an early age, to countless worldly treasures. "But my No. 1 passion was always jewelry. I went to exhibits, galleries and museums all my life— and still do— and one of the most astonishing things I saw was the crown jewels of Iran."

“I have always loved pearls and felt that nobody had really done anything truly interesting with them, anything groundbreaking.”

Prince Dimitri was 16 when his stepfather traveled to Iran on business, accompanied by the family, and was invited by Empress Farah Pahlavi's niece to view the crown jewels. The majestic daggers, swords, flacons, thrones, bijoux and "trinkets" made such an impression that, says the Prince, "I had to return the next day because there were so many amazing things to see,"

Beautiful things continue to not merely influence but enrapture him. His blue-green eyes—the color of the lagoons where the *Pinctada margaritifera* oysters produce Tahitian pearls— actually flicker with light when he speaks of art and culture.

"I find almost anything a source of inspiration. The other day I saw a marvelous African

vase with motifs that were particularly intriguing, which I know will work its way into my designs."

Although Prince Dimitri has no formal jewelry design training— "I had to teach myself how to draw and sketch," he says—he has a thirst for knowledge that inspired him to take the Gemological Institute of America's course in stone appraisal.

After years as a top-tier appraiser, he understands the construction of jewelry as if he had apprenticed as a bench jeweler himself.

While at Sotheby's in 1999, he began to design cuff links for himself, and had a goldsmith create them. They featured semiprecious stones such as topaz and aquamarine set in 18-karat gold with accents such as ruby cabochon.

"They were very minimalist but extremely elegant," he notes. "It wasn't long before people asked if I would make cuff links for them. And soon I was designing rings, too." Shortly thereafter, he began to market the Prince Dimitri line at major department stores.

When Salvador Assael invited Prince Dimitri to join his company, which was already well-known for its pearl jewelry, and particularly for its astonishing selection of Tahitian pearls, he made a perfect design match.

And thus, this student of law, finance, philosophy and mathematics found himself fulfilling a lifelong passion.

"Coming to Assael gave me the opportunity to design with the gems I adore. We determined

"Prince" to page 23

"Prince" from page 22

we were going to give pearls a fresh look and create a line called "The New Look of Pearls."

Assael International has long been a leader bringing Tahitian, or black, pearls to the international marketplace.

In 1984, when consumers were just getting to know these captivating, lustrous gems, Salvador Assael, an established South Sea pearls wholesaler, was recognized as a pioneer by the government of French Polynesia for his efforts in developing the industry in that country.

So, what better place for Prince Dimitri to land than at an importer and wholesaler's, where the vaults were filled with pearls, pearls and more pearls?

Early on in his design career at Assael, Prince Dimitri knew he wanted to make a choker, "but something new and the first thing that comes to mind when you think of chokers are the lovely Edwardian ones that were made with dainty, black-velvet ribbons.

"I thought, 'What is the black velvet of the 21st Century?' and I knew that it had to be denim."

Indeed, the denim line is a cutting edge one, with unexpected touches. There are no plain chokers set with single pearls; instead there are grommets collars with ruby heads and Tahitian pearls dangling from gold-beveled holes and V-shaped chokers edged with creamy South Sea pearls and akoyas on gold chains.

Not content to just work with denim, Prince Dimitri has explored all manner of material to create innovative pearl looks.

He shapes feathers into chokers centered by a single, significant pearl (15mm or 17mm, for example) and ruby, sapphire or emerald cabochons. He sets

necklaces and bracelets on rubber filaments and accents them with diamonds as a counterpoint.

On each page of the latest Assael catalog, his creative approach is obvious.

There are pictures of pearls used in refreshing ways: bangle bracelets made from exotic woods like amaranth and cocobolo; necklaces with pricey pearls hanging nonchalantly from feminine but unpedigreed silk cords; and major South Sea "globes" set cunningly in bright enamel shanks, rings that could easily be the focal point of an entire ensemble.

Asked what materials he might not incorporate into his pearl designs, Prince Dimitri shrugs his ramrod-straight shoulders and admits there is little he wouldn't consider.

"I like everything. I like every metal, every stone, every style. I'll continue to find more things to use, to set pearls apart and create interesting statements with them. I love wood, and find it quite chic, especially when mixed with stones and gold. And I love the flexibility of rubber."

And what are Prince Dimitri's favorite pearls?

"Baroque. They are suggestive of so many shapes and forms. They're appetizing, and each is so different, each is like a little creature."

The prince sports one baroque Tahitian on his right wrist, strung on a beige suede cord. It resembles a little animal, with minuscule bumps that could be ears and a nose. On his left wrist, he wears another luminous black pearl, joined by a few trinkets.

"Ah," he says, almost swooning, "I also love pear-shaped or teardrop-shaped pearls. They're so elegant."

He speaks with reverence when he mentions the work of

JAR (Joel Arthur Rosenthal), James Taffin de Givenchy, Fabergé, Lacloche, Boivin and Cartier.

And like any designer, his own workspace is littered with the signposts of "stimulation": pictures, clippings, talismans of past journeys, trays of colored pencils and Caran d'Ache pastels, and drawings that are not in his meticulously kept design books.

For a man who is a self-taught illustrator, his sketches are remarkably detailed and painstakingly wrought.

"You must constantly make your jewelry different. It's part of what being a designer is all about," he says.

"At Assael, we don't do a specific number of collections each year. We're not set up like the fashion world. You take a look and build, and keep building on it, evolving."

"The New Look of Pearls" has been well received at the retail level. Prince Dimitri ticks off a list of stores that have stocked and sold the line: Neiman Marcus and Saks Fifth Avenue among the department stores, and specialty retailers including David Orgell in Beverly Hills, Yamron Jewelers in Naples, Fla., Susan Robinson Collection in Tyler, Texas, and Mayfair Jewelers, with several shops in Long Island, N.Y.

Prince Dimitri sums up his love affair with pearls succinctly: "I love Tahitian and South Sea pearls equally. They each have their charms. What I make will often be decided by the shape, the color and quality of the pearls. And, it will depend on what my mood is, too, as well as what just feels right for the materials."

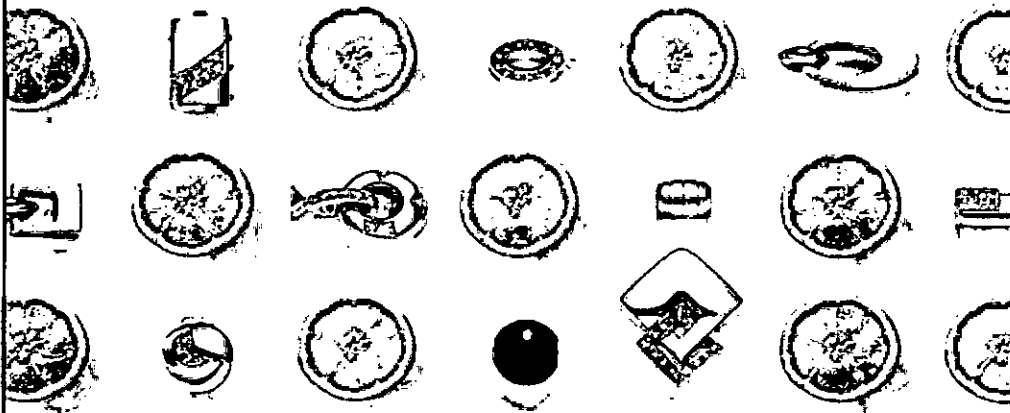
And as if we didn't get it yet, he reminds us once more, "I just love pearls."

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J. Köhle GmbH & Co.KG
Postfach 10 10 26
D 75110 Pforzheim/Germany
Tel. +49-7231-60 02-0
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<http://www.koehle.com>
E-Mail: info@koehle.com