

Al Fayed sells top London store

LONDON, UK: Egyptian billionaire Mohamed Al Fayed has sold luxury London department store Harrods to the investment arm of Qatar's sovereign wealth fund, his financial advisors Lazard said Saturday, 8 May 2010.

"The Al Fayed family trust, owners of Harrods, announce that they have today sold the Harrods Group to Qatar Holding," Lazard said in a statement.

No figure was given, but media reports suggested that Al Fayed, who also owns Fulham football club, sold Harrods for about £1.5 billion (€1.7 billion, US\$2.2 billion).

Retiring

Al Fayed, 77, is retiring as chairman of Harrods and believed Qatar Holding would continue to promote it as one of the world's foremost brands, Lazard International chairman Ken Costa said.

"After 25 years as chairman of Harrods, Mohamed Al Fayed has decided to retire and to spend more time with his children and grandchildren," Costa said.

"He has built Harrods into a unique luxury brand with worldwide recognition" and wanted to ensure this legacy would continue, he added.

Al Fayed is an outspoken and colourful figure whose son Dodi was killed alongside Princess Diana in a 1997 Paris car crash.

He spent 10 years trying unsuccessfully to prove that British security services were behind their death.

A shrine to the couple remains in the store in London's upmarket Knightsbridge district.

Long-term success

Qatar Holding, only the fifth-ever owner of Harrods, "was specifically chosen by the trust as they had both the vision and financial capacity to support the long term successful growth of Harrods," Costa said.

The new owner is the main investment arm of the Qatar Investment Authority (QIA) which is charged with investing and managing the oil and gas-generated wealth of the emirate and diversifying its finances.

The Qatar Holding division adds Harrods to a portfolio which includes a 17% stake in German carmaker Volkswagen and a 7% share in the British bank Barclays.

Al Fayed and his brothers' interest in Harrods started when they acquired a 30% stake in the House of Fraser group, the then owners of the department store, in 1983.

A year later they bought the remaining shares in a £615-million takeover battle.

The deal was part of a long-running battle between Al Fayed and businessman Tiny Rowland that endured throughout the 1980s.

After buying the store, Al Fayed gave it a 300-million-pound refit, installing a marble-clad interior and Egyptian-inspired designs.

It currently boasts 40 lifts (elevators) and three wells from which it draws its water.

Harrods attracts millions of visitors each year, whether tourists drawn to a national landmark or shoppers attracted to its motto of "Everything for Everybody Everywhere".

Al Fayed once said he wanted to be buried there.

Small start

It began as a much smaller shop on the same site when grocer Charles Henry Harrod opened a store in 1849, and his son built it up.

It burned down in 1883 but the family built a new one and rapidly expanded it.

Source: AFP

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