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BEAUTY BEAT

Fribad Goes Bankrupt

BERLIN — Fribad Cosmetics Group has declared bankruptcy.

Speaking to the local newspaper Badener Tagblatt, shareholder spokesman Jürgen Röhlinger labeled the company “terminally ill” and suggested the “ineffective and cost-intensive” firm be “completely and newly repositioned.”

Fribad was reportedly unable to pay wages for April and jobs for its 241 employees hang in the balance.

The Baden-Baden, Germany-based company, which produces skin and body care lines Sans Soucis, Biodroga Systems and Futuresse, as well as Basics and Bogner fragrances, has been part of Latvia’s Kolonna Group since 2007. Before the sale, Fribad was family-owned since its inception in 1939.

In recent months, the company seemed optimistic, and intent on marking Fribad’s 70th anniversary this year.

“In 2009 we have — despite difficult economic conditions — every reason to celebrate,” stated chief operating officer Jürgen Vater upon his appointment in February. “The brands of the house of Fribad offer enormous potential.”

Last June, Fribad owner Ieva Plaude predicted a growth rate of 10 percent and sales of 67 million euros, or \$93.8 million at current exchange. Plaude also reportedly received an award as “Baltic Businesswoman of the Year” from the U.S.-Baltic Foundation.

The company filed for bankruptcy on May 18. Insolvency administrator Andreas Fischer told reporters Fribad could survive the process. “The owners see this crisis as a chance to get the business back on its feet and make it sustainable.”

For 2007, Fribad had estimated total beauty sales of \$97.3 million, an 18 percent increase from 2006. The company’s products are carried in more than 35 countries, and exports make up 70 percent of Fribad’s sales. Its primary markets are Japan, Northern and Western Europe, and the U.S.

— Susan Stone