

The Wakaya Man



WAKAYA MAN

By Stanley Simpson

David Gilmour is the modern day frontier man. A pioneer who has enjoyed phenomenal success throughout his entrepreneurial career, and particularly here in Fiji, from where he has for the past 40 years launched internationally acclaimed brands and products, widely regarded as among the best in the world.

Many people in Fiji would not have known what he looked like until they saw the cover of this magazine, but David Gilmour is the single biggest individual private investor in Fiji's history, with an estimated \$275 million input since he first set foot in the country.

His investments here include the South Pacific Hotel Corporation he helped found in 1969, which was when he sold it a decade later, the largest hotel chain in the South Pacific. He founded Fiji Water, which was when he divested himself of the company in 2004, the fastest growing premium beverage in the United States. Today, Fiji Water LLC that he sold for an estimated US\$50 million, is Fiji's

second biggest exporter by value, and one of the top two bottled water companies in the world.

Then there is his favourite and most treasured brand - Wakaya. The island and the Wakaya Club that is among the most exclusive in the world, a resort where people "who have it all, go to get away from it all."

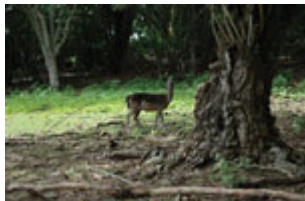
The Wakaya Club is a four time winner of "Andrew Harper's Hideaway Report" Grand Hideaway Award, and is frequented by those who are among the richest and most famous people in the world.

Gilmour 'discovered' the absolutely stunning 2,200 acre Wakaya while on a trip to Fiji in 1971. It had been uninhabited for 170 years. He opened the Wakaya Club in 1990 with guests over the years ranging from America's richest man Bill Gates and wife Melinda, Michelle Pfeiffer and David Kelly, Nicole Kidman, Prince Felipe the heir to the Spanish throne, Tim Allen, Pierce Brosnan, Tom Cruise and Penelope Cruz, and array of international personalities too numerous to mention.

"When you leave, you cry," singer Celine Dion told People Magazine in 1999 of Wakaya. "Because it is an experience out of the ordinary."

"Seeing the unspoiled and breathtaking natural beauty of Wakaya

in Fiji for the first time and falling in love with the island."



So it was delight and honour that Mai Life was invited by David Gilmour to spend a day and meet with him on Wakaya. We flew out of Nausori on Air Wakaya, the Club's 2005 Cessna Grand Caravan executive plane. The trip takes about 12 to 15 minutes through the Lomaiviti

group before you see what many pay tens of thousands of dollars to see.

People react in different ways when they see something beautiful, and the bird's eye view of the island as we

prepared to land elicited a variety of responses. You would understand immediately how Gilmour must have felt flying over the island for the first time in 1971.

When asked recently about a point in his life when everything clicked and he discovered something new about himself, Gilmour response was: "Seeing the unspoiled and breathtaking natural beauty of Wakaya in Fiji for the first time and falling in love with the island."

The island today, is not just naturally delightful but the infrastructure is also superb as evidenced by the smooth landing on the runway. We were greeted by Robert Miller, Wakaya's resort manager who drove us through the country road to the club. On the way we saw wild deer, another famous native of Wakaya. This is the only place in Fiji you will be able to see deer. We also sighted a number of bush pigs.

"I can get a bush pig in 5 minutes," Robert told us as we drove through an untouched area on the island. In fact, much of the island away from the resort bures and properties remain untouched.

We reached the Club area in no time, disembarked and walked across the lawn to meet Mr. David Gilmour. Tall, neatly dressed, with steely grey hair, there is a genuine air of elegance about David Gilmour. A statesman-like stature and presence that probably comes from being both very rich, and very successful. He walked over to give us a warm greeting, made us feel at ease and moments after we had made introductions proceeded to show us the island. Its best to say from the outset that everything we saw seemed to be the finest of everything you can get. A run by run commentary could see this magazine in danger of fawning at every little detail, but this is an island that charges bures and lodgings from \$US 2000 a night to \$US7,600 a night - so they only provide the best.



There is no doubting the natural beauty of the island, the excellent design of the bures and landscape of the club as well as its layout, but what was more immensely fulfilling was to see fellow Fijians walking past smiling at you, and knowing that they were among the best, and providing a service that was among the best in the world.

"We have four chefs who are all local," says Gilmour as we stood in the big diner designed in the idiom of Fijian architecture. "We bring over chefs from around the world to have a holiday, but part of that is that they promise to go into the kitchen to help teach our boys."

Chefs that have come over to help include Nobu, Charles Trotters from Charlie Trotters in Chicago, and other chefs from the US and Europe.

"Everything we've done, we've done in such quality," says Gilmour. "So that nobody can find fault."

Some of the internationally renowned chefs have even expressed surprise at the skill and talent of the experienced locals, some who have been at the resort since its inception.

Just over 300 people live in the workers' village on the island, and they are provided with all the amenities one would need.

Gilmour says that they invite Fijians from all around Fiji to come to work on Wakaya and endeavor to provide them with a desirable quality of life.

On the centre of the village, stands one of the most impressively designed churches you would ever see.

"It is an old church design. My wife Jill researched designs of the 19th century, and my sister did the tapestry," says Gilmour. "The stained glass windows are in memory of my daughter – she loved Wakaya." While we were aware of his loss, it was at the church that Gilmour talked about his daughter who passed away in 1983 for the first time. She was just 21.

"We spent our best summers here. Really, another motivation I would say for my love of Fiji, is that when you don't have any children, Fiji becomes very important and that's why instead of indulging my own children, I try to indulge little bit into the people I love."

Gilmour describes her passing as a sea change in his life, and is in fact writing a book of his experience titled

'Before and After'.

"After that event my charitable giving and my attitude towards life and my feel towards Wakaya and attitudes towards the assets I have were enhanced."

"Having no children, I replace children with taking care of others."

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ome of the most passionate moments shown by Gilmour was when he showed us Wakaya Primary School.

"Education is my passion," he told us. "Because before my daughter passed away she had learnt about some blind children in the Bahamas, and in her memory I built a home and learning centre for blind children there that is being managed by the Salvation Army."

Gilmour built the Wakaya school on his own and has built several other pre-schools around Fiji, including one in Levuka that will be announced in August.

The only help he has accepted from government in Wakaya are the two teachers that teach the students there.

"To my knowledge, of all of the 75 million dollars I have invested on this island and in its infrastructure, the teachers are the only thing we accept from government," says Gilmour.

"The reason for that is that I think too many people go to government for handouts."



"I prefer to think of myself coming to Fiji with my fortune, having earned it elsewhere to invest here. Too many people come here with no money and try to make their fortune on the back of the Fijian people. This is totally self sufficient."

Gilmour is also on the board of directors of the Andre Agassi Charitable Foundation and is building all the pre-schools and kindergartens for his group of pre-schools.

Lodged between the school and the church was another impressive bure that is the village's meeting hall.

"Rob Miller has a PHD in building bures," Gilmour quipped when I noted again the remarkable structure and design.



A further indication of Gilmour's interest in Fiji's historical past and love for the country is his private museum, a comprehensive collection of some of the earliest lithographs and artifacts of Fiji in print.

"For the last 30 years I have been buying at Sotheby's in London and Christies and all over the world and I bring it back here. The museum is small but is probably the largest collection of the earliest prints of the Fiji Islands," says Gilmour.

Of the many other impressive structures on the island, two in particular stood out and will linger long in the memory as a symbol of Wakaya's natural beauty combined with luxury design. They are Vale O, or "House in the Clouds," the island's royal suite, a 12,000 square foot villa on a 16-acre hilltop estate with stunning panoramic ocean views.

Gilmour describes it as having one of the finest views of the South Pacific, and even if you tried, you would find it hard to disagree.

Overlooking the Koro Sea and Homestead Bay, the island's longest white sand beach, Vale O is described as melding western comfort with eastern serenity, showcasing the beauty of the island and the art and culture of the South Pacific. The property features a rock-rimmed pool with a waterfall and Jacuzzi, a night-lit tennis court, a Boules court, and its own gym. Vale O guests enjoy the services of a dedicated household staff including a personal chef and an on-call driver.

The other structure we have to mention is the Ambassador's Bure, the largest suite at Wakaya. It is a spacious and luxurious ocean front 4,500 square foot 2-bedroom retreat. Each of the two bedrooms feature a four-poster king bed, spacious walk-in closet, writing desk, luxuriously appointed bathroom, including two separate vanities, a private outdoor shower, and generous soaking tub—designed for two. With a separate living room and a full kitchen/dining area, the Ambassador's Bure has its very own Spa on top of its other attributes. The Spa includes two treatment rooms replete with a relaxation area which has a totally private Plunge/Water Shiatsu Pool Lanai.

Pure class, and even Nicole Kidman is said to have requested for its design.

So how did a Canadian who made his first fortune in consumer-electronics come to Fiji, and why has his interest stayed here this long despite all the upheavals the country has been through?

Gilmour took us right back to his first visit to the country, and the impression made on him by three of Fiji's greatest chiefs in the modern era, the late Ratu Sir George Cakobau, Ratu Sir Edward Cakobau and Ratu Sir Kamisese Mara.



"It was almost 40 years ago and my partner and I were going to start a hotel chain the South Pacific," says Gilmour.

"I happened to have an introduction to a great old gentleman who is no longer with us, Mr. Arthur Leys of Munro Leys, and during lunch he asked me if I would like to meet some of the people who were managing this country."

"So he arranged and I met Ratu Edward and Ratu George and Ratu Mara who were extraordinary men, and to meet them all in one day was an amazing thing. After meeting these men I just found that there was such a positive feeling, such a patriotic feeling of how to bring Fiji forward. I became very excited and decided we would do something in Fiji."

One of his first projects in Fiji was Pacific Harbour, one that did not reach the heights he had intended, but has endured to the present day, and thriving nonetheless.

"It had every chance of being great, it was in the mid 70s, but then the oil crisis came and American Airlines who was to have managed our hotel at Pacific Harbour, and Pan Am and British Airways and Continental, started to over-fly Fiji. So from a fabulous dream we did not in any way anticipate what happened," says Gilmour.

The plan for Pacific Harbour was to build a destination resort, long before Denarau, but the damaging 1970's oil crisis saw their major airline partners American Airlines pull out of the project, leaving Gilmour and his partners to manage the project themselves.

"It was not initially as successful as it could have been if the airlines were all flying in," says Gilmour.

He however persevered with the South Pacific Hotel Corporation, buying and building hotels throughout the South Pacific. When he sold the company, SPHC owned 56 hotels throughout the region.



In the midst of building Pacific Harbour and SPHC, Gilmour found out about Wakaya.

"I heard by accident, I think it was our legal firm that mentioned Wakaya was for sale and that the people who owned it didn't know what to do with it so I went and visited it from the air," says Gilmour.

"There were no airstrips or roads but when I saw it from the air I realized that it was a spectacular opportunity to take an island that had been uninhabited for one hundred and seventy years and make it very high quality and very sensitively developed for those who search and experience the South Pacific, but not just to come once but a place to emotionally identify with and return many times."

He made his second visit to the island a few months later on a little boat from Levuka. The island was then just a copra plantation with 8 employees. As there was no road, the plantation manager took him on a tour of the island in his tractor, an Allis Chalmers one seater with Gilmour standing on the back.

The idea of the Wakaya Club came to mind in 1987. A lot of investors then were having second thoughts about investing in Fiji following the first coup, but Gilmour's personal attachment to the place had him believing in the island's unique potential.

"It was never a financial wish, it was a wish to do something very very well and to be appreciated," says Gilmour, and his idea was that it be exclusive to those who want privacy and quality, and the best in food and activities.



To achieve that meant laying an infrastructure and foundation necessary to accommodate the selective clientele he aimed to target, and starting this on an untouched island without damaging its natural beauty.

"I knew that it was going to be difficult in the sense of a monstrous engineering plan but those challenges I am used to accepting," says Gilmour.

Most of Wakaya Club marketing is by word of mouth or via website, and Gilmour and his associates make personal visits to the top real estate agents in Europe and the US.

"We don't advertise in magazines and newspapers because our clients are high end who want to have a sense of discovery," says Gilmour. Therefore the island's privacy is fiercely protected.

"We don't allow any encroachment, because otherwise we would lose the exclusive clientele who come here on the conditions of privacy. No one has ever penetrated air or sea to invade the privacy of Wakaya's guests."

A few years after the Wakaya Club was opened, the island provided the setting for another of his brilliant ideas when Gilmour observed his rich and famous guests drinking imported bottled water.

"In those days we were importing Evian, a French bottled water and I said this is ridiculous, I bet within a hundred miles of where I am standing there is a wonderful tasting water and pure."

A lot of tough work had to be done to find the water source, set up the factory, and more challengingly try to break into the US bottled water market that already had 600 competitors.

"To say that because its water from Fiji everybody would be fighting for the water would be a gross exaggeration," says Gilmour.

"We did some very important marketing to establish the brand which became one of the greatest brands of water in the world."

Gilmour started Fiji Water from a factory in Ra, a province with very little economic activity aside from sugarcane farming.

"It was extremely difficult, the first plant to be designed and implemented was useless. It could not reach a mass and volume that could make the company successful, so that was a problem."

"But if you believe in what you are doing, you stand up dust yourself off and move forward, and we did.

That's when I brought my friend Doug Carlson into the picture who created the right factory and the right environment and from there Fiji water grew to be the success story."

Marketing was a main ingredient to the success, particularly with the waterfall bottle design, and Fiji Water

has sent out millions of these little ambassadors of Fiji.

Gilmour sold the business which continues to thrive today, in 2004.

"If you look at my history, whenever I create a success I love to move on to new challenges. I didn't want to be the biggest water boy in the world. There were many things I wanted to move on to and have since done."

Fiji Water is however currently embroiled in a battle with the Fiji Islands Revenue and Customs Authority over its transfer pricing accounting policy. Gilmour says he never ever foresaw that as a problem.

"Not for one minute because transfer pricing is nothing new," he says.

"We had the best accounting firms and legal firms in the United States that looked at it very carefully and they said this is the way it is done. Lets not forget that this is water, its not perfume and we are not selling high fashion or expensive motorcars, we are selling water."

"I am sure it will work out once people understand what the truth is and the truth of the matter."

Gilmour's love affair with Fiji was given a jolt though when the Wakaya Club Resort's head office in Suva was closed for two days in November last year after it was raided by tax officers. Gilmour seems both wounded and insulted over the matter although he took pains to remind Mai Life that he did not want to come across as being bitter.

"I couldn't believe it. I thought somebody was pulling my leg. If you took five minutes to check the logic of it, it's illogical, rude and it's not the Fijian way.

He said Wakaya brought in \$20 million to Fiji over the last three years and the only money going out was for materials like steel and construction needs they could not purchase locally.

"I have not had anything explained to me and I would never ever evade or avoid tax that wasn't aptly legal. It's a mystery to me but it's been misunderstood and I hope not deliberately, but we will know soon," says Gilmour.

"Wakaya is a labor of love so its not that I may sound a little irritated or mad, I'm not. I am just hurt after investing 275 million dollars in this country that I brought in and then to be treated this way puzzles me as to why and how, but one day like all good things in Fiji, we will find out."

"I love being here and I love the Fijians I know and what I can still do for the country, but as far as investment at the moment I am going to wait just a little bit, because this slap in the face by the raid doesn't sound Fijian to me. That's not the Fijian way and I have been here forty years and maybe I have missed something, but I don't think I have."

"The challenge, being the largest private investor in Fiji's history, was there might have been other places in the world I could have found a little easier time of investing, if the whole aim was to make money. But that was not the main aim."

"Men make money, but money does not make men."

"So, I've just come here because I love and respect the people from the day I got here and Ratu George, Ratu Mara and Ratu Edward, those three men made me feel that this was the place. They encouraged and helped us to do what we did."

"I will never forget the day we opened Pacific Harbour and Ratu Mara said, David and Peter (business partner Peter Munk) everybody has seen what you have done for us...now I ask you...what can we do for you."

"The bond was made," says Gilmour.

In 1998, then President Ratu Mara bestowed the 'Order of Fiji' on Gilmour for his commercial and philanthropic achievements in Fiji. The award he says, meant a lot to him.

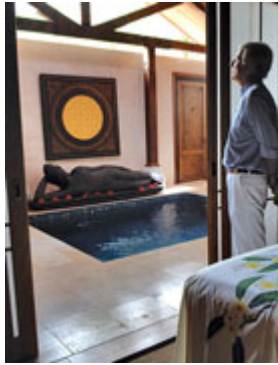
"It meant a tremendous amount to me because it wasn't money, it wasn't tangible, it was just a wonderful thought in recognition of what I have been trying to do but I don't think your audience today wouldn't even recognize what I look like."



"I have had no press literally in forty years because I am not in it for recognition. But the moments like getting the Order of Fiji were incredibly important to me."

Gilmour says that Ratu Mara repeated the same sentiments he made at the opening of Pacific Harbour, when he opened the Fiji Water bottling plant.

"And for people to think that we were coming here with greed and averse to make money on a plant in Fiji against six hundred competitors in the US plus the added shipping costs.



Those are the challenges I absorb and my team are all capable of solving."

"Forty years ago I was fascinated by Fiji and I was very aware of the Caribbean Islands and I don't mean to be rude but the Fijian is the most charming, wonderful host for tourism I have ever met. So really I felt they had the ingredients for tourism if the quality was kept up, and when opportunities like Fiji water came along I invested what could be construed in this country as immense amounts of money, but considering I have been very fortunate in my business."

"I make my money elsewhere and I bring it to Fiji to invest. The sad thing is I see so many people come here not to bring money but to take money from Fiji."

While he has made his money, David Gilmour continues to thrive on doing unique ventures.

"I do," he told Mai Life. "It keeps me young and it's more creative. I don't like copying other people's ideas."

His most recent pioneering venture was to found media company VIV Publishing LLC in 2007, whose first product is an entirely new concept in women's magazines: a health and lifestyle publication called VIV distributed exclusively in digital form.

Gilmour expanded his thrust into the world of publishing the same year by acquiring Zinio, the leading digital publishing, retail and distribution platform for magazines and books. Zinio has pioneered paperless distribution and has introduced innovative digital marketing practices to the print industry. Over the last year the initiative has introduced a series of groundbreaking new technologies for the global marketplace, rolled out operations across Europe and Latin America, and doubled both its publisher client and consumer bases.

In 2004, then US Secretary of State Colin Powell presented Gilmour with the US State Department's 2004 Award for Corporate Excellence (ACE) in recognition of the international growth and success of Fiji Water with its philanthropic endeavors in Fiji.

In the middle of our tour of Wakaya, as we drove past deer and enjoyed the scenery, Gilmour reached into his shirt pocket and handed this writer a typed note. In it Gilmour provides a short statement of his concerns over what he describes as "the past 40 joyful years of my investments and time spent in Fiji and with the Fijian people."

He observes: "I noted many times the distinguished leaders of the



Fijian government and their departments have been approached by many foreign investors who have brought various business and investment presentations for projects. Most have had three things in common with each other. One, the majority of men that I have observed have never had a career success or adequate business experience. Two, men who have come to Fiji to make their fortune not bring their fortunes to Fiji to invest in Fiji and three, generally their plans or ideas are not viable and end in costing Fiji its integrity and indigenous assets."

Gilmour notes the "trusting nature and the enthusiasm of various Fijian governments to build a successful commercial future and develop new industries with foreign investments" but warns of the consequences of not checking the "credentials and past of all investors and consultants past and present."

Gilmour says that unfortunately, as a result of misinformation by certain foreign consultants, he believes that there may be several large law suits, as tremendous damages have been caused to several companies.

Later as we dine over a splendid lunch in just another one of the island's beautiful spots, Gilmour and colleague Doug Carlson relate with humor how some tried to take over the Fiji Water factory during the 2000 coup, and how the two 'escaped' in a sea plane from the island resort they were staying in.



Gilmour put Fiji's political troubles down to growing pains.

"I am convinced, I mean look at America, how many years did it take before they resolved their issues after they got independence hundreds of years ago."

"I think Fiji will make its way."

We asked Gilmour what was his philosophy in life.

"Oh in my small way leave it a better place than it was when I arrived and look for little areas that need help where in my small way I can make that little bit of help. I don't give my charity to a united appeal because there is no personal attachment. I like to give where I understand it, believe it and where it will help."

And how would he like to be remembered by the Fijian

people?

"That I came to Fiji to give," says Gilmour, "and that I never took away"