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CACHAÇA
New rum-like
liquor from
Brazil makes
its debut in
the city. **P3**

Leblon looks for cachet from cachaça

With local roots, CEO tries to plant the seed here for his new Brazilian liquor

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A Wayne native will use Philadelphia as one of three launch cities for a new Brazilian-style liquor.

Leblon Holdings LLC of Berwyn this week unveiled Leblon Cachaça in Philadelphia, following a spring launch in Miami. Cachaça (from Portuguese and pronounced ca-SHA-sa) is a liquor popular in Brazil and used in mixed drinks. The liquor is gaining in popularity in the United States but will be widely promoted here.



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CFO Tom Bonney (left) and CEO Steve Luttmann of Leblon Holdings showcased their new Brazilian liquor Leblon Cachaça at Alma de Cuba restaurant in Center City.

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Steve Luttmann
CEO
Leblon Holdings

"I'm a Philly guy. There was no way we could launch it and not launch in our own town," said Leblon Holdings CEO Steve Luttmann, 40, a longtime liquor-industry executive who now lives in New York.

This week, Leblon Cachaça was launched at two Center City restaurants — Alma de Cuba and Amada, a tapas restaurant in Old City. Other locations with a Latin theme, including Brasil's and El Vez, will also sell the drink.

Luttmann started the business with Chief Financial Officer Tom Bonney, managing director of CMF Associates,

a Berwyn financial management firm, and Gerard Schweitzer, a native of France who lives in New York.

Before Leblon, Luttmann spent 10 years at other companies developing and launching liquor brands and consumer products, working for Unilever, Grand Marnier and LVMH Group, which produces alcoholic beverages under the Moët and Hennessy names.

For Grand Marnier, Luttmann helped launch Grand Marnier's Navan, a vanilla cognac aimed at the urban market. For Unilever, he launched Bertolli Pasta

Sauce and a new Ben & Jerry's Milkshake, a licensed beverage being produced by PepsiCo. (Ben & Jerry's is owned by Unilever.) For LVMH, he launched 10 Cane Rum.

Working for various brands, Luttmann crisscrossed Europe and Brazil. He also became enamored with Brazilian culture and, by extension, its products. In Brazil, cachaça is the second-leading alcoholic beverage, behind beer. It's served in nightclubs and beachside venues and, like rum, is associated with beaches and tropics. The name Leblon comes from a beach where Luttmann danced with his Brazilian wife and sampled cachaça.

Cachaça is similar to rum. But, whereas rum is distilled from molasses, cachaça is distilled directly from the juice of the unrefined sugar cane.

The combination of Luttmann's experience and his travels convinced him that the U.S. market was looking for the next logical product to follow the success in recent years of rum and tequila.

Many of the products Luttmann has dealt with have been aimed at consumers with refined tastes. This would be no different. Like most distilled spirits, cachaça is sold as high-end brands and affordable brands.

"We're hearing a lot about the phenomenon of trading up. We're seeing the 'premiumization' of everything," Lut-

mann said. "Along those lines, people are looking for a super premium rum. But the problem is the same that tequila had 20 years ago. How do you take it out of the region [to a broader market]? Cachaça is no different."

To produce a high-end cachaça, Luttmann hired Gilles Merlet, a master distiller from the Cognac region of France.

To raise money, Luttmann turned to Bonney, whom he met at Penn State. With Bonney's help, Leblon Holdings raised \$3 million from private investors.

The liquor was recently approved for sale in Pennsylvania by the state Liquor Control Board. It is being distributed by Southern Wine & Spirits.

A 750-milliliter bottle of Leblon retails for \$29.95.

Philadelphia is one of three cities where the liquor will be launched, along with Miami and New York. After being launched this spring in Florida, the company is selling 500 cases a month there.

For now, Luttmann said, there's not a lot of U.S. competition for cachaça. If it's successful, that could change quickly.

"There's going to be [competition], but it's not there yet," Luttmann said. "There may be some who jump into the market. Some may knock it off, others may come up with their own version."