

fashion front

OPINION: Fashion Front, a new column by Bridget Foley, launches with a look at designers in the buff, page 8.



WWD SUPPLEMENT

FASHION: The CFDA takes a look inside the homes of designers, including Donna Karan, page 10.



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WWD TUESDAY

Ready-to-Wear/Textiles

Bead Game

Angela Missoni looks to Africa through a Sixties lens for her resort collection. The result: a bold lineup of supergraphic patterns. Here, a beaded dress accessorized to the max. For more on resort, see pages 6 and 7.

Overseas Looks Good: U.S. Companies Eyeing M&A Deals in Europe

By Evan Clark

GIVEN THE TROUBLESOME DOMESTIC market, U.S. fashion companies should look to one man for salvation: David Hasselhoff.

In what futurist Edie Weiner calls a new era of aesthetic democracy, American brands are rushing to counterbalance the slowing domestic market by moving into undeveloped regions abroad, especially Europe. And in that regard, Hasselhoff is a case study. While the kitschy actor's star faded along with "Knight Rider" and "Baywatch" in the U.S., he retained much of his popularity in Europe, where he was seen more as a singing sensation and sex symbol, noted Credit Suisse analyst Paul Lejuez.

"We believe that Hasselhoff's popularity (or lack thereof) is relevant for the investment

See *Fashion*, Page 13





The Louis Vuitton shop at Printemps.

Louis Vuitton Stretches Out

By Miles Socha

PARIS — Leave it to Louis Vuitton to build a shop-in-shop on steroids. The French luxury firm's new 4,300-square-foot showcase in the revamped Printemps spans all three floors of the department store's new luxury accessories zone, linked by its own central staircase. "It's really a three-level store within a store," said Philippe Schaus, Vuitton's executive senior vice president. "It will have a very upscale positioning."

The concession, whose first floor is slated to open in mid-June, also boasts Vuitton's first counter dedicated to textile accessories and a salon for watches and fine jewelry. (The upper levels, still under construction, are to open in July.)

Vuitton has operated a concession at neighboring Galeries Lafayette since 1999, but is a new tenant at Printemps, which speaks to its belief in the upscale retailer — as well as the vibrant demand for the Vuitton brand on its home turf.

"The business in Paris is doing extremely well," Schaus said, describing a thriving business at Galeries, where there is often a queue, thanks partly to an explosion in Chinese tourism and a new fashion floor added in 2008.

Vuitton expects the Printemps unit to attract a different clientele, including fashion-conscious Right Bank residents and growing ranks of tourists from the Middle East and Russia. "They are really filling a void in Paris," Schaus said.

The first floor of the shop, in the warm brown tones for which Vuitton is known, is devoted mainly to leather goods, with the display unit for scarves and silks located just across the entrance. The second floor is devoted to exceptional leather goods, watches and fine jewelry, also with a separate, external counter for watches, targeted mainly at men. Women's ready-to-wear and shoes dominate the top floor.

Vuitton operates three freestanding boutiques in Paris, including a sprawling, bustling flagship on the Champs-Élysées. Still, Schaus said shop-in-shops are highly productive, and less intimidating for customers not ready to push the door on an Avenue Montaigne boutique.

"It's a good, complementary way of presenting the brand," Schaus said, noting Vuitton maintains its no-discount policy even within department stores, which tend to be promotional.

Vuitton boasts 445 boutiques and concessions in the world, including one at Le Bon Marché, the Left Bank department store owned by Vuitton parent LVMH Moët Hennessy Louis Vuitton.



Yaz Hernandez in Brian Reyes with husband Valentín at the El Museo Gala.

TODAY ON WWD.COM

- More images from the El Museo 2010 Gala
- Trend Report: Netting looks for holiday 2010
- All the looks from the Roberto Cavalli, Missoni and Just Cavalli cruise collections
- Additional images of Café Habana in Malibu

WWD TUESDAY

Ready-to-Wear/Textiles



FASHION

6 Italian designers spice it up for resort as they play with prints and patterns for bold yet feminine lineups.

GENERAL

- 1** Given the troublesome domestic market, U.S. fashion companies should look to one man for salvation: David Hasselhoff.
- 8** Lacoste, which is searching for a successor for its departing creative director Christophe Lemaire, is favoring applicants with a strong affinity for the U.S. consumer.
- 10** **READY-TO-WEAR:** In September, the CFDA will publish with Assouline "American Fashion Designers at Home," a coffee-table book that will feature images of homes from some 115 of its members.
- 11** **TEXTILES:** Executives at the SPESA Expo showed a renewed commitment to reducing shipping timelines, strengthening supply chains and adopting new technology and equipment to produce faster.
- 12** The renewed strength of the dollar will have increasing effects on the bottom lines of retailers and brands. Some positive, some negative.

EYE

4 Summer was in the air Thursday night, but New Yorkers managed to squeeze in one last spring social hurrah at El Museo's 2010 Gala.

Classified Advertisements..... 15

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DAILY QUOTE "We believe that [David] Hasselhoff's popularity [or lack thereof] is relevant for the investment community."

— Credit Suisse analyst Paul Lejuez explaining different tastes in the U.S. and Europe. Page one.

CORRECTION

A story on the Swatch Art Peace Hotel in Shanghai on page 5, Thursday, incorrectly attributed a quote. Nick Hayek, Swatch Group's chief executive officer, said, "Fairmont will be in trouble when they open because they will have so many phone calls for people trying to book our hotel."

COMING THIS WEEK

- WEDNESDAY:** Coldwater Creek Inc. and Harry Winston Diamond Corp. report first-quarter sales and earnings.
- THURSDAY:** Fashion Industry Gallery, Dallas (through Saturday).
- Fashion Center Dallas (through Sunday).
- Couture, Las Vegas (through June 7).
- Major U.S. retailers report May same-store sales.
- Charming Shoppes Inc. reports first-quarter sales and earnings.
- Quiksilver Inc. reports second-quarter sales and earnings.
- FRIDAY:** JCK Las Vegas (through June 7).
- The U.S. Labor Department releases the May employment report.
- SUNDAY:** Chicago Apparel Center Women's & Children's Market (through June 8).



WWD MAGIC

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Melody Gardot

Melody Maker



MELODY GARDOT NEVER THOUGHT A NEAR-FATAL CAR ACCIDENT in 2003 would launch her career as a rising star in the world of jazz. After being told she would most likely never recover, Gardot, who suffered a fractured pelvis and spine as well as memory loss, taught herself to play guitar while laid up in a hospital bed for a year. Musical therapy apparently worked to reconnect the 25-year-old singer and songwriter's nerve pathways in her brain, and Gardot has since become a sensation in Europe, especially France, where her latest album, "My One and Only Thrill," hit double platinum with more than half a million copies sold.

Gardot, a native of New Jersey who later lived in Philadelphia, where she played a piano at bars at age 16, got her first break in 2005 when she produced 1,000 copies of her first release, "Some Lessons: The Bedroom Sessions," even though she was broke. She thought she would end up wallpapering her bedroom with the CDs, but she sold out in four months. Most recently, Gardot, a self-confessed Francophile whose songs shoulder jazz and blues, presented an opening-night musical performance for Tim Burton at the Cannes Film Festival. Her national tour, for which Alber Elbaz provided the wardrobe, kicks off tonight at the Central Park SummerStage with The New York Pops, followed by stints in Boston, Washington, Chicago, San Francisco, Portland and Seattle.

—Karyn Monget

WWD: Where do you get your inspiration?

Melody Gardot: I just sing. I sing in the shower and I sing onstage. I'm not a singer who has anything to prove. My songs are heavily rooted in melody and jazz, so it's fun. Duke Ellington, above all, inspires me. With "The Afro-Eurasian Eclipse" [1971], he was on the edge of hip-hop before it was happening. While studying tango, I was inspired by Lhasa de Sela and her "La Llorona" record, a beautiful Portuguese-sounding song.

WWD: What was it like being at the Cannes Film Festival for the first time?

M.G.: It was very difficult, because we had to arrange the music on the sly and then rearrange the music on opening day. I wore this coat [by Lanvin] that was covered with plumes and gems from head to toe with a Venetian mask purchased at a sex shop — something you would imagine Elizabeth Taylor wearing. I changed into a greenish gold dress that made me look like a character from Tim Burton's "The Nightmare Before Christmas," or a sexy green blob. The following day, on the red carpet, I was dressed like a bird with feathers everywhere with little shoes that looked like birds' feet. I sent Albert [Elbaz] a digital scrapbook to thank him.

WWD: Why do you like wearing Lanvin?

M.G.: Lanvin is cool because I want to be a woman, not the idea of trying to be a woman. Some women run from it. It's nice to embrace the idea of being a woman. In Cannes, a couture shop was set up on the fifth floor of the 1835 White Palm Hotel for VIPs, with about 150 dresses on six racks. I only picked four and they all happened to be vintage Lanvin. One was a simple red dress that looked like it would move with you when I picked it up. It could have been Sophia Loren in a dance.

WWD: What are you working on next?

M.G.: Meetings in Zurich to discuss products and merchandise. But I just can't do anything cliché, like T-shirts for 15- and 18-year-olds. They're not my audience. My audience dresses like they are going to an opera.

WWD: You've been on tour in Europe and Japan for two years. Do you have a personal life?

M.G.: I'm not married. I want to stay happy.

BAJA FRESH



Café Habana Malibu's patio.



MALIBU, CALIF., MAY BE FAMOUS FOR ITS BEACHES, BUT THE RESTAURANT SCENE leaves much to be desired. All the more reason to celebrate the new Café Habana Malibu opening this summer. New Yorker Sean Meenan has taken his environmentally conscious Latin concept — proven successful at his original Café Habana in New York's NoLiTa and Habana Outpost in Brooklyn — to the Malibu Lumber Yard, where it's nestled between James Perse, J. Crew, Intermix and Maxfield. Inside, the blue-and-white Dominican tile floors and amber tube lights play up the antique bar Meenan hauled here from Deadwood, S.D. On the bougainvillea-lined patio, there's a dark wood canopy, blue banquettes, red benches from Coney Island and a Shepard Fairey mural. "I want this to feel like your Uncle Hector's backyard," says Meenan, adding: "I'm not a guy who takes myself too seriously."

The laid-back waitstaff, dressed in eco-friendly Rogue Territory and J Brand jeans, Gourmet sneakers and Alternative Apparel T-shirts, serves up Cuban sandwiches, Baja-style fish tacos, seveche and grilled corn on the cob, while bartenders macerate fresh fruit for an array of margaritas, mojitos and micheladas. "For some people, this would be slumming it; for others, it would be a night on the town," Meenan says. "I want the surfer dude to feel just as comfortable as the guy who went to Maxfield and spent a ton of money on clothes."

—Marcy Medina

Café Habana Malibu, 3939 Cross Creek Road at Pacific Coast Highway, Malibu, Calif.; 310-317-0300; cafehabana.com. Open daily 12 to 4 p.m. for lunch, 5 p.m. to midnight for dinner.



The restaurant's interior.



Sean Meenan

For more images, see WWD.com.



Plácido Domingo with Oscar de la Renta.

Maria Cornejo

Latin Class

SUMMER WAS IN THE AIR THURSDAY NIGHT, BUT NEW YORKERS managed to squeeze in one last spring social hurrah at El Museo's 2010 Gala. Narciso Rodriguez, María Cornejo, Brian Reyes, Liliana Domínguez, chairs Renee and Alvaro Domingo, Fe Fendi and Angel Sanchez crowded Cipriani 42nd Street at the annual blowout, which benefits El Museo del Barrio.

As the saffron risotto appetizer was served, the evening's speeches and awards were promptly and succinctly doled out.

"One piece of advice: brevity is the soul of wit, so two minutes!" said gala chair Yaz Hernandez as she introduced the museum's outgoing director, Julian Zugazagoitia, who bestowed artist Tony Bechara with the Special Leadership Award.

"I have been to every gala El Museo has had, and that's 17 galas, so that deserves an award in itself," said Bechara to much laughter.

The gala's master of ceremonies, Barbara Walters, was absent due to her recent heart valve surgery, so Oscar de la Renta stepped in to honor Plácido Domingo with the Lifetime Artistic Achievement Award.

"I'm very sorry, but I really do not look like Barbara Walters," said de la Renta, before reading a letter she had written to Domingo. "Dear Plácido, only an injured heart will keep me from being here tonight. I'm doing really well, but not quite ready to jump rope and go out. You are the musical genius of our time. My heart will be aching a bit tonight, but it is full of the happiest thoughts for you."

Domingo was clearly touched. "I just want to say how proud I am that so many of you are here today for such a phenomenal institution," he said, ending with a nod to his wife. "Marta and me are New Yorkers, and on the first of August, we are going to be 48 years married. So if you ask Marta how it feels, she says, 'Like five minutes — under the water.'"

◀ Liliana Domínguez in Brian Reyes.

WWD@100

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FAIRCHILD
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power play



Missoni



Armani
Collezioni



Armani
Collezioni

Italian designers spice it up for resort as they play with prints and patterns for bold yet feminine lineups. Angela Missoni's graphic motifs are inspired by the house's characteristic knits as well as a tribal African theme. At the other end of the spectrum, Giorgio Armani works his hand on florals and classic stripes. Meanwhile, Roberto Cavalli offers racy daywear in colorful abstract prints in his signature line and an explosion of stylized and blurry florals for Just Cavalli.

Roberto Cavalli



Roberto Cavalli



Just Cavalli



See all the looks from the collections on, see WWD.com.

Men of the Cloth? Not Always

TOM FORD DID IT WITH A PAIR of sex dolls. And with two guys in a shower.

Marc Jacobs did it on a T-shirt, and with a perfume bottle.

Stefano Gabbana did it (almost) in stilettos.

And, as with *le Smoking* and *Safari*, Yves Saint Laurent did it first. Get naked, that is.

Most recently, Jacobs bared all for the ad campaign for his new, provocatively named men's fragrance, *Bang*, which shows him spread-eagle on a Mylar throw, a huge fragrance factice covering the nonfashion jewels. "We tried it with clothes," he said, "but it didn't work."

"Everybody looks better naked," Ford has said more often than one can count.

Is that any way for fashion designers to talk?

Not if we still lived in the long-gone days when obvious merch flaunting was the better part of marketing. Now, the explosion of new media and resulting obsession with constant consumer

ego there, or guts — two essential traits in fashion.

For both designer and consumer, fashion is about exhibitionism. "Look at my stuff." "Look at me wearing his stuff." For the designer, it's about baring all: one's talent, ambition, drive, dreams. When a designer shows a collection, he is out there, naked, for the world to weigh in. While one can be genuinely private and succeed brilliantly in fashion, at least artistically (Martin Margiela), he cannot be meek. Some level of bravado, of belief in the fabulousness of the self, is essential. Designers are the living, breathing personifications of their brands. When Gabbana and Domenico Dolce stripped down for *W* magazine in a February 2007 editorial that commingled S&M and Catholic currents, the designers' embrace of the outrageous pushed further the high-steam image so carefully constructed for their house, the core consumer of which is chic, mainstream and middle-age.

Just like the designers, Dolce, Gabbana, Ford and Jacobs are not edgy 20-year-olds from Antwerp. Provocateurs all, to be sure. Yet all are or have been the driving creative forces behind megaglobal luxury brands which play primarily to a rarefied, yet ultimately mainstream, consumer base. As a first-time film director, Ford stressed the universality of his dazzling debut, "A Single Man." As a designer,

though he now eschews the kind of "mass luxury" he propagated at Gucci and that made him rich and famous, when he snuggled up between those two plastic gals for *W* in November 2005, it was to herald the launch of his beauty collaboration with Estée Lauder. (There were rumors aplenty that, though accepting, the Lauder brass was not thrilled.)

Typically, the raciest marketing material targets a brand's most influential, and tolerant, audience. (Coty already knows it will substitute more and more conservative versions of the *Bang* ad for the Midwest and Middle East, respectively.) That, in this day of unfettered access to every kind of visual imagery

at the tap of a screen, nudity can still cause a stir is remarkable in itself. And even the worldly take notice. Upon arriving at work one day last week, Oscar de la Renta was told by company chief executive officer Alex Bolen that he wanted to discuss a new fragrance campaign concept. Bolen promptly unveiled a reworked mock-up of the *Bang* ad, Jacobs' face and bottle replaced with Oscar's.

So what does the polished, sometimes judgmental, de la Renta have to say about brand-building by nudity? Far from aghast, he mused on what might have been. "Unfortunately, my body is no longer in a condition to be exhibited in such a manner," he said. "I never considered it — but much to my regret."

Editor's note: Fashion Front, a new column by executive editor Bridget Foley, will appear on Tuesdays and Fridays.

For photos of designers au naturel, see WWD.com.

FASHION SCOOPS

OSCAR TO THE MAX: Oscar de la Renta was most sincerely unflattered when a staff member passed by Lord & Taylor recently and saw some spring looks by Max Mara Studio, the Italian brand's diffusion line, that bore a striking resemblance to de la Renta's spring 2008 collection. "The prints and these styles are my clothes from two seasons ago," de la Renta told WWD.

In addition to similarities in cut and silhouette, a pair of prints are very close, especially a tribal pattern. While de la Renta acknowledged it is often standard practice for mills shopping their own designs to offer a designer a one-year exclusive and then put the print back into circulation, that should not have been the case here. "This particular print is not a print that I bought," he said. "I gave the Italian house the artwork.... This is horrible because Max Mara, you know, they should be more responsible."

When asked for a comment, a Max Mara Fashion Group spokesman said, "The designers of the Max Mara Studio line chose the printed fabrics in total good faith. [In the Max Mara Studio collection] the prints are applied on different materials and fashioned in styles that are very different from the models designed by Oscar de la Renta. We will, however, speak to the mill that supplied the fabric, because we're very sorry for what happened." He also added that Max Mara asks its mills for a one-year exclusive on the prints it selects.

Perhaps so, but de la Renta maintained that "their jacket looks just like mine." While that specific piece was no longer on the floor at Lord & Taylor for WWD's examination, a fuzzy cell phone photo taken in a fitting room by the designer's employee indicates he has a point. In addition, a Max Mara Studio skirt seems similarly proportioned, and its asymmetric tribal pattern placed almost identically to the skirt of a de la Renta wrap dress.

As for the mill in question, Como-based Gentili Mosconi, owner and chairman Francesco Gentili maintains de la Renta doesn't know his own contracts: "We have a commercial agreement with Oscar de la Renta for which he has the worldwide exclusive on our fabrics, whether designed by us or by him, for one year after which the designs are the property of Gentili Mosconi."

DESIGNER MEDAL: Karl Lagerfeld will soon be able to add a new silver accessory to his collection, but this one is a strictly limited edition. On Thursday, French President Nicolas Sarkozy will anoint the German designer a Commander of the Legion of Honor, France's highest civilian award, in a ceremony at the Elysée presidential palace. The honor comes with a silver medal suspended from the collar from a red ribbon, and should look just perfect under one of Lagerfeld's trademark high-collared shirts from Hilditch & Key.

THEYSKENS' TOME: Olivier Theyskens took over Liberty's light-filled women's wear floor last week to launch "The Other Side of the Picture," published



Olivier Theyskens at Liberty.

by Assouline. The tome features images taken by Theyskens' photographer friend Julien Claessens backstage at the designer's shows for Nina Ricci, Rochas and his own collections.

The shadowy, atmospheric shots span the designer's work from his debut show in Paris for spring 1999 to his final show for Nina Ricci for fall 2009. "The pictures represent things I never saw, because at that time, backstage, I was always busy — I could never stop and look at something happening," said Theyskens during the event, which was cohosted by Liberty's buying director, Ed Burstall, and British journalist Sarah Mower. "When I look back to the pictures, I discover something." Meanwhile, Theyskens also is gearing up for his collaboration with Theory, called Theyskens Theory, which will launch in September. "I'm superexcited — I was really looking forward to [doing] something like that — it's going to be very, very interesting," he said.



The looks from Oscar de la Renta and Max Mara Studio.

ON THE ROAD: New Zealand-born Rebecca Taylor, who is in the midst of revamping her Japanese business with her new partner Itochu Fashion System Co. Ltd., made an appearance in Tokyo last Thursday. The designer schmoozed with local fashion editors and models from *Steady* magazine — the glossy is doing a story on Taylor's visit — at a cocktail party in the city's Harajuku neighborhood. Taylor said this was her 18th visit to the country and she marveled at how much it has changed over that period. "Omotensando, it's changed so much. When I first came here, it was all those old apartments... now it's a different city. It just keeps reinventing itself.... They show no emotions with regards to buildings. They just tear them down."

ART AND FILM IN HONG KONG: Oscar-nominated director Baz Luhrmann put in an appearance at the opening of HK Art, which ends today. Luhrmann collaborated with painter Vincent Fantauzzo to create an installation called "The Creek, 1977." Comprised of old family photographs that culminate in a Caravaggio-inspired painting, the installation has distinctly cinematic narrative. Luhrmann admitted the work will eventually lead to a film. "This is the world's most expensive storyboard," he said. Fantauzzo, whose portrait of Heath Ledger earned plaudits and prizes last year, was also charged with creating a booth for the Sovereign Art Foundation at the fair — no easy task given his broken arm. "It's all Baz's fault — he beat me up," said Fantauzzo, who was, in fact, in a motorcycle accident. The collaboration, in the meantime, is ongoing and interactive, with viewers asked to contribute their interpretations of the story.

Meanwhile, the Louis Vuitton Gallery threw a cocktail party that night to mark the international release of retrospective tome "Complete Works (So Far)" by the Campana Brothers and the opening of an exhibition at the gallery. The brothers — Humberto and Fernando Campana — are best known for creating furniture and fashions out of recycled or unusual materials, such as stuffed animals, carpet and clothing labels. At the party, they unveiled two new pieces "Kowloon Lamp" made from colorful Italian crystal pieces and "Hong Kong Chair," which has been fashioned out of carpet, plastic, wood, PVC and numerous other materials. "These are the only two pieces in the world, we made them just for this exhibition," said Humberto Campana. The brightly colored chair caught more than one eye, with Jean-Baptiste Debains, president of Louis Vuitton Asia Pacific, testing it out. "I might need this for my office," he said.

SILK THREAD: Doing its bit for Italy's embattled textiles industry, Paris-based concept store Merci has hooked up with venerable Lake Como-based silk manufacturer Mantero for a jewelry line made using reinterpretations of the firm's printed silk scarves. Dubbed "Silk, Saved from the Flames," the pieces will go on sale at Merci during Paris Fashion Week in October. From June 21 through July 10, meanwhile, socially-conscious fashion

label Edun will install a pop up stand at Merci, offering its fall-winter collection. The presentation will include a multimedia installation focusing on its community programs in Africa: the Conservation Cotton Initiative in Uganda and the Bidi School Project in Kenya. Photographic and video works by Americans Kevin Ito and Peter Sutherland will be on display, as will images of Edun's collection lensed by British photographer Neil Stewart.



A silk bracelet from Mantero and Merci's "Silk, Saved from the Flames" jewelry line.

MEMO PAD

REICHL GOES TWEET, TWEET: At first, **Ruth Reichl**, the former editor in chief of the defunct *Gourmet*, viewed Twitter simply as a way to communicate with “a lot of friends at the same time,” she said. But that soon evolved. “One of the things I love about [Twitter] is that the limitations of it are the genius of it. The idea that you have to try to convey something in 140 characters — as a writer, it just interested me.” To say that she has taken to the medium like “hot crusty bread” to “cold, sweet butter” would be an understatement. Reichl now tweets, on average, twice a day, to her 31,000-plus followers. Her posts cover esoteric foods eaten at New York restaurants or food and quotidian minutiae or food and the beauty of nature plus how totally awesome life is. For example, on May 7, she wrote, “Bright, cool shiny day. Mountains blue. Soft pink local liverwurst, rustic bread, homemade mustard, new onions. Perfect late spring lunch.” And there are hundreds of sweet, bordering-on-treacly posts where that came from. (Another, from April 18, reads, “Misty morning. World wrapped in cotton clouds. Leftover polenta to chase the chill, melting mascarpone, softly fried eggs, crisp bacon.”) That Reichl’s entries sound more like haikus than typically zingy tweets was not lost on chef and author **Anthony Bourdain**, who, in February, began reading some of them aloud



Ruth Reichl



during his and **Eric Ripert**’s five-week radio series, “Turn & Burn,” on Sirius XM’s *Martha Stewart Living Radio*. Bourdain called the segment “The Tao of Ruth.”

Prosaic style aside, though, Reichl’s Twitter feed reveals several of her personality quirks, for instance:

1. She eats an atypical breakfast. (On Friday, it was “tiny pancakes, bright salmon roe, drizzled maple syrup. World in one sweet/savory bite.”) “What a waste of time to think that all you can eat for breakfast is cereal and toast and eggs,” Reichl explained to WWD. “There is this whole amazing world of food out there. We might as well take advantage of it.”
2. She doesn’t like to waste food. Whether it be a “toasted muffin specked with last night’s spicy Bolognese” or a cold steak bone, she’s always making leftovers work. “Some people get very upset when their refrigerator is full. I love it when mine is full,” Reichl said. “It’s an interesting challenge to me — you get up in the morning and you see what’s there and what you can do with it.”
3. She’s been spending a lot of time in bed, though it turns out this isn’t related to her unemployment (*Gourmet* memorably shuttered in October). Reichl said she broke her foot about a month ago while on a book tour, and has been bed bound while she recovers from a bone graft.

Which means more time to craft her tweets, right? No, she doesn’t need it.

Reichl, who is working on a novel, developing an online “food game” and consulting on the script for “*Garlic and Sapphires*” (the film adaptation of her third memoir, which is being developed by the people who did “*The Devil Wears Prada*” and is now on its third screenwriter and sixth script), said it only takes her “a minute” to come up with a post. “I just sort of wait for that moment every day, or the few moments when it just seems right and then [the tweets] just come in my head and I put ‘em down.”

“I have to say that Twitter can be a real distraction if you’re trying to work,” she added, “but when you’re stuck in bed, it’s great. You feel connected to the world.”

— **Nick Axelrod**

VANITY FAIR’S LATEST DEAD PERSON OBSESSION: **Graydon Carter** clearly believes the lessons of history are important to us all — otherwise, how to explain the *Vanity Fair* editor’s insistence on including at least one story about a famous dead person in every issue (and often on the cover)? Now it’s the turn of **Oleg Cassini**. A favorite of the fashion crowd and playboy to the stars, Cassini famously courted **Grace Kelly** before she became *Princess of Monaco* and quired **Marilyn Monroe**. He died in March 2006 at the age of 92 and is now the subject of an upcoming piece by **Maureen Orth**. Orth, who also has written about **Karl Lagerfeld** and **Carla Bruni** for the magazine, will undoubtedly touch upon Cassini’s legendary relationship with the late **Jacqueline Kennedy**, who, as *First Lady*, turned him into one of America’s best-known designers.

When she donned his wool coat with sable collar and muff and famous pillbox hat for **John F. Kennedy**’s inauguration on Jan. 20, 1961, it was labeled “the Jackie look,” and immediately thrust Cassini into the spotlight. However, some fashion skeptics claim it actually was **Hubert de Givenchy** who did the free-spending, fashion-loving Kennedy’s clothes and the labels were switched to Cassini since Americans wouldn’t at the time put up with their *First Lady* wearing designs by a foreigner. Cassini always firmly denied the switchover. — **Amy Wicks**

FASHION JOURNAL: The journal to accompany Monday’s *CFDA Fashion Awards* could well be the most personal one yet. With the exception of **Marc Jacobs**, who had a scheduling conflict, each nominee and honoree was photographed by **Solve Sundsbø** in a shoot styled by **Lori Goldstein** with the creative direction of **Trey Laird**. “We liked the idea of pairing the designers with a reflection of their work and someone who represents their aesthetics,” Laird said. **Alexander Wang**, for instance, chose to be photographed with six of his high school friends, while the **Pronza Schouler** image shows **Jack McCollough** and **Lazaro Hernandez** “piled up on the floor” with members from their design team and a slew of accessories, according to Laird. Only **Tom Ford** and **Donna Karan** were shot on their own — Ford in a series of mirrors that reflect him multiple times, and Karan as, well, Donna pure. As for Jacobs, his image was inspired by street casting for his fall show. The models sport **Marc masks**, which is almost as good as the real thing. — **Marc Karimzadeh**



Alexander Wang with high school buddies.



Models with Marc Jacobs masks.



Donna Karan on her own.

ICSC Outlook: Stronger Rebound Seen in 2011

By Rachel Brown

LAS VEGAS — Developers and retailers at the International Council of Shopping Centers *ReCon* convention here said bankruptcies, widespread store closures and falling consumer demand are in the rearview mirror, but don’t anticipate a strong, sustained recovery until at least next year.

This year “will have ups and downs,” said **Rick Caruso**, president and chief executive officer of *Caruso Affiliated*, owner of Southern California lifestyle centers *The Grove* and *The Americana* at *Brand*. “The broader market is still nervous and doesn’t know where things are headed, and that will continue into 2010 and early 2011.”

Executives said during the convention held from May 23 to 25 that retail activity is slowly coming to life as select concepts — value-oriented stores, in particular, remain a dominant force — take advantage of favorable market conditions.

Sandeep Mathrani, executive vice president of retail real estate at *Paramus, N.J.-based Vornado Realty Trust*, which has 164 retail properties, said he is “very guardedly optimistic. There could be a false sense of security. Depending on the disruption in Europe, you could have a liquidity crisis again,” he said, adding: “I don’t think we will see the retraction that we saw in 2009.”

Many retailers aren’t waiting out the uncertainty on the sidelines. With shoppers perking up, retailers that withstood the worst of the downturn have cash on hand and are considering expanding before rents rise.

“Where previously they might have been looking for 100 [units], they are looking for 10 to 20, but they are looking for stores,” said **Peter Lowy**, group managing director of the *Westfield Group*, the world’s largest retail property owner by market capitalization.

Developers *Diversified Realty* has been a beneficiary of more retailer demand. The *Cleveland-based* owner

and manager of 640 retail properties executed 422 deals in the first quarter involving 2.6 million square feet.

“We are seeing competition for space across all categories,” said **Scott Schroeder**, *DDR’s* vice president of marketing and corporate communications.

Most shopping center players agreed that retailer momentum would pick up starting next year.

“There are a lot of people talking about new stores, but there are a lot of people talking about them in 2011,” said **Michael Glimcher**, chairman and ceo of *Glimcher Realty Trust*, a *Columbus, Ohio-based* mall developer with more than 100 shopping centers.

As the economy appears to gain traction, the appetite for rental concessions has softened. In a sign of the times, *DDR* has closed its department for rent-relief requests, and *Glimcher Realty Trust* is disbanding a similar unit.

“Last year, the tenants had all the leverage in the world,” said **Suzanne Mulvey**, a retail real estate strategist at marketing and analytic services firm *CoStar Group*. “The extreme imbalance in the power relationship [between landlords and tenants] is balancing out.”

At the end of last year, *CoStar* found that the average retail rent rate was \$16.59 a square foot, down 5.7 percent from a peak of \$17.55 in the third quarter of 2008, and forecast that rents won’t climb across the market until 2012. At *ReCon*, however, shopping industry executives said many rents have flattened out and even begun to escalate a bit at popular properties. In addition, occupancy levels are inching up, with *DDR* predicting its occupancy rate soon will reach 92 percent compared with 90.1 percent in the fourth quarter of last year.

“The smart retailers are in expansion mode,” said **John Bemis**, executive vice president and director of leasing and development services at *Jones Lang LaSalle*, the *Chicago-based* manager of the largest retail portfolio in the U.S. “The price is right. They can get good long-term commitments for their real estate.”



Saks' Off 5th concept.

The main guessing game at *ReCon* focused on which retailers are going to make the most out of the current economic circumstances. Value and fast-fashion retailers and department stores, including *Forever 21*, *Dollar Tree*, *TJX*, *Ross* and *Kohl’s*, and the off-price formats of *Saks*, *Bloomingdale’s*, *Nordstrom*, *Lord & Taylor* and *Neiman Marcus*, were mentioned as the primary growth drivers.

Several shopping center companies weren’t shy about their desire for even more from fast-fashion retailers, especially concepts such as *Uniqlo* and *Topshop* that have a limited U.S. presence. “We are hoping for an invasion from Asia and Europe,” said **Chris Weillminster**, senior vice president of leasing at *Federal Realty*, a *Rockville, Md.-based* investment trust with 84 properties.

Others stressed the limits of the outlet concepts. **William Taubman**, chief operating officer of *Bloomfield Hills, Mich.-based* mall owner *Taubman Centers Inc.*, wasn’t keen on planting outlets in conventional shopping centers. “In life, you have to stand for something,” he said. “When you start mixing things, it clouds the clarity.”

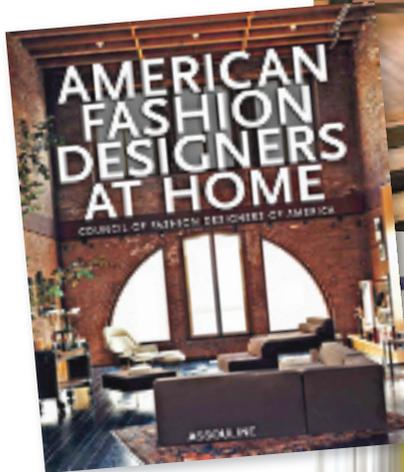
Ready-to-Wear Report

Designing a Fashionable Home

By Marc Karimzadeh

NEW YORK — Come fall, the Council of Fashion Designers of America is moving from the runways into designers' homes.

In September, the CFDA will publish with Assouline "American Fashion Designers at Home," a coffee-table book that will feature images of homes from some 115 of its members, including Carolina Herrera's opulent Upper East Side digs, Donna Karan's Zen-like Parrot Cay retreat and Josie Natori's Paris pied-à-terre.



The book's cover.

"This is the ultimate voyeuristic journey," the book's author, Rima Suqi, said. "If you are a New Yorker, and like me, are always looking into people's windows if the lights are on, this will feel very similar, except that they are all the homes of fashion designers."

Among the more familiar homes are CFDA president Diane von Furstenberg's Cloudwalk estate in Connecticut and Ralph Lauren's Double RL ranch in Telluride, Colo., but the book also aims to showcase some perhaps lesser published private environs, like Twinkle by Wenlan designer Wenlan Chia's financial district loft in Virgins, Saints & Angels creator Cheryl Finnegan's San Miguel de Allende retreat.

Most of the images have been published before, and the interiors are as diverse as the designers behind them: for example, Elie Tahari's modern SoHo triplex; Francisco Costa's Murray Hill home in multiple shades of gray; Bob Mackie's colorful explosion in Los Angeles, and the Kentucky horse farm that belongs to Mark Badgley and James Mischka. Some of the art is new, however, including Band of Outsiders designer Scott Sternberg's Polaroid of his living room featuring stacks of books topped with a colorful collection of troll dolls.

Just because they are designers doesn't mean their taste extends into the home. "A lot of people have help, they just don't always admit it," Suqi said. "But these designers all read home magazines and have a lot of books on design, and some of them even trained in architecture or interior design. A lot of the designers have fun with their homes."



A guest house in Donna Karan's Parrot Cay home.



A vintage touch in Angel Sanchez's living room.

Milly's Michelle Smith's living room.

For more, see www.com.

In some cases — Betsey Johnson's vivacious apartment or Lauren's Double RL ranch — the interiors are aligned with the designers' fashion sentiments, but there are quite a few cases in the book when the two couldn't be further apart. Lela Rose's TriBeCa apartment, for instance, was created by Work Architecture Co., whose architects honed their craft with Rem Koolhaas. The ground-floor loft's modernist feel is in contrast to Rose's more feminine designs.

Suqi supplements the visuals with anecdotes, such as the time it took some to renovate their spaces. "Vanessa Noel took the prize for taking the longest with seven years," Suqi recalled. "Kate and Andy Spade took three years."

J. Crew's Jenna Lyons, meanwhile, took two years to renovate her Park Slope brownstone, during which time she lived in her husband Vincent Mazeau's art studio with five others, a dog and two cats. "She was sleeping on a loft bed and had to go up and down a ladder while eight months pregnant," Suqi said.

Since partnering with Assouline on the "American Fashion" series in 2007, CFDA has added books on accessories and men's wear; and, more recently, the "American Fashion Cookbook: 100 Designers' Best Recipes" and "Geoffrey Beene: An American Fashion Rebel."

“This is the ultimate voyeuristic journey.”

— Rima Suqi

"We started doing books as an opportunity to create our own editorial voice around our members," CFDA executive director Steven Kolb said. "The first one, 'American Fashion,' was a huge success, so it was logical to go to accessories and men's wear. It's a nice way to talk about the American fashion industry and our CFDA members, and it shows the spectrum of talent and difference of creativity."

The foreword was written by Margaret Russell, editor in chief of Elle Decor, which was also responsible for many of the images in the book. The \$65 tome will benefit the CFDA Foundation.

Suqi's biggest discovery was probably Ben-Amun designer Isaac Manevitz's New Jersey digs. "He has a very significant collection of Memphis furniture at his house, probably one of the most significant ones in America."

The writer was also quite taken by the beauty of Ralph Rucci's Upper East Side home. "Sometimes you will find that for a man of a certain generation, the apartments have a similar aesthetic," Suqi said. "They are perfectly tasteful but there is a sameness and safety to them. But Ralph Rucci's was not one of them. His was incredibly luxe and different, and he had worked with Susan Gutfreund. Of course, if you're friends with Susan Gutfreund, you can't really go wrong."

Textile & Trade Report

Need for Speed Takes Focus at SPESA Show

By Elizabeth Thurman

ATLANTA — Executives at the SPESA Expo showed a renewed commitment to reducing shipping time lines, strengthening supply chains and adopting new technology and equipment to produce faster.

The show, which ended its three-day run at the Georgia World Congress Center on May 20, is the first since 2007 for SPESA, or Sewn Product Equipment & Suppliers of the Americas. SPESA had been affiliated with Material World in Miami on a once-every-three-years basis since the 2002 demise of the Bobbin Show, which was held at the same venue and focused on the sewn products and equipment industry.

Still more changes are afoot with SPESA, as it recently agreed to partner with trade show producer Messe Frankfurt USA to launch Texprocess Americas, a new sewn goods trade show the two companies will coproduce. Texprocess Americas will be held every even year and will collocate with Techtex North America. The first show is to be held in Atlanta from April 24 to 26, 2012.

SPESA's 240 exhibitors collocated this year with Techtex North America and another textile show, ATME-I Megatex, allowing buyers entry to each with just one badge in what was dubbed Textile & Sewn Products Industry Week.

Benton Gardner, president of SPESA, said the co-location of shows brought in more crossover business and helped strengthen attendance.

Although the show is primarily marketed toward companies in the Western Hemisphere, there was a strong international presence from 67 countries, including Brazil, Colombia, Mexico, China and Venezuela. While hedging against the exodus of domestic manufacturing to Asia and Central America has been a hot-button topic at past shows, many companies focused on ways to improve foreign production rather than resist it.

Mike Fralix, president and chief executive officer of TC2, a technology research, development and consulting company in Cary, N.C., predicted most manufacturing would continue to occur abroad, but by focusing on improving foreign factories' equipment, such as needle positioning and stitch counters, production could potentially move back to the Western Hemisphere within five to 10 years.

"When manufacturers began moving out of the U.S. years ago, a lot of that business moved into areas in Asia and Central America where automation wasn't used properly," Fralix said. "We're starting to see those countries adopt the proper equipment now. As digital technology becomes more and more advanced and the need for physical samples is reduced, companies will want to get their manufacturing closer to home since there won't be such a need for major sample production."

To this end, advancements in technology took center stage, particularly in the "Cool Zone," an area devoted to

Technology, an integrated software and hardware automation systems company that showed in the area, said buyers responded best to Gerber's new PLM solution software that focuses on improving management, an AccuMark system that strengthens collaboration on functionality such as pattern modification between domestic companies and overseas producers, a full-format plotter at a reduced price and Pivex equipment that features a high-speed oscillating knife.

Gerber introduced 12 products at the show and saw between 150 and 175 new clients, which Simpson said were most interested in computer-aided design systems because "they are the entry-level point for a manufacturer when they're trying to change their business."

Among the more novel and affordable solutions in bridging supply chain gaps were exhibitors such as FastFit360, which offered a Web-based tool featuring 3-D fit models rotating at 360 degrees, allowing for quick alterations and fit adjustments.

The firm's current client list includes Victoria Secret, Maidenform and Marks & Spencer.

Roxy Starr, chief technical officer, said the online system, designed to mirror social networking, reduces shipping time and costs, and helps strengthen communication between domestic companies and their foreign producers.

Show participants also buzzed about fast fashion and sought ways to secure market share in such a lightning-speed market.

Kevin Knaus, a fashion industry consultant and professor of fashion marketing and management at the Savannah College of Art and Design, contributed to a seminar on trend forecasting and emphasized the challenges manufacturers face in competing with fast fashion.

"What's happening on runways is happening now in fast fashion," Knaus said. "Manufacturers, more than ever, have to compete with companies like Zara, which produces 26 collections a year with 40 to 60 pieces each. People have to do business lean and mean to keep up. [The apparel industry] has this mind-set that China is cheap, but there are multiple places there where companies can go to make a good, quality product. You can get low-end or high-end [products] in every country."



The SPESA show at the Georgia World Congress Center.

interactive demonstrations of machinery and technology. TC2 organized the area, as well as educational seminars that ran during the show, and reported a trend toward virtual imaging technology, including body scanners and avatar software designed to provide more visualization and cut down excess sample production.

"There are 5.2 samples created for every product that goes through the design process," Fralix said. "If you can reduce that number to one, you eliminate waste and become more sustainable."

Exhibitors within the "Cool Zone" area addressed this by offering faster, more cutting-edge products.

Sam Simpson, vice president of sales for Gerber

Organic Cotton Sales Growing at Retail



An organic cotton top from Greensource.

By Liza Casabona

WASHINGTON — Global retail sales of organic cotton apparel and home textiles increased 35 percent in 2009 to an estimated \$4.3 billion from \$3.2 billion a year earlier, according to the Organic Exchange.

The group's "Organic Cotton Market Report 2009" noted that the top brand and retail users of organic cotton were Nike Inc., Wal-Mart Stores Inc., Williams-Sonoma Inc., Hennes & Mauritz AB, Anvil Knitwear, Levi Strauss & Co., Coop Switzerland, Target Corp., Adidas and Nordstrom Inc.

The Organic Exchange projects that organic cotton usage is likely to continue to increase. The association predicts the global organic cotton market will grow to about \$5.1 billion in 2010 and \$6 billion in 2011. The organic cotton market has increased an average of 40 percent annually since 2001, according to the report.

Growth in the organic cotton market was fueled by a combination of consumer interest in "green" products and retailer and brand expansion of organic cotton programs, according to the Organic Exchange. For cotton to qualify as organic

by the Organic Exchange, it must be grown through a system of farming that maintains soil fertility without using pesticides and fertilizers or genetically modified seeds.

"Many people thought the recession would mean an end to all things organic, but the market reacted in quite the opposite way," said LaRhea Pepper, senior director with the Organic Exchange and author of the report. "Consumers dug in their heels and continued to support the use of organic cotton and other sustainable fibers, while brands and retailers maintained or even expanded their commitments to making their product lines more sustainable by continuing to increase their use of such fibers and safer manufacturing processes."

Production of organic cotton is also on the rise. Production in 2008-09 grew 20 percent to 175,113 metric tons. Twenty-two countries now grow organic cotton on 625,000 acres of fields.

Exports and Imports Cited as Job Creators

By Alexandra Steigrad

DESPITE SOME GAINS IN TEXTILE and apparel exports and new legislation meant to foster job creation, a panel of trade experts who spoke at New York's Fashion Institute of Technology on Thursday said more could be done to help the U.S. recover from the recession.

"Trade is defrosting under the Obama administration," said Stephen Lamar, executive vice president of the American Apparel & Footwear Association, referring to President Obama's objective to double U.S. exports within five years in order to create two million jobs. "While that's good, [the President's objective] is not that complete. Trade promotes job creation."

Lamar said three pending trade agreements with South Korea, Panama and Colombia that are ready to be introduced by the President will result in export growth and jobs now.

Gail Strickler, assistant U.S. Trade Representative for textiles and apparel, called the President's objective "paramount" in turning around the economy and also pinpointed potential trade opportunities abroad.

"There is a demand for goods made in the U.S.," she said. "People are proud to wear our labels all over the world. There are consumers for U.S. goods outside of the U.S."

The world's "rapidly growing middle class" gives the U.S. new opportunities to enter foreign markets, Strickler said, pointing to the growth of gross domestic product in China, India and Indonesia. From 2000 to 2008, she

said China's GDP jumped 244.1 percent, followed by respective GDP gains of 124.5 percent and 179.5 percent in India and Indonesia.

The U.S.' recent trade bill that extended duty free benefits to Haiti is a step in the right direction, as are similar policies with countries such as the Philippines, Cambodia and Bangladesh, said Lamar, adding the government could "get more creative" with such opportunities.

Janet Labuda, the Department of Homeland Security's director of textile enforcement and operations, said the noncompliance rate for industry imports is about 46 percent, up from 35 percent last year. This includes goods that are fraudulently shipped, mislabeled, undervalued or transhipped. This shows a greater need for trade regulation, especially for countries like China, she said, notably involving intellectual property rights.

Regardless of potential risks, U.S. apparel companies are moving quickly to markets where there is a trade surplus, such as Russia, Canada, the U.K. and Saudi Arabia.

Companies are "looking to export to foreign markets," said the U.S. Department of Commerce's senior international trade specialist Anastasia Xenias. "If they haven't done so already, they are doing it now."

Xenias helps companies in their export strategies, including due diligence on overseas partners, labeling requirements and trade duties. Although there are many opportunities out there, she advised companies to do their homework and "proceed with caution."

The euro has been heading downhill for the better part of this year.



ILLUSTRATION BY TYLER RESTY

Stronger Dollar Both a Help and Hindrance

By WWD Staff

LONDON — The dollar is bulking up — and that's cause for either cries of pain or celebration.

The euro has fallen 11.3 percent against the dollar year-over-year while the pound has slid 9.4 percent against the U.S. currency. The renewed strength of the dollar will have an increasing impact on the bottom lines of retailers and brands that source and manufacture in greenbacks, while giving American companies renewed muscle in the European market in terms of buying everything from designer goods to other companies.

On an even more personal note, the heftier dollar will mean all those buyers and journalists who relocated to the Hotel Jolly during European collections season might now be able to return to the Park Hyatt — and no longer have to pay \$10 for a Coke.

But while the stronger dollar will beef up the buying budgets of American retailers during the upcoming season of men's and women's fashion shows, industry analysts say the European firms most vulnerable to the stronger dollar are small-scale operations and discount chains that source and manufacture in the Far East and trade in their local markets. By contrast, large brands and retailers with broad international exposure have already begun to reap benefits from the current fluctuations. Almost all Far Eastern sourcing is denominated in dollars.

"Consumer confidence in Britain is already bombed out, and the currency impact will be yet another blow to retailers — one that is beyond their control," said Nick Hood, partner at Begbies Traynor Group, the London-based business consultancy and insolvency practitioners. "The consumer will not put up with price rises."

But U.K. retailers are already increasing prices: It's been widely reported here that big retail chains, such as Marks & Spencer, Debenhams and Primark, are planning to raise prices by between 4 to 8 percent to compensate for higher cotton and silk prices, rising labor costs in the Far East and the currency pinch. Raw materials prices were skyrocketing even before the crisis in the Greek economy sent the

euro plummeting, and the weakened currency will only exacerbate the problem.

Nor do those price hikes take into account a widely expected increase in Britain's value-added tax to 20 percent from the current 17.5 percent later this year.

"The real pressure on prices will come in the autumn, and the discount and value chains will be most affected because they have less margin to play with," said Don Williams, head of retail at BDO LLP, which tracks monthly sales figures on the U.K. high street and online.

Williams added that hedging — or buying currency in advance at favorable exchange rates — is merely a palliative: "All hedging does is ease the pain over a period of time. At some level, every retailer will have to deal with the impact of the fall in the euro and pound."

For the moment, though, retailers and brands in the Eurozone are holding their nerve — and looking for new solutions to current financial problems.

"Everyone expects the weak euro to be accompanied by the danger of higher retail prices because of more expensive imports and rising energy costs," said a spokesman for the German Retailers' Association. "But we're very far from that at the moment because companies and manufacturers could hedge — as they always do. They are also trying to develop defensive strategies, such as geographically shifting sourcing."

He went on to say that, in Germany's highly competitive retail environment, higher sourcing and manufacturing costs cannot simply be passed on to the consumer. "They wouldn't stand for it," he added.

Nils Vingé, head of investor relations at Hennes & Mauritz, said the company, which sources about two-thirds of its merchandise in Asia, is expecting to see higher production costs in the short term.

"However, there are many factors that affect the costs and prices besides currency. Most important is that we stick to the business idea and that we focus on offering the customer a good deal, regardless of the currency fluctuations," he said.

Vingé declined to comment specifically on the company's future pricing policy. "The customer should always be able to

make a good deal at H&M," he said.

While luxury companies likely will be less impacted by the weaker pound and euro — they have broad international exposure and tend to source and manufacture in the Eurozone — even their principals admit they're not immune to the currency roller coaster.

"For a company like Versace that essentially produces in euro but exports a significant part of its production, we expect short-term benefits," said Giangiacomo Ferraris, chief executive officer of Versace. "That said, a weaker euro will bring an increase of raw and primary materials such as gas and oil with an evident impact on everything."

On a more upbeat note, Ferraris added for countries such as Italy that export a lot, the weaker euro makes locally produced products more competitive and offers companies the chance to increase market share abroad.

Mary-Adair Macaire, ceo of Pringle, would agree. She said the brand sources most of its raw materials in Scotland and Europe. "The weakening euro is actually of benefit, and helps our U.K. [flagships] immensely with tourism trade," she said.

In the year ending March 31, Burberry's revenues got a 65 million pound, or \$95 million, bounce due to fluctuating exchange rates. In the past, Burberry has suffered from the strength of the pound against the dollar and euro.

Stacey Cartwright, Burberry's chief financial officer, said the company has a natural hedge with regard to European sales, as much of its sourcing and manufacturing take place in the Eurozone. Only about 10 percent of Burberry's manufacturing is done in dollars.

She said that, going forward, Burberry would most certainly be "subject to the vagaries of currency fluctuations," and that it was up to the supply chain team to negotiate with suppliers to offset any future negative impact from currency.

Richard Lepeu, deputy ceo of Compagnie Financière Richemont, parent of companies including Cartier and Dunhill, said the Asia-Pacific business is mainly dollar related, "and that will work in our favor overall. It means we won't be forced to increase prices in those regions."

With regard to the euro weakness

in other regions, Richemont's cfo Gary Saage said the weak euro would have a beneficial impact in the short term.

At Hugo Boss, the weakness of the euro against the dollar is expected to positively impact the German apparel group's profit, according to cfo Mark Langer. While Langer couldn't quantify the effect, he noted Boss generates more revenue in dollars and dollar-connected currencies than it needs to spend on sourcing.

Boss usually hedges against fluctuations of the dollar, pound and Swiss franc. Langer said the group has hedged as much as 70 percent of its expenses in these currencies for the coming 18 months.

Gianluca Brozzetti, ceo of Roberto Cavalli Group, said although his company's sourcing is mainly in Europe, he's already thinking of ways to bring prices down in this uncertain climate.

"You can still have luxury [while] not necessarily spending crazy money. You have to work with the pipeline to challenge every single step, and you have to create with the retail price in mind," he said on the sidelines of the Walpole 2010 Luxury Forum here last week.

Brozzetti said he is looking to overseas expansion in the long term. "We're looking to the U.S., and Asia is an open page... but there's a lot to be done," he said.

Like Brozzetti, Issa's ceo Mark Abegg is taking the currency crisis in his stride. "The key is to reallocate sales made in dollars to our cost base in dollars," he said, adding that about 20 percent of Issa's sales are in U.S. currency and most production is done in Asia in dollars.

Don Williams, head of retail at BDO in London, said only certain companies — those that export internationally — have Issa's "natural hedging" mechanisms.

"Independent retailers — and one-store operators — will suffer the most because they will be under pressure from suppliers," he said.

"Any retailer with fewer than 15 stores doesn't have the power or the flexibility to haggle with the landlords or the banks right now," he said. "And the big players in the retail supply chain are increasingly pressurizing and bullying their clients. Everybody is out to protect themselves."

Fashion Eyeing European Expansion

Continued from page one

community, as it highlights how different tastes and preferences can be in the U.S. versus Europe," Lejuez said. "Several brands, such as Esprit and Tommy Hilfiger, once enjoyed great popularity in the U.S., only to fall out of favor later in their life cycles. Despite the loss of brand cachet in the U.S., however, these brands remained well accepted and fashionable in Europe."

The weakening of the euro against the dollar (see related story, opposite page) over the last few weeks has only added urgency to American firms expanding into Europe. Growth-driven public companies have come to recognize they no longer have the luxury of relying on a single market, even the \$10 trillion U.S. consumer economy.

That realization led to Phillips-Van Heusen Corp.'s \$3 billion acquisition of Tommy Hilfiger and is causing other U.S. vendors to look at merger or acquisition opportunities in Europe. It's also pushing specialty retailers to expand overseas, either via franchise deals or on their own.

"One way or the other, strong companies — PVH, Tommy, Warnaco, VF, the kingpins, so to speak — are having to diversify their portfolio to compensate for the fact that the U.S. is a maturing market," said Arnold Aronson, managing director of retail strategies at Kurt Salmon Associates and former chief executive officer of

ber of countries to open some of its nameplates, while a string of firms from Hilfiger to Polo Ralph Lauren initially signed distribution deals in the Far East outside Japan before, in recent years, taking those businesses back in-house.

"Companies are generally gun-shy about going abroad," said Gilbert Harrison, chairman of Financo Inc. One way to dip a toe in the water is to expand via e-commerce, which Harrison said was "very inexpensive, but a good way for a brand to go."

This is exactly the strategy J. Crew is following with its deal with British e-tailer Net-a-porter.com, which makes the U.S. retailer's collection accessible to 170 countries via that Web site.

And with millions in U.S. corporate coffers and the financing markets eager to lend again, more cross-border acquisitions as well as store rollouts are likely — although it's uncertain as to when, given the stock market's recent gyrations and potential change in sentiment about the global economic recovery.

Brands are also being pushed into new markets — as well as into opening their own stores — as retailers consolidate and emphasize exclusive agreements.

"International is one option, particularly for a lot of U.S. players, that may prove attractive," said Andrew Martin, a director in Robert W. Baird & Co.'s investment banking group. "A lot of companies that have been be-

overseas, the ever-continuing push to grow bigger might also trip up companies that take that expansion too far.

"From a branding perspective and an aesthetic perspective, the world is shrinking," said Weiner, president of Weiner, Edrich, Brown Inc., pointing to the Asian thirst for Western brands and the increasingly plugged-in youth culture.

"Going global can compromise brands, whether they're known for their design, their quality or their exclusivity," Weiner said.

"Brands lose some of their competitive advantage by claiming an authentic heritage, because there's no authentic history when you start merging brands into a big conglomerate," she said.

Firms might have no choice, however, given the pressure to diversify their businesses and grow the top line.

"If you're looking to increase your sales volume, a new market ramps that up pretty quickly if you pick the right brand," said Philip Bleser, managing director and ceo of midcorporate banking at J.P. Morgan Chase & Co. "There are great opportunities internationally for companies looking for European consumer distribution."

But perhaps it is the companies that have already earned their international stripes that are best positioned to heat up the global M&A scene.

"There will be certain strategic deals that make sense for companies to do as they leverage their global plat-



David Hasselhoff in "Baywatch" in 1993.

Saks Inc. "Acquisition is a way to accrue real estate locations that it would take years and years to develop on your own."

Still, branching out across borders is a delicate operation and there are plenty of examples of even strong companies faltering as they try to replicate the success they've had elsewhere.

"You can't just put your brand through a Xerox machine and keep replicating it," Aronson said.

Even the world's largest retailer has struggled in the transition from tourist to local.

Wal-Mart Stores Inc. pulled out of Germany in 2006 following years of losses. The discounter has also taken the slow approach, acquiring a 6.1 percent stake in Japanese chain Seiyu in 2002 before taking majority ownership in 2005, although that effort has also been somewhat troubled. Wal-Mart's purchase of British food and apparel retailer Asda has gone better, though, and Asda last week further expanded its footprint in the U.K. by snapping up the British operations of Danish retailer Netto.

Cross-border growth can be daunting, however, meaning the go-slow approach is attractive to many. Limited Brands Inc. this year entered into a franchise partnership with M.H. Alshaya Co. to operate stores in the Middle East; Gap Inc. has signed franchises in a num-

ber of department stores [in the U.S.] are saying, 'We need to find ways that protect our revenue base.'"

Those brands and brick-and-mortar retailers who do take on international expansion find themselves in a world where both the customers and the rules of the retail road are different. Many requirements, such as "key money," or extra payments to European landlords, seem strange to Americans and can make expansion all the more capital intensive.

"The hardest thing to adjust to is the fact that in America, things are pretty consistent, and in Europe, every city, every country has different customs," said Laura Pomerantz, a principal and founding partner at PBS Real Estate, who has helped retailers such as Abercrombie & Fitch Co. wade into the market.

Retailers in a rush could snatch up a European retailer to achieve a certain critical mass immediately, especially given the recent robustness of the dollar against the euro.

"Certain companies will consider buying a retailer that's already in existence that has the size store they have so they can jump-start [their expansion]," she said. "There are some people out there actively hunting for possible companies that have decent real estate."

Yet, even though the "aesthetic democracy" taking hold around the globe could aid brands as they venture

form," said David Shiffman, managing director and head of retail and consumer products at Miller Buckfire & Co. "International is an important element of retailer strategies, especially those who are maxing out in the U.S."

And the interest in growing a broader base could bring about the oft-discussed, but rarely realized, expansion on the other side of the Pacific. Observers said China has at last begun to take off, while companies also are looking to Russia, India, Turkey and Indonesia.

Wal-Mart, which has strong operations throughout the world, has long been said to be looking at acquiring a presence in Russia, but the rumors run hot and cold depending on the political climate in the country.

"Asia tends to be more exciting for companies just purely given the growth prospects there. Europe is a pretty mature established market where the growth hasn't been necessarily as robust," said Carrie Barber, director in Credit Suisse's retail and consumer investment banking group.

"The emphasis is on company diversification and that means getting into new markets and different channels of distribution," said Barber, who worked with Apax Partners and Tommy Hilfiger on the PVH deal. "It can happen through M&A. It can happen through joint ventures and it can happen organically. All aspects of the financing market appear to be open and they generally are going to react well to financings for strategic M&A."

Financial

Retail Stocks Down 6.7% in May

WEEKLY STOCKS

For full daily stock changes and more financial news, see WWD.com/business-news.

By Arnold J. Karr

RETAIL STOCKS MANAGED A 1.6 PERCENT GAIN last week despite a decline on Friday, but the advance wasn't strong enough to prevent their first losing month since January.

The S&P Retail Index ended Friday's trading session at 443.45, down 1.2 percent for the day. The pull-back erased some, but hardly all, of the appreciation from Thursday's 3.2 percent rally. The sector ended May with a 6.7 percent decline, the first down month since January, when it was off 3.3 percent. The index began trading this week 11.3 percent off the 499.91 high for the year reached on April 26.

Retail issues have been sensitive to the increasingly cautionary language used by stores in providing guidance about the second quarter and the rest of this year, even as retailers generally met or exceeded analysts' expectations in reporting first-quarter results.

Of 172 fashion, beauty and retail issues monitored by WWD, last week, 117 had increases and 50 had decreases. Five were flat. Only 18 had increases the week of May 17.

The Dow Jones Industrial Average lost 1.2 percent on Friday, to close at 10,136.63, and was off 0.6 percent for the week and 7.9 percent for the month. While the S&P Retail Index remains ahead for the year with a 7.9 percent gain, the Dow is down 2.8 percent since Dec. 31.

In Europe, London's FTSE 100, Paris' CAC 40 and Frankfurt's DAX all improved between 2 and 2.5 percent last week, but were down 6.6 percent, 7.9 percent and 3.1 percent, respectively, for the month. Growing confidence in the Eurozone's ability to manage Greece's debt crisis gave way to new fears on Friday when Fitch Ratings downgraded Spain's credit rating one notch.

In Asia, Hong Kong's Hang Seng Index finished ahead 1.1 percent for the week but was off 6.4 percent for the month. Tokyo's Nikkei 225 lost 0.2 percent for the week to bring its May drop-off to 11.7 percent. Shanghai's SSE Composite Index gained 2.8 percent last week, but its May and year-to-date declines stood at 7.5 percent and 19 percent, respectively.

Moncler Appoints Lavia as CEO

MILAN — Moncler Group has tapped Alberto Lavia as its chief executive officer, joining the firm July 15.

The appointment comes as the group prepares for product expansion and gears up for a public listing sometime this year. Lavia, who exited his post as ceo at Façonnable Group in May, will also be in charge of the group's other brands, which include Marina Yachting, 18CRR81 and Coast + Weber + Ahaus.

President and creative director Remo Ruffini said that Lavia's appointment "represents a further strengthening of the managerial structure."

Prior to his two-year stint at the Nice, France-based Façonnable, Lavia was chairman of Kenzo, which he joined from Gruppo La Perla, where he had held the same position. Prior to La Perla, Lavia held ceo positions at Polo Ralph Lauren Europe and Calvin Klein Europe.

Ruffini acquired Moncler in 2003. Last year, the company posted sales of 220 million euros, or \$305.8 million at average exchange. A Moncler flagship is expected to open in New York this summer and there are plans to open about a dozen stores worldwide.

— Luisa Zargani



Gainers	Change
LJ Intl.	19.59
Joe's Jeans	18.42
Asos *	12.29
Glimcher	11.90
Crocs	11.77

Decliners	Change
Tefron	-15.22
American Eagle	-13.25
Stein Mart	-9.33
Delia's	-9.14
Pacific Sunwear	-8.54



COMPOSITE 928.07



+3.66

* Editor's note: European stocks are quoted in the currency of their principal exchanges. Shares on the London Stock Exchange are quoted in pence, Richemont and The Swatch Group are quoted in Swiss francs and Hennes & Mauritz is quoted in Swedish kronor. All other European stocks are in euros.

52-WEEK			VOLUME			AMT			52-WEEK			VOLUME			AMT					
High	Low	Companies	P/E	Last	Change	High	Low	Companies	P/E	Last	Change	High	Low	Companies	P/E	Last	Change			
51.12	22.70	Abercrombie & Fitch (ANF)	64.7	19737447	35.83	-0.14	50.96	19.55	J. Crew (JCG)	23.0	15052665	45.64	1.71	37.21	23.92	J.C. Penney (JCP)	22.8	23999469	27.49	0.16
19.80	11.55	Acadia (AKR)	28.1	1556652	17.89	0.57	7.05	3.05	Jaelyn (JCLY)	-	200	6.36	0.18	3.60	0.44	Joe's Jeans (JOEZ)	5.5	4811249	2.25	0.35
3.78	2.28	Aeffe * (AEF-MI)	-	517286	0.31	0.02	24.72	8.40	Jones Apparel (JNY)	-	7405180	19.64	0.70	32.24	19.10	Aéropostale (ARO)	16.4	17414044	27.71	-0.93
30.04	22.33	Alberto Culver (ACV)	21.9	3106890	27.52	-0.30	65.59	29.50	Jos. A. Bank (JOSB)	15.9	1737709	60.68	3.23	14.88	6.46	Kenneth Cole (KCP)	-	350297	11.77	0.33
4.20	1.29	American Apparel (APP)	11.2	6206584	1.58	0.03	16.72	8.16	Kimco Realty (KIM)	-	28744716	14.30	0.02	69.50	112.50	Asos * (ASC:L)	48.6	2536909	676.00	74.00
19.86	12.53	American Eagle (AEO)	15.8	71460148	13.10	-2.00	60.89	40.64	Kohl's (KSS)	14.8	25956587	50.75	-1.02	14.53	7.68	K-Swiss (KSW5)	-	1204460	12.47	-0.09
25.24	6.33	Ann Taylor (ANN)	244.8	13438428	21.65	-0.31	19.99	9.20	LaCrosse Footwear (BOOT)	16.0	113345	19.49	0.39	10.05	5.25	Bebe (BEBE)	-	3558406	6.85	0.02
69.50	112.50	Asos * (ASC:L)	48.6	2536909	676.00	74.00	28.78	10.28	Limited Brands (LTD)	18.6	31622921	24.86	0.04	56.72	28.70	Beiersdorf * (BEI:GR)	25.1	4150468	43.92	2.26
36.39	25.00	Avon (AVP)	21.3	30118621	26.49	-0.17	9.72	2.40	Liz Claiborne (LIZ)	-	12165537	6.13	0.23	13.30	4.30	Benetton Group * (BEN:MI)	7.8	1664509	5.78	0.13
10.05	5.25	Bebe (BEBE)	-	3558406	6.85	0.02	3.98	1.31	LJ Intl. (JADE)	12.9	1142363	2.93	0.48	6.20	0.33	Birks & Mayors (BMJ)	-	8999	1.19	0.03
56.72	28.70	Beiersdorf * (BEI:GR)	25.1	4150468	43.92	2.26	39.96	29.73	Blis (BJ)	16.1	9676297	40.07	1.66	39.96	29.73	Blis (BJ)	16.1	9676297	40.07	1.66
0.09	0.01	Blue (BLHI)	-	0	0.01	0.00	0.09	0.01	Blue (BLHI)	-	0	0.01	0.00	3.14	1.00	Bluelify (BFLY)	-	27357	2.20	-0.10
18.63	2.30	Bon-Ton (BOHT)	11.9	1114567	12.98	-0.02	18.63	2.30	Bon-Ton (BOHT)	11.9	1114567	12.98	-0.02	19.96	6.39	Brown Shoe (BWS)	76.9	3295321	16.68	0.19
19.96	6.39	Brown Shoe (BWS)	76.9	3295321	16.68	0.19	40.35	25.52	Buckle (BKE)	12.9	1947840	35.55	0.55	40.35	25.52	Buckle (BKE)	12.9	1947840	35.55	0.55
11.48	2.76	Bulgari * (BUL:MI)	-	11030202	6.12	0.18	11.48	2.76	Bulgari * (BUL:MI)	-	11030202	6.12	0.18	745.50	154.75	Bruberry * (BRBY:L)	36.8	15013203	690.50	53.50
21.52	10.67	Cabela's (CAB)	21.5	4140583	17.21	0.70	21.52	10.67	Cabela's (CAB)	21.5	4140583	17.21	0.70	7.25	3.20	Caché (CACH)	-	191919	6.15	-0.06
54.20	22.06	Carrefour * (CA:PA)	70.4	18960120	33.81	0.56	54.20	22.06	Carrefour * (CA:PA)	70.4	18960120	33.81	0.56	34.24	19.17	Carter (CRI)	13.7	3846824	30.56	0.34
34.24	19.17	Carter (CRI)	13.7	3846824	30.56	0.34	4.49	1.50	Casual Male (CMRG)	16.2	1100944	3.75	0.05	4.49	1.50	Casual Male (CMRG)	16.2	1100944	3.75	0.05
25.63	15.27	Cato (CATO)	13.3	1110141	23.73	0.03	25.63	15.27	Cato (CATO)	13.3	1110141	23.73	0.03	16.59	4.10	CBL (CBL)	-	11442799	14.29	0.32
16.59	4.10	CBL (CBL)	-	11442799	14.29	0.32	6.39	2.74	CCA (CAW)	9.9	95183	5.51	-0.30	6.39	2.74	CCA (CAW)	9.9	95183	5.51	-0.30
2.68	0.32	Charles & Colvard (CTHR)	-	294226	2.50	0.15	2.68	0.32	Charles & Colvard (CTHR)	-	294226	2.50	0.15	6.91	3.37	Charming Shoppes (CHRS)	-	7396322	4.56	-0.04
6.91	3.37	Charming Shoppes (CHRS)	-	7396322	4.56	-0.04	24.43	15.68	Cherokee (CHKE)	14.6	412547	20.49	0.78	24.43	15.68	Cherokee (CHKE)	14.6	412547	20.49	0.78
16.57	8.29	Chico's (CHS)	24.4	27092729	12.23	-0.11	16.57	8.29	Chico's (CHS)	24.4	27092729	12.23	-0.11	50.10	24.50	Children's Place (PLCE)	14.0	3207618	47.13	3.06
50.10	24.50	Children's Place (PLCE)	14.0	3207618	47.13	3.06	11.60	4.88	Christopher & Banks (CBK)	-	973862	9.16	0.46	11.60	4.88	Christopher & Banks (CBK)	-	973862	9.16	0.46
11.60	4.88	Christopher & Banks (CBK)	-	973862	9.16	0.46	30.85	21.30	Cintas (CTAS)	24.5	5842805	26.00	0.07	30.85	21.30	Cintas (CTAS)	24.5	5842805	26.00	0.07
30.85	21.30	Cintas (CTAS)	24.5	5842805	26.00	0.07	37.57	20.92	Citi Trends (CTRN)	20.5	1051942	34.08	2.24	37.57	20.92	Citi Trends (CTRN)	20.5	1051942	34.08	2.24
37.57	20.92	Citi Trends (CTRN)	20.5	1051942	34.08	2.24	43.84	22.94	Coach (COH)	19.6	27720584	41.11	2.68	43.84	22.94	Coach (COH)	19.6	27720584	41.11	2.68
43.84	22.94	Coach (COH)	19.6	27720584	41.11	2.68	9.20	3.65	Coldwater Creek (CWTR)	-	3387431	6.24	0.35	9.20	3.65	Coldwater Creek (CWTR)	-	3387431	6.24	0.35
9.20	3.65	Coldwater Creek (CWTR)	-	3387431	6.24	0.35	87.39	62.90	Colgate Palmolive (CL)	19.3	15358456	78.09	-1.50	87.39	62.90	Colgate Palmolive (CL)	19.3	15358456	78.09	-1.50
87.39	62.90	Colgate Palmolive (CL)	19.3	15358456	78.09	-1.50	26.65	12.53	Collective Brands (PSS)	17.5	4149000	22.38	1.47	26.65	12.53	Collective Brands (PSS)	17.5	4149000	22.38	1.47
26.65	12.53	Collective Brands (PSS)	17.5	4149000	22.38	1.47	60.10	29.48	Columbia Spirtsr (COLM)	25.4	944404	51.18	1.13	60.10	29.48	Columbia Spirtsr (COLM)	25.4	944404	51.18	1.13
60.10	29.48	Columbia Spirtsr (COLM)	25.4	944404	51.18	1.13	62.12	44.37	Costco (COST)	22.6	27560157	58.25	0.81	62.12	44.37	Costco (COST)	22.6	27560157	58.25	0.81
62.12	44.37	Costco (COST)	22.6	27560157	58.25	0.81	11.40	2.54	Crocs (CROX)	-	14968798	10.35	1.09	11.40	2.54	Crocs (CROX)	-	14968798	10.35	1.09
11.40	2.54	Crocs (CROX)	-	14968798	10.35	1.09	0.20	0.00	Cygné Designs (CYDS)	-	66170	0.08	0.02	0.20	0.00	Cygné Designs (CYDS)	-	66170	0.08	0.02
0.20	0.00	Cygné Designs (CYDS)	-	66170	0.08	0.02	158.47	54.23	Deckers Outdoor (DECK)	14.9	2319393	144.72	11.02	158.47	54.23	Deckers Outdoor (DECK)	14.9	2319393	144.72	11.02
158.47	54.23	Deckers Outdoor (DECK)	14.9	2319393	144.72	11.02	2.88	1.50	Delia's (DLIA)	-	1740025	1.59	-0.16	2.88	1.50	Delia's (DLIA)	-	1740025	1.59	-0.16
2.88	1.50	Delia's (DLIA)	-	1740025	1.59	-0.16	17.51	6.35	Delta Apparel (DLA)	13.7	40145	16.85	-0.15	17.51	6.35	Delta Apparel (DLA)	13.7	40145	16.85	-0.15
17.51	6.35	Delta Apparel (DLA)	13.7	40145	16.85	-0.15	32.54	11.98	Destination Maternity (DEST)	13.8	132033	26.86	-0.02	32.54	11.98	Destination Maternity (DEST)	13.8	132033	26.86	-0.02
32.54	11.98	Destination Maternity (DEST)	13.8	132033	26.86	-0.02	13.73	4.09	Developers Diversified (DDR)	-	24103153	11.44	0.33	13.73	4.09	Developers Diversified (DDR)	-	24103153	11.44	0.33
13.73	4.09	Developers Diversified (DDR)	-	24103153	11.44	0.33	30.83	15.70	Dick's Sporting Goods (DKS)	22.4	7757617	28.51	0.95	30.83	15.70	Dick's Sporting Goods (DKS)	22.4	7757617	28.51	0.95
30.83	15.70	Dick's Sporting Goods (DKS)	22.4	7757617	28.51	0.95	31.22	7.85	Dillard's (DDS)	18.9	6939661	28.69	1.41	31.22	7.85	Dillard's (DDS)	18.9	6939661	28.69	1.41
31.22	7.85	Dillard's (DDS)	18.9	6939661	28.69	1.41	31.38	21.30	Dollar General (DG)	29.5	10353806	30.23	0.68	31.38	21.30	Dollar General (DG)	29.5			

BEAUTY BEAT

BBI Repositions Marbert Brand in Germany

BERLIN — It's not too often that the makeover of a beauty brand includes a price cut, but that's the strategy fueling German skin care brand Marbert.

The line is overseen by Beauty Brands International, a two-year-old distributor, which took it over from Selective Beauty in 2008 with the goal of creating a high-quality, entry-level skin care, sun care, men's and fragrance brand that carries the label "Made in Germany." Products range from body lotions and shower gels priced at 8.50 euros, or \$10.50 at current exchange, for 200 ml. to Profutura Anti-Aging Cream, retailing at 54 euros, or \$66.70, for 50 ml.

In the past, Marbert's assortment has included higher-price items, such as 2007's Splendissima Premium Ca+Mg, with a 50-ml. Replenishing Cream costing 70 euros, or \$86.50, and Advanced Lifting Serum, priced at 78 euros, or \$96.40. Some existing Marbert products in the midprice range have been carried over into the redesign with the same or comparable prices.

New products include the multifunctional, 50-ml. Super Booster antiaging concentrate, priced at 29 euros, or \$35.85, and Daily Care, a three-item basic skin care range with two creams and a mask.

Scheduled for launch this summer are scented body lines Marbert Sun, which includes an eau de toilette, shower gel and body lotion, and Bath and Body Energy, which also has an edt, shower gel and body lotion, as well as an exfoliating scrub.

Shower gels and body lotions within Marbert's three-scent Bath and Body line also will be offered in promotional 400-ml. versions for 13.50 euros, or \$16.70.

The recently revamped line is available in small perfumeries and department stores, including Douglas, Karstadt and Kaufhof, in markets such as Germany, Austria, Belgium and the Netherlands. The Marbert brand is carried in 1,300 doors. BBI's short-term goal for growth is to expand Marbert to 1,800 doors and plans call for eventually expanding the brand to 2,200 doors.

In addition, the company has taken on oversight of 80 Marbert counter sales associates and has new plans for them. "We'll achieve synergy at the Marbert counters," said Udo Heuser, managing partner at BBI. "Along with Marbert, Piz Buin sun care and our Japanese wellness brand, Bionsea, will be highlighted."

BBI, which has offices in Baden-Baden, Germany, and Salzburg, Austria, has opened a training center in Baden-Baden, where its retail partners can get informed about all the firm's brands. BBI also will offer regional workshops on selling in the entry-level price segment. Retailers also will be provided with



Items from the relaunched Marbert brand.

a large supply of samples and testers to entice consumers, and bonus programs and mailings will round out the efforts.

In addition to Marbert, BBI also handles the Alessandro International, Revlon, BlanX Med dental whitener, Les Fleurs de Bach, Bogner fragrances, Marc O'Polo, Canali and Strenesse brands. Additionally, it oversees skin care brands Transvital and Pevonia Botanica in Germany, Austria and the Netherlands.

— Susan Stone

Prestige Brands Could Face Swiss Fines

PARIS — Prestige fragrance and cosmetics brands, including Chanel, Christian Dior, Clarins and some L'Oréal-owned brands, could be fined by Switzerland's competition commission, which said it has found indication of price fixing.

Fines for violation of cartel rules would run from 17,000 Swiss francs to 25.5 million Swiss francs, or \$14,718 to \$22.1 million at current exchange, stated the commission.

The firms have the right to respond to the claims.

L'Oréal denies the allegations.

"L'Oréal Produits de Luxe Suisse SA and YSL Beauté Suisse SA deny any breach of the Cartel Act that could have been intended to distort competition," said a L'Oréal spokeswoman. "L'Oréal Produits de Luxe Suisse SA and YSL Beauté Suisse SA reject the allegations made against them and will respond to the [competition commission's secretariat] in due course after receiving and analyzing the proposed decision concerning them."

— Jennifer Weil

OBITUARY

Vivienne Darrow, 81

NEW YORK — Vivienne Darrow, an executive recruiter for the fashion and apparel industry, died at her home here on May 25. She was 81. The cause of death was chronic lung disease, according to her family.

In the Fifties, Darrow worked for several companies, including Kay Windsor and Margo Walters, where she became the highest-grossing sales manager. She left to raise a family and then rejoined the workforce as an apprentice recruiter in 1976. Three years later, Darrow opened Vivienne Darrow Associates and established herself as a top fashion recruiter at a time when it was rare for women to own their own businesses.

Her corporate clients included Leslie Fay Cos., Murjani International, Gloria Vanderbilt, Calvin Klein, Raffaella and Jones Apparel Group. The business operated until 2006, when Darrow retired.

"She placed hundreds, if not thousands, of people," said her son, Jonathan. "People [in the industry] used to call her 'mom.' She really helped people's careers. Once someone was in her orbit, she'd invest herself in their career, and she became a mentor to them throughout their career. She placed everyone from ceo's to designers to marketing executives and knitwear people."

Darrow, whose interests ranged from antiques and classic movies to piano and world travel, had homes in New York and Sherman, Conn.

She is survived by her husband, Stanley; three sons, Jonathan, David and Andrew; two sisters, Helen Levin and Sarah Bergman, and six grandchildren.

In lieu of flowers, the family said donations may be made to HHT (hereditary hemorrhagic telangiectasia) Foundation International, P.O. box 329, Monkton, MD 21111.

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