CALVIN'S NEW COLOR LINE/2 ST. JOHN LANDS JOLIE?/12

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Box Score

NEW YORK — With characteristic elegance, Oscar de la Renta hit all the right minimalist notes for spring. Staying true to the chic, sophisticated looks his audience has come to love and expect, the designer offered beautiful dresses with quiet details and suits with just a touch of sportif, such as he did here in this cropped jacket with oversized buttons and pants. For more on the spring shows, see pages 6 to 13.

Reading the Tea Leaves: As Saks Inc. Nears Deal, SFA Speculation Swirls

By Vicki M. Young and David Moin

NEW YORK — The fate of Saks Fifth Avenue is still in limbo.

As its parent, Saks Inc., inches closer to shedding its northern department store group — most likely to Bon-Ton and Club Libby Lu division, speculation continues to swirl over the future ownership of its crown jewel, SFA.

And there's a new wrinkle to the plot: Banking sources said that, if Saks Inc. sells both the northern stores and SFA, chairman R. Brad Martin would still hold onto the reins of the 41-store Parisian chain.

See SFA, Page 44

Calvin Klein Signs Markwins Deal WWDTUES

By Julie Naughton

NEW YORK - For Calvin Klein, it's cosmetics, round two.

Calvin Klein Inc.'s president and chief operating officer, Tom Murry, told WWD Monday afternoon during an exclusive interview that CKI will reintroduce the Calvin Klein cosmetics line for spring 2007, working with Southern California-based Markwins International. The line will be branded under the cK Calvin Klein Beauty name. This confirms a report that appeared on May 11.

The first incarnation of the Calvin Klein cosmetics line had been introduced in 2000 by Unilever Cosmetics International, which then held Klein's beauty license. While the products were praised by retailers, the distribution was never expanded past its initial 120 doors worldwide. That first line was phased out in 2003, when its sales were estimated at about \$15 million retail. Klein's fragrance license was subsequently acquired in May by Coty.

In 2003, Murry said Calvin Klein — now a wholly owned subsidiary of Phillips-Van Heusen — "would continue to talk to a number of potential partners about continuing and expanding this business.

On Monday afternoon, he said that, while it took awhile to settle on the right partner, he was confident that CKI had found one capable of making the cosmetics brand a global powerhouse.

'We all learned from the first makeup collection," said Murry. "The product was very good, but our core competence wasn't color, and neither was UCI's. We both made mistakes, and we've both learned from them. UCI did a tremendous job on our fragrances, and they've handed over a powerful scent business to Coty. But we think now we have a partner who really understands color.

Neutrals, as seen in this ad, are expected to play a role in the new line



showroom featuring the cosmetics at its headquarters in Southern California, and Markwins affiliates also will operate similar showrooms in New York and key markets in Europe and Asia, CKI will stay very involved with product and distribution directions. said Murry, who added that pricing is expected to be on a par with the first line - roughly \$14 to \$50 at retail.

Murry noted that Markwins, which markets a line of color cosmetics under its own name in the mass market and also produces private label programs for midtier department stores, has the financial wherewithal and the manufacturing capabilities to make the new line successful. "Markwins was willing to invest whatever amount of money they needed in talent, manufacturing and distribution capabilities," said Murry. About 150 prestige market

doors in the U.S. and an additional 100 doors in Europe and Asia including travel-retail doors will get the line in spring 2007. Skin care will follow in spring 2008. Ultimately, Murry said, the brand could well end up in about 800 doors in the U.S., and at least

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The new cosmetics line is in-tended to complement Calvin Klein's core bridge apparel and accessories lines and as such said Murry, the product line will be fashioned to appeal to a multicultural, fashion-forward consumer. More than 300 stockkeeping units — ranging from founda-tions, eye shadows and lipsticks to mascara and nail polish expected to comprise the initial line. One aspect of the collection will be a core group of signature products that will be a constant in the line. The second aspect will be groupings of trend-driven colors that will change from season to season. As well, there will be a line created that will be exclusively distributed in travel-retail doors globally.

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Murry said an "internationally known" makeup artist will front the line, but declined to say who, saying that the deal has not yet been finalized. An announcement is expected within the next two to three weeks regarding the artist.

Eric S. Chen, chairman and chief executive of Markwins, said in a statement, "We expect to capitalize on Calvin Klein's successful global portfolio.

Clairol Taps Hatcher

NEW YORK - Clairol has tapped "Desperate Housewives" star Teri Hatcher to be the face of its iconic Nice 'n Easy hair color brand. The multiyear contract is estimated at \$2 million, according to sources, and will use the most likable "Housewife" in "all consumer touch-points," includ-ing print and TV ads, direct-mail and Internet efforts, said Patrice Louvet, vice president of global hair colorants for Wella/Clairol retail hair color.

"We think Teri personifies the spirit of the Nice 'n Easy brand. Clairol stands for allowing women to transform themselves. Teri [has been] through a transformation with the reinvention of her career," said Louvet. Ads were shot last week in Los Angeles and will break in January magazines Andrea Nagel



FASHION

The New York shows continued with strong collections from Oscar de la Renta, Carolina Herrera and Diane von Furstenberg.

GENERAL

As Saks Inc. inches closer to shedding its northern department store and Club Libby Lu units, speculation swirls over the future of Saks Fifth Avenue. 1 EYE: Behnaz Sarafpour grabs some celebrity spotlight...Three exhibitions 4 in New York trumpet fashion as art...Chic of the Show: Veronica Webb. Donna Karan is looking to intensify its Pure DKNY label with in-store shops. and accessories, shoes and men's joining women's and home collections RTW: Fashion insiders offered differing opinions on how Hurricane Katrina 18 will affect Americans' desire to shop and the disaster's economic impact.

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By Rose Apodaca and Michelle Dalton Tyree

LOS ANGELES — A power failure caused by an accidentally severed cable blacked out a major swath of the Los Angeles area on Monday, stretching from downtown west to Santa Monica and north to Burbank.

The electricity went out at 12:45 p.m. and was about 90 percent restored by 2 p.m. Police went on full tactical alert and there were many reports of traffic accidents because stoplights weren't working. Los Angeles road and highway congestion worsened.

The blackout occurred when an employee at a Department of Water and Power substation in West Los Angeles "inadvertently cut

a power cable," the county Office of Emergency Management said. Lisa Elliot, co-owner of EM Productions, a downtown sales showroom, said phones and computers were down for only 20 minutes. "But it's only a week before Coterie and I told the staff to keep working and use their cell phones," she said. EM's press office in Silver Lake, however, didn't fare as well

as power there didn't come back up for more than an hour. "And our printer in Burbank just called to say the catalogues we were expecting today would now be a day late. That's not good."

Retailer Hillary Rush, whose eponymous shop is located on Third Street, across from hip eatery Toast, actually benefited from the power failure. "Luckily, it only went out for five minutes and then came back on," she said. "But the north side of the street was affected longer, and everyone who was eating at Toast came across the street to shop, because [the cafe] couldn't serve food anymore."

The incident initially caused concerns because ABC News on Sunday aired a videotape of a purported al-Qaeda member making threats against Los Angeles, as well as Melbourne, Australia.

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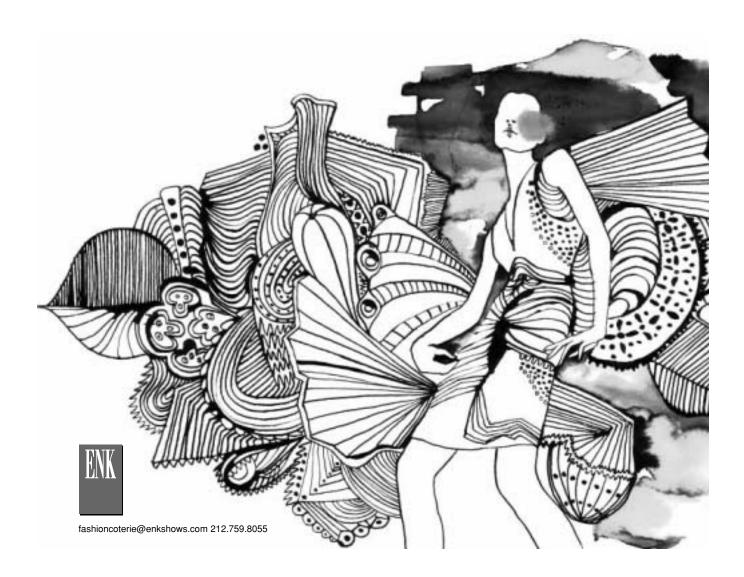


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It's a cutthroat world on the red carpet, but occasionally smaller houses claim a sliver of the celebrity dressing spotlight from the usual big names. Behnaz Sarafpour, whose show is today, is among them, having over the last year dressed such starlets of the moment as Rachel McAdams, Jessica Simpson, Anne Hathaway, Claire Danes and Katie Holmes for both movie premieres and award shows. Selma Blair has been a longtime follower, while Mandy Moore and Jaime King also have picked up a few frocks from her.

"I'm a modest girl, so I love feminine pieces that aren't too flashy and I think Behnaz is wonderful at creating something incredibly modern and sexy, while leaving enough to the imagination," says Moore. "I tend to gravitate towards her designs because of her simple, classic cuts. I know that I won't be caught in an 'outfit' and that I can wear all of her pieces for seasons to come."

Sarafpour, for her part, is equally excited at the exposure. "As a young company, it seems fitting that we work with these young women, who exemplify the same youthful elegance that I strive for in my collections," she says. So which of her new Hollywood fans might grace her front row today? — **Anamaria Wilson**

IT'S IN THE BAG: It's the social nightmare of every New York lady worth her Louboutins: she gets decked out in her black-tie best and arrives at the party only to find that someone else is wearing the exact same outfit. But at Carolina Herrera's show Monday morning, there was nary a catfight in sight when a slew of well-heeled ladies including Valesca Guerrand-Hermes, Susan Fales-Hill and Minnie Mortimer showed up toting the same handbag. The bag in question was the Mercer, a \$1,300 needlepoint, CH logo design, trimmed in bright orange and yellow leather. It's from the fall collection of the three-year-old CH Carolina Herrera line, which is sold in freestanding stores, three of which have opened so far with six more planned for next year.

Potter Aston

Judging from the response, the purse seems to have found a

strong fan base among veterans and converts alike. "I was always kind of intimidated by her," said Isabella Brewster (Jordana's

sister) of the designer as she happily showed off her new accessory. "She's so elegant and classy and refined. But now she's gotten much cooler.' Muffie Potter Aston was

particularly enamored of the Mercer's hefty size. "It holds everything — it's

like a laundry bag. Thank God for Carolina Herrera," she gushed. Seated right next to her, Fales-Hill was also putting the purse's capacity to the test: hers was stuffed to the brim with newspapers and her Tod's driving shoes, a necessary respite from her photographer-ready stilettos.

But fashion is a fickle business and even obliging social ladies have their limits. At the Oscar de la Renta show a few hours later, many of the same women arrived, sans Mercer. Plus ça change, plus c'est la même chose.

Artsy Fashion So long as there are dresses that retail for the

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price of a Picasso, there will be exhibitions trumpeting fashion as art. This week, Location One is hosting "Open Stitch," where 15 young artists and designers without financial backing are working in "intense workshop" conditions to create clothes that will then be turned into an installation (which runs from Sept. 14-30) and then a runway show (to be held Oct. 1). The artists are free to make whatever they want, but only out of the fabrics that are handed to them by the show's organizers.

Starting Sept. 17, the Matthew Marks Gallery plays host to Inez van Lamsweerde and Vinoodh Matadin's new exhibit, "The Now People, Part Two: Life on Earth." For the uninitiated, van Lamsweerde and Matadin are the intimidatingly beautiful and intimidatingly talented married couple whose artsy fashion spreads appear in French Vogue, W and Harper's Bazaar This show, however, has ambitions beyond



rising or falling hemlines. "It's about the hope that at some point soon the combination of politics and spirituality will be cool again with young people," says van Lamsweerde. To that end, she and her partner have done an installation that employs the "visual language" of today (stickers, posters, graffiti, etc.) to "relay a message of peace and love" in an age in which spirituality has become 'completely unappealing" because of the way "Bush uses the word God to a point where it's lost all meaning.

Is all that too heady for you? Well, then try "Dressing a Galaxy," on Thursday at 6 p.m., for an exhibit that features - what else? -- the costumes from "Star Wars." One night only. - Jacob Bernstein

While many show goers seem to be 510W relying on their Indiansummer staples of

dressed-up shorts, flat sandals and white separates (so much for that Labor Day adage) to get them through fashion week, one front-row regular has her feet firmly planted in autumn At both the Diane von Furstenberg and Tuleh presentations Sunday evening, Veronica Webb wearing a shortsleeve, black lace and point-d'esprit dress with glass buttons from Tuleh's fall collection and carrying a black leather, rosette-bedecked Bottega Veneta bag — exemplified the dark, romantic air that so inspired many designers this season. Brvan Bradlev among them. With hair blown straight and sleek natural makeup and tasteful diamond studs, Webb's beauty was given a clean bling-free stage on which to shine. Her fellow Tuleh frontrower, Paris Hilton, could learn a few pointers.





Vales



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The Reformers

Carolina Herrera

EGALITARIAN FASHION? DESIGNERS IN NEW YORK

have had enough of it. They're taking pains with their spring collections to celebrate a more demonstrative kind of fashion — the kind with a capital "F," if you will, perhaps hopeful that the time gap from first look to total market saturation will lengthen in the process.

saturation will lengthen in the process. "I'm so tired of everyone looking as if they've just come from the beach," says Marc Jacobs. "It's like wearing jodphurs when you don't ride — every girl dressing in a bare little top over a miniskirt. I think this is a moment for fashion, and fashion isn't what's in the street right now. I think fashion right now takes a little more work."

And according to some, perhaps a little more coverage. Michael Kors finds himself on a particular mission. "Let's get rid of the ho in fashion,' he says. "The Video Music Awards were the final burning of Rome." Given all the attention of Jacobs' sober stun-

Given all the attention of Jacobs' sober stumner last fall, and all of the ongoing minimalist musings, one might have anticipated a totally austere spring. But such has not been the case in the early going, as many designers feel loathe to leave behind all those girlish feminine frocks that have so dominated the warm weather style scape for so long. Yet the big guns acknowledge the need to move beyond such generic merch once and for all. At the same time, they note the difficulty in meshing the seemingly antithetical notions simple and special. Thus, some are using dichotomy to describe their collections. Vera Wang said she was inspired by "the severe formality and femininity of 'Deadwood'' mixed with the "the whimsy and charm of Henri Matisse." Kors, too, cites the need for austerity, since he says a lot of women will hesitate to go all the way. "Women have too much charm in their lives to give it all up." From the early going here, it's obvious

From the early going here, it's obvious that many of his colleagues agree, and have sought to deliver both elements. **Oscar de la Renta** did so with considerable ease, combining elements from his old Oscar de la Cha-Cha days with a hefty dose of restraint. Without question, fashion's most debonair practitioner still has an ample supply of frills left in him — not to mention embroideries, appliqués and other sorts of embellishment; for him, "special" clothes are not a trend, but something his customer has always wanted and de-

serves to find, season after season. This collection offered a wealth of such clothes styled with no small degree of daring — below-the-knee skirts and those flat shoes de la Renta took a fancy to last season, delivering the occasional twinge of editorial frumpiness. But no matter, because the clothes looked terrific, and what client worth her AmEx doesn't have the perfect tailor for those essential tweaks?

In the last several seasons, Oscar has proven himself nothing if not pliable (thus his ability to expand his fan base on the young side without alienating his core customer). Here, the news came less in overt courtship of the young set than in deft manipulations of all of his favorite motifs, delivered in an island-y palette of earth tones and brights. There were suits galore, sportif sweaters and dresses with ample curvature, some of which were embellished to the hilt. Others, however, did indeed turn a minimal sensibility into something special: the tweed dress with a dramatically plunging neckline and bow detail; the black-and-white coat, spectacular in its floral austerity; the killer brown pantsuit with its notice-me boxy jacket. Of course, for those women for whom plain is not an option, Oscar got ruffled indeed, to varying degrees, including a little modern marvel of a beige denim

And who wants restraint at night? Not Oscar's ladies, who will be stepping out in any number of delights — frills, frou, lace, tiers, flowers, spangles, and a seductively ruffled evening suit. After all, Oscar's not into nocturnal sobriety.

Carolina Herrera, too, sought to deliver distinctive clothes with a chic, unfussy attitude. "I wanted to make every dress an important one," she said. "There are so many clothes out there, that each piece must be really special." Herrera took her inspiration from the pre-Twenties Weiner Werkstatte, particularly the work of Dagobert Peche. But rather than veer toward costumery, she focused on details, sometimes exaggerating them in a focal point in, for example a pingenple motif exploded into a single giant image

for example, a pineapple motif exploded into a single, giant image. The result was a collection filled with clothes that as a whole felt too decorative at times, but taken individually, contribute a lovely authority to New York's new mood. She achieved this by keeping her shapes relatively simple despite quite comCarolina Herrera

new york

plicated cuts, and letting prints and embellishments deliver the interest. A witty radish print worked delightfully for sweaters and silks; huge black- and brown-rimmed blossoms made a modernist graphic on an evening slip, while high drama and high chic met in a lean pink kimono. When she went more obviously simple, she still added a flourish, flirtatiously ruched sleeves on cotton and silk shirts or colorful riffs on tennis sweaters. Many of Herrera's most artful strokes came after dark. Some worked

beautifully, others she rendered with too heavy a hand. And one, a ruffled hourglass in pink and brown degrade seemed to have an identify crisis all its own: Am I the dress of an artiste or a diva?

As masstige erodes the shores of prestige, **Proenza Schouler**'s Jack McCollough and Lazaro Hernandez also decided to tackle the issue. "Industrialization has created sameness in fashion brands today," Hernandez said before his show. "But that's not what designer clothes should be." Their answer? Exquisite clothes, rich with handworked details that harken back to a time before mass production reigned supreme. But if that statement sounds like an invitation to go down Retro Road or Bohemian Boulevard, you're headed in the wrong direction.

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Instead, the collection felt fabulously fresh, fitting well into the clean, stripped-down movement that appears to be afoot this season. That said, there was still a real romanticism to these clothes. But even such crafty tidbits as passementerie, ap-pliqué, embroidery and braided trim can have a sense of purity when rendered tone-on-tone in a muted and serene palette: ivory, silver and a whole host of grays, from dove to charcoal.

Coats — a definite strong point — provided choices: a collarless version that hung straight on the body outlined in a quilted print, another nipped high on the waist in gray linen with princess sleeves and a delightful black embroidery or yet another beauty, an ivory trench with a braided trim. Gone were the wide, mannish another beauty, an loory trench with a branded trim. Gone were the wide, maminish trousers, slim gowns and minidresses of last season. Instead, silhouettes revolved around a higher waist slightly puffed and often accentuated by razored pleats or a hem length on skirts and dresses that covered the knees and even fell midcalf. Pants, when they appeared, showed up as leggings under coats or in slim cigarette form. But this wasn't a collection about pants. It was about softness and an ultra-chic take on femininity. It was also about a major step forward for these two talented designers

Days before his show, **Tuleh**'s Bryan Bradley also noted the importance of the spe-

cial factor. In his case, however, its relevance is rooted in more than a desire to shape up the general fashion scenery. Bradley has meddled deliberately with Tuleh's identity for the last two seasons, moving from social soiree frocks clear to the moodiest reach of the new sobriety. The collection he showed on Sunday did not line up neatly in either camp, but offered a pastiche that ebbed and flowed between overt artsiness and a less esoteric point of view, through to a lovely rendering of fall's dark path.

Either way, Bradley delivered the goods, along with a number of mini themes — gorgeous thick lace for day, high-minded paint-splattered and webby gowns; luxed up tennis sweaters; a showcase of his fledgling shoe collection. Yet the real theme up tennis sweaters; a showcase of his fledging shoe collection. Yet the real theme was individuality. At times Bradley manipulated the common into the highly specif-ic, something as bourgeois as a round sweater and skirt turned memorable courtesy of a huge floral decoration. Conversely, jeweled fancy pants looked approachable enough to find a market beyond Liza Minnelli. And he once or twice surprised his audience with pieces once unthinkable in his collection, namely a pair of mannish three-piece suits. Nevertheless, the eclecticism usually stopped short of confusion, and offered an interesting snapshot on the evolution of a designer identity.

Sleek, Swee

Clean lines, girly touches and sexy little details - that's the recipe designers have for



Diane von Furstenberg: All that was missing from Diane von Furstenberg's show was the Trevi Fountain. Inspired by Sixties-era Rome, von Furstenberg called her collection "La Dolce Diva." And what dolce there was. She's well acquainted with the glories of diva-dom, but more importantly, she also understands the realities of daily life. Yes, there was plenty of glamour here, but these clothes were the real stuff. Her signature wrap dresses — for which enthusiasm never wanes — had a throw-on-and-go quality, combining sex appeal and comfort. Your Furstenberg also added a slew of new, accessible lady-to-the-max looks: little flared jackets, the best in dark denim, tossed over every silhouette; an ivory crochet suit; Empire cotton baby dolls, and a knockout beige trench. But back to that glamour, which had an element of surprise to it. Alek Wek's strapless leopard gown was pretty enough, but all the more so in sequined navy-and-red silk and worn casually with a cotton cardigan. The diva's gone the distance.

Betsey Johnson: Ooh la la! That was the echo heard down the line of petite tables at Betsey Johnson's latest fashion week frolic — this time inspired by Parisian cafes. And who's more fun to have a spot of *chocolat* with than Johnson, or perhaps her guests, Kelly Osbourne and the Hilton sisters, who sat down front? There were

ruffles galore; a girlish color palette of pink, blue and white, and the traditional bit of Betsey camp, such as pretty Swiss dot blouses and tulip skirts, fruit- or floral-print silk

dresses that ranged from mini to maxi and some great denim shorts. It remains to be seen if ladies not of the model variety will actually wear the gingham mini bloomers and bubble suits, but they sure did look sweet.

Cynthia Steffe: Buh-bye, boho. For spring, Cynthia Steffe did minimal. But Cynthia being Cynthia, her presentation wasn't exactly a study in spare. She chucked the bright colors and embellishments of past collections in favor of more architectural bright colors and emberingments of past contectors in favor of more architectura details in a clean palette of black, white, red, gray and one Mondrian-inspired print, which she used sparingly. She focused her energy on intricate pintucks and seams, such as the tight pleats of a white canvas skirt — paired with a fresh red seersucker jacket — or the corset effect on light cotton tanks and dresses. Steffe only broke her appealing new minimal stride with a few looks — a pair of party frocks in bright yellow flounces and jade eyelet, and some black lacquered coats that were a tad too retro.

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et and Sassy



Jill Stuart: Jill Stuart definitely hypnotized her audience this season. But not for the reasons you might think. After almost an hour's wait in the daze-inducing heat of the New York Public Library's foyer, the designer treated editors and fans to a 40-exit lineup of lacy, frilly bits and pieces that, after a while, looked dangerously similar. Hipper-than-thou girls will surely love the cream-and-white slips with vintage-looking appliqués for layering or wearing alone on hot summer nights — but one will do just fine. Among all these virginal nighties were some much-welcomed colorful flashes: a blue-and-teal satin Fifties number and tiered, ruffled dresses in pink and orange florals. A tighter edit and a more expedient start next time would greatly improve attendees' after-show mood.

Luca Luca: There was much paparazzi ado over Luca Orlandi's front row. This time, Luca Luca staple Paris Hilton was joined by Damon Dash and Rachel Roy, the Williams sisters, Mary J. Blige and, curiously, Kelly Osborne in full punk getup. But a flashy new crowd isn't everything in fashion. Since Orlandi left behind his days of designing for sexpots and sirens, he's been toying with more ladylike themes with varying degrees of success. He hasn't quite found his voice, though, this time singing an island song and a debutante tune, sometimes

at the same time. But there were definitely pretty clothes here: a sweet minton-white floral done on a frothy strapless dress and cami; an airy white voile frock embroidered with strawberries. And the loose, cotton cardigans were great, too — a sporty idea to build on for next time when, perhaps, Orlandi will be more focused on pulling together his vision on the runway and less on who's lining it.

Reem Acra: One can't miss the beauty of a long, fluid Reem Acra dress. It's the essence of her collections. For spring, she sent out a steady stream of beauties — from gold embroidered lace dresses to a knockout steel chiffon gown with elaborately embroidered front and back detail. And for a sportier, but nonetheless lavish, evening look, Acra offered white pleated tuxedo pants with a gold embroidered top. In fact, while those pants were some of the newer things in the lineup — plus the peasant tops worn over the long or short skirts in taffeta or georgette — it is sometimes difficult to discern what differs from season to season. Certainly, there were the usual subtle shifts in embroidery, prints, laces and tulle, and in the colors. But reinventing the proverbial wheel is not this designer's main concern. Groundbreaking or not, there was not a loser in the lot.

Turning on th

What will the coolest girls in the room be wearing next spring? Airy frocks, delicate skirts and pretty, cropped jacke



Luella Bartley:

Luella Bartley has been a member of the countryclub set for years now, but she's the sort of cardholder who's always on the

verge of getting kicked out for breaking the dress code. In her spring collection, for instance, she jazzed up a prepster watermelon-and-green uniform by tucking a pink oxford into a sequined emerald pencil skirt. And lest a plaid blazer and khaki shorts look too stuffy, she added a studded black leather biker jacket to the look. Bartley also tipped her hat to the New York Yacht Club locale, showing a sailor's banquet of navy-andred-striped Ts paired with white jeans and skirts. The chunky rope details, however, lacing up charming eyelet dresses and minis, read too literal for the girl who wants the nautical look without actually having to step on deck. But start to finish, the clothes were dolled up with cheeky sky-high spectator pumps, men's-style golf shoes and great big-buckled leather bags. It looks like Bartley's signature punked-up sense of propriety will keep her country-club girls the coolest ones around. **Dana Buchman:** For the last few seasons, Dana Buchman has set out to prove she hasn't set her sights only on the career girl. For spring, that premise is starting to ring true. Printed chiffon dresses and separates were more youthful than ever, a standout being located in a trimed wind the a chimed wind

a Neopolitan striped number with a shirred waist. And Buchman, of course, can cut a sharp jacket, which she did this time with three-quarter sleeves in robin's egg blue brocade, made cool when paired with a pleated tennis- or balloon-hemmed skirt. The styling, indeed, further aided the collection, adding a certain hip factor, and there were some surprisingly fresh looks in a few unexpected pairings, such as a floral, Empire-waist tunic with sharp blue-on-gray pinstriped trousers.

Gary Graham: Gary Graham's story begins with a girl who gets pulled from Catholic school — but don't think plaid jumpers and crisp button-downs styled to naughty Britney effect. It's still all about the three Ps, pretty, prim and proper, but here, Graham reworked parochial charm into a slightly tussled and undone look that still had a whiff of Victorian appeal. There were ruffled oxford blouses, twill army skirts and jackets, crocheted cardis, some hook-and-eye closures in lieu of zippers and plenty of corset-inspired looks, all of which came complete with a handcrafted appeal, raw edges and a washed-out palette to further set the collection in that faded, bygone era. And executed the way they were, with fastenings left unhinged and garments worn slightly off-kilter, the collection also made for a chic study in demure sex appeal.

James Coviello: It's hard not to get swept up in James Coviello's fantasy worlds, which this season referenced a mix of historical French periods, from rococo to neoclassical. Held at the St. Regis Hotel, the heavy crystal chandeliers and gilt moldings properly set the tone for what was to come: delicate, crochet boleros and camis; chinoiserie print chiffon gowns, and a number of puffed-sleeved, Josephine-waisted tops and frocks. The fringed paisley pieces might have been better left to the guillotines, but Coviello made up for them with the seersucker numbers and the pretty grosgrain ribbons — done up in bows, rosettes or beaded and sequined — that circled high around the waist to create an Empire effect.

Joanna Mastroianni: Joanna Mastroianni was like "The Little Engine That Could." For years, she chugged

WWD.CON

ne Light

ets — some looks are a bit tussled and others more buttoned up.



along, picking up speed and expanding her core looks with those ladylike evening dresses and cocktail suits, tweaked with a touch of glitz. But until recent seasons, the aesthetic was aimed at a more sophisticated clientele. Now, she's loosened the mood of her collection with Grecian-inspired evening looks, romantic and pretty short dresses and gowns in layers of bright or bold floral silk chiffon with plunging necklines and backs, draped bodices and elaborately beaded belts. But the best example of the designer's approach to attracting a younger, edgier crowd was the white ribbed cotton tank with its beaded neckline and embroidered skirt and the sheer embroidered vest over a long skirt in white silk. Still, some of this newfound fashion freedom needed to be reined in a bit, such as the fringes and ostrich feathers, which were overdone.

Ruffian: Brian Wolk and Claude Morais sent out a mostly march-to-their-own-drummer collection for Ruffian. While that's often a good thing, this season, it was more jarring and out of sync than interesting, with huge dolman and lantern sleeves and some lackluster shapes in too-shiny ribbon-knit sweaters and dresses. But those boys sure knew what to do when they got hold of a bevy of silks in charred navy. Here, almost everything was beautifully cut and chic. A soft charmeuse shirt was

shown with a terrific crystal-belted, pleated yoke skirt in tussah; the slender jumper and a crystal-appliquéd butterfly dress in georgette were also winners, which proves that a little restraint can go a long way.

Y & Kei: It looks like Hanii Y and Gene Kei of Y & Kei finally have found the golden ticket for a perfectly polished wardrobe. In the past, the designers have struggled to find the right balance for their romanticwith-an-edge collection, but the duo's spring lineup was bursting with just the right mix, from feminine, white eyelet blouses, to chic, front-pleat skirts belted with bows, to a slew of ethereal gowns in sand and black. By mixing textures, such as linen and jacquard — many accented with delicate metallic beading or embroidery each look was a delicious surprise.

Atil Kutoglu: It was the spirit of Turkey's coastal resorts that seemed to be the most inspiring for Atil Kutoglu. Terrific caftans, both short and long, sailed down the rumway in breezy cotton voile or airy silk chiffon and organza. And a bevy of beach looks in bright printed cotton — shorts and hooded tops over white bikinis stayed the course. But he wandered too far from that appealing seaside mood with silver silk brocade coats, dresses and jackets that looked stiff and bulky.

On the Rise

Three new labels showed strong potential at Gen Art's Fresh Faces in Fashion, where Kyan Douglas of "Queer Eye for the Straight Guy played host. **Octopi**'s Sarah Walsh and

Madeline Davy went circular with scoop necks and rounded seams and hems. The latter elements were best demonstrated on a gold viscose and cool cream linen dress. Annie Lewis and Helen Cho, the designers behind **Lewis Cho**, deserve an "A" for their beautifully draped dresses and intriguing knits, and **Rodebjer**'s Carin Rodebjer presented slouchy suits, as well as voluminous floor-skimming dresses fashioned out

of men's shirting. Meanwhile, as the industry's thirst for new talent reaches a feverish pitch, San Francisco's Academy of Art University swooped in to present the first-ever student showing at the tents. Featuring capsule collections from a dozen recent grads, the show caused Barney's Simon Doonan to proclaim, This did not look like a student fashion show - very well done. Standouts included Emily Ginn's russet jacquard coat dress with a contrast collar and sash, **Sarah Kalata**'s expertly knitted sweater featuring three-dimensional cellular knit flowers and **Mariana Vidal Escabi**'s whimsical cotton day dress with a Magritte-inspired print.



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St. John's New Angel?

LOS ANGELES — First Kelly, then Gisele and now Angelina. Following the surprising replacement this fall of longtime cam-paign model and founding daughter Kelly Gray with supermodel Gisele Bündchen, the St. John knitwear brand is said to have signed on statuesque superstar, U.N. ambassador and tabloid favorite Angelina Jolie for its 2006 run.

The move — which the Irvine, Calif.-based fashion house is expected to announce in a press conference this week — is only the latest in chief executive officer Richard Cohen's dramatic remake of St. John.

There has been no shortage of surprises since the British-born Cohen assumed the reins from the founding family of the 40-year-old brand a year ago.

Cohen's leadership was underscored following months of executive announcements when in late July, company cofounder and designer Marie Gray and her daughter, Kelly, the creative director and perennial ad star, submitted their

resignations. Although expected — Marie Gray's contract was up in December – the timing came as a surprise to many longtime employees within the company. A new head designer has yet to be announced. But industry veteran Tim Gardner, who's worked as creative director for Calvin Klein and, most recently, PHI, has been

The Grays' departure came on the heels of the announcement that the Brazilian glama-zon Bündchen — a 360-degree departure from Kelly Gray, who posed for the signature ads

for more than two decades — would personify the company's new image. In a prescient sign, the Mario Testino-shot fall campaign featured Bündchen as a star "on set," surrounded by several beefy extras in costume. It was a nod to the past campaign with Gray and her constant cadre of boy toys and now, it appears, the future

The din that the 30-year-old Jolie would be Bündchen's successor, as WWD reported this summer, has been intensifying recently. But Cohen and St. John representatives declined to comment whether any A-list star would step into the role. The red carpet, of course, tops the list of any successful fashion brand marketing pro-gram. And despite of florts ago hofeen cohen's automatical account of the successful fashion brand marketing pro-

gram. And despite efforts even before Cohen's arrival, such a moment at an awards show or even lowly film premier long eluded St. John. Off the record, many Hollywood stylists insisted the house would need to shake off its musty image as the practical source for political power women and Ladies Who Lunch before they would consider showing the clothes to their celebrity clients. Given Jolie's image, the choice will present St. John in a striking new light. Very few in the concreted calculate her descence on policing a descence and end of the concreted school the the descence of the concreted school to be the set of the concreted school to be and the set of the set

the congested celebrity landscape can claim a glamour - and cool - quotient like Jolie's. Attracting a wider and younger clientele base, and thereby upping its appeal and sales,

has motivated the changes at St. John. Although it remains one of the best-selling brands at Neiman Marcus and Saks Fifth Avenue, with a cult following for its crease-free knit suits and gowns, profits have tipped in recent years.

While sales rose 7 percent to \$395.6 million in fiscal 2004 from the previous year, profits dropped to \$13.4 million, according to the company's earnings report. That is 10 percent less than in 2003 and 44 percent lower than in 2000. The falling profits appear to be largely because of remodeling and expansion costs for St. John's 31 signature retail doors worldwide, propelled partly by the slowing growth at department stores. A new look is set to bow in coming months at St. John stores

- Rose Apodaca

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ACT OF CHARITY: The fashion calendar just got one show longer. Seventh on Sixth plans to reveal Act of orman is the fashion calendar just got one show longer, seventh on such plans to reveal today its latest edition to show week: a special charity runway show to benefit the victims of Hurricane Katrina. The show will be held Friday night after the Gwen Stefani for LA.M.B. debut. Spearheaded and organized by **Naomi Campbell**, the show will feature looks from an array of New York designers, and will be worn by celebrities and some of the biggest models of the past 15 years, (Diddy and Cindy Crawford are said to be participants). Tickets will be sold to benefit the evening, and the space at Bryant Park has been donated by 7th on Sixth.

AFTER THE FALL: No one was badly hurt at Diane von Furstenberg's show on Sunday evening, but an accident in which a track of lights fell on audience members left several people feeling shaken up on Monday, including von Furstenberg herself. "It was a very unfortunate incident, and my first concern is making sure that nobody was

seriously injured," she said in a statement. "From what I understand in speaking to and visiting them is that they are OK. My team is now looking into the series of events that led to this accident to ensure that this will never happen again." Von Furstenberg herself was not injured in the accident. Those who were included **Hilary**

Alexander, fashion editor of London's Daily Telegraph; Teen Vogue editor in chief Amy Astley; Karl Treacy, a reporter at the Daily, and Karen Larrain, fashion market director at Cosmopolitan.

Astley made an early night of it on Sunday, but was back at the shows on Monday morning. "I have a big scratch on my shoulder, and my muscles are a little sore," she said. "My Prada weater was ripped to shreds. It could have been much worse. I was very lucky if you put it in perspective.

She even managed to crack a joke: "I became a fashion victim."

COURTENEY'S MOMENT: "I have a cold, so I can't talk well or loud," Courteney Cox whispered as she greeted a host of beauty editors and the requisite screaming photographers in the tents Monday. Dressed in a chocolate brown Alessandro Dell'Acqua dress and Prada pumps, the Kinerase spokeswoman was in town for a hot second to promote the launch of the skin care brand's new antiaging Pro + Therapy line, which contains a new plant-based extract ingredient called Zeatin. And, while Cox said, "I love Marc Jacobs," she admitted the designer's show Monday night was not on her itinerary; she was immediately headed back to Toronto to resume filming her next movie, "Return to Zoom," with **Tim Allen** and Chevy Chase.

PERFECT MATCH: Up-and-coming New York designers Christopher Crawford and Angela Deane, of Christopher Deane, have signed on to create Frida, the first private label line for Matches, a specialty store in the U.K. The initial collection hit stores this month at Matches' doors in some of London's swankiest neighborhoods, including Notting Hill and Wimbledon. The retailer is known or carrying such designers as Marc Jacobs, Alexander McQueen, Prada and Chloé. Today, though, Crawford and Deane are probably more occupied with finishing off their Christopher Deane line for Thursday's show



AND THE SHOWS GO ON AND ON AND



with beach boys and

babes dressed in

fresh whites and

neutral seersuckers.



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and shapes didn't blouses, two-toned work in denim, but camis and deep Vthe skinny jeans will dress likely be a hit with Nary Manivong girls the cool kids are made of



At his first runway show, Miguel Pena focused his ladylike — that's what aesthetic on all manner of dresses printed and plain.



sleek, short halter

jumpsuits.





The designers behind Jennifer Nicholson's We wish Keanan taffeta and lace Duffty's women's line dresses were perfect was as cool as his fare for "The Stepford men's. Here, he Wives," but what succeeded with succeeded with a about the rest of us? baby-doll dress



theme couldn't have been more pertinent but even pretty lace and appliqués couldn't save this sinking ship.

Jacquetta Wheeler, who attended the Kai Milla hash



WONDER GIRL: "Is Stevie going to play? When is Stevie going to play?" was all one heard from a crowd of normally blasé New Yorkers who crammed Bemelman's Bar at the Carlyle Hotel for a dinner celebrating the second collection from Stevie Wonder's wife, **Kai Milla**.

Sadly, Wonder was feeling a bit under the weather, so his daughter, Aisha Morris, wowed the crowd with a Nancy Wilson tune instead. "You can sing, girl," the surprised guests whooped.

Donna Karan made an appearance, in a white dress from her new collection that she had cut into and tied a black ribbon around. "Nadine called me and told me to come over, and so I just went snip snip and here I am!" she joked, referring to publicist Nadine Johnson, who was presiding over the evening in a Balenciaga ensemble.

Last-minute dressing, it seems, was the order of the day. Milla had made her own patterned shirt earlier, a replica of a look that had gone down the runway a couple hours before. "I was going to come in jeans and a shirt, but then everyone said I had to have something, so we just made this," the exuberant designer said.

While his wife circulated, receiving congratulations, Wonder held court at his table with Denise Rich and Star Jones, who was escorted by husband Al Reynolds

All I know is if the clothes feel good, they will sell well," said a proud Wonder about his input. He had made the trek to New York from his L.A. home to support his wife. "I have an album coming out on the 27th, so I've been recording up until this week. Too bad I can only come to New York for one day," he lamented. Milla, on the other hand, had set up shop in the city for three weeks before the show to finesse her collection.

Besides Karan, Imitation of Christ designer Tara Subkoff also showed, along with photographer Jessica Craig-Martin, who amused herself by snapping closeups of the feet of model Jacquetta Wheeler and her friends. Wheeler, who was wearing black Top Shop ("I bought tons when I was in London. I love it," she said) seemed happy this week would be a more relaxed one than usual for her. "Well, it's not slow, really, but slow for me," she laughed. Around midnight, **Ashanti** and her mom-ager **Tina Douglas** joined the festivities. The pair sat at

ta central table with a security guard. "I'm really tight with Stevie," said Asharti, "so I was excited to see Kai's clothes." The singer said she was also going to attend **Carlos Miele**'s show, one of her favorite designers. "I have about five of his dresses hanging in my hotel room right now. I also love Elie Saab: he's great.

KELLY'S CREDO: Kelly Osbourne and her best friend Ali Barone are making the rounds this week. So far the duo, who co-design the retro-inspired contemporary line Stilletto Killers, said designer Kai Milla had the best show. "We absolutely loved it," Barone said. "It was very Forties-inspired and

very much like what we're doing." The two are averaging about four fashion shows per day and said they can't wait to launch their collection, which hits stores on Halloween. Osbourne said now that she's coming to the shows as a designer, she's noticing the clothes in a different way. "You've got to make your clothes translate," Osbourne said. "They've got to look good on people other than the six-foot-tall skinny models. I've found that stuff that looks bad on models generally looks great on normal people."





ITSY-BITSY, TEENY-WEENY.... They weren't polkadot, but female regulars at Bryan Bradley's Tuleh show Sunday night oohed and aahed over the bikinis they found on their frontrow seats, part of Bradley's new swimwear collection. The one surprise taker was Vogue's André Leon Talley, who sat with two boxes containing the swimwear perched on his large lap. Were they his size? "No," he laughed. 'They're for friends.

CHEERS. MATE: Richard Branson. the British entrepreneur and man behind all things Virgin, went relatively unnoticed by the paparazzi at **Oscar de la Renta**'s front row. In times of fashion acquisitions and mergers, one had to wonder, though: just what was Branson doing at Oscar? "We just had a launch presentation for Virgin Wine inside the tents," Branson said, adding he just felt like popping into a show after the presentation. "I have actually never been to a fashion show. I'll see how it goes...I am not the best clothes person."

A few rows — and many flashbulbs — away were Donald and Melania Trump, making their second appearance in a row at a de la Renta show. Trump is far from a fan of Branson's, having said the British mogul's knockoff of "The Apprentice" was so bad it "drew flies.



ONE TO WATCH: Motown progeny **Chudney Ross**, daughter of **Diana Ross**, made her New York fashion debut on Sunday night, sitting front row at Venexiana. When a photographer asked if she even knew what Venexiana was, she coyly responded, "I'm wearing it." Clad in a pale pink lace slip dress and a trio of diamond studded Judith Ripka cuff bracelets, the one time elementary school teacher, sometime children's book author and now model and actress was clearly in the midst of evaluating career options. "I was just signed to a modeling agency in L.A. to do runway modeling, but then I'm also acting," she said. "But the real actor in my family is my little brother, he's staring in the Will Smith movie called 'Jelly Bean' which comes out this summer. I think I can act, but my brother can really act

OUT AND ABOUT: So much for Gwen Stefani's vow to only go to Zaldy's show during the week as she prepares to make her own runway debut on Friday. Stefani was a surprise guest Sunday night at the opening of the Talevera showroom, arriving with her co-designer Zaldy to peruse the jewelry, including stylist-cum-jewelry designer Andrea Lieberman's new bamboo collection of earrings, Brazilian Yara Figueiredo's eclectic jewelry, Illeana Makri's colorful diamond and sapphire pieces and Marie-Helene de Taillac's feminine styles. Danilo, hairstylist to celebrities including Stefani, shopped with the L.A.M.B. designers. Chiara Clemente and "Life Aquatic's" Waris Ahuwalia also stopped in for a stint. "I love Aurora," said Lieberman of her good friend Aurora Lopez Mejia, who designs an eponymous jewelry collection and also owns the showroom, which she converted herself from an advertising agency.

GIRLS JUST WANNA HAVE FUN: With celebrity sightings a practical requisite for any fashion show these days, there are times when the star-designer pairings can seem a bit, well, forced (Roger Federer and Naeem Khan anyone?). Not so at Tracy Reese's Sunday show, where pretty, girly girls like Garcelle Beauvais-Nilon, Zoe Saldana and Jamie Lynn-DiScala were there to see the looks strutting down the runway. Lynn-DiScala, taking a brief break in the middle of shooting "The Sopranos," was happy to come out. "I'm a big fan of Tracy Reese — I'm so happy she's com-ing into her own," said the actress, decked out in one of the designer's bright dresses. Lynn-DiScala also planned to check out Monique Lhuillier before returning to work. After three sea-sons of show-going, however, she's far from jaded. "I'm a girl — I always get excited about the clothes." she said

RECYCLING DRIVE: More and more good causes are penetrating the runways. An event today at the Dylan Hotel will promote Call2Recycle, a recycling program for old cell phones with donation sta-tions at approximately 40,000 locations nationwide, including Target, Wal-Mart and Best Buy. "There are toxic metals in each phone that leak into our waterways (if they aren't properly dis-posed of), so it's incredibly important to recycle them," a spokesman for the organization said. Of course, the \$1,500 goodie bags guests will receive — with Kasil jeans, Kevyn Aucoin beauty products, Alex and Ani jewelry and some Claudette cashmere — is also a fairly enticing incentive. Kerry Washington, Vanessa Carlton and Shalom Harlow are expected to attend.

ANIMAL MAGNETISM: Howard Stern's squeeze, Beth Ostrosky, will be making her pinup debut this fall in the North Shore Animal League's annual calender. Ostrosky, who serves as the animal shell ter's national spokeswoman, said she will be wearing three seasonal Nicole Miller dresses in can-did portraits with cuddly kittens and puppies. Her commitment extends to aiding pets find a home in the wake of Hurricane Katrina. "North Shore had a caravan of vans bring up abandoned pets," said Ostrosky. "We worked all week long cleaning them up, feeding and grooming them. There was even one adorable puppy that had no food or water for seven days and had been swimming in her cage. She's now fine

LAST CALL: Helmut Lang fans, dismayed by the designer's departure from the Prada-owned label earlier this year, will get their last chance to stock up on the label during Paris Fashion Week. Prada has said the fall-winter collection will be the last for the Lang brand, which looks destined for a sale or a phaseout. Stores in Milan and New York have shuttered, but the Paris flagship on Rue Saint Honore is staying open for the time being and it's home to all remaining stock. Prada has yet to set a closing date. No word yet on the future of the New York and Milan stores and whether Prada will convert them to other group brands.



The Mediterranean Underneath the was Cat Swanson's inspiration, and the and unforgiving silhouettes at Ashish colors - beautiful blues, violets and N Soni were some - showed it. beautiful fabrics. grays





Twinkle by Wenlan was Life was a beach at a flurry of embroidery and prints that, while festive, was a bit out of sync with au courant fashion

Binetti, where flirty dresses featured under-the-sea prints and textured cottons with macramé.



collection of dresses Fifties-inspired beachwear made nods was refined and to Luella Bartley, feminine, like this Proenza Schouler and little floral-printed Marc Jacobs number.



There was little salable merch at ere an organza Venexiana, but plenty blouse with a suede skirt and, of course, of high-costumed drama in its ruffled her husband Stevie eveningwear Wonder's finale



Highlights at Kai Milla Monica Byrne featured sweet Empire-waist dresses and separates done up in raffia and silk - all with a handmade quality.

Purely Donna

44It's part of you that's not

urban and running around, it's

the calm you, the comfort you.

It's like hugging somebody. To

me, pure and yoga stand hand

By Marc Karimzadeh

NEW YORK — Donna Karan considers herself a purist when it comes to well-being.

She was a yoga proponent long before it became fashionable; juice bars in her DKNY boutiques offer wheatgrass concoctions as a hydrating alternative, and even her DKNY's Be Delicious fragrance comes in the shape of a nutritious apple.

Now, the designer wants to step up that mood in her fashions, too. Donna Karan International is looking to intensify its Pure DKNY label, which was launched in stores under the DKNY umbrella in spring 1999. As part of that plan, the division of LVMH Moët Hennessy Louis Vuitton will open stand-alone Pure shop-in-shops in select department stores worldwide for spring, and it's adding a complete collection of Pure accessories, shoes and men's wear to the women's wear and home collections. Down the road, there could even be freestanding Pure shops.

To underscore the Pure growth initiative, the company also created a separate brand book featuring a collage of black-and-white images depicting the lifestyle Pure represents.

"I think about my beach house when I think of Pure," Karan said. "It's part of you that's not urban and running around. it's the

in hand.77

calm you, the comfort you. It's like hugging somebody. To me, pure and yoga stand hand in hand."

Pure's concept was conceived at a time when Donna Karan was looking to reconcile her life in the city with her weekends in the Hamptons. Karan and Jane Chung, executive vice president of DKNY Design, were looking for an even simpler system of dressing, with a more relaxed attitude and r

more relaxed attitude and pieces that can easily be thrown on.

Mary Wang, DKNY's president, said Pure has been a small business since its launch, but it noticed a jump in sales during the past year-and-a-half.

"The sell-throughs had improved significantly," Wang said. "Last spring, they were in excess of 65 percent in department and specialty stores, and over 70 percent in our own stores. So we started talking to stores about separate Pure areas, and decided to expand it into other categories of men's, handbags and shoes."

For spring, the collection includes Japanese techniques from indigo yarn dyes to discharge prints and likats. Fabrics are light and typically revolve around linens, cottons, chambrays, silks, washed wools and denims. For instance, the collection features chinos and slouchy pocketed silk linen cargos, some of which have elements such as floral prints or embroidery. "There is a system of dressing in Pure — the seven easy pieces," Karan explained. "That's why it seems so perfect to what we are."

This spring, Pure also will launch shoes and handbags. The handbag collection includes straw totes with an interior silk cord that features the dictionary definition of the term pure on it. There are also soft tote-like handbags in Cuoio leathers and reversible fabric bags.

"I think the timing is right for this, because I feel we present a different kind of choice for customers in their casual needs," Wang said. "The recent jeans and T-shirt phenomenon has been great, but people who want to wear different choices don't really have a lot of places to go. I think that's why our utilitarian cargos and our soft, ethnic-inspired dressing have gotten a huge demand at retail. People want to have other things to choose besides designer jeans and cropped Ts."

This spring, separate Pure areas are scheduled to open at Bloomingdale's on Lexington Avenue and Selfridges and Harvey Nichols in London, as well as freestanding DKNY stores. They typically will range in size between 300 and 500 square feet. The shop-inshops will feature a mixture of elements such as wood, stone, metal and soft accessories such as pillowcases.

Pure was launched seven years ago with one delivery each season, but since then, has added a second delivery. As part of the renewed focus, the company decided to add a third delivery each season. "We realized that to sustain separate spaces, we needed to be much more in the flow of the rest of the floor...we couldn't necessarily sustain that growth with two deliveries, because of the nature of business in department stores and freestanding stores," Wang said.

Each delivery will have key items such as the drawstring pant, the skirt, the dress, 'cozies' (similar to a poncho) and versions of easy, relaxed sweaters. In the U.S., Pure is sold in about 50 specialty stores

In the U.S., Pure is sold in about 50 specialty stores and 15 to 20 department store doors. It's also available in 12 company-owned DKNY stores, of which three are in the U.K., and 50 DKNY stores internationally that are a partnership. The DKNY brand does an estimated retail sales volume of \$1.7 billion over all products including licenses.

DKI's chief executive officer Jeffry Aronsson added it was too early to pinpoint the timing for Pure stores. He and Wang declined to give sales volume information. "It usually hovered below 5 percent in DKNY's volume dollars, but now it's in excess of 10 percent of DKNY's total volume, and that's against an expanding base," Wang said. "We would like Pure to stay in a somewhat smallish, elite distribution in fine specialty and elite stores."

"To see the growth of Pure is very exciting," Frank

Doroff, Bloomingdale's senior executive vice president and general merchandise manager of ready-to-wear, said. "It's another great addition to the DNKY line, which is doing really well and is one of the top performers in our New View department. Pure within that is doing well." AverV Oates, buving di-

- Donna Karan Donna Karan

pressive that it deserved its own area within its Knightsbridge flagship. "The collection answered the needs of the modern woman's wardrobe, with great weekend pieces, perfect workwear and fabulous evening looks," she said. "It's rare that you come across a collection that ticks all the boxes the way Pure DKNY does."

Pure's wholesale prices for spring range from \$32 for knits, \$60 for bottoms, \$75 for shorts and \$145 for jackets to \$1,500 for a shearling leather coat.

"We see this as an opportunity to develop something very special and unique within the context of the DKNY brand," said Aronsson, adding that it is a niche opportunity that "could be quite interesting, and eventually, not only grow in terms of apparel, accessories and shoes, but ultimately into its own freestanding concept as the business develops." The decision to bolster Pure has nothing to do with

The decision to bolster Pure has nothing to do with City DKNY's demise, according to Aronsson. City DKNY was licensed to Liz Claiborne Inc., but will not be renewed after the agreement expires at the end of this year.

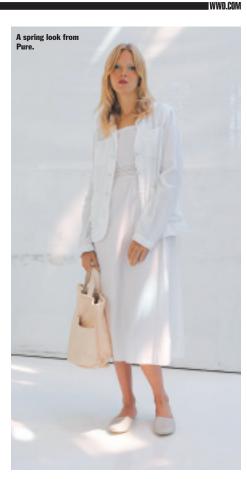
"There isn't the need or urgency to replace anything because our business is a growing business," Aronsson said. "Such is the opportunity that is reflected in the stellar selling of Pure in its previous form that it's critical to seize upon this opportunity that presents itself and to develop it in an appropriate way."

Aronsson added the company is focused on developing the international markets, and is in advanced stages of negotiating developments for breakthroughs in the Far East, with DKNY and Collection stores expected to bow there next year. He would not elaborate any further.

As for potential categories for Pure, Wang singled out candles, beauty and children's wear. Karan, meanwhile, has no objections to taking the concept even further than that.

"You could take it to anything...it could be Pure food," she said. "I could see it in juicing. We have our juice bar in the store. To me, nurturing a customer is nurturing yourself. I really think it is an extension of reaching out to people and saying 'I care.' I want people to be comfortable and feel sensual. There is nothing better."

With contributions from Nina Jones, London

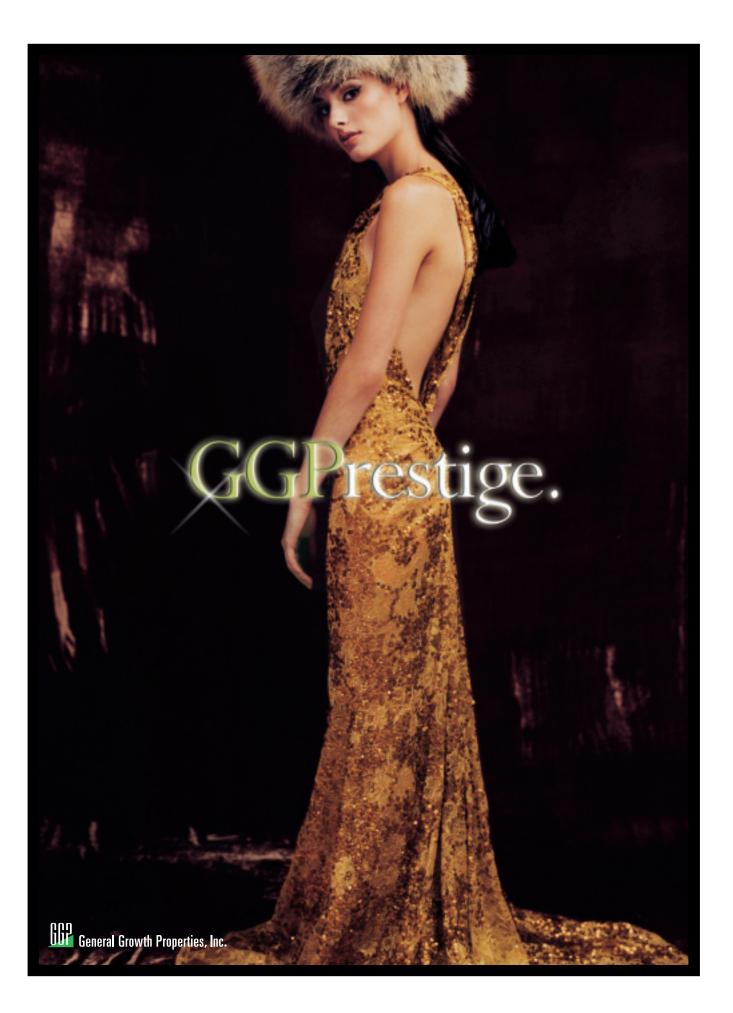






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Ready-to-Wear Report Katrina's Wake Felt in the Tents

By Rosemary Feitelberg

NEW YORK - Many retailers, designers and other fashion insiders differ about how Hurricane Katrina will affect the desire of Americans to shop, as well as the disaster's overall economic impact.

Comparisons are difficult because the scope of death, destruction and human tragedy across the Gulf states from this single event is without precedent in U.S. history, as estimated damages reach \$125 billion and counting and the Congressional Budget Office reported the loss of about 400,000 jobs

And, unlike the Sept. 11 terrorist attacks, after which Americans were encouraged to spend money to bolster the economy, the hurricane has renewed, for many, ques tions about materialism.

Still, the business of business continues, particularly during fashion week here. Before his wife Diane von Furstenberg's show Sunday, Barry Diller, chief execu-

tive officer of IAC/Interactive Corp., said Katrina "has to have a big effect on the economy, on retail, on everything. I don't think this is like 9/11, when there was an angry reaction for life. This one has-n't made anyone feel good."

Donald Trump, commenting after Oscar de la Renta's show Monday, said, "The economy will take a hit and it's going to be substantial. Fuel is going to kill the economy. Unless we tell oil-producing states what life is all about, the economy will take a significant fall."

Former Bloomingdale's chairman Marvin Traub, who now heads Marvin Traub Associates. was more optimistic. "I don't think it will be severe. Clearly, there will be some impact. Three economies in three states have been devastated. That will affect retail, fuel prices, real estate. The side impact of rising fuel prices doesn't help.'

Before Carolina Herrera's show Monday, Burt Tansky, president and ceo of the Neiman Marcus Group, said, "My reaction to this terrible tragedy is that the destruction is just unbelievable, but it has also allowed Americans to show their humani ty and softer side by rushing out to help people. As the weeks go on, normalcy will return to New Orleans and throughout the country. I don't anticipate any change at retail in our business

Another retailer, former Saks ceo Phil Miller, said before Kenneth Cole's fashion show Friday that he expects any cautious spending to center on the Gulf region. "I don't anticipate that it will have a large national effect, as far as shopping goes," Miller said. 'What happens in the long run with taxes and all the deficits may be a more difficult question."

He noted that Federated Department Stores has a major charitable initiative under way for hurricane victims. "We don't want to cast a pall on the idea of what this is all about, which is fashion and selling clothes," Miller said.

Mark Badgley said during an interview last week that he suspects the destruction in the South will have an impact on retailers approaching the New York collections to a small degree, "but they still come in looking for beautiful, beautiful pieces. But it could have an influence on their budgets and their open-to-buys.

Neil Cole, ceo of the Iconix Brand Group, Badgley Mischka's parent, said, "From a business perceptive, I think that the disaster has definitely had a very short-term effect on the retail industry. Some people have become slightly more cautious, but in a short time, business will be back to usual. I believe that they will not only rebuild the region, but make it stronger."

Asked if he thought people would curb their personal spending since so many have lost so much, Stevie Wonder said: "Probably not." After his wife Kai Milla's show Sunday at the New York Public Library, Wonder said, "This is really a case of using what we have to help those who have noth-

ing. People will do what they do, but it may be a matter of not buying that dress or suit. "This is a time, obviously, when a lot of people are in pain from the destruction that happened after Hurricane Katrina," Wonder continued. "But we must take that pain and concern and put it to good use throughout the year because we're all one family. If you don't know that, you'd better ask somebody.

Others who attended the Milla show shared Wonder's outlook. Another entertainer, Brandy, said, "I definitely feel like we're all one and we should do everything we can, whether that be sending money, food or clothes.

On a more personal note, she said she decided to not buy a pair of Chanel sunglasses after it occurred to her that "a lot of people in New Orleans don't have any-thing to wear." The singer said next month she will visit relatives in Mississippi and she plans to work in a few special appearances to help the victims. "A lot of people love to see other people and just want to have conversations. I think what Oprah is doing is amazing," referring to the talk show host's tour of the Gulf region.

Janice Combs said, "People aren't going to stop shopping," but they will be more

The recovery has a long way to go in New Orleans

ieth Cole support on

conservative about spending money on themselves. She has not asked her son, Sean Combs, if he is concerned that about the impact of Katrina, but she noted that "everyone is doing different things because they don't know how this will effect their businesses

Greek shipping heir Paris Latsis, who is engaged to Paris Hilton, said he doesn't expect any downturn in the economy. "Most people don't have enough forethought to think about things in general. I only pray that it won't happen where I live."

After the Luca Luca show Sunday, hip-hop mogul Damon Dash said he doesn't expect retail to take a hit. "Whenever there is a tragedy, the things that you think will be affected aren't." he said.

As for how the hurricane may or may not impact his own business, Dash said: "Those things don't become relevant to me when the majority of the world and my immediate culture is not treated well.

His wife, Rachel Roy, said she is going to hold off on buying items on her fall shop-

ping list, especially accessories. "The hurricane is absolutely weighing on my mind. Spending money on something you love takes on a whole different perspective.

The singer Amerie agreed, "When you realize so many people have lost all of their necessities, it does make spending a lot of money on luxury items kind of frivolous.

Mary J. Blige said the disaster has made more people aware of the bare necessities - clean running water, fresh air, soap, toothpaste. That said, she understands that commercialism motors on. "If vou're going to donate and shop, great. If you don't, don't. But I don't think people should feel guilty about shopping." Another Luca Luca show goer, rapper

Cam'ron, said his company, Diplomat Records has made donations to hurricane victims and will send more. But he doesn't expect shoppers to back off in light of the situation, "I don't mean to be cruel or anything else, but New York fashion doesn't really stop. A lot of people are still going to go shopping in New York, Los Angeles, Chicago and other cities. Me, I went shopping today." The rapper said he is going forward with

plans to launch a women's and men's collection called Vavoli in 18 months.

Venus Williams wasn't about to speculate about any economic fallout. "I haven't had eco-nomics since 10th grade," she said. Her sister, Serena, said she is still looking for a manufacturer to produce her eveningwear collection. The only catch is that the company must not compete with her sponsor, Nike, on any level.

At the Rag & Bone after party, Drew Barrymore said she doesn't draw the line on shopping "as long as people continue to give money to good causes. That's the most important thing." Though she was hesitant to speak about such

a weighty subject in a party setting, she said: "Fashion is beautiful, but there is something going on in the world that is very dire. And if people are aware of that and do something about it, that's a good thing." At Joanna Mastroianni's show Monday, a few

guests talked about their responses. Tony Award-winning actress Heather Goldenhersh said that as lovely as it is to be invited to fashion shows and other functions, she feels guilty. She plans to make special appearances. Grace Hightower De Niro said she and her

children and stepchildren have agreed to forgo many Christmas toys to make donations to the hurricane victims. "It's definitely weighing on people's minds. When so many people have lost so much, it's important to help them regain ma-terial things," she said.

Stephen Burrows said at his show Saturday, 'This is our business, so we go on with it. I don't expect to stop buying T-shirts at H&M. We need

clothes to wear.

"It's a business and you've got to keep your business going," he said. "It's a horrible thing that happened in the South. These things happen in life. But it's a natural thing to rebuild life.

Asked at von Furstenberg's show if she thinks people will be more conscientious about spending because of Hurricane Katrina, Fran Liebowitz said: "I think if more people were conscientious, what happened in New Orleans never would have happened.'

Another guest, hotelier Andre Balazs, said, "I hope this makes people more conscientious about what politicians are doing. I hope people become aware of the unbe-

lievable discrepancy in our country between the wealthy and the destitute people." Sandra Bernhard said, "I think people still have to get dressed up and eat and enjoy themselves. People with a lot of money can always afford to do both [shop and make donations]. But in terms of how it will trickle down in terms of gas prices and joblessness, of course, it affects those who have less more. In a broad sense, they will pull back on any extras.'



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Web Site Mixes Shopping, Fashion Advice

By Cate T. Corcoran

NEW YORK — Glam.com may be a retailer's dream come true: A Web site that looks like a magazine, but whose content can be clicked and bought.

A pre-release version of the luxury fashion shopping site, whose pages look a lot like Lucky or In Style, went live last week. The official launch date is Sept. 19. Glam Media Inc. has signed up 50 retail and brand partners, including Neiman Marcus, Bergdorf Goodman, Saks Fifth Avenue, Sephora, eLuxury, Net-a-porter, Tracey Ross, Sephora, Kirna Zabête, Macy's, Target and Victoria's Secret.

When a shopper clicks through to a retailer's site and buys a featured sweater or lip gloss, the retailer pays Glam.com a commission of 12 to 24 percent. That's about twice the price most affiliate sites charge. Fashion companies also can advertise on the site.

The notion of a print media style or fashion magazine that's fully interactive and online is pretty new," said Ben Bajarin, an analyst who covers digital media for Creative Strategies in Campbell, Calif.

The site eventually will have thousands of free-form and templated pages, all of which look hand-coded, but are generated automatically by Glam.com's proprietary software and can be quickly updated when an item runs out. The site will be continually updated daily. Glam.com has done programming behind the scenes so it receives a continuous live data feed of photos and product attributes describing stockkeeping units for sale on the Web sites of its retail partners. Glam.com's merchandisers and editors pick the products they want to feature.

Editorial content will include product layouts grouped around themes such as "best boots" or the color orange. The site also features "style profiles" about celebrities and advice from stylists and other fashion insiders. Shoppers can take guizzes on subjects such as which colors best fits their moods, and then view products sorted according to test results.

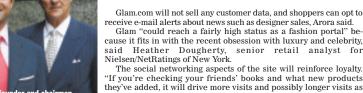
44 The notion of a print media style or fashion magazine that's fully interactive and online is pretty new.77 — Ben Bajarin, Creative Strategies

The site this year plans to add a social networking component. Fashion aficionados can describe their own styles, favorite designers and "most-wanted" products on their profiles, as well as link to profiles of friends and favorite celebrities. They also can invite their friends to join the site.

Glam Media Inc. of Brisbane, Calif., has received \$11 million in venture capital backing from Accel Partners, Draper Fisher Juverston, Walden Venture Capital and Information Capital. Glam founder and chairman Samir Arora is also chairman of Information Capital. Vice president and publishing director Carl Portale was previously publisher at the Elle Group, Harper's Bazaar, Mirabella and Town & Country. So far, the company has about 40 employees, said Arora

Glam.com is not planning any print advertising this year, but will have a sizable budget in 2006, Arora said, without providing specifics.

The target audience ranges in age from mid-20s to mid-50s, with the central core being the Generation X "fashion juggler," a woman in her 30s who lacks time but not disposable income.



er and cl ir Arora and vice pre blishing director Carl Portale.

receive e-mail alerts about news such as designer sales, Arora said. Glam "could reach a fairly high status as a fashion portal" because it fits in with the recent obsession with luxury and celebrity, said Heather Dougherty, senior retail analyst for The social networking aspects of the site will reinforce loyalty. "If you're checking your friends' books and what new products they've added, it will drive more visits and possibly longer visits as well because you're looking through your friends' books as well as

adding things to your own," she said Retailers were enthusiastic about Glam.com, though they added that the sales volume generated by the site was uncertain.

"Glam approached us six months ago, and the combination of a strong management team and previews of the site convinced us we should become one of their launch partners," said Martin Bartle, head of marketing for Net-a-porter, a \$21.3 million Internet retailer based in London.

We've met with so many people over the last couple of years who have approached us about online sales, and this was the first time we felt this was a company that could make it," said Beth Buccini, a co-owner of New York's Kirna Zabête boutique. "They have unbelievable backing, the résumés of the people involved are really impressive, and it seemed like a natural fit."

The store is starting with a small number of items because it already had written its fall orders by the time the partnership was formed. However, if sales are promising, Kirna Zabête will go deeper for spring, Buccini said.

pens in Prime Miami Beach Locale

MIAMI BEACH - BCBG is sitting pretty in Florida. As part of its aggressive retail expansion, which included the debut of its Los Angeles flagship in July, the company has plucked a prime corner location on the 50-yard line of Miami Beach's Lincoln Road

Opened in late August, the nearly 5,000-square-foot store joins A-listers such as Gap and Banana Republic and a slated Apple store.

We had to be in the hottest retail area in Miami," said Max Azria, chief executive officer and designer of BCBG Max Azria Group. The move not only cements Miami Beach's increasingly important retail status

and year-round tourism, but serves as the jewel in BCBG's Florida crown. Ten stores already operate within the state, and another is coming to Waterside Shops in Naples, Fla., in December: Azria reports Miami Beach took awhile because he was waiting for the right location.

"Miami Beach will be one of our largest flagships, definitely in line with Rodeo Drive and Madison Avenue," he said.

Living up to its flagship image, the space equals its bicoastal counterparts designwise. The neighborhood's Art Deco history, celebrated through a landmark building address, original terrazzo floors and period-inspired furniture, is balanced with modern Miami decor such as floor-to-ceiling glass-bead curtains, brushed stainless steel fixtures and various lighting from incandescent to a 60-foot central skylight.

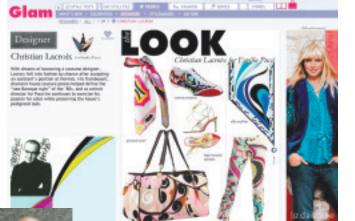
Its tropical environment won't affect merchandise, according to Azria, who said monthly deliveries already are structured with warm climates in mind due to the company's numerous southern outposts. "Regular collections will contain product assortment perfectly suited for the Miami market," he said.

Like all flagships, Miami Beach will carry the entire brand, including Max Azria Collection, BCBG Max Azria Collection, swim, denim and accessories. Azria believes tourists and locals will relate similarly to merchandise such as a bohemian floral dress in silk jersey, retailing for \$510, or in chiffon, for \$364, from BCBG Max Azria's fall 2005 collection.

"That's because our customer is more about attitude," he said.

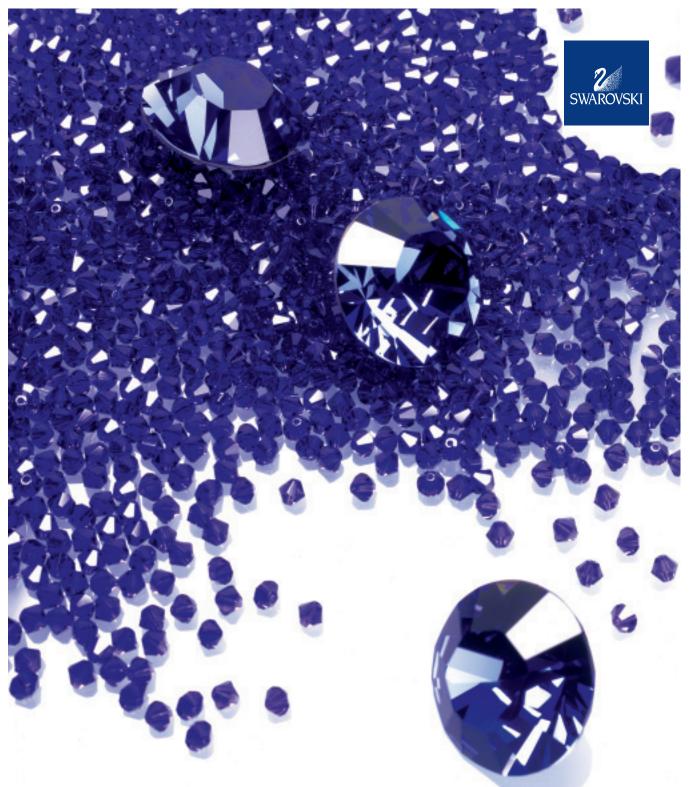
A large-scale grand opening party will be held late this month or early October. Rebecca Kleinman





A typical page showing looks from one designer.

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Armani Exchange Pursues Lifestyle Marketing Gains

By Rusty Williamson

DALLAS — A|X Armani Exchange, the 94-unit licensed retailer that offers Giorgio Armani at lower prices, is trying to reach new customers with a marketing strategy that taps into the core of their lifestyle: music, culture and fashion.

The company is seeking to affirm the brand's focus on the young, urban and hip by sponsoring events at the grassroots level such as music festivals and fashion shows in college towns like Austin, Tex., and a club music festival in Miami.

Harlan Bratcher, president of New York-based A|X Armani Exchange, described the strategy as "acupuncture marketing," which translates into pinpointing the passions and interests of the brand's 18- to 24-year-old target demographic, which includes professionals and trend-minded students.

It's a market that relates to the lower price points and to the style sensibility of the line, which for fall is all about dark colors and tailored, fitted silhouettes in luxury fabrics. Retail prices are \$40 for a top to \$295 for a leather jacket. Denim is an integral part of the fall collection and retails from \$88 to \$128. Women generate at least 45 percent of total company business. Giorgio Armani personally approves every item in the collection and has major creative control of every aspect of the company.

A X Armani Exchange is using the acupuncture strategy in a bid to stay ahead of the competition for the lucrative youth market, including Marciano, Guess, Benetton, Club Monaco, Sisley, Diesel, Baby Phat and JLo.

"It just makes sense to have a focused market outreach that allows us to advertise and target shoppers regionally such as in northern and southern California and different cities in Texas and Florida," Bratcher said in an interview. "We have been very successful in growing our businesses in each city where we have stores by partnering with events or doing in-club events to promote our brand, which inspires business back at the stores. We focus on events and venues that fit the AJX Armani Exchange sensibility."

In March, the company was a sponsor of the Ultra Music Festival in Miami, which includes dance and club music events. Dance and club music is such an integral part of the brand's marketing that the company hires top DJs to spin the latest tunes at its stores during peak shopping times to boost sales and for its in-house produced dance CD compilations that are sold throughout the chain as well as at other music retailers.

"The dance music CDs give texture to our brand and further play up the synergies between urban music CDs give texture to our brand and further play up the synergies between urban music and A|X Armani Exchange, and it helps support the inspiration for our fashions," Bratcher said. "It's all about having a laser-like approach to knowing and targeting our young, urban and sexy customer. It's an approach that I've always subscribed to, but continue to refine, that also includes offering more seasonal

A look from A|X Armani Exchange and the CD cover it inspired.

advertising campaigns that change more...than just a few times a year. And the grassroots marketing strategy is directly tied in to our advertising messages and in-store marketing messages that continually change."

The brand's fall advertising campaign is called "Industria" and was photographed by Tom Munro. The images include a dark, gritty and spare loft setting and lots of leather, denim and men's wear-inspired wool, velvet and tweed fashions. The ads first appeared in-store in August and broke in September fashion magazines. They are appearing on outdoor billboards in key regional markets such as New York, Los Angeles, Chicago and Texas. The store, print and outdoor campaigns complement A|X's direct mail and online marketing outreach.

"We designed our creative and media strategies for the fall 2005 season to reflect the increased pace at which we are doing business," said Tom Jarrold, vice president of marketing and creative at A|X Armani Exchange. "A|X is a fast company with new product offerings monthly, so it's important for us to convey a fresh approach. By using an 'acupuncture' approach to media, we are able to pinpoint a strategic focus that will capture the attention of the A|X customer in a competitive and constantly changing marketplace."

A|X Armani Exchange is owned by Presidio International Inc., Singapore, which pays royalties to Armani Group. The group includes licenses for apparel, accessories, eyewear, watches, jewelry, home and beauty under the brands Giorgio Armani, Armani Collezioni, Emporio Armani, AJ/Armani Jeans, A|X Armani Exchange, Armani Junior and Armani Casa. Armani Group also includes a global retail network under its various brand nameplates.

Lacroix Trains Eye on Rails

By Miles Socha

PARIS — Celebrated couturier Christian Lacroix just designed the longest train of his career — the kind that runs on rails at 200 miles an hour.

The first fashion designer to dress France's prized fleet of high-speed trains, Lacroix unveiled plush and futuristic seating pods in vivid red and purple — and that's in coach.

"Some of our customers already tried it and they thought they were sitting in first class," reported a beaming Guillaume Pepy, general manager of train operator SNCF, which showed off its new look at the



The Lacroix touch in coach.

Montparnasse station here.

Lacroix, tanned and grizzled after vacationing in Provence, said he was eager to avoid the boring "bus effect" by interjecting quirky colors into each car. Even in first class, which has a more serious mood in gray and black, random seats boast arresting acid yellow headnests.

Roughly half the fleet, a total of 183 cars, has received a Lacroix makeover, with the balance slated for renovation by 2007. Lacroix, who has romantic connotations of rail trav-

Lacroix, who has romantic connotations of rail travel, said he was mindful of the eastern destinations: places such as Reims, Metz and Strasbourg. "I thought we should work on light, water and earth effects, with an abstract sketch of reflections for the carpet and glasses, on the tables, too," he said. "I just tried to express modernity and comfort."

While taking the lead on the overall concept and colors, Lacroix collaborated with the agency MBD Design, a firm familiar with railway projects, and Compin, a seat manufacturer that has supplied French trains for more than a century.

Calling himself "a true fan" of rail travel and all its romantic implications, Lacroix said he finds it more convenient than flying, giving him more time for "working and thinking." In fact, for his frequent travels to Florence and Bologna in Italy, where he moonlights for Emilio Pucci, he prefers the overnight train.

Lacroix seems to be on a transportation kick lately, having earlier this year unveiled chic new navy uniforms for Air France. So now that he's done trains and planes, what about automobiles?

"I'm not so interested in cars," Lacroix demurred, "especially since I don't have a driver's license!"



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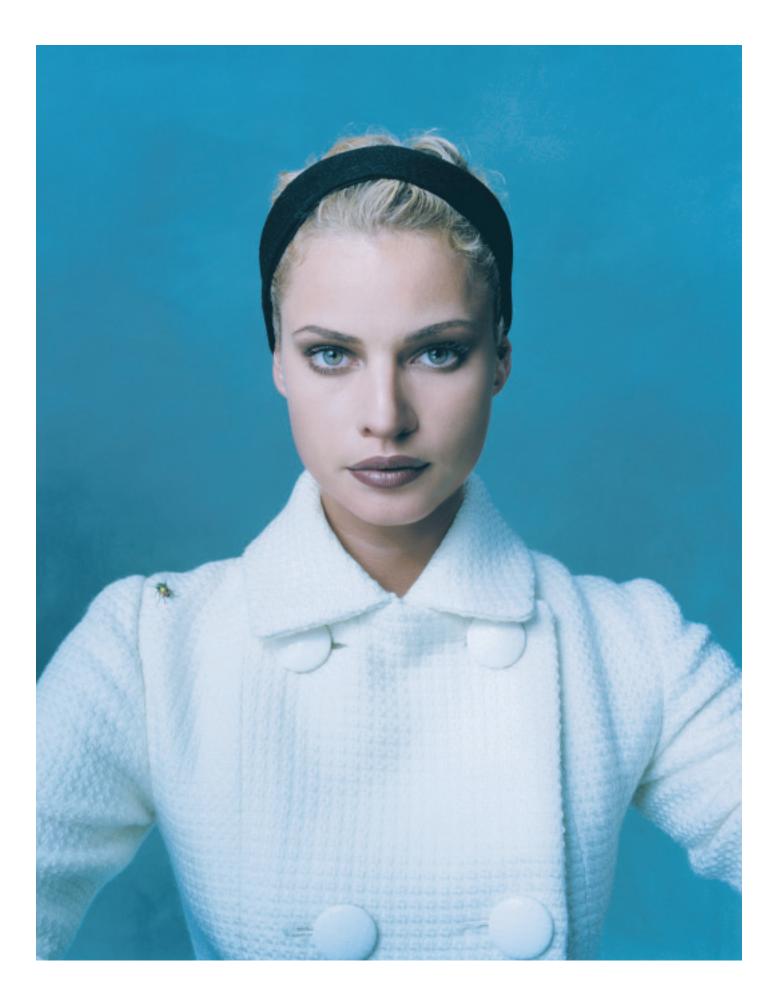
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The Australian wool industry has a small problem. It just landed on her right shoulder.

Australia, home of the world's finest Merino wool and the world's largest Merino sheep flock is also, unfortunately, home to a particularly aggressive species of fly, Lucilia cuprina. Beautiful name, but ugly reputation.

These blowflies specifically target Merino sheep and, without going into gory detail, can very easily lead to the sheep becoming infested and eventually dying a painful death.

To prevent these deaths, Australian farmers remove a strip of skin from the rear end of the lambs, preventing wool from growing and becoming soiled and damp in the flies' favorite target area. This practice is called 'mulesing' (pronounced mule-zing) after the inventor of the procedure J.H.Mules.

Recently an animal rights group targeted the Australian wool industry,

calling for an immediate end to mulesing and for people to stop buying Australian Merino wool until this practice is ceased.

This no doubt well-meaning but, in our opinion, misguided demand would have exactly the opposite effect to that presumably intended. It is estimated that without mulesing up to three million Australian sheep would die a slow and agonizing death each year depending on the weather conditions.

Furthermore if any call to stop buying Australian Merino wool proved effective this could lead to grave problems for the Australian wool industry (which provides 65% of the world's fine Merino wool).

Australian woolgrowers pride themselves on having animal welfare and fiber production practices which are equal to any in the world. Over several decades the Australian wool industry has spent millions of dollars on animal welfare research including the search for an effective alternative to mulesing. There are promising new technologies in development and the objective is to have a viable alternative fully operational as soon as possible.

Australian Merino wool is a natural, renewable fiber produced in one of the cleanest agricultural environments in the world. Its amazing qualities of comfort, drape, feel and style make it universally desirable. So let's hope that common sense prevails so we can all get back to enjoying high quality fashion and other products made from the world's finest natural fiber.

For further information please go to www.woolisbest.com

World's Finest Australian Wool

Linda Loudermilk's Eco-Friendly Approach

By Rose Apodaca

LOS ANGELES — It's not enough that Linda Loudermilk wants to affect the way we dress. What she really wants to do is change the world.

Loudermilk bows on the runway at The Bryant Park tents Thursday with an eco-conscious women's and men's collection that is only the start, she hopes, of a movement she's calling "Luxury Eco."

It's a term she's trademarked with the intent that it will someday resonate with the same weight and impact as "organic."

While she's still working out whether this will eventually mean a designated board certifying products that can use the term, the goal is "to create a new marketplace," she said. "The idea is to get people to understand the craftsmanship and the soul that goes into these products."

To that end, for this first-time show, she convinced Aveda; Global Green, the U.S. nonprofit arm of Mikhail Gorbachev's Green Cross International; eco-commercial property developer Helena Durst, and the hybrid limousine line Ozo to join her in her cause, sponsoring the show and partnering with her initiatives for the next two years.

Ford Motors also has given Loudermilk's team a Ford Escape hybrid SUV so the crew doesn't have to take cabs or rent a van.

"We want to really break the mold of what people think environmental is," said Loudermilk, a lithe brunette who operates out of a big turn-of-the-last-century home off Hollywood Boulevard. "I wasn't an environmentalist until eight years ago and still don't really call myself that. I just want to protect the earth and respect what we are given here."

Trousers are cut from sasawashi, a Japanese leaf from the bamboo family resembling linen that has antibacterial and antiodor properties because it wicks away moisture. There is also a bamboo jersey in the line. A recent series of tunics called the Hope Series feature digitally printed images of children of the world's indigenous tribes. The silk chiffon is made by a resource that adheres to fair trade practices.

"We need to preserve the people of the rain forest, because if they are Westernized, we will all lose not only the forest, but so much of their knowledge. Then we all lose our soul."

If Loudermilk sounds almost evangelical at times, it's because she believes this is not just a matter of business, but of survival. The designer belongs to a growing movement to incorporate environmentally sound resources in better and even luxury fashion. Oscar de la Renta offers a gown this fall made of hemp; Stella McCartney forgoes leather; Los Angeles-based Dosa taps a global network of craftsmen to create iewelrv and clothes.

Model Angela Lindvall's nonprofit Collage Foundation, which uses interactive media to stimulate interest in social issues, is among Loudermilk's most ardent partners. A mother of two, who now lives here, Lindvall is serving as Loudermilk's ambassador. "We have the same mission," she says. "Fashion is the perfect platform to talk about a bigger idea, but still have fun. Yes, there's excess. But it can also be verv influential." And that's what boosters are hoping can happen as a new marketplace takes shape, along with evolving product.

"It's really difficult to buy into sometimes because most of what's out there tends not to be so, well, fashion," said Phyllis Reffo, the owner of Crash, a boutique next to Nobu at the Malibu Country Mart outside of Los Angeles. "That Linda's line is environmentally friendly appealed to me a great deal. But even aside from that, her sensibility stands out."

Although Loudermilk always has stood apart — there's little semblance of her Atlanta country club upbringing in her rock 'n' roll Earth mother look — it wasn't until 2002, when she was presenting her namesake line in Paris, that the epiphany hit. ''I was never a granola girl. Look at me: I wear black — always. But I suddenly knew it had to be about more than the clothes.''

Loudermilk's clothes and silver and gold jewelry always have reflected her years as a sculptor and an attention to tailoring from her tutelage under Richard Tyler. She left Tyler after a year to launch a collection of sculptural leather looks.

But moved by this new "spirit," she plunged herself into researching new fabrics and methods. "I was finding all different products that had a luxury feel and were environmentally sound, but they were getting mixed in with all the other eco products."

A store on Melrose Avenue near the new Marc Jacobs door is slated to open next summer. Designed by architect Patrick Tighe, the large space will be a green-certified building stocked with sustainable merch — from outdoor furnish-



ings to hair care to Loudermilk's line.

As Loudermilk and team look for investors to continue cultivating the Luxury Eco concept, the company projects it will push the \$1 million mark in sales in 2006. It is available at Nexus in New York and Heist in Venice, Calif., as well as several doors abroad including Saks Fifth Avenue in Saudi Arabia, Crocus City Mall in Moscow and Mahna, Alapan.

Roots Turns Focus to Leather

By Brian Dunn

MONTREAL — Before losing the contract to outfit the Canadian Olympic team earlier this year, Roots Canada Ltd. had already decided to put more energy into its leather goods and athleticwear, the backbone of its 32-year-old business.

But the loss of the Olympic clothing contract for 2006, 2008 and 2012 to the Hudson's Bay Co. came as a surprise to Roots cofounders Michael Budman and Don Green, whose poor-boy cap was a big seller at the 2002 Salt Lake City Games. Roots is still outfitting the Canadian Olympic speed skating team and the 2006 U.S. Winter Olympic team. It also sponsors three Canadian Olympic medalists.

But now the company's focus will be on leather goods, especially bags, a category that is expected to double over the next two years to at least 40 percent of its estimated annual sales of \$250 million (converted from Canadian dollars).

"The day we lost to The Bay, Don said to me it was the best thing that could happen to the company and he was right, because it gave us an opportunity to focus on what we do best and that's leather goods and athletiewear," said Budman.

Retail analyst Kaileen Millard of The NPD Group in Toronto said, "It's nice to see them going back to their core business of fleece, jackets and leather bags. I admire anyone who can get



someone to pay 70 Canadian dollars [\$60 U.S.] for a hoody."

Between 2001-2003, Millard said Roots had a 10 percent share of the women's fleece market in Canada, which dropped by half last year; but recovered for the 12 months ended June 30.

"It just shows what you can do when you concentrate on what you're good at," Millard said. They tried to be more fashionable funder new creative director Ernie Sulpizio] with ladies' blazers and other items, but if the 18to-25 crowd wants that, they'd probably look for it at Winners or Le Chateau. They also have a huge opportunity with voga clothing. Lululemon [of Vancouver] has done very well with that category. And their leather bags are high quality. They're the Canadian version of Coach.

The retooling of Roots included moving into new headquarters in Toronto in February, which replaced four separate buildings, and reducing staff to 165 from 200. Budman and Green also took back the creative reins after the sudden departure last fall, after a short stint, of Sulpizio, formerly vice president of design and product development at Gap.

"He didn't understand the culture of Roots and our business," said Budman. "The number-one fashion item in the world is a woman's handbag. We also sell tote bags, wallets, iPod holders, yoga bags, briefcases and other leather accessories."

Budman noted that leather products had a sell-through of 60 percent in July. "We now have a beautiful

"We now have a beautiful blend of leather goods and athletic lifestyle clothing because the customer is looking for a highly focused collection," he said. "We're also heavily into organic cotton and hemp and other natural fibers, and we also offer yoga clothing."

The chain of 125 Canadian stores, six in the U.S. and 20 under licensees in Taiwan, will remain relatively unchanged except for two or three more openings in Canada.

Budman would like to add more U.S. stores, but said it's a market that requires tremendous resources. Instead, he is hoping to team up with a major retailer to drive the company's U.S. business. Roots is also sold in the U.S. at the NBC Experience store in New York and at Disney World's Epcot Center in Orlando, Fla.

Fed: Retail Sales Heat Up As Summer Winds Down

By Evan Clark

WASHINGTON — Retail sales and overall economic activity picked up across most of the U.S. in late July and August, although the impact of Hurricane Katrina is anticipated to stifle second-half growth, according to two governmental reports released last week

The Federal Reserve's Beige Book, which culls six weeks of anecdotal evidence from the Fed's 12 districts, revealed retail sales gains and growth in industries from tourism and finance to construction. Higher gas prices, however, appear to be taking a toll on consumers.

In general, economic activity rose across most of the country. Boston was an exception, reporting mixed results.

For the rest of this year, however, the Congressional Budget Office said gross domestic product growth would slow by as much as a percentage point as the Gulf Coast struggles after Hurricane Katrina.

Retail sales in the Fed's Atlanta, Boston and St. Louis districts improved over a year ago. However, Philadelphia and New York essentially showed no growth.

In Boston, summer apparel, back-to-school goods and high-definition TVs sold well, while consumers passed on fall apparel offerings.

Even with rising sales, stores in St. Louis were looking for more than the consumer was ultimately willing to give. Forly-three percent of the retailers surveyed said sales were below their expectations, while 35 percent said sales were as anticipated and 22 percent beat their plans. Women's apparel sold slowly in the region while shoes and summer seasonal items were stronger.

while shoes and summer seasonal items were stronger. In the Minneapolis area, a North Dakota mall manager said traffic was up in late July and August and that apparel was a particularly strong seller. Across the border in South Dakota, though, a mall manager said traffic slowed, but sales were still slated to rise by 2 to 3 percent from a year ago.

Tourism was "exceptionally strong" in New York and firms appeared to be adding to their payrolls, but sales were below plan, restrained by unusually hot weather and higher energy costs.

Philadelphia-area retailers told the Fed that b-t-s shopping started slow in August, and also complained about poor sales of fall apparel and the impact of especially warm weather. Stores selling low- to midpriced goods saw slower sales growth than those zeroing in on the higher-end consumer.



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IT Holding Posts Net Loss of \$13.9M

By Amanda Kaiser

MILAN — Higher financial costs linked to a new bond issue pushed IT Holding into the red for the first half of the year.

For the six months ended June 30, IT Holding posted a net loss of 10.8 million euros, or \$13.9 million, compared with a profit of 12.1 million euros, or \$14.9 million, a year earlier. Revenue for the period fell 9.4 percent to 317.1 million euros, or \$407.9 million. Dollar figures are converted at average exchange.

"Tm satisfied with the first-half results we've achieved in the context of a market that is still difficult," IT Holding president and chief executive officer Tonino Perna said in a statement. "These are results that confirm that it was strategically correct to focus on business areas — like accessories — with high profitability."

IT Holding said last year's disposal of its eyewear unit and exchange rates hurt first-half revenue. The company said sales would have grown 4.6 percent excluding these two factors.

The company warned that full-year sales will drop 4.2 percent to 680 million euros, or \$843.2 million, as its licensing portfolio and business areas change. But it also noted that profit margins will improve. IT Holding said earnings before interest, taxes, depreciation and amortization will come in at about 16 percent of revenue, or 108.8 million euros, or \$134.9 million. EBITDA in 2004 was 75.4 million euros, or \$92.7 million.

Earnings before interest and taxes rose 82.4 percent to 18.6 million euros, or \$24 million. Expenses related to bond issues caused financial costs to swell to 21.3 million euros, or \$27.5 million. As of June 30, financial debts had decreased to 357.8 million euros, or \$461.6 million, from 402.2 million euros, or \$494.7 million, the year before.

On the sales front, IT Holding noted that sales at Gianfranco Ferré rose 5.3 percent to 51.3 million euros, or \$66 million, while profits at the house "more than doubled" from the year earlier.

Accessories were another growth area. IT Holding said

sales advanced 52.1 percent to 43.5 million euros, or \$56.1 million, while gross operating profit at the division in-

creased 46.8 percent to 10.8 million euros, or \$13.9 million. Last week, IT Holding announced it extended a licensing pact with Gianni Versace for the Versace Jeans Couture line and won a new contract for the Versace Sport collection. IT Holding will produce and distribute both lines through the fall-winter 2012-2013 season. The Versace news was especially significant for IT Holding, as it recently lost a license for Dolce & Gabbana's D&G Collection, which the designers will start producing in-house.

"With the recent renewal of the Versace Jeans Couture license and the initiation of the Versace Sport collaboration, as well as the [conclusion] of the splendid collaboration with Dolce & Gabbana, we have overcome every element of uncertainty that could have affected the growth of our group," president and ceo Tonino Perna said in the first-half statement.

Revenue in Italy advanced 3.4 percent to 133.9 million euros, or \$172.7 million, while that from the rest of Europe was nearly flat at 110.1 million euros, or \$142 million. Sales in the U.S. were virtually flat at 30.4 million euros, or \$39.2 million. Revenue from Japan and the Far East increased 20.2 percent to 26.2 million euros, or \$33.8 million.

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Valentino Profits Gain 9% in Half

MILAN — Thanks to a strong sales performance of its Valentino and Hugo Boss brands, Valentino Fashion Group posted robust first-half results.

The fashion group, which is Marzotto's new subsidiary comprising the two fashion labels, posted net profits that rose 9 percent to 18 million euros, or \$23.2 million, from 16.5 million euros, or \$20.3 million, last year. Sales at the group grew 11 percent to 814 million euros, or \$1.04 billion, from 731 million euros, or \$897.3 million, in the same period last year. Dollar figures are at the average exchange rate. Sales at Valentino and Hugo

Sales at Valentino and Hugo Boss grew 20 and 13 percent, respectively. The brands spurred a 20 percent increase in operating profits for the Valentino Fashion Group, rising to 79 million euros, or \$101.6 million, from 66 million euros, or \$81 million, last year. In the first half, the group in-

In the first half, the group invested 37 million euros, or \$47.6 million, for the opening of new stores and the expansion of the Swiss Hugo Boss Branch, as well as for updating its computer system. This compares with 26 million euros, or \$31.9 million, spent in the same period last year.

in the same period last year. At the close of the first half, the group's debt was reduced to 424 million euros, or \$545.4 million lion, from 478 million euros, or \$586.7 million, in the prior year.

Marzotto's spin-off of its more profitable fashion operations, including fashion house Valentino, a majority stake in Hugo Boss AG and its licenses for Marlboro Classics and M Missoni, into a newly created subsidiary, was completed in July. Marzotto and Valentino Fashion Group are traded on the Milan stock exchange.

In the first half, net profits at the Marzotto textile division grew to 12.2 million euros, or \$15.7 million, which compared with a loss of 5.7 million euros, or \$7 million, last year. This division reported sales that declined 7 percent to 147 million euros, or \$189 million, from 159 million euros, or \$195.2 million, in the same period last year.

— Luisa Zargani

Buyers in Romantic Mood at Dallas Shows

By Rusty Williamson

DALLAS — Holiday, resort and early spring styles were high on buyers' shopping lists at the four-day market that ended Aug. 21 at Fashion Industry Galleries, the boutique-style mart in downtown Dallas that spotlights accessories, contemporary and bridge collections.

Gavin Smith, executive director at FIG, said market traffic was ahead compared with a year ago, and that the venue continues to expand with new showrooms. Retailers had mostly elevated budgets and said early

fall and back-to-school traffic was strong. On stores' must-have lists were romantic mesh and

lace dresses, tops and skirts, embroidered and embellished bohemian shirts and skirts, rich and earthy colors, sexy denim jeans and glamorous social-occasion suits and dresses.

Manne Hollingsworth and Nickie Riley, owners of Penelope T., a contemporary store in Tampa, Fla., that's

set to open in November, left orders for Sanctuary's cotton canvas pants, Velvet's metallic gold and red jersey 'Tshirts, Sweet Pea's casual jersey dresses and retro-inspired items from Pretty Punk.

"We're targeting women in their 20s to those 45 and beyond at our new store with contemporary fashions that will appeal to the Florida lifestyle," said Riley. "The spring merchandise we're buying is fun, versatile and sophisticated."

Jane Webb, owner of C and K Co., a specialty store in Oklahoma City, bought dressy holiday styles with novelty and metallic embellishment from Lorelei, earth-tone corduroy sportswear from G1 and Michael Stars, tulle and embellished silk shirts from Chan Luu and denim silhouettes from Tag Jeans.

"Fashion is moving away from so much bling in favor of more subtle embellishment. I think women will find the lighter novelty touches more wearable than so much sparkle," said Webb, who recently has tripled the size of her store and expanded several categories of merchandise, including contemporary.

Ruth Roper, owner of The Wardrobe, a Fort Worth, Tex.-based specialty store, shopped FIG for classic styles with a subtle nod to the trends.

"We love all the rich colors and textures that are going forward for spring, and all the feminine shapes," Roper said. "We're looking at Cousin Johnny's colorful sweaters and Renfrew's easy sportswear with denim accents."

Patty Hoffpauir, owner of The Garden Room in Austin, Tex., looked for dressy holiday styles and resort fashion items. "We really liked Darjoni's colorful knits that are cut a bit larger, Renfrew's sophisticated but young sportswear, Drama's trendy pants and skirts, Penelope's silk skirts with beaded and tulle apron-style overskirts and Jon's ivory, gold and black Edwardianand Victorian-inspired holiday collection, especially the feminine and romantic lace skirts," said Hoffpauir, whose budget was down slightly from last year.

Obituary Philip J. Hahn, Co-Chairman Of M. Fabrikant

NEW YORK — Philip J. Hahn, co-chairman of diamond jewelry company M. Fabrikant & Sons and a pioneer in the diamond industry, died of natural causes on Friday. He was 89.

Hahn began in 1947 with the company that was founded by his great uncle, Max Fabrikant. He is credited, along with partner and cousin Charles Fortgang,

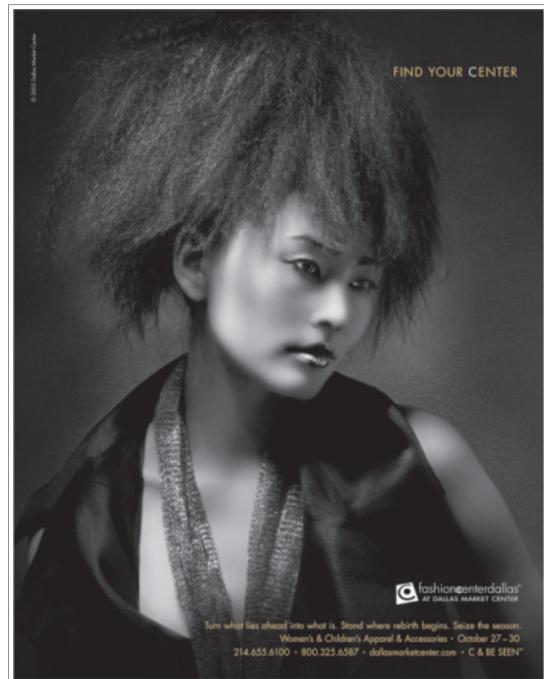


with bringing Fabrikant to Antwerp, Belgium; Mumbai, India, and Tel Aviv. Hahn established manufacturing and trading offices in those cities in the Fifties for Fabrikant and other companies followed soon after:

Fabrikant is now a site holder for the Diamond Trading Co. and owns Robert Lee Morris, as well as Simmons Jewelry, a collaboration with Kimora Lee and Russell Simmons.

"He was a presence and a force in the industry," said Rick Cohen, executive vice president of Fabrikant. "He had the most incredible range in the understanding of goods from the cheapest single cuts to the largest and most expensive gemstones. He was the ultimate diamond merchant with the highest integrity. [Fortgang and Hahn] took it from a small, family-run business to a leader in the industry."

Before joining the family business, Hahn served in the U.S. Army in World War II in military intelligence, where he did signals and code breaking. He was given the honor of the Cavalier of the Republic in Italy.



Ethnic Looks Top Paris Show Trends

By Ellen Groves

PARIS — The focus was clearly on ethnic trends at the Premiere Classe and Bijorhca accessories trade shows that ended their four-day runs at the Porte de Versailles halls here Sept. 5.

African-inspired jewelry and bags were a continuing trend, while a more subdued direction for spring-summer 2006 was apparent.

Many retailers shopping the shows said they had increased their budgets year-on-year, though mostly in singledigit percentages. Thibault De Chazal, shopping for jew-

Thibault De Chazal, shopping for jewelry and scarves for seven Chanilleowned boutiques across the U.S. Northeast, said an economically tough year would mean trimming his open-tobuy. He said the dollar strengthening against the euro should help his business.

Attendance at the Premiere Classe show was up 33 percent compared with last year, with 10,800 visitors, 52 percent of whom came from France. At Bijorhca, 11,822 people attended — up 20 percent over last year. Sixty-six percent of the visitors were international and 34 percent French.

In jewelry, the trend for long necklaces is set to continue for summer 2006. But pom-pom and larger spherical beaded necklaces, already hot sellers this season, have replaced last summer's oblong shapes.

Pom-pom necklaces — and woolen scarves — at French brand Sophie Digard caught the attention of Debbie Weitz, shopping for B.D. Jeffries, with



two Atlanta-based stores and a catalogue. Necklaces, bracelets, earrings and key rings adorned with pom-poms were

among the best-selling items at Londonbased Mikey Jewelry, which was showing at the Bijorhca fair. "The collection is Russian themed."

said owner and creative director Michael Waterman, who added Paris-based Le Bon Marché department store to the company's account portfolio.

This fall's furry pom-pom necklaces, which were worn by some buyers as they browsed the aisles, have been reinvented Ethnic necklace by Monies.

for spring and summer 2006 with lighter.

Many buyers also were snapping up

Meanwhile, there was a continuing

"There is a general move away from the

fur in necklaces, earmuffs and scarves

trend for large wraps and capes, said Sue

Shields, soft accessories buyer for

Harrods department store in London

felted, wooden or embroidered touches. "There are lots of patterns and colors and new textures," said newcomer Chen Aruru, buying for Idee women's depart-

ment stores in Taiwan.

for more immediate delivery.

onles. Shields added, however, that the bohemian look will not disappear altogether, and accessories are to remain a key

element of spring-summer trends. That was good news for Los Angelesbased boutique owner Hadar Lorenzo, who was browsing Premiere Classe for his four H. Lorenzo stores. He said the peasant trend has ensured accessories remain a hit.

overaccessorized image with a cleaner

line emerging as the new shape," she said.

"Business is booming in L.A. right now. It's all about accessories," he said after placing an order for hand-woven bags at Cyprus-based Joanna Louca.

Other fast-moving items at Premiere Classe included handcrafted and studded leather belts at London-based Enshallah, which produces in Marrakesh.

"It's been a fantastic show. We've picked up some good accounts," said designer Diana Irani Gressier of Londonbased Blank, listing glass-bead belts, silkblend scarves and sheepskin bags adorned with beads as among the company's bestsellers.

The team at Jean Paul Gaultier, exhibiting for its second time at Premiere Classe, said many people do not realize the designer has a jewelry collection and that his line was well received by buyers, particularly from northern Europe. Gaultier's custom jewelry ranges from 100 euros, or \$123 at current exchange, to 3,000 euros, or \$3,685.

"Jewelry is an interesting market," said Gaultier's area manager, Cecile Bouvier. "You can position the brand at different levels."



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NOT TOO SHY SHY: Seventeen seems to be getting over its squeamishness about sex. In November 2004, WWD reported that the co-authors of "Vaginas: An Owner's Manual," Elizabeth Topp and her mother, Dr. Carol Livoti, were in talks to write dueling sex advice

columns for Seventeen and Playgirl. However, at the time, the mere mention of the authors' affiliation with Playgirl was enough to put the kibosh on their gig at Seventeen

After the WWD item ran, Topp and Livoti had trouble reaching their editor at the teen magazine. "When I finally did get her on the phone," said Topp, "she seemed uncomfortable delivering the news, but it was made clear to me that because of our

International provides the second sec

has a lot of parts — check out where they are and what they do." "Even the font looks familiar," Topp said, comparing the Seventeen story with her similarly named book. After receiving several e-mails from colleagues noting the resemblance, she placed a call to the magazine and found that her former editor had left. The new senior health editor, **Tula Karras**, who closed the story for Seventeen, claimed to have never seen Topp's book and said the overlap was a coincidence. (A spokeswoman for Seventeen echoed this, saying, in a statement: "The piece provided basic medical information about adolescent

health. Any similarities with books on the subject are purely coincidental.") "I don't find Tula's story

that improbable," said Topp. "But it is a small sign of institutional incompetence....If you have a

meeting with the authors of 'Vaginas: An Owner's Manual,' then you don't write a story a few months later with 'vaginas' and 'owner's manual' in the title without contacting them first."

And what of Seventeen's former puritanical streak? The October issue's treatment of the female anatomy was indelicate enough to make even the gossip Web site Gawker.com blush. "It just freaks us out," Gawker said last week in a post entitled "Your Bodies, Yourselves, Your Scarv Magazine." — Sara James

CHANGING CHANNELS: After three years steering TV Guide through troubled waters, John Loughlin is leaving them behind for a job at significantly lesschallenged Hearst Magazines. Next month, Loughlin, now president of the TV Guide Publishing Group, will succeed Mark F. Miller as Hearst's executive vice president and general manager, overseeing circulation, Internet operations, finance, manufacturing, distribution and strategy. Miller announced his retirement last month. Gemstar-TV Guide executive chairman Anthea Disney will handle Loughlin's duties until a replacement is named.

During Loughlin's time at TV Guide, the magazine has continued its precipitous slide in newsstand circulation. His strategy to halt the decline by increasing the magazine's trim size and dropping most of the listings goes into effect Oct. 17. "In a perfect world, I would be here for another nine months or a year to see how it actually plays out," he said Monday.

Loughlin also took TV Guide into the celebrity weekly category with Inside TV, which started in April. The new magazine is said to be selling only around 110,000 copies a week on the newsstand. A spokeswoman said that number was projected to double after Inside TV

this month, but some insiders are worried TV Guide's format change could cut into the newer title's sales. "We've looked at that issue of cannibalization and are very comfortable that these books are sufficiently differentiated editorially that it shouldn't be a factor,' Loughlin said. — Jeff Bercovici

becomes available at Wal-Mart stores later

SET FOR TAKEOFF: At Rodale, it's out with the somewhat new, in with the very new. 10 days after shutting down four-year-old Organic Style, the publisher is set to announce a full-scale launch of Women's Health. Over the course of several test issues, the Men's Health spin-off sold more than 40 percent of the copies it put on newsstands (industry average is under 35 percent), and acquired 200,000-plus subscribers. According to a Rodale source, the company is set to announce that Women's Health will appear 10 times in 2006, with an initial rate base of 400,000. - J.B.



The October cover of Seventeen.



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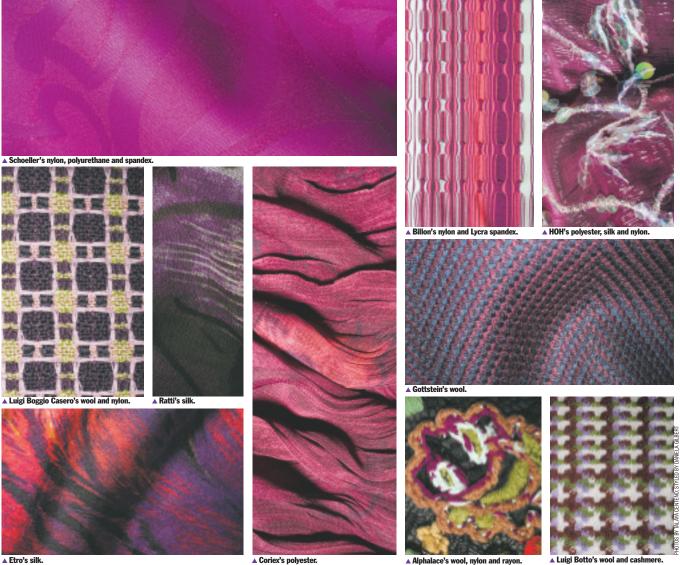
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Première Vision Preview

Violet Femmes

NEW YORK — Purple is the new passion. That, at least, is the case for textile designers showing their fall 2006 collections at Première Vision, scheduled to run Sept. 20-23, at Paris' Parc des Expositions-Nord Villepinte. Whether used alone in shades that range from lavender to plum, or alongside other colors, such as pink, green and red, purple just might be the new pink.



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Luigi Botto's wool and cash



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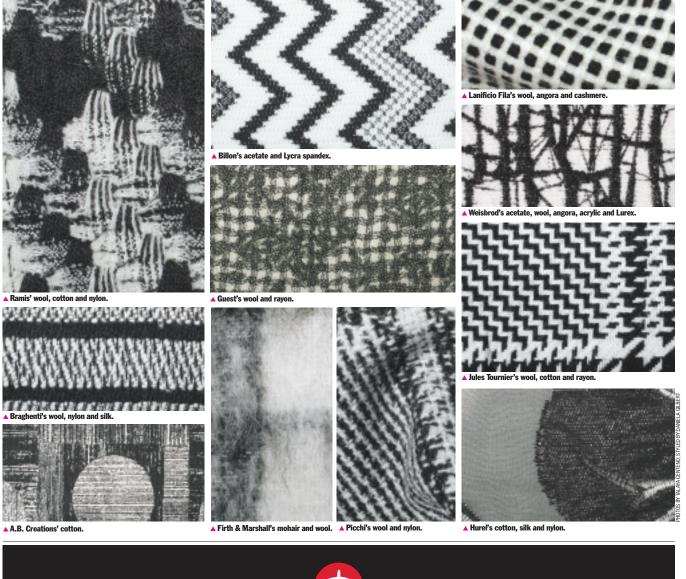
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Première Vision Preview

Opposites Attract

Black and white is back. The duo returns for fall 2006 in classic variations, such as plaids, tweeds and herringbones, as well as more abstract fare that takes a novel approach. Lurex has been added to some styles for a bit of glitz, while gauze-like constructions give more traditional styles a kick.





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Mik Serfontaine, creative force behind the Serfontaine denim

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bleaching and washing techniques that in the past were not typically used on stretch denim. New treatments like antique finishes, whisker washing and sandblasting also can be successfully applied.

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LYCRA® T-400 fiber technology innovations have been widely praised by industry standouts.

stability unparalleled by other fibers," said Michael Ball, designer, Rock & Republic, which incorporates the fiber into products like its Rock & Republic punk wash syle. "The finished product offers the consumer a

collection, noted LYCRA® offers new finishing abilities. The company uses LYCRA® T-400 fiber in its resin-finished denim. "When you are doing extreme processing like resin bakes and layered finishes, you can really depend on the LYCRA® T-400 fiber to withstand the beating without losing its recovery," he said.

Heavy processing methods can shorten the recovery lifespan of ordinary fibers, "so when consumers are paying \$180 or more for a pair of jeans, the extra mileage that the LYCRA® T-400 fiber infuses

Keukert said. "They've understood the need for more marketing and that they must develop service. They've seen that European buyers demand more than Asian customers. Meanwhile, Keukert said more high-level buyers are coming 'We, as organizers, have pushed our exhibitors [to cater to this market]," she said. Keukert expects brisk business this season. The number of preregistered attendees is 5 percent

the prices. 77

By Robert Murphy

just west of Paris.

be too optimistic.'

PARIS — These are tough times for European textile firms.

for European mills that cater to fashion houses around the world.

economic environment remains difficult.

[than European mills] because of the prices

we've become the competition now."

ahead of last year, which she attributes to efforts to attract more European and Middle Eastern clients. The fair will also be addressing China and its booming textile business. Several Chinese textile executives are to discuss a range of issues affecting the future of the industry during a roundtable conference on Sept. 22.

"The majority of our exhibitors have understood the need to improve quality and creativity,"

Texworld Tackles Tough Outlook

As Competitors Gain Strength

With China's growing production prowess — despite a deal to limit growth over the next three years

the pressure from cheaper competition continues to mount. At the same time, Europe's retail and

Organizers of Texworld are counting on the competition in less-expensive goods to lead to a lively fair, drawing exhibitors from countries such as China, India and South Korea, Produced by Messe

"Basically, the climate is not very optimistic," said Stephanie Keukert, the show's director, "There

Still, Keukert said, "Our exhibitors have great possibilities at this time. They are in a better position

Texworld traditionally has been the cheaper counterpoint to Première Vision, the foremost window

"We always thought of ourselves as synergetic [to PV]," Keukert said. "We would not want to say that

One reason, Keukert suggested, is that Texworld's 620 exhibitors have improved their product.

44 Our exhibitors have great possibilities at this time. They

are in a better position [than European mills] because of

Frankfurt, the show will convene Sept. 19-22 at the CNIT complex at La Defense, the business district

are concerns about energy costs and that life, overall, is becoming more expensive. It would be wrong to

WWD COM

- Stephanie Keukert, Texworld

Texworld will feature about 100 textile companies from China. India and South Korea have slightly more exhibitors than China. Indian mills have been performing well recently, Keukert said, especially with the vogue for intri-

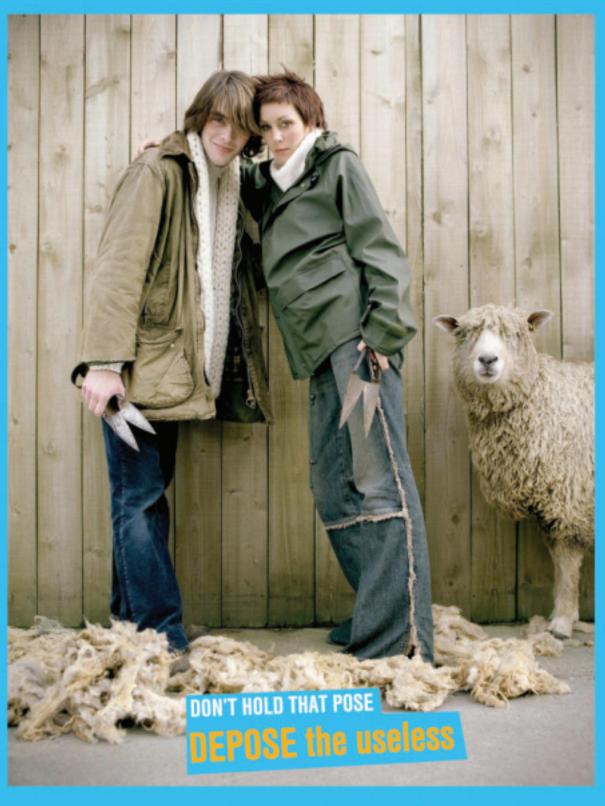
cately embroidered fabrics. "India is really opening up and they are decreasing their import duties, looking for investment and

owing their middle class," Keukert said. "Pakistan is another country with a healthy textile industry. Korean exhibitors, however, have suffered.

They haven't invested enough in creation," Keukert said. "In today's environment, a low price isn't enough to bring success.



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Première Vision Preview

By Stephanie Epiro

MILAN — Most Italian mills follow the same story line: A family member starts the business and 80 years later. the third generation is still at the company helm.

But Ultra's history is a little different. The six-year-old mill began as a collaboration between friends and exco-workers Stefano Rigotti and Sandro Ciardi. The object was to create the type of dynamic textiles all of Ultra's 40 young employees would wear and that designers would seek out.

"From the beginning, we wanted to work hand-in-hand with designers, get inspiration from them and create trends together with them," Rigotti, 45, said in an interview from Ultra's Prato-based headquarters.

The friends' energetic approach to creating cleaner, more versatile fabrics woven from vegetable and animal fiber mixes with experimental finishes garnered a designer-heavy client base, including Miu Miu, Emporio Armani, Sonia Rykiel and Roberto Cavalli.

Each season, Ultra's design team of four creates 400 new fabrics that the mill presents at Première Vision and other key textile fairs. At next week's Première Vision show, the fall-winter 2006-2007 collection will include velvet, moleskin, ultrafine corduroy and winter cottons including sateen and canvas, as well as new hemp and wool, and cotton and wool mixes

"The collection is more sober and without a lot of tweedy bulk and heavy vintage washes of seasons past," Rigotti said. "Our designer clients want fabrics not to be flat, but washed with a little volume and ultrasoft."

Ultra's new fabrics also are subdued in color and design, which Rigotti said was concentrated on the gamma of dark blues and micro-checks, Prince of Wales check and windowpane check, using boiled and felted wools.

Ultra also has explored fashion's new look in textiles produced by its sister mill, Dynamo, although that collection won't be shown at PV. Barely a year old, Dynamo was created by Rigotti and Ciardi with the intention of filling a luxury gap in the textile market. By starting Dynamo, it was also clear the company had chosen not to compete or diversify with Chinese competition, Rigotti said.

'We wanted to create something desirable and sophisticated, something that designers would use for their main line collections," Rigotti said.

Dynamo's regal-like, expensive silk, cotton, wool and linen fabrics already have been sourced by Versace. Prada, Dries Van Noten and Giorgio Armani's main lines.

Rigotti said it was too soon to take the young mill's collection to Paris, but it would be shown on request to interested clients in its headquarters in Montemurlo, outside of Prato

Sister Mills Offer Fresh Fabrics Lace Returns to the Fore

By Katya Foreman

PARIS - Lace historically has woven its delicate legacy across changing fashions - from rococo flourishes and romantic frills to the current vogue for Victorian mourning styles. The cornucopia of styles to be presented at this year's edition of Première Vision promises to unleash yet another important wave of influence.

"The interest in early 20th century lace styles is huge," said Bruno Lescroart, chair-man of French lace maker Sophie Hallette, which has reconditioned old machines to meet demand. "The machines are antiproductive, as they require a human touch, but it's the best way to re-create the granny-style lace with a handmade look that everyone's after.'

Lescroart said fine tulle is a hot commodity; in particular, a point d'esprit netting dotted with crosshatch points, most commonly associated with hat veils. "Customers are looking for lightness," said Anne-Marie Langry, research and devel-

opment director for Noyon, a lace manufacture

specializing in the lingerie sector. Lace will be replacing embroidery in line with

the new lingerie trend for lighter, feminine fabrics, Langry said. "Bordered lace designs with small motifs, such

as geometric flowers, are the latest thing for lingerie," she said. Other tangible trends include Art Nouveau-in-

spired nature motifs; transparency, such as Chantilly lace woven with glass-like threads, and textured laces entwined with colored threads to create a rustic, tweedy look, she said.

The vogue for richly colored bohemian styles, inspired by Russia and Eastern Europe, such as Dentelle Darquer's hand-painted laces or Sophie Hallette's Russian range, also will be a key look at the show.

"We'll be featuring figurative Russian designs that are inspired by the roofs of the Kremlin, say, as a motif," said Lescroart, adding that heavier laces, woven with dyed cashmere, angora and lamb's wool threads will provide a textured take on the theme.



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Première Vision Preview

no It []

Neutrals don't have to be boring. For fall 2006, textile designers are creating looks in camel, brown, ivory and oatmeal that are anything but plain. Cut velvet versions on wool blends, as well as stitch work and special new yarns, give these soft tones the perfect boost.



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Asian Mills Seek Direct Contact With U.S. Market

By Ross Tucker

NEW YORK — Fabric and garment manufacturers from Thailand and South Korea exhibiting at shows in New York last week sought to convince U.S. buyers they were competitive with China.

More than 30 exhibitors set up booths at the Metropolitan Pavilion here on Wednesday and Thursday for the Korean Preview, featuring textile manufacturers from Deagu, a city in southeastern South Korea.

Apparel imports from South Korea have plummeted over the past year by 33.8 percent, to \$522.4 million in June from \$788.8 million in June of last year, according to the U.S. Department of Commerce's Office of Textiles & Apparel.

Korean textile manufacturers are increasing efforts to make direct contact with buyers in the U.S. market. The government is also taking a more proactive role.

Korea's Ministry of Commerce started its first textile marketing agency, the Korea Textile Center, last year. The organization represents all Korean manufacturers and opened offices in Moscow and Shanghai. Offices in Mumbai, India, and São Paulo, Brazil, are to open in 2006.

Kwan-Hyung Lee, a general manger with the KTC, said the government provides 70 percent of the organization's funding, while 30 companies made up for the remaining 30 percent.

"There are many textile manufacturers in our area," Lee said. "They have no capacity to market their products to overseas markets. That's why the government has begun to invest."

Ludia, a manufacturer spe cializing in polyester-based technical fabrics for outerwear and sportswear, was among the show's first-time exhibitors A company spokesman said its fabrics had been used by Nike, Tommy Hilfiger and Old Navy However, the spokesman said the company usually conducts business indirectly through an agency in South Korea, leaving it with no direct contact with buyers. The firm was hoping the show would provide an opportunity to get in front of those buyers. Won Gab Co. has established

Won Gab Co. has established a presence in South Korea and China, giving it a price advantage over U.S. manufacturers of raschel lace.

"The Chinese market on the lace side is 20 percent to 30 percent cheaper and it is exactly the same product," said Ronald Folger, an international fabric resource provider based in Secaucus, N.J., who works with Won Gab.

Folger said there are only a handful of domestic raschel lace manufacturers left, producing fabric at a much higher cost than China.

"Retailers and manufacturers are coming to us directly now," he said.

Organizers of the Thai Garment and Leather Goods Sourcing Expo, which ran last Tuesday and Wednesday, planned the show in the middle of the week to allow exhibitors time to independently meet with buyers in the days following the show. The show attracted 32 exhibitors.

Unlike South Korea, Thailand has seen its export levels rise since changes in the quota system. Thailand's imports to the U.S. have risen 10.1 percent to \$840.5 million in June from \$763 million a year earlier. David Chiu, president of the Thai Leathergoods Association, said many Thai companies had already gained a foothold in West Coast markets.

"Most of the people in the leather goods market are looking for a connection for the East Coast," Chiu said. "This is only a sample of what we can do in Thailand."

Thailand's government has also gotten more involved with promoting its textile industry. The Department of Export Promotion has begun programs for fabric and garment manufacturers to upgrade design quality.

"We know we cannot compete with China, so we have to upgrade our industry," said Nithima Siriphokakij, a representative with the department. "This is like a research and development project. They work with the Italian consultant and then they can build on that."

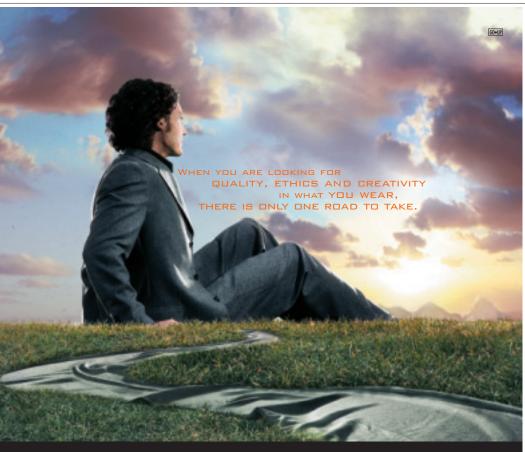
The Thai Cluster program utilizes an Italian textile consultant to help provide up-to-date fabric designs in an effort to stand out from China's offerings. Some 15 manufacturers participate in the program, which also helps link textile manufacturers with garment makers. "Right now, we are trying to upgrade them with their

design," Siriphokakij said. Sukij Kongpiyacharn, vice president of the Thai Garment Manufacturer Association, stressed the importance of more direct contact with the U.S. market.

He also viewed the show as an opportunity for U.S. business to get an early foot in the door in the Thai manufacturing market, a move that could prove important if a free-trade agreement is reached between Thailand and the U.S. Kongpiyacharn said he expects the show could easily triple in size if the agreement is reached.

"Do business now so when the free-trade agreement is signed you're ready to go," said Kongpiyacharn. Kongpiyacharn said Thailand has already signed trade

Kongpiyacharn said Thailand has already signed trade agreements with Australia and Japan, and has trade agreements with some limitations solidified with India and China.



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Industry Awaits Crucial Trade Bill Verdicts

By Kristi Ellis

WASHINGTON — A House subcommittee on trade is poised to make decisions on whether to include several bills in a trade package that could have significant ramifications for the fashion industry.

The subcommittee recently closed a comment period and is reviewing what it will include in the omnibus bill, which often has hundreds of provisions attached to it, including measures to suspend duties on a variety of products. Importers, retailers and textiles executives are pressing the committee on several of the proposed bills, which the full House Ways & Means Committee could mark up this fall.

House lawmakers consider several criteria in determining whether to include legislation in such a miscellaneous package, including "the extent to which the bills create a revenue loss, operate retroactively, attract controversy or are not administrable," according to the subcommittee's rules.

In crafting the current measure, there are two potentially controversial bills House members are reviewing: one to prohibit the Committee for the Implementation of Textile Agreements from claiming a "foreign affairs exemption" from the Administrative Procedures Act, and another to repeal the Byrd Amendment, which allows for the collection of tariffs on foreign goods when they are sold in the U.S. for less than they are in their home country, but was ruled illegal by the World Trade Organization.

The most friction between importers and the textile industry centers around the bill introduced in the House by Rep. Jerry Weller (R., III.) seeking to prohibit CITA from claiming the foreign affairs exemption to the rule-making requirements under the APA. Retailers and importers are pressing to attach the bill, which they claim would open up the rule-making process of the committee to more public scrutiny. But the domestic industry, accusing importers of attempting to interfere with the government's process and block China safeguards, is planning to mount opposition to its inclusion.

CITA was created by an executive order in 1972 to supervise the implementation of all textile trade agreements and subsequently the global system of quotas, which expired at the beginning of the year. It is an interagency committee that includes officials from the Commerce, State, Labor and Treasury Departments, as well as the U.S. Trade Representative's office.

Retailers and importers have repeatedly contended that CITA hides behind the exemption that allows it to formulate rules and procedures outside of the Sunshine Act, and ultimately makes secret decisions that affect billions of dollars worth of apparel imports from around the world. Their renewed focus on CITA's role stems from the Bush administration's imposition of safeguard quotas on \$1.9 billion worth of Chinese apparel and textile imports. The administration is trying to hash out a broad import restraint agreement with the Chinese.

With billions of dollars at stake, the debate over CITA's authority in administering the China safeguards came to a head in a lawsuit filed by the U.S. Association of Importers of Textiles & Apparel last December. Although the importer group won a temporary injunction halting the government from imposing safeguard quotas on several pending petitions for four months, a federal appeals court overturned the lower court and lifted the injunction in late April.

"Claiming coverage under the 'foreign affairs' exemption from the [APA], CITA makes decisions to impose quotas on imports from China and other countries (most notably, Vietnam), out of public view and with no accountability and little opportunity for meaningful public comment," the National Retail Federation said in written comments submitted to the Ways & Means trade subcommittee.

WWD COM

Brenda Jacobs, counsel for USA-ITA, said there are parallels between the court case and the Weller bill, although she said the Weller measure is broader and seeks to prohibit CITA from invoking the exemption in all actions related to textile trade.

"CITA is making all of its decisions behind closed doors under the pretense of the foreign affairs function, but it has taken a narrow exemption and applied it to all of its carbination of the tight and the problem " and proceed

all of its activities and that is the problem," said Jacobs. The textile industry, on the other hand, vigorously opposes any move to strip CITA's foreign affairs exemption in the rule-making process, even though many textile officials have not been satisfied with CITA's handling of the process.

"It would be a dramatic undermining of the government's authority to interpret and enforce international agreements," said Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition. "If the courts [or Congress] were to allow the way CITA interprets and enforces trade agreements to be questioned, then you would potentially have a complete breakdown of the system."

Tantillo, who pointed out that CITA did publish China safeguard procedures and has accepted public comments on each petition, contended retailers and importers are attempting to "destroy the safeguard system by creating controversy over whether CITA is transparent or not."

Cass Johnson, president of the National Council of Textile Organizations, said the bill attempts to change the way CITA operates "so that it cannot act quickly on behalf of the industry on things such as the China safeguard, and I think you will see widespread opposition from textile representatives" to the inclusion of such a bill in the miscellaneous trade package.

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SFA Future in Limbo as

Continued from page one

Parisian officially is not for sale and recently has become a stronger property. Sources close to the division said its profitability has been on the rise, and noted that it has new management in place and is doing well in some locations in the Midwest, where it recently expanded beyond its southern roots.

Wall Street's close attention to the goings-on at Saks Inc. was illustrated Monday when a U.K. financial newsletter reported a deal for SFA already had been completed. While sources dismissed the report, it sent skittishness through Wall Street. Shares of Saks closed up 3.45 percent to \$21.29. Trading volume was 1.6 million, below the average, three-month volume of 1.9 million. The stock's 52-week high is \$24.64, the low is \$11.61.

Nevertheless, some sources suggested SFA, with its international reputation, great real estate and upside potential, has garnered much interest, primarily from private equity firms, but also some strategic players. Sale efforts, they said, could resume next month, after the longdelayed second-quarter financials get issued. Accounting irregularities caused a delay in filing certain financial data and the annual report, which was recently released.

"Neiman's left a lot of people at the altar," said one retail source, referring to the recent sale of the Neiman Marcus Group to Texas

Wall Street's close attention to the goings-on at Saks Inc. was illustrated Monday when a U.K. financial newsletter reported a deal for SFA already had been completed.

Pacific Group and Warburg Pincus. While both of those firms also have checked out SFA, they are not believed to be serious players. Others still mooted as possible bidders include Galen Weston, owner of Selfridges in London and Holt Renfrew in Canada; Bain Capital; Blackstone Partners, and Apax. LVMH Moët Hennessy also has been mentioned, but a purchase of SFA is not seen as fitting its modus operandi.

The complication is that the board evidently still isn't certain it wants to sell SFA. A source close to Saks' bankers said that, as of last Friday, the board still hadn't decided one way or another. The board was supposed to have a meeting shortly after Labor Day to decide what to do, but they haven't met yet, according to the source close to the retailer's bankers.

The general view among some buy- and sellside analysts is that firms could still bid for SFA even though it is not officially on the auction block. One sell-side analyst said bids might be coming in low for SFA because not all the financial information about the operation is available.

As reported, Saks had to restate certain financial information because of improper markdowns at its SFA operation, which spawned investigations by the U.S. Attorney's Office in Manhattan as well as the Securities and Exchange Commission. After a delay due to the investigation, Saks filed its annual report, or Form 10-K, with the SEC on Sept. 1. The retailer said in the report that it is "fully cooperating" with investigators.

The financial restatements necessitated by the improper markdowns are for the fiscal years 2001 through 2004. According to the annual report, adjustments were made to balance sheet and income statement items. On the income statement, sales for the restated periods remained unchanged, while net income adjustments varied.



Saks Fifth Avenue: will it be sold?

Saks Inc. Ponders Sale



Saks Inc. Key Profit Ratios

	2002	2003	2004
Gross margin	36.74	37.86	37.93
Operating margin	3.94	3.80	3.02
Pretax margin	1.86	1.81	1.31

SOURCE: COMPANY REPORTS, CALCULATIONS BY EDGAR ONLINE EDITOR'S NOTE: THESE ARE THREE TEXT BREAKOUT BOXES FOR THE SAKS STORY.

In fiscal year 2004, net income was restated downward by 12.6 percent to \$72.4 million. For fiscal year 2003, net income was restated to \$12.1 million, down 50.1 percent from the previously stated results. For the year 2002, the restatement had no "meaningful" impact on net income, while the fiscal year 2001 showed a 2.1 percent gain in restated net income to \$76.8 million.

Saks reiterated that vendor allowances of "approximately \$34.1 million had been improperly collected from vendors in periods from fiscal 1996 through 2003," and that the amounts are "attributable to overcollections that resulted from falsification by merchants in one [SFA] merchandising division of information delivered to vendors."

Saks said it will pay interest of 7.25 percent a year to affected vendors, which will total \$14 million. "In aggregate, the company expects to repay vendors a total of approximately \$48.1 million during fiscal 2005," it said in the filing.

Filing the annual report has given Saks and its SFA operation some breathing room. Financial sources, such as factors, said they were awaiting the statements to determine whether or not to approve orders for the upcoming holiday shopping season. Factors are companies that handle a supplier's accounts receivables for a fee. A critical part of the factoring process is assessing the creditworthiness of retailers. As of last month, approvals were granted for orders through September, meaning that at least fall merchandise is being shipped to the stores.

Still, one sell-side analyst said on Monday the results have been "less than stellar," and that the turnaround still seems to need much work. As a result, the company may get less for SFA than it had previously hoped.

Saks, sources said, had expected to get a premium for its luxury flagship business, which includes the SFA

stores and its Off 5th operation, especially after seeing Neiman's sold for \$5.1 billion.

The perception in the market is that Neiman's is a top performer, well beyond reach of SFA. The numbers back up the claim. In its most recent quarter, Neiman's said net income grew by 66.8 percent on a revenue gain of 8.5 percent, while same-store sales jumped 9.6 percent. Revenues at the Neiman Marcus nameplates increased 7 percent, while those at Bergdorf Goodman gained 14.5 percent.

SFA, meanwhile, has posted inconsistent results over the past four months. In May, June and July, same-store sales showed gains of 0.8, 7 and 4.1 percent, respectively. In August, same-store sales rose 5.3 percent.

Meanwhile, financial sources said Saks is getting close to finalizing a deal with Bon-Ton Stores for the sale of its northern department store group, which con-

Firms could still bid for SFA even though it is not officially on the auction block.

sists of the Carson Pirie Scott, Bergner's, Younker's and Boston Store nameplates. Sources said that, after Cerberus Capital Management bowed out of a possible run at Saks with Bon-Ton as a partner, the retailer searched for and found another, unnamed private equity player to team up with.

Now it is looking like the bid price for the northern department store group will be less than the \$1.5 billion that was the prior asking price for the operation, as reported by WWD.

Saks is also said to be weighing bids for its Club Libby Lu preteen business. Los Angeles-based Forever 21, the girls' specialty retailer, was in talks with Saks for the chain, but has since elected to drop out of the process, according to a financial source.

Lawrence Meyer, senior vice president at Forever 21, declined comment. A spokeswoman for Saks Inc. declined comment.

Forever 21 was considered by several financial bankers as an ideal candidate to buy the girls' chain because it would fit snugly into its business. Earlier this year, Forever 21 purchased the Gadzooks chain.

Other names that have been mentioned as possible buyers of Club Libby Lu are Too Inc., Claire's and Build-A-Bear.



Saks Inc. at a Glance

NAMEPLATES (NUMBER OF STORES): Saks Fifth Avenue (56) Parisian (41) Younkers (47) Carson Pirie Scott (30) Herberger's (41) Bergners (14) Boston Stores (10) Off 5th (50) Club Libby Lu (51)

KEY EXECUTIVES:

R. Brad Martin: chairman, chief executive officer

Stephen I. Sadove: vice chairman, chief operating officer

James A. Coggin: president, chief administrative officer

Douglas E. Coltharp: executive vice president, chief financial officer

Kevin Wills: executive vice president of finance, chief accounting officer

George L. Jones: president, ceo of Saks Department Store Group, but resigning Sept. 30

Frederick W. Wilson: chairman, ceo of Saks Fifth Avenue Enterprises

SOURCE: COMPANY WEB SITE



Cotton Poised to Grow as Oil Prices (limb

By John Zarocostas

BURGENSTOCK, Switzerland — The recent spike in oil prices has put manmade fibers manufactured from oil derivatives at a cost disadvantage and has boosted the attractiveness of natural fibers such as cotton, a leading commodity expert said.

"I see the use of natural fibers continuing," said Joseph O'Neill, senior vice president of the New York Board of Trade. "I think most people like natural fibers, so I think it will continue, with the price of the competitors not staying stagnant, as a lot of these competitive products are made from crude oil derivatives.

O'Neill said demand from China and India, particularly, is driving the current global cotton market.

"We're going to look for China to produce around 28 million bales of cotton and consume around 35 to 36 million bales, and India to consume around 14 million bales of cotton, but they produce a little less," he said in an interview while attending an international futures market conference here.

The NYBOT executive said the U.S. is expected to grow more than 20 million bales, mostly for export, because the country should only consume around six million bales, and worldwide production this year is to come in around 112 million bales.

mination of the special World Trade Organization China textiles safeguards measures, he said: "As some of the agreements run out, it will not stop China. They will sell them all over the place. They will sell them in the U.S., but I think we will continue to sell in the U.S. Demand for cotton is going to be quite insatiable.

441 think most people like natural fibers, so I think it will continue, with the price of the competitors not staying stagnant, as a lot of these competitive products are made from crude oil derivatives. - Joseph O'Neill, New York Board of Trade

relatively subject to weather conditions. how the farmer feels...there's a lot of variables in production, probably not as many in consumption.

From 1984 to 1998, O'Neill was president of the New York Cotton Exchange. Asked about the likely impact on cotton of full liberalization of the global textiles and apparel market in 2008, with the ter-

However, he said as pressure on agriculture mounts in China to make more land available for foodstuffs and for the industry to move away from cotton. worldwide demand for cotton will increase. O'Neill also feels that the implementation of the WTO dispute panel ruling - following a complaint filed by Brazil, which found that many U.S. programs were breaching global trade rules and called for an end to \$2 billion in sub-- will not have much of an impact. sidies

"I think U.S. cotton farmers will grow cotton and I don't see a big decrease in acreage from U.S. cotton producers whether the subsidies are there or not," he said.

O'Neill was also skeptical whether the removal of the subsidies will translate into a 13 to 15 percent increase in world cotton prices as suggested by some expert studies. 'That's the argument that was used in

the WTO case," he said. "They're assuming that the U.S. cotton producers will reduce production, which then will make the price of cotton go up. Who knows what's going to happen? I don't have a crystal ball and I don't think anyone has a crystal ball.'

He noted the current world cotton price of around 50 to 52 cents a pound, although 20 cents higher than 2001, is not high and that, when the price of cotton started to rise in 2000 and 2001, "It started out at 65 cents and everybody thought it was going to 95 cents, and instead it went to the 30s." O'Neill said.



"The U.S. has always been the resid-ual supplier." he said. "Production is

