Business Week
12 Mar - 18 Mar

Lotto opens new store

12 Mar 2007

Italian sports apparel and footwear company Lotto Sport Italia has opened a new Lotto Store in the heart of Verona, home to the A.C. ChievoVerona football team, which attended the store's opening ceremony.

Its Pure Performance (football, five-a-side football, tennis and running), leisure wear and new Lotto Underwear collections will all be available at the store.

Health & Safety '07 attracts 1,000 visitors

12 Mar 2007

According to the organisers, the first Health & Safety '07 event, held in Surrey, UK, on February 20-21, was a great success.

Attracting almost 1,000 visitors, highlights included a seminar programme hosted by the London Metropolitan branch of the Institution of Occupational Safety & Health, by sponsor DuPont and event partners Aearo, Ansell, Principal People and Gore.

The next Health & Safety '07 will take place at the Reebok Stadium in Bolton on October 10-11.

Almost 19,000 visitors at Mod'Amont

12 Mar 2007

The 23rd Mod'Amont, held in Paris at the end of February, attracted 18,928 visitors, with 12,664, or 67%, coming from overseas. 269 international companies, 22 of which were new exhibitors, presented their latest collections of fashion accessories and trimming at the event which also included eight fashion forums.

Rhodia sells stake in Nylstar

12 Mar 2007

France-based chemicals company Rhodia has signed an agreement to sell its 50% stake in polyamide yarn producer Nylstar for €1, to a third party agent acting on behalf of a consortium of Nylstar's credit banks. SNIA, Rhodia's partner in the joint venture, has also signed an agreement to sell its 50% stake. The sale will be effective once the necessary regulatory formalities have been completed.

This agreement forms part of the financial restructuring of Nylstar through a debt/equity swap to give the company a restructured balance sheet and a reduced level of debt. Rhodia will remain a raw material supplier to the company.

Ispo China set for success

12 Mar 2007

Ispo china winter 07 looks set for success when it opens its door on March 14 in Beijing. According to the organisers, the decision to move the event from Shanghai to the National Agricultural Exhibitor Center in Beijing was an astute one as the 13,500 square metres of exhibition space have been fully booked.

Not only has the number of exhibitors increased to 300, the size of the booths has also increased substantially. Furthermore, the show will also use an additional 2,000 square metres of exterior space to host a number of events.

The show will run until March 17.

AAFA announces new board members

12 Mar 2007

The American Apparel & Footwear Association (AAFA) has appointed Peter Gabbe, chief operating officer, Carole Hochman Design Group, as the association's new chairman, replacing chief operating officer, Jones Apparel Group, Wes Card.

Other appointments included Carol Hochman, president and CEO, Danskin, Inc., as vice chairman; Killick Datta, chairman and CEO, Global Brand Marketing as treasurer and George Derhofer, senior VP, Global Operations, Imagewear & Outlets, VF Corporation as secretary.

Other new board members include Rick Darling, president, Li & Fung USA, Joel Feldman, president, Operations, Byer California, John Higdon, president and CEO, Capital Mercury Apparel, Ltd., and Michael Mansh,

president, Pennsylvania Apparel LLC.

Record 2006 results at Lenzing

13 Mar 2007

As a result of expansion within its core business, Austrian manufacturer of man-made cellulose fibres Lenzing Group has reported record financial results for 2006.

Sales increased 16.8% to €1.1 billion million (2005: €942.6 million), exceeding the €1 billion mark for the first time. Net income was €83.9 million (2005: €56.9 million), an increase of 48%.

According to the company, its Textile Fibers business unit greatly benefited from the development of new fibre applications and the corresponding increase in market share. Extensive investment in capacity expansion has also been made. Good market conditions, in particular global demand for fibre specialties, enabled several price increases for both textile and nonwoven fibres.

Total group production reached a new record level of 478,068 tons (2005: 453,806 tons) from its production sites in Austria, the UK, the USA and Indonesia. At Lenzing itself, production was increased to 230,000 tons; with specialty fibres such as nonwovens, Lenzing Modal, MicroModal and flame retardant or spun-dyed fibres making up the major share.

BASF increases capacity for NGP and announces price increases

13 Mar 2007

German chemical company BASF is adding 10,000 metric tons to its annual capacity for neopentylglycol (NPG) at its Verbund site in Ludwigshafen. This will raise its global annual NPG capacity to 155,000 metric tons by the end of 2007. The company has attributed the capacity increase to a growing demand for the intermediate, mainly in coatings applications. NPG is an essential component for eco-efficient powder coating resins and is also used for unsaturated polyester and alkyd resins, which serve as binders in a variety of liquid coatings. Among other applications, intermediates are used as starting materials for textile fibres, coatings and plastics.

The company has also announced that it has raised its prices for formic acid and 2-ethylhexanoic acid. Effective immediately, or as existing contracts permit, prices will increase by €40 per metric ton in Europe.

2-Ethylhexanoic acid is used for many different industrial applications such as the manufacture of plasticisers, PVC stabilisers, lubricants and drying additives for coatings.

Nike launching new System of Dress basketball uniforms

13 Mar 2007

Nike has launched a new ‘System of Dress’ basketball uniforms in the USA, which is designed to give the players a more tailored look on court.

The System of Dress comprises a fitted jersey—a lightweight, breathable, form-fitting top—and long, lightweight, loose-fitting shorts. The company will provide teams with Pro Compression long sleeve, short sleeve and sleeveless base layer tops as well as leg wraps so that players can individualise their look.

Reflexite launches high visibility tape

13 Mar 2007

US-based high visibility, reflective products manufacturer Reflexite has introduced its new GP340 Fluorescent Orange High Visibility Tape, which can be used on a wide range of workwear, from emergency services to road maintenance clothing. It is said to be the brightest compliant prismatic fluorescent garment tape on the market and has been specifically designed to protect people who work in high risk situations in all types of weather. It is both fluorescent and retro reflective (EN471:2003-Combined Performances) and microprisms reflect more than twice the amount of light of more traditional glass bead tapes.

It provides long distance visibility and is said to exceed the EN471 wet weather requirement by over five times. It also improves daytime visibility offers greater resistance to abrasion than glass beads.

The tape can be washed more than 75 times at 60°C with no detrimental effect as well as having a smooth surface that can be easily wiped clean.

True Religion opens first overseas office

13 Mar 2007

US-based lifestyle brand True Religion Apparel, Inc. is to establish its first foreign office in London. Director of international sales Kelly Furano will be relocating from Los Angeles to help with the brand’s expansion in Europe.

Ms Furano will coordinate presentations of the company’s branded products at trade shows such as Bread and Butter in Barcelona, Pitti Uomo in Florence, Tranoi in Paris and CPD in Düsseldorf.

Iconix closes Danskin acquisition

13 Mar 2007

American consumer brands company Iconix Brand Group, Inc. has completed the acquisition of the Danskin brand. The purchase price for the transaction was $70 million with a contingent payment of an additional $15 million based on the brand exceeding certain revenue and performance targets.

A 125 year-old brand of women's active wear, leg wear, dance wear, yoga apparel and fitness equipment Danskin is anticipated to generate approximately $15 million in royalty revenue in its first twelve months under the Iconix umbrella.

New Champions' League final match ball unveiled

14 Mar 2007

Germany-based adidas has unveiled the official match ball for the UEFA Champions' League Final, which will take place in Athens on May 2.

The Greek capital is hosting its fourth UEFA Champions' League final in the newly-built 2004 Olympic Stadium.

The 'Finale Athens' ball features adidas +Teamgeist technology, a 14-panel configuration, which reduces the number of three-panel touch points by 60% and the total length of panel lines by 15%. This creates a totally round ball allowing for better accuracy and control.

Eco-Fil uses SmartSilver nanotechnology

14 Mar 2007

US-based polyester and nylon filament yarns supplier O'Mara Incorporated is to begin using custom nanoscale materials engineering company NanoHorizons, Inc.'s SmartSilver yarn in its Eco-Fil yarn line. SmartSilver is engineered at the nanoscale to impart permanent anti-odour/antimicrobial properties to natural and synthetic fibres and fabrics.

Eco-Fil is said to be the only filament yarn made from 100% post-consumer bottles.

Director of sales and marketing at NanoHorizons Dennis Schneider commented, "The combination of Eco-Fil and SmartSilver enables manufacturers to offer high-quality, high-performance and environmentally responsible products. SmartSilver-enhanced apparel remains odour free, creating the possibility of reducing wash cycles. Further, SmartSilver ingredients are made using lower-grade ores from silver mining that would otherwise be disposed of as waste."

Financial turnaround at Rhodia in 2006

14 Mar 2007

France-based provider of speciality and intermediate chemicals Rhodia has exceeded its recovery targets set three years ago. Net sales rose 6.4% in 2006 to reach €4,810 million from €4,521 million in 2005. This was driven by a 2.9% growth in volume and a 4.8% positive impact from price increases which offset the rise in costs of raw materials and energy.

Operating profit improved to €359 million compared with €66 million in 2005, whilst net income reached €62 million compared with a net loss of €616 million in 2005.

AAFA presents 'Excellence in Social Responsibility' awards

14 Mar 2007

The American Apparel & Footwear Association (AAFA) presented four awards at its 2007 annual AAFA 'Excellence in Social Responsibility' ceremony, held at its executive summit in Dana Point, California.

The winners were climbing and yoga apparel company prAna in the 'Preservation of the Environment' category, US footwear and apparel designer and manufacturer Rocky Brands under 'General Welfare', seamless textiles producer Hanesbrands for 'Community Outreach' and TOS Dominicana Hanesbrands in the 'Health & Safety' category.

The awards are presented in recognition of corporate policies and actions that benefit employees, business and/or the community.

AAFA is the US trade association representing apparel, footwear and other sewn products companies, and their suppliers.

Hi-Tec signs deal with Subaru

14 Mar 2007

British sports footwear brand Hi-Tec has signed a new three-year partnership deal with the Subaru World Rally Team. As the Official Footwear Supplier, the company will provide the team with diverse travel, service and safety footwear to suit the varied conditions experienced in global rally destinations, ranging from the harsh winters of Northern Europe, the humidity of Asia and the dust bowls of South America.

Since 1989, the Subaru World Rally Team has won 47 rallies and has claimed six FIA World Rally Championship titles. Over the next year, the partnership plans to develop a dual branded collection of technical

and lifestyle footwear that will be sold through the team's merchandising organisation.

Benetton opens flagship store in Budapest

15 Mar 2007

Italian apparel and footwear manufacturer Benetton Group has inaugurated a new flagship store in Budapest, Hungary. The three-storey, 800m² store will be one of the largest Benetton stores in Central Europe and will offer a range of United Colors of Benetton collections for adults and children as well as Sisley clothes and accessories. The company currently operates approximately 250 stores in the Balkans and Eastern Europe and has eight stores in Hungary.

The company will also reopen its renovated store in Mostar, Bosnia, this month.

Cherokee develops Sideout brand in Latin America

15 Mar 2007

American licensor and brand management company Cherokee Inc. has signed an international licence agreement for its Sideout Brand with Mexico-based brand management company P&L Global Network.

The agreement covers a range of categories including men's, women's and children's clothing, accessories and outerwear.

Dick's Sporting Goods posts 'billion dollar' quarter

15 Mar 2007

Pittsburgh-based sporting equipment, apparel, and footwear retailer Dick's Sporting Goods, Inc. has reported improved sales and earnings for its fourth quarter and full year, ended February 3.

Net income for the 14 weeks increased 33% to $67.7 million compared with $50.7 million in the comparable period of the prior year. Net sales increased 21% to $1,026.3 million while comparable store sales increased 2% on a 13-week to 13-week comparable basis.

Net income for the 53 weeks, ended February 3, increased 39% to $112.6 million compared with prior-year 52 week proforma net income of $81.1 million.

Net sales for the 53 weeks increased 19% to $3,114.2 million while comparable store sales increased 6% on a 52-week to 52-week comparable basis.

The company completed its acquisition of Golf Galaxy, Inc. on February 13 and, under the terms of the agreement, each outstanding share of Golf Galaxy common stock has been converted into the right to receive $18.82 per share in cash, without interest, valuing the transaction at approximately $226 million.

EuroSocks launches new socks for diabetics

15 Mar 2007

New producer of sport-specific performance and compression socks EuroSocks North America has introduced Euros Rx for Diabetics, developed in collaboration with a team of physicians. The patent-pending dual-tone technology design comes in white and dark dress sock colours with a patented white sole which enables easy detection of wound drainage or bleeding. The constriction-free socks feature a woven arch support, a mild ankle brace, a padded terry sole and flat knit toe seam.

BASF appoints new marketing manager in North America

15 Mar 2007

German chemical company BASF has appointed Jacqueline Todd as marketing manager for its captive acrylic monomers business in North America. Prior to taking on this role, Ms Todd was distribution manager for its Functional Polymer Regional Business Unit in North America.

The company employs more than 15,500 in North America and had sales of approximately $14.3 billion in 2006.

Eddie Bauer posts first profit since bankruptcy

15 Mar 2007

US-based specialty retailer of casual sportswear and accessories Eddie Bauer Holdings, Inc. has reported a profit for the first time since the company was declared bankrupt in 2005. For the fourth quarter ended December 30, net income reached $63.2 million compared with a net loss of $12.8 million in the comparable quarter of 2005. Total revenues reached $381.9 million compared with $376.4 million in the fourth quarter of 2005.

For the fiscal year, total revenues were $1,013.4 million compared with $1,059.4 million. Gross margin was $353.5 million, representing a decrease of $51.1 million and gross margin percentage for the year declined to 37%, compared with 40.4% for 2005.

According to the company, it is moving forward with its

turnaround strategy and is focused on taking the steps necessary to position itself for success as an independent company, including strengthening its management team. It recently engaged a recruitment agency to lead its search for a permanent CEO, and the company is actively recruiting for other currently vacant senior and middle management positions.

Kenyan university eyes acquisition of Rift Valley Textiles

15 Mar 2007

According to local media reports, Moi University in Kenya has registered its interest in taking over Rift Valley Textiles (Rivatex) with the receiver/manager of the company that went into receivership in the late 1990s. No financial details of the offer were disclosed.

The university believes the garment manufacturer would provide a source of income for the faculty as well as assisting in research and industrial training for students at its chemical and process engineering, mechanical and production engineering, electrical engineering, agricultural engineering departments and the business school.

Hibbett reports record earnings

15 Mar 2007

US sporting goods retailer Hibbett Sports, Inc. has reported record financial results for the fourth quarter and fiscal year ended February 3.

Net sales for the fourth quarter increased 25.1% to $151.2 million compared with $120.8 million for the comparable period in 2006, whilst net income improved 27.4% to $12.6 million from $9.9 million.

Net sales for the 53-week fiscal year increased 16.3% to $512.1 million compared with $440.3 million a year earlier, whilst net income rose 13.2% to $38.1 million from $33.6 million.

Esquel cleared in infringement case

15 Mar 2007

Hong Kong-based manufacturer of cotton shirts Esquel Apparel, Inc. has been cleared of infringement accusations filed in the USA.

The US District Court in the Western District of Washington, Seattle, found that Esquel had not wilfully infringed patents of Taltech Limited relating to the manufacture of pucker-free seams for wrinkle-free shirts, in a case that began in 2004.

The Esquel Group produces around 60 million shirts a year and employs over 45,000 people around the world. A privately-owned company headquartered in Hong Kong with production facilities in China, Malaysia, Vietnam, Mauritius and Sri Lanka, the company manufactures goods for brands such as Tommy Hilfiger, Hugo Boss, Brooks Brothers, Abercrombie & Fitch, Nike, Lands' End and Muji, and retailers such as Marks & Spencer, Nordstrom and Jusco.

Damartex to invest in Tunisia

16 Mar 2007

France-based textile company The Damartex group plans to transfer its textile production to a new manufacturing unit in Tunisia, the startup of which will begin in 2008.

Almost 70% of the group's clothing production is already carried out in Tunisia by local subcontractors and the aim of the move is to improve productivity by centralising operations.

The impact on the company's short-term results should be limited and the group intends to support the rehabilitation of its employees.

Etonic names new CEO

16 Mar 2007

Tom Elwell has been named CEO of US-based technical athletic footwear brand Etonic Worldwide. With over 30 years of experience in the footwear and golf industries, he currently oversees Mizuno's technical running business as well as its South American business. He is also widely credited with having built Mizuno's technical running business in North and South America to the third highest market share in its category.

Etonic's current CEO, Tom Seeman, who was part of the ownership group which purchased Etonic from Spalding in 2003 and sold it to Italy's Lotto in late 2006, will join Etonic's board of directors.

Fashion and comfort driving athletic footwear sales

16 Mar 2007

Research carried out by The NPD Group, Inc. indicates that, within the $19.4 billion athletic footwear market, low performance has become the second-largest athletic shoe category after running shoes (at $4.8 and $4.9 billion respectively).

Chief industry analyst, Marshal Cohen, commented: “Consumers are telling us that style and comfort, not performance, are the keys here.”

In a recent survey, consumers suggested that comfort is the primary influence on their athletic footwear purchases with price and ‘a fashionable look’ coming second and third.

Mr Cohen added that the Skate category was another example of where fashion and comfort are driving sales. “While skate-inspired footwear still represents a small market ($800 million of the $19.4 billion total athletic footwear market), its growth can't be ignored.” Sales of Skate footwear were up 45.1% in 2006 compared with 2005 sales.

According to the group, the five top-selling brands in the athletic footwear sector are (in order) Nike, New Balance, adidas, Reebok and Brand Jordan.

The NPD Group measures the athletic footwear and sports apparel markets in ten countries, representing two-thirds of global sports sales. For the remaining third, its estimates are based on assumptions related to gross domestic product development.

Europe leads growth at Bayer

16 Mar 2007

The Bayer Group has reported positive results for 2006 with sales rising 17.2% to €28.9 billion (2005: €24.7 billion). The 2006 total includes €3 billion in revenues from the Schering business in the period from June 23.

Earnings rose by 21.3% to the record level of €5.6 billion (2005: €4.6 billion).

The upward business trend at Bayer MaterialScience continued in 2006, with sales advancing 7.6% to €10.2 billion. This growth was due primarily to higher volumes in all business units, while selling prices rose slightly on average. Sales for the Materials segment, where the main product is polycarbonate, were up 3.1% to €2.9 billion and sales in the Systems segment, dominated by the polyurethanes business, climbed 9.5% year-on-year to €7.2 billion.

In regional terms, the company achieved its largest sales increase in Europe, where sales climbed by approximately €1.9 billion, or 17.5%, in 2006 to €12.6 billion. Sales in Germany grew 17.7% to €4.5 billion. Meanwhile, business expanded by 19.8% to €7.8 billion in North America and by 13.2% to €4.6 billion in the Asia Pacific region. Sales in Greater China advanced by 24.1% compared with the previous year to €1.5 billion, while business in the Latin America/Africa/Middle East region grew 16.5% to €3.9 billion.

The company expects to further improve its earning power in 2007, following a positive two months, and is anticipating an increase in sales of more than 10%.

Concept III offers new services and greater production

16 Mar 2007

New Jersey-based textile resource and garment production service Concept III Textiles is to expand its garment development services. The aim is to help speed cost-effective, quality products to the market while seeking to eliminate problems along the way.

Steps taken are as follows: the company has added Bi Puglia to its Red Bank, New Jersey, main office staff to supervise garment production; its resource and textile development partner, Taiwanese-based Kingwhale, has increased its textile production capacity in both Taiwan and Vietnam; Kingwhale has added a new on-premise blanket production line in Taiwan; and garment production partner, Main Trend, has announced plans for a totally vertical (fabric-to-finished garment) facility in Vietnam.

Lija extends contracts with Katie Bakken and Kristina Tucker

16 Mar 2007

Canadian women’s golf and sportswear company Lija has extended its endorsement agreements with Tour pros Katie Bakken and Kristina Tucker.

The two professionals will wear the company’s clothing during all on-course activities.

Automatic calibration reminder service from Dickson

16 Mar 2007

According to US temperature, humidity and pressure recorder manufacturer Dickson Company, textile manufacturers can now ensure chart recorders’ and data loggers’ calibrations are current by registering their instruments with the company.

Manufacturers will be able to create an online database of all instruments and assets and receive an email notification when any piece of equipment is due for calibration.

The company’s temperature and humidity recorders and data loggers specify a particular unit’s serial number along with the date of original calibration, the calibration reading and the specific instrument used to calibrate the unit.

Halston fashion brand sold

16 Mar 2007

Fashion brand Halston has been sold to a partnership comprising private equity firm Hilco Consumer Capital, LLC and The Weinstein Co., created by the founders of Miramax Films Corporation.

The investor group plans to revitalise the brand, which is best known for dressing the international jet-set during the 1960s and 1970s. Creator of the brand, Roy Halston Frowick, became famous after launching a collection for Bergdorf Goodman in 1966 and Elizabeth Taylor, Jacqueline Kennedy Onassis and Andy Warhol were counted among his clientele.

The Halston brand and other assets were acquired from Neema Clothing Ltd., whose founder and principal shareholder is James Ammeen. Financial terms of the deal were not disclosed.

Founder and president of Jimmy Choo Limited, Tamara Mellon, will help to structure management and provide creative direction for the brand. HCC management will temporarily oversee day-to-day operations of the newly formed Halston Company until a management team is established.

Management change at True Religion

16 Mar 2007

American lifestyle brand True Religion Apparel, Inc. has revealed that vice president Kymberly Gold Lubell will be leaving the company to pursue personal interests, having joined in January 2004.

Founder Jeffrey Lubell noted that one of the company's ongoing initiatives is the expansion of its design team, having recently added fashion expert Zihaad Wells, women's designer Caius Olowu and head of merchandising Rodney Hutton to its staff.

The company designs, manufactures and markets True Religion Apparel products, including its premium True Religion jeans.

Malden Mills becomes Polartec

16 Mar 2007

US-based textile producer known for a century as Malden Mills has been renamed Polartec, LLC—the name of the fleece fabric for which the company is famous—following the completion of a $44 million acquisition of the company by Chrysalis Capital Partners, a private equity firm.

Polartec, LLC will continue manufacturing operations at its Lawrence and Methuen, Massachusetts, Hudson, New Hampshire, and Shanghai, China plants and Michael Spillane, CEO of Malden Mills, will remain as CEO of Polartec, LLC.

Commenting on the launch of the newly-named company, Mr Spillane said, "This day represents a fresh start for our Polartec products, brand, and employees. For the first time in more than a decade, we are able to completely focus on the needs of our customers, which call for developing, manufacturing and marketing technology solutions in performance fabrics. The distractions of the past are now behind us and we begin today to work on our future."

Polartec, which employs some 800 staff, develops and manufactures Polartec performance fabrics ranging from lightweight wicking base layers to insulation to extreme weather protection used by well known clothing brands and the United States' Army, Navy, Marine Corps, Air Force, and Special Operations Forces.