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Target for Indian SITPs increased

19 Mar 2007

Indian Minister of State for the Textiles Ministry Shri E.V.K.S. Elangovan has revealed that the target of the Scheme for Integrated Textile Parks (SITP) as part of the tenth Five Year Plan has been increased to 30 textile parks.

26 projects have already been sanctioned under the SITP so far—nine in 2005/06 and 17 projects in 2006/07. In terms of states, Andhra Pradesh has four, Gujarat has six, Karnataka has one, Maharashtra has six, Rajasthan has two, Tamil Nadu has five, UP has one and West Bengal has one.

The estimated cost for these 26 parks (common infrastructure/facilities) is Rs2433.35 crore ($551.7 million) of which the government will provide Rs869 crore. So far, Rs73.56 crore has been awarded to 22 textile parks.

New fabrics from Maglificio Ripa

19 Mar 2007

Producer of Italian circular knit fabric for swimwear, underwear, outerwear, fashion and sportswear Maglificio Ripa presented new ‘intelligent’ fabrics at Interfilière and ispo at the beginning of February. The fabrics are made of carbon filaments mixed with nylon or polyester with elastomer and are designed for comfort and high performance. The company claims that use of the new fabrics prevents circulation disorders caused by electric charges that settle in the body.

The anti-static and conductive properties are said to favour blood circulation cellular oxygenation, contrasting muscle contraction and accelerating humidity evaporation. Two versions have been launched, Zagabria and Trifoglio.

Higher income at Delta Galil

19 Mar 2007

Israeli manufacturer of private label ladies' intimate apparel, socks, men's underwear, babywear and leisurewear Delta Galil Industries Ltd. has reported improved results for its fourth quarter and full year ended December 31.

Revenues for the fourth quarter were $174.1 million compared with $170.2 million reported in the fourth quarter of 2005, an increase of 2.3%. Revenues for the full year rose 3.2% to $706.7 million compared with $684.5 for 2005.

Net income in the fourth quarter was $0.4 million compared with a loss of $7.6 million in the 2005 quarter. Net income for 2006 was $3.1 million compared with a net loss of $36.3 million in 2005. Net income in 2006, excluding restructuring expenses and impairment of assets and goodwill, was $4.8 million compared with a net loss of $15.6 million last year.

Record results at Zumiez

19 Mar 2007

US-based action sports-related apparel, footwear, equipment and accessories retailer Zumiez Inc. has reported record results for its fourth quarter ended February 3.

Total net sales for the fourth quarter (14 weeks) increased by 49% to $112.4 million from $75.4 million reported in the fourth quarter (13 weeks) of the prior fiscal year. Net income for the quarter was $11.3 million versus $6.8 in the prior-year period.

Total net sales for 2006 (53 week period) increased by 45% to $298.2 million from $205.6 million reported in 2005 (52 week period). Net income totalled $20.9 million versus $12.9 million in the previous year.

Adidas Group buys Reebok distribution rights in Greece

19 Mar 2007

The adidas Group has bought the distribution rights for the Reebok brand in Greece from RbK Hellas A.E.B.E. Effective January 1, 2008, adidas Hellas S.A. will then become the exclusive distributor of Reebok products in Greece. No financial details of the transaction have been disclosed.

This latest step by adidas is part of the company’s integration strategy for Reebok to buy out distributors and joint ventures around the globe. This will provide the

group with annual revenue synergies totalling at least €200 million by 2009.

Wellman increases Fortrel prices

19 Mar 2007

US manufacturer of polyester products Wellman, Inc. will increase the price of all of its Fortrel polyester staple fibre products by 5 cents/lb (pound), effective with April 15 shipments.

According to the company, the price increase was necessary due to higher transportation, petrochemical-based raw materials and feedstock prices.

Wellman's products include Fortrel brand polyester fibres and PermaClear and EcoClear brand PET (polyethylene terephthalate) packaging resins.

The Finish Line appoints chief merchandise officer

20 Mar 2007

Samuel Sato has been appointed executive vice president and chief merchandise officer at US-based athletic apparel and footwear retailer The Finish Line. In his new role, Mr Sato will be responsible for all product lines, footwear, apparel and accessories for Finish Line stores and will report to Glenn Lyon, president.

Having spent 22 years at Nordstrom, Inc., he most recently served as vice president and corporate merchandise manager for Nordstrom's Men's Shoes Division where the athletic business for that division grew by 70% under his leadership.

BASF breaks ground for new polyacrylate polymers plant in Shanghai

20 Mar 2007

German chemicals company BASF broke ground for two new plants in Pudong, near Shanghai in China on March 20. One plant will manufacture polyacrylate polymers, whilst the other will produce specialty chemicals for leather tanning.

The two facilities, which will be located next to BASF's existing facilities for polyacrylate polymers and leather chemicals in Pudong, are expected to be completed in the first quarter of 2008.

The polyacrylate polymers plant will have a minimum capacity of 30,000 metric tons per year, manufacturing the company's Sokalan synthetic water-soluble polymers used in the laundry, paper, water treatment and textile industries. A spray dryer with a capacity of 10,000 metric tons per year will also be part of the investment.

"The chemical market in Asia Pacific is the world's largest and is expected to grow 4% to 4.5% annually through 2015. Our new manufacturing facilities in Shanghai give us an excellent competitive edge to participate in the rapid growth of the chemical industry in the region," said Dr Wolfgang Hapke, president of Market and Business Development, BASF Asia Pacific. "We are now moving even closer to our goal of achieving 20% of group sales in the chemicals businesses in Asia Pacific by 2010, with 70% coming from local production."

Revenues rise in excess of 100% at Ever-Glory

20 Mar 2007

Chinese apparel manufacturer Ever-Glory International Group, Inc. has reported a 106.5% increase in net revenues to reach $22.3 million for the fiscal year ended December 31. Operating income rose 82.1% to $2.1 million whilst net income increased 43.1% to $1.5 million

In spite of quotas, sales to customers in Europe and the USA increased 185% and 192%, respectively whilst gross profit for the full year was $4.1 million, an increase of 94.6% from $2.1 million in 2005.

Meanwhile the company also increased its total annual production capacity to 2.85 million garment pieces, up from 1.7 million at the end of 2005. This increase was mainly related to a significant increase in outsourced production capacity in 2006. The recently acquired New-Tailun will further increase Ever-Glory's total annual production capacity to more than five million pieces in 2007, including outsourced production capacity.

The company supplies high- and middle-grade casual wear and sportswear garments to retail chains such as Itochu, Shinko, Debenhams, Next, C&A, Itoyokado. It also holds production and sales co-operation agreements with a number of international brands such as Matalan, Eddie Bauer, Best-Seller, and BB Dakota.

RadiciSpandex names designer judge for scholarship

20 Mar 2007

RadiciSpandex Corporation, the US subsidiary of Italy-based The Radici Group, has announced that designer Carmen Marc Valvo will serve as the designer judge and honoree for the company's 2007 "Stretch to the Future" Design Scholarship Competition, which will take place for the first time with the junior class of The Fashion School of Kent State University in April in New York City.

Mr Valvo will lead a judging panel of fashion industry

experts to determine the winners of scholarships from RadiciSpandex Corp. from among all garment categories that include women's sportswear, eveningwear, swimwear and fantasy/bridal wear. A 'Best Of' prize will also be awarded in each category.

Carmen Marc Valvo's career began as a ready-to-wear designer for Nina Ricci in Paris, followed by a stint at Christian Dior. In 1989 he launched a sportswear label that was a success at both Saks Fifth Avenue and Neiman Marcus. He launched Carmen Marc Valvo Couture in 1998.

Created in 1999, the "Stretch to the Future" Design Scholarship Competition inspires the creative development of design students while educating them about the technical aspects of garment construction using fashion fabrics containing a highly technical fibre such as elastane manufactured by RadiciSpandex Corp.

Pony Names new CEO

20 Mar 2007

US-based athletic footwear and apparel company Pony International LLC has named Kevin Wulff as chief executive officer. He replaces Jim Stroesser who has stepped down to pursue other opportunities.

An experienced athletic footwear industry executive, Mr Wulff most recently served as president and CEO of American Sporting Goods. Prior to this he held several senior positions at Nike Inc., including as president of Nike Canada and senior vice president/general manager-USA. He has also served as the chairman and CEO of the Women's Tennis Association.

Benetton appoints new managing director

21 Mar 2007

Italy-based apparel and footwear manufacturer Benetton Group has named Gerolamo Caccia Dominioni as managing director. He is currently vice chairman and COO of Warner Music International. He will assume the post on June 1.

Armorsmith adopts Zweave technology

21 Mar 2007

Body armour provider Armorsmith has signed a two-year subscription agreement to Zweave's Zdesign to manage product development data associated with the research, development, and manufacture of lightweight body armour solutions for the military and civilian police. According to Zweave's president Alex Gallo the software will provide Armorsmith with "a system that would support both male and female 3D data from medical imaging, full body scans, landmarks, 3D fit, pattern making, and portfolio management."

Yarn Expo Spring hosts 100 exhibitors

21 Mar 2007

More than 100 yarn and fibre manufacturers from China and abroad will present their latest products at Yarn Expo Spring 2007 in Beijing, March 22-24.

The exhibition, which will run concurrently with Intertextile Beijing Apparel Fabrics, will feature a range of natural, synthetic and regenerated and specialty fibres and yarns. Chinese exhibitors will showcase products ranging from rabbit and camel hair yarn through natural silk and bamboo fibre to technical and chemical fibres. Many companies will exhibit at the show for the first time this year, including several from India and Pakistan.

Nearly 5,000 visitors from 47 countries and regions attended the 2006 event, over half of which were textile manufacturers.

China's per capita fibre consumption nearly doubled between 2000 and 2005, from 7.5 kg to 14 kg and yarn imports grew 6% in 2006 compared with 2005.

Higher sales at Polymer Group

21 Mar 2007

US-based textiles producer Polymer Group, Inc. has reported improved unaudited results for its fourth quarter ended December 30.

Net sales for the fourth quarter were $263.9 million, up $23.5 million from $240.4 million in the fourth quarter of 2005. Sales were said to have been driven by higher volumes from new capacity additions and price increases implemented to offset higher raw material costs. Gross profit increased $4.7 million to $41.4 million compared with $36.7 million in the 2005 quarter, a 12.8% increase.

Net sales for full-year 2006 were $1.02 billion, up $72.8 million over the prior year although gross profit slipped to $156.2 million from $161.5 million. This decline was partially attributed to $3.8 million of higher depreciation costs as new lines were commissioned, in addition to lower profitability experienced during the second and third quarters of the year.

The company expects to improve profits in 2007 as a result of the full-year impact of capacity expansions that were completed in 2006, new technology commercialisations in the second half of 2007 and lower costs from restructuring and consolidation plans that have been initiated.

Brazilian External Common Tariff set to increase

21 Mar 2007

The Ministry of Development, Industry and Foreign Trade (MDIC) in Brazil has announced that the Mercosur External Common Tariff (TEC) is likely to be increased to 35%—the maximum allowed by the World Trade Organization. This comes six months after the National Mobilisation of the Textile & Apparel Sector which involved a number of meetings in Brasilia and studies demonstrating ways in which the sector was being negatively affected. Up to now the maximum tariff applied has been around 20%.

MDIC's Luiz Fernando Furlan said that the government is turning the demands made by the textile, footwear and furniture sectors into specific technical TEC lines. The next step is to gain approval of the tariff increase from the other Mercosur members.

Managing director of the Brazilian Association of the Textile and Apparel Industry (ABIT) Fernando Valente Pimentel said, "We are not asking for protection. This is just a compensatory measure before the many macroeconomic disadvantages that we are experiencing as a result of fierce competition, especially from China." Other countries, such as Argentina and Mexico already apply a 35% TEC on apparel imports.

Eco-textiles and functional fabrics at Interstoff Asia Essential

21 Mar 2007

More than 8,700 buyers from 58 countries and regions attended the first spring session of Interstoff Asia Essential, held in Hong Kong on March 14-16, including over 2,500 visitors from overseas.

Approximately 220 exhibitors participated and attracted big brand names such as New Balance, Nike, Quicksilver, Rip Curl and Li & Fung.

Colourful new display areas were launched at this year's event to showcase developments in eco-textiles and functional fabrics. The 21st Century Wardrobe showed multi-functional textiles produced by exhibitors plus some major suppliers from Japan and Taiwan. Fabrics featuring UV-protection, water-repellency, stain-release, anti-static, anti-bacterial, infra-red/heat-regeneration, wrinkle-free, electromagnetic-shielding, oil-repellence, cool-feel, moisture-transference, quick-dry, thermal and lightweight properties were also highlighted. At the Fabrics That Care display, visitors were able to see and feel fabrics made from natural and environmentally-friendly materials such as organic cotton, bamboo, corn, soybean, hemp, milk and irakusa (nettle).

Seminars held during the event focused on design and trend, business strategy and technology with forecasts for spring/summer 2008 and autumn/winter 2008-2009.

Kenyon introduces Merino collection

21 Mar 2007

American base layer apparel manufacturer for the sporting, outdoor, hunting and fishing markets Kenyon Consumer Products has launched a new range featuring Merino wool from Australian Wool Innovation.

The Kenyon Merino range utilises mercerised wool, which gives the fibre a silk-like texture. During treatment the scale structure on the fibre's surface is removed to increase the amount of specular reflection and to improve the lustre, or brightness, of the fibre.

The new thermal apparel range currently features a men's short sleeve top, men's long sleeve style and thermal bottoms although the company plans to use the wool in other items including women's wear in the future.

Walter Wilhelm and Dassault Systèmes collaborate on PLM solutions

21 Mar 2007

Process technology consulting firm for the apparel and footwear industries Walter Wilhelm Associates has formed a partnership with 3D and Product Lifecycle Management (PLM) company Dassault Systèmes' brand Enovia MatrixOne. The two companies will work together to provide customers with PLM solutions that help to reduce both costs and time by streamlining front-end product development processes.

Enovia MatrixOne's Accelerator for Apparel Design & Development is used to co-ordinate design, procurement and suppliers; standardise development procedures and integrate product data, workflows and business processes into a cohesive information infrastructure.

Walter Wilhelm specialises in helping companies to reduce their product development time by synchronising key design and merchandising processes.

New venue attracts 17,112 visitors to Texworld

21 Mar 2007

Texworld's transfer to the Paris Le Bourget exhibition centre appears to have been successful, attracting 17,112 visitors to the event in February.

The number of visitors from the UK and Belgium rose as well as the number from Eastern European countries such as Serbia and Montenegro (+14%), Romania (+35%) and Croatia (+21%). Higher numbers from

Turkey, India, South Korea, Pakistan, Egypt, Morocco, Mexico, Panama and Venezuela also attended.
One of the main highlights of the shoe was the “7 Street Dancers”, designed by twenty students from the Paris school of fashion, Esmod, using fabrics supplied by exhibitors.

The Denimworld forum also attracted many visitors and the competition winner was Vietnamese designer Duc Long. His outfit was made from denim supplied by Taiwanese group Nien Hsin and fine cotton in vibrant colours from the Pakistani Sarena Dyeing & Embroidery.

Natural fabrics, and in particular organic fibres, were highly sought after at the event including linen, organic cotton, ramie, hessian, soya protein, bamboo fibres.

Perry Ellis posts record results

22 Mar 2007

US-based designer, distributor and licensor of men's and women's apparel, accessories, and fragrances Perry Ellis International, Inc. has reported record results for the fourth quarter of fiscal 2007, despite a fall in revenues for the fiscal year ended January 31.

Fourth quarter total revenues grew to a record level of $231.6 million, an 8.3% increase compared with the $213.9 million reported in the same quarter in the prior year. Revenue increases were balanced across a number of the company’s business units including Perry Ellis, swimwear/action sports, direct retail and international.

Full year revenues declined 2.3% to $829.8 million from the $849.4 million reported in fiscal 2006, reflecting the impact of retail consolidation and the elimination of certain private label sportswear programmes during the first half of the year.

The company’s portfolio of brands includes Perry Ellis, Jantzen, Cubavera, Munsingwear, Savane, Original Penguin, Grand Slam, Natural Issue, Pro Player, Axis, Tricots St. Raphael, and Gotcha. It also holds licences for Dockers for outerwear, Nike and JAG for swimwear, and Ping and PGA Tour for golf apparel.

New spring/summer trends at Intertextile Beijing

22 Mar 2007

Almost 900 exhibitors from 20 countries and regions will attend China’s International Trade Fair for Apparel Fabrics & Accessories, Intertextile Beijing 2007. This equates to a 30% increase compared with the 2006 event. The show, which will run alongside Yarn Expo Spring 2007, March 22-24, will include daily seminars and several trend forums. The Interstoff Asia Directions trend committee has forecast four themes for spring/summer 2008, which will be presented at the Interstoff Asia Trend Forum. Chinese fashion and design professionals will also present a fashion forecast forum entitled Fabrics China, created by the China Textile Information Centre.

The show will feature high-end to mass market textiles and accessories for menswear, womenswear, children’s clothes, swimwear and lingerie.

20% growth forecast for China's light industry

22 Mar 2007

According to the National Development and Reform Commission (NDRC), China’s light industry is anticipating 20% growth in 2007. The Commission estimates that the growth rate of exports from the sector, which includes leather, plastics and furniture, will fall slightly but that imports will continue to increase.

There has been a steady rise in the export of these products in recent years, adding to its trade surplus and leading to ongoing disputes with trade partners in the USA and Europe. However, the industry is now looking to cover future losses as a result of the rising value of the yuan—which is likely to affect profits—by increasing exports in the short-term.An NDRC spokesperson described the sector as lacking in innovation in the development of its own brands, stating that high-value added goods such as clothing and shoes were not being produced in sufficient quantities and revealed that American and European protectionist measures had targeted these brands. He also urged the sector to turn its attention to environmentally-friendly production methods such as lowering power consumption.

Exports from the light industry rose 18.6% to $228 billion in 2006, whilst imports increased 12.5% to $57.2 billion.

Kayland’s Vertigo High boot awarded

22 Mar 2007

Italian footwear manufacturer Kayland has been awarded the 2007 Backpacker magazine Editors' Choice Award for its Vertigo High boot, an all-leather boot designed for backpacking and hiking. It features an extended lacing system and the company's Engineered Composite Technology insole to provide a precise and comfortable fit. The Vibram Tsavò outsole offers grip for travel on snow-covered trails, mud, dry trail and wet slab and the eVent lining helps to keep feet dry and comfortable. It is available in steel blue/black and havana/sand for men and havana/sand for women.

LaCrosse supports TRCP

22 Mar 2007

Branded work and outdoor footwear provider LaCrosse Footwear, Inc. has donated and matched the proceeds from the sale of more than 1,400 pairs of LaCrosse and Danner performance socks at the Shooting, Hunting, Outdoor Trade Show (SHOT Show) in January to support the Theodore Roosevelt Conservation Partnership (TRCP). The TRCP is a coalition of hunting, fishing and conservation organisations and individual partners seeking to guarantee access to places to hunt and fish, conserve fish and wildlife habitat and increase funding for conservation.

In addition to LaCrosse Footwear's donation of $6,756 from the sock sale, the George and Virginia Schneider Charitable Foundation also agreed to double the donation, providing a total $13,512 in donations.

Huntsman and Thomson Research Associates to develop Silpure

23 Mar 2007

Toronto-based owner of the Silpure and Ultra-Fresh brands Thomson Research Associates and Huntsman's Switzerland-based Textile Effects business unit have signed an agreement to work together in developing and marketing Silpure anti-bacterial technology.

The product uses silver to limit the growth of odour-causing bacteria.

New leadership structure at Dow

23 Mar 2007

The Dow Chemical Company has announced a new corporate and business leadership structure. The senior level realignment includes the formation of a five-person executive leadership committee comprising Geoffery Merszei, executive vice president and chief financial officer; Romeo Kreinberg, executive vice president, Performance Businesses; Heinz Haller, senior vice president, Strategic Development and New Ventures; Mike Gambrell, executive vice president, Basics Businesses; and Andrew Liveris, chairman and CEO.

Mr Liveris has also redefined the company's global business portfolio, structuring it around eight distinct groups—six of which are new, while two are already in place. Presidents for the groups will be Jim Fitterling for Basic Plastics; Earl Shipp for Basic Chemicals; Pat Dawson for Polyurethanes; Peter Davies for Designed Polymers & Latex; Patrick Ho for Epoxy & Intermediates/Specialty Chemicals; George Biltz for Specialty Plastics; Jerome Peribere for Dow Agrosciences; and Juan Luciano for Hydrocarbons & Energy.

The company employs 43,000 employees and has annual sales of $49 billion.

RIL and Rohm and Haas plan Indian acrylic monomer complex

23 Mar 2007

US chemical firm Rohm and Haas Company has signed a Memorandum of Understanding with Indian private sector company Reliance Industries Limited (RIL) to explore the joint construction of an acrylic monomer complex in Jamnagar, India.

The proposed facility would have the capacity to produce approximately 200,000 tons of acrylic acid and its esters annually. While the key objective would be to serve domestic market needs, the complex could also export acrylic acid and derivatives.

Materials from the facility are intended to serve as building blocks for environmentally-advanced products such as textile and construction materials and packaging adhesives.

Bilateral agreement to boost Vietnamese economy

23 Mar 2007

According to US maritime administration officials, a new bilateral US-Vietnamese agreement on maritime services could help the Vietnamese economy become more competitive internationally, as well as attracting foreign investment.

Signed on March 15 in Washington, the Bilateral Maritime Agreement gives US shipping service providers broader access to the country's growing transportation market.

Under the agreement, US shipping service companies will be able to acquire a controlling 51% share in joint venture enterprises. Prior to the agreement, they were restricted to minority holdings in Vietnamese companies. Five years from the date of its implementation, they will be permitted to operate without Vietnamese partners.

The new agreement builds on previous trade initiatives which were launched following the 2000 Bilateral Trade Agreement between the two countries. Since then the United States and Vietnam have signed several other agreements, including counternarcotics, textiles and civil aviation agreements.

Reports indicate that trade between the two countries and US direct investments in Vietnam have been growing since the countries normalised their diplomatic

relations in 1995, and has quadrupled since the Bilateral Trade Agreement came into force in December 2001.

Growth in Chinese textiles slows

23 Mar 2007

According to a new report, the growth rate of sales of Chinese textiles slowed significantly last year, dropping almost 20% due to a higher valued Chinese currency, a cut in export tax rebates and higher labour costs.

Textile enterprises reported sales of yuan 2.42 trillion ($318 billion) in 2006, 21.33% higher than the previous year but five percentage points lower than the growth rate in 2005. After-tax profits reached yuan 88.3 billion, a rise of 27.96% but eight percentage points lower than in 2005. Industry profits declined for the sixth straight month, according to the report, which was published in the China Securities Journal.

China's exports of textiles, clothing and accessories in January grew 18.55% compared with the same month last year; however, the growth rate was 12.3 percentage points lower than the growth rate in November and 12.2 percentage points lower than December's rate of growth, according to statistics from China's General Administration of Customs.

Chinese textile and clothing companies have enjoyed sustained rapid export growth following the country's accession to the World Trade Organisation (WTO) in 2001, but, Chinese textile and clothing exports have encountered criticism from Europe, the United States and some African countries.

The US government filed a complaint with the WTO in early February, alleging that China is using export subsidies to help its companies, including those in the clothing sector, to compete in world markets. The USA—the largest destination of China's textile and clothing exports—could impose a 27.5% tariff on its clothing exports if negotiations and discussions on the issue produce no results.

According to the country’s Chamber of Commerce for Import and Export of Textiles (CCCIET), its direct textiles and attire exports to the USA reached $21.9 billion in 2006, making up 15.24% of the US market, a drop of 1.42 percentage points compared with the previous year.

Nike revenues rise in Q3

23 Mar 2007

Nike, Inc. has reported 9% higher revenue for the third quarter ended February 28, rising to $3.9 billion from $3.6 billion in the same period a year earlier. Net income also improved, increasing 8% to $350.8 million compared with $325.8 million.

Footwear revenues increased 6% to $152.8 million and equipment revenues grew 16% to $17.4 million for the quarter, however, apparel revenues declined 5% to $42.3 million. Other business revenue, comprised of results from Cole Haan Holdings Incorporated, Converse Inc., Exeter Brands Group LLC, Hurley International LLC, Nike Bauer Hockey Inc. and Nike Golf, grew 15% to $522.7 million from $454.5 million in the prior year.

Li Ning posts strong results

23 Mar 2007

Chinese sports brand Li Ning Company Limited has posted strong 2006 annual results, ended December 31.

Turnover grew 29.8% to yuan 3,180,543,000 ($411,321,435), whilst sales of Li-Ning branded products—which accounted for 99.6% of the total turnover—improved 35.7% year-on-year to yuan 3,168,045,000.

Commenting on the results Mr Li Ning, chairman, said, “Strong economic growth and rising consumer spending in China, coupled with the upcoming 2008 Beijing Olympic Games, have created a favourable macro operating environment for the group. As we continued to place strong emphasis on branding, product design, research and development, and improving supply chain management, the group achieved another year of distinguished results in 2006. Along with our endeavour to develop the core brand, Li-Ning brand, we also extend into multi-brand strategy. These fuelled our business growth and set a solid platform for us to capture opportunities as the 2008 Beijing Olympics approaches.”