Business Week

2nd May 05 – 8th May 05

K-Swiss reports 18.8% increase in earnings

02 May 2005

K-Swiss Inc. a US-based designer, developer and marketer of athletic footwear under the K-Swiss and Royal Elastics brands, has reported record results for the first quarter of 2005, ended March 31. Net earnings increased 18.8% to $25,864,000 compared with $21,768,000 in the prior-year period. Total worldwide revenues increased 0.7% to $153,143,000 compared with $152,020,000 in the same period in 2004. Domestic revenues decreased 9.2% to $117,592,000 and international revenues increased 58.4% to $35,551,000.

Steven Nichols, chairman of the board and president, stated, "The first quarter results were above our expectations on the strength of higher at-once sales and continued growth in our international business. The growing profitability of our European operations and strong sales in Asia, particularly in Japan, were the stars once again in the quarter. Additional highlights for the first quarter included strong sales of our Classics, which have responded well to our focused marketing on new colour and stripe treatments and a major licensing partnership for Royal Elastics with L.A.M.B. footwear. “

BASF participates in research project on safety of nanoparticles

02 May 2005

Scientists from BASF are participating in strategic research projects funded by the European Union. As of April 2005, BASF experts have been cooperating with 23 partners from seven EU countries in a large-scale project aimed at developing methods for the safe use of nanoparticles: Nanosafe2. This European research project brings together scientists from leading companies in industry, startups, and selected research institutes and universities. The total budget for the project will be approximately €12.4 million, around €7 million of which is being provided by the EU’s research funding programme.

The key goal of the Nanosafe2 programme is to establish processes to detect, track and characterise nanoparticles. Such methods are a prerequisite for determining any possible risks to man or the environment, and for further optimising the safety of production processes and plants. Nanosafe2 will look at the entire lifecycle of nanoparticles, from their production and storage through to transport and use in a finished product. The results of the research will subsequently be made available worldwide in the form of databases, official procedures and workshops.

“As part of the EU project, we will be carrying out studies to increase our understanding of the possible health risks associated with the inhalation of nanoparticles,” explained Dr. Edgar Leibold from BASF’s Toxicology department.

Vibram advises on water sports shoes

02 May 2005

Vibram, manufacturer of performance soles for outdoor, recreational and work footwear, has issued advice on what to look for in footwear that performs well on or near the water, stressing the role of the outsole, the key component in an amphibious shoe.

Tips for a successful water shoe search include:- Request Features Germane to the Specific

Watersport. For example, a heel-and-toe bumper is important for increased protection to lightweight mesh uppers often found on boat shoes- Water Sports Compound: Make sure your sole is made from a water sports compound that will provide excellent traction and slip resistance on wet or dry surfaces. The Keen Yogui features Vibram's TC4 water sports compound- Tread Pattern: The tread pattern should feature large surface-area contact points for wet traction, and channels for directing water from under the foot, to minimize hydroplaning and prevent falls- Lugs: Soles featuring lugs that act as suction disks on rocks and flat surfaces provide excellent traction. Look for a self-cleaning lug design that sheds dirt and debris easily for superior grip and durability- Sole Profile: A highly rounded sole profile like that found in Chaco's Z/1 and Z/2 sandals improves grip on rugged terrain and is ideal for sports such as kayaking and canyoneering. A flat profile found in the Sperry Gold Nautical Shoe is best for docks and boat decks- Non-marking Rubber: Demand a non-marking rubber compound to eliminate the need for surface clean up- Amphibious shoes should feature soles that provide superior traction, stability, flexibility and grip," explains Tony Post president of Vibram.

Vibram soles have set its high standard since Vitale Bramani created mountaineering's first rubber lugged sole in the late 1930's. Today, the company works with brands such as Danner, La Sportiva, Lowa, Merrell, Montrail, Nike ACG, Red Wing, Scarpa, Vasque, Wolverine and many more.

Skechers' Q1 sales up by 11.2%

02 May 2005

Skechers USA, Inc., designer, developer and marketer of a diverse range of footwear for men, women and children, has announced financial results for the first quarter ended March 31, 2005. Net sales rose 11.2% to $246.2 million compared to $221.5 million in the first quarter of 2004. Net earnings were $10.3 million versus net earnings of $7.0 million in the first quarter of the prior year.

Gross profit for the first quarter of 2005 was $101.2 million compared to $89.7 million in the first quarter of last year. Gross margin was 41.1% for the first quarter of 2005 compared to 40.5% in the first quarter of 2004. Selling, general and administrative expenses declined slightly to 34.3% of net sales in the first quarter of 2005 compared to 34.8% of net sales in the first quarter of 2004.

"Our reported net sales of $246.2 million for the first quarter of 2005 represent our highest first quarter revenues in the company's nearly 13-year history, and the fifth consecutive quarter of year-over-year top-line increases," said David Weinberg, chief financial officer of Skechers USA, Inc.

Key Spring 2005 styles in each Skechers' product lines produced double digit sell-throughs and remain strong going into the second quarter. The fashion brands, including the newly launched Marc Ecko Footwear and 310 Motoring, are also finding their place in the market. To support Skechers and fashion brands, the company launched targeted marketing campaigns that included print, television and outdoor mediums. The company now expects second quarter 2005 sales to be in the range of $245 million to $255 million.

Dow Corning introduces new silicon polymer for textile finishing

02 May 2005

In order to meet market needs related to premium hydrophilic finishing, Dow Corning has launched a new silicone polymer for textile finishing, Dow Corning 8600 Hydrophilic Softener. The company claims the new product provides an excellent balance of properties to cotton fabrics such as premium softness, high whiteness retention and hydrophilicity, as well as outstanding processability under a number of standard and extreme finishing process conditions. Textile finishing processes require the use of materials that have excellent bath compatibility, stability to high shear conditions and a wide range of processing temperatures and pH. Occasionally, finishing emulsions are also exposed to baths containing residual chemicals from previous processes such as salts and alkalis.

More recently, Dow Corning has developed high performance microemulsion formulations for Dow Corning 8600 Hydrophilic Softener that are said to provide the following processing characteristics in a number of common and extreme finishing conditions: excellent stability and compatibility in conventional durable press resin finishing baths under high shear and high temperature conditions, very good stability to residual salts, improved stability to high pH environments, efficient exhaustion and very good stability in high shear environments.

Dow Corning was established in 1943 to explore the potential of silicones. Today it provides performance-enhancing solutions to serve the

diverse needs of more than 25,000 customers worldwide and offers over 7,000 products and services.

Delta Apparel reports Q3 fiscal 2005 results

02 May 2005

Delta Apparel, Inc. has reported financial results for the third fiscal quarter ended April 2, 2005. Net sales were $58.3 million compared to $58.8 million in the prior year, net income increased to $5.4 million compared to the prior year's level of $3.8 million. Gross margins for the quarter increased 25.3% compared to 22% in the second quarter. Operating margins increased to 13.7% primarily as a result of the $3.6 million gain on the sale of the Edgefield, S.C. yarn spinning facility.

The Delta business reported sales of $36 million for the three months ended April 2, 2005, a 0.8% decrease from the prior year quarter and an operating income of $6.1 million compared to $2.6 million from the prior year quarter. The Soffe business contributed $22.9 million in sales for the third quarter of fiscal year 2005, a $0.4 million increase, or 1.6%, from sales in the prior year's quarter. Operating income decreased to $2.1 million compared to $2.8 million from the prior year quarter.

Robert W. Humphreys, President and CEO said "We have begun implementing significant cost reductions to our Soffe business to improve its operational performance. During the quarter we announced the closing of our Soffe sewing facility in Bladenboro, North Carolina and, over the course of the next few months, we will continue to transition our domestic sewing production to offshore facilities. We will, however, maintain appropriate levels of sewing production in the United States to support our military programs, which require domestic manufacturing."

Delta Apparel, Inc., along with its wholly owned subsidiary M. J. Soffe Co., is a marketer, manufacturer and distributor of high quality branded and private label activewear apparel currently serving over 13,000 customers with operations in the United States, Honduras, Mexico and Costa Rica, employing approximately 4,300 worldwide.

Canadian government invests $5.9 million into work force

03 May 2005

The government of Canada has announced funding of $5.9 million under the Sector Council Program for four projects by the Textiles Human Resources Council. The projects will help support the promotion of skills development within the textile sector and aim to improve the country's economic growth and competitiveness in the sector. Eleni Bakopanos, Parliamentary Secretary to the Minister of Social Development, said: "The textile sector is an important sector of our economy and these projects will help to ensure that we have the skilled work force to remain competitive in the face of changing demographics at home and growing international competition." The Textiles Human Resources Council develops innovative skill solutions that respond to established and emerging human resources needs, seeks to foster a continuous learning environment and enhances the industry's image.

The announcement is linked to Canada's Workplace Skills Strategy, aimed at helping Canadians become the best trained, most highly skilled workers in the world, as well as ensuring that employers' needs are met. The government of Canada believes Canada's future competitiveness depends on a highly skilled work force and on high performance workplaces that focus on skills development. It will work with business, unions, provinces and territories, sector councils and workers to ensure that all Canadians have the opportunity to develop their skills so that they can obtain meaningful and productive jobs.

China appoints government negotiator, EU welcomes move

03 May 2005

Gao Hucheng, Vice Minister of Commerce, has been appointed International Trade Negotiator for the Chinese government to handle international disputes over a flood of Chinese textile exports since January 2005. The announcement comes amid a row

with the USA and the European Union which are trying to curb China's exports in fear of losing their own textile industries. The European Union has already confirmed it will work closely with a new Chinese top trade negotiator to try to resolve a simmering standoff with Beijing. The European Commission, which handles trade policy on behalf of the 25-country bloc, welcomed the appointment of veteran trade official Gao Hucheng, a fluent French speaker, as China's top trade negotiator.

"It is an interesting announcement, the first sign that the Chinese are ready to negotiate," said a source in the entourage of EU trade commissioner Peter Mandelson. The appointment comes after the EU announced it would launch a probe into soaring Chinese textile imports to include nine categories of clothing: T-shirts, pullovers, blouses, stockings and socks, men's trousers, women's overcoats, brassieres, flax or ramie yarn and woven fabrics flax.

Century Textiles posts Q4 net flat results

03 May 2005

Century Textiles & Industries Ltd has posted a net profit of Rs425.4 million for the quarter ended March 31 compared to Rs423.8 million for the quarter ended March 31, 2004. Total income for the quarter reached Rs6.95 billion from Rs6.64 billion for the same period in 2004 and total income rose from Rs23.11 billion to Rs25.39 billion. The Mumbai-based company produces 100% cotton fabrics but also has presence in yarn, denim, viscose filament rayon yarn, tyrecords, caustic soda, sulfuric acid, salt, cement, pulp and paper.

Acolam to launch leather laminating process at NATS

03 May 2005

Canada's Acolam Inc., that offers lamination of all types of materials, will debut its newest lamination process at the forthcoming National Apparel and Technology Show (NATS) taking place May 15-17, 2005 in Montreal, Quebec.

"We understand the technical requirements of our customers, and we strive to provide the most advanced solutions for their laminating needs," said president Michel Gagnon. "Acolam is proud to introduce our newest process of applying leather laminate to spandex to create comfort, flexibility, a better fit, and longevity."

In operation since 1999, Acolam develops and supplies a variety of lamination services to the industrial, medical, lingerie, furniture, technical textiles, and apparel industries. Products include lycra-lace, polar-fleece, breathable membrane, foam, mesh, knit, fibre fill, wadding, as well as antibacterial and antifungal treatments especially developed for each sector's requirements.

INDA to publish report on Asia-Pacific nonwovens industry

03 May 2005

The Association of the Nonwoven Fabrics Industry (INDA) is set to publish a report, "Analysis of the Nonwovens Industry — Asia-Pacific: 2004-2009", which will be available in CD format in June.

The 81-page report is said to provide in-depth reviews of the growing Asia-Pacific market for nonwovens and engineered fabrics. The report includes technology updates, production capacity reports and projections for consumption and production in the region through the end of the decade.

A special feature of the report is an in-depth review of the market environment in the region. It provides a review and analysis of key demographic and economic data of major producing nations in Asia-Pacific, as well as nonwoven production capacities and projections for both Asia-Pacific and worldwide. A synopsis of Nonwoven Growth Outlook by World Region, as well as Nonwoven Production per Capita, puts the regional market situation in a global perspective.

Another key component of the report is a forecast of capital investments by technology and region.

Indian government announces revised duty drawback rates

03 May 2005

India's government has announced the revised All Industry Rates of Duty Drawback, 2005-06 that shall come into force with effect from May 5.

A significant feature of the new Drawback Schedule is that barring a few exceptions the rates on all export products have been expressed in ad valorem terms in lieu of earlier specific rates, i.e. Metric Tonne /kg etc. Though the weight based drawback is reported to be less vulnerable to abuse, the ad valorem rates are said to have the dual virtue of first being fair to the exporters and secondly, serve the policy objective of encouraging the export of value added items. Therefore, as a conscious policy decision, it has been decided to express drawback rates in ad valorem terms. The new Drawback Schedule now covers about 2620 entries. The drawback rates have generally been revised upwards.

In the case of silk, the drawback rate for higher quality silk fabrics has been revised from Rs. 126/kg to 7.5% with a drawback cap of Rs. 140/kg. In the case of wool, the new drawback rate for woollen worsted yarn grey – weaving quality is 6.5% with a cap of Rs.22/kg as against the existing rate of Rs.16.50/kg. As against the existing drawback rate on cotton yarn at Rs. 4/kg (grey) and Rs 8/kg (dyed), the new drawback rates for cotton yarn are 3.5% with a cap of Rs. 5/kg (for grey yarn of less than 60 counts) and 4.5% with a cap of Rs 8/kg (for dyed yarn of less than 60 counts). In respect of cotton yarn of 60 counts and more, a higher rate of 5% / 6% with a cap of Rs. 10 per kg/ Rs. 13 per kg has been provided depending upon whether the yarn is grey or dyed. As for cotton fabrics, the new rates vary from 3% / 4% (grey) / 4% / 5% (dyed) with a drawback cap of Rs. 8 per kg/Rs. 12 per kg (grey)/ Rs. 12 per kg / Rs. 16 per kg (dyed) depending upon the cotton content and weight of fabrics.

Datacolor develops new colour management

03 May 2005

US-based Datacolor has launched its latest extension to the Datacolor Spectrum family of products for global colour management. Datacolor Check is said to be the new next-generation colour control innovation for the fast-paced global economy. The handheld device is designed for accurate yet easy colour monitoring and communication throughout any supply chain.

"With pressures of speed to market and reduced cost of goods, companies are looking for every competitive advantage. Datacolor Chack delivers a key advantage; namely it answers the bottom-line need to control colour, from concept to delivery," stated Datacolor product manager, Derek Finch.

As it is lightweight and sleek, the Datacolor Check is said to be easy to handle and operate. Its portability offers enterprise-wide flexibility to support pipeline management. The developers claim that it can measure colour on any surface, in any setting, for any industry.

Lenzing confirms 16.6% growth in sales

03 May 2005

The Lenzing Group has confirmed the company's preliminary figures published earlier. Accordingly, the group's sales went up by 16.6%, from €747.2 million to €871.1 million. Net income rose 22.4%, from €63.7 million to €78.0 million.

Larger production volumes, the take-over of the Tencel group which was approved by the Austrian Cartel Court in April, higher fibre prices, as well as improved earnings by Lenzing Technik and Lenzing Plastics, two of Lenzing's subsidiaries, were said to be the factors behind the improvement in sales and earnings.

"We were able to fully benefit from the international upswing in the fibre industry during 2004, because we invested time into expanding our capacities and improving our product mix," said Thomas Fahnemann, chairman of the management board.

Indian Rayon reports 18% increase in turnover

03 May 2005

Indian Rayon, an Aditya Birla Group Company, has reported turnover of Rs. 1860.62 Crores ($42,704,144,837) for the fiscal year ended 31st March 2005 - a growth of 18.0% over the previous year's turnover. Net profit for the year is Rs.113.72 Crores against Rs. 131.28 Crores in the previous year.

The Garments Division maintained its market position with revenues increasing by 20.6% to Rs 472.40 Crores. Two of the power brands - Louis Philippe in the fashion segment and Peter England in the popular segment have crossed the Rs. 100 Crores mark in revenues. Improved sales of higher priced products boosted growth.
The Rayon Division's revenues at Rs. 352.00 Crores grew 5.0% compared with the Rs. 335.17 Crores reported in the previous year. Results were affected by high industry stock and increased imports from China, however, sales volume still rose by 4.8% to 16,445 tonnes.

The Textiles Division's revenues went up by 14.9% to Rs 456.12 Crores compared with Rs 397.00 Crores in the previous year. Profits improved across all the product ranges. Exports constituted about 46% of the division's revenues.

O’Neill Europe launches integrated solar backpack

03 May 2005

O’Neill Europe has launched what it is calling, the world’s first Integrated Solar Backpack with communication and entertainment functionalities.

The solar communication and entertainment backpack incorporates two flexible solar panels and a Bluetooth module.

In optimum light conditions the solar cells provide charge to the users’ iPod, mobile phone and Bluetooth module via a USB recharging system. The TSA Step-up converter, contained within the pack, can also identify which appliance is in most need of the extra juice and allocates the charge accordingly.

For hands-free calling, a microphone is built-in to the left shoulder strap and a universal headphone jack is incorporated in the chest pocket. When the user receives a call on their mobile phone the iPod transmission is automatically interrupted, pausing the music until the call is finished. The Bluetooth module also allows for voice recognition dialling.

The iPod and Bluetooth module is stored in a discreet protective and water resistant casing in the back of the pack. Once installed, the iPod can be controlled via an ElekTex soft control panel located on the packs left shoulder strap.

Adidas-Salomon to sell Salomon to Amer Sports

03 May 2005

Adidas-Salomon AG has entered into a sale and purchase agreement to sell its Salomon business segment, including the related subsidiaries and brands Salomon, Mavic, Bonfire, Arc'Teryx and Cliché, to the Amer Sports Corporation. The transaction values the segment at approximately €485 million based on year-end 2004 figures.

"Salomon has been a great member of our Group. However, we decided that now is the time to focus even more on our core strength in the athletic footwear and apparel market as well as the growing golf category," said adidas-Salomon chairman and CEO Herbert Hainer. "We are convinced that the Amer Sports Corporation is an ideal partner to bring Salomon to the next level."

Based in Herzogenaurach, Germany, adidas-Salomon is the second largest sporting goods company in the world. Its core brands adidas and TaylorMade-adidas Golf. adidas-Salomon AG will remain the company's name for the time being. Amer Sports, based in Helsinki, Finland, is a sports equipment company with

internationally recognised brands including Wilson (racket and team sports equipment and golf), Atomic (winter sports equipment), Suunto (sports instruments) and Precor (fitness equipment).

The sale is subject to antitrust authorities' approval in the EU, the US and other relevant jurisdictions. The transaction is expected to complete by the end of September 2005.

Meanwhile adidas-Saloman announced financial results or the first quarter of 2005. Net sales increased 11% First quarter operating profit grew by 27% to €179 million in 2005 from €142 million in the prior year.

Sales growth in the adidas segment set the pace for performance during the first quarter, increasing by 11%. Salomon revenues decreased 8%. Revenues for TaylorMade-adidas Golf increased by 31%.

"adidas-Salomon has got off to a powerful start in the first quarter of 2005," commented adidas-Salomon Chairman and CEO Herbert Hainer. "By every key measure - sales growth, margin improvement and profitability - we've delivered outstanding performance."

LaCrosse Footwear reports Q1 results

03 May 2005

LaCrosse Footwear, Inc., footwear provider for expert work and outdoor users operating under the Danner and LaCrosse brands, has reported consolidated net sales of $18.9 million for the first quarter ended March 26, 2005, compared to $23.7 million in the first quarter of 2004. Sales for the first quarter included $4.3 million from General Services Administration (GSA) delivery orders to the United States Military and $1.7 million from the discontinued PVC boot line. Consolidated net income was $0.3 million compared to $1.1 million in the first quarter of 2004. "We are pleased with the sales and earnings growth in our core work and outdoor business, continued gross margin improvement and stronger balance sheet in the first quarter," said Joseph P. Schneider, CEO of LaCrosse Footwear.

" Our new products underscore LaCrosse's strategic focus on penetrating deeper into targeted occupational and recreational markets and continue to raise the bar on performance, innovation and quality." Sales to the work market were $12 million for the first quarter, compared to $17.1 million for the same period in 2004. Work sales in the first quarter of 2004 included the $6 million from GSA and PVC sales. In the first quarter of 2005, work sales grew in a number of targeted product categories, including boots for public safety, general work and firefighting. Sales to the outdoor market were $6.9 million for the first quarter of 2005, up 4% from $6.6 million for the same period in 2004. While outdoor sales are typically stronger in the second half of the year, the year-over-year growth in the first quarter of 2005 included stronger penetration into various hunting markets.

ispo to increase focus on retailers

04 May 2005

The organisers of ispo summer 05, which will take place from July 3 to 5, 2005, have put together a comprehensive package for acquiring international visitors to advance contacts between fair participants.

The Key Account Programme, which is being managed in collaboration with W.L. Gore, is being set up to encourage more contact with retailers. Up to 1,000 retailers from throughout Europe will take part in the programme.

Road shows through Spain, France, Italy, Russia, Azerbaijan, Belarus, Georgia, Kazakhstan, Uzbekistan, Ukraine and Japan will provide information to retailers, the media, associations and companies on site about ispo.

Sara Lee cuts 350 jobs in apparel division

04 May 2005

According to a press release published by the Sara Lee Corporation, the company has a lot to celebrate. It has selected a new location for its corporate headquarters in Chicago and this is set to create many jobs in the region. However, what is not mentioned is that as part of the company’s reorganisation, following a slump in its third

quarter results, is that up to 350 jobs could be lost in the Apparel Division.

Sara Lee plans to cut about 350 positions in the division that produces Champion sportswear and intimate clothing under the Bali, Playtex, and Wonderbra brands so it can concentrate on the food and beverage side of its business that has been performing better than the apparel side.

The company plans to spin off its branded apparel division between March and July of 2006.

Guilford names new president and CEO

04 May 2005

Integrated designer and manufacturer of value-added fabrics and engineered products, Guilford Mills, has appointed Shannon M. White as the company's new president and CEO, effective May 9.

White, 40, comes to Guilford after engineering a successful turnaround at United Plastics Group, where he was CEO from 2001.

"We are delighted to turn the leadership of Guilford to a man with Shannon's tremendous talent and experience," said David Thursfield, chairman of Guilford. "As CEO of another global auto supplier at United Plastics, Shannon grew a company under very similar conditions to Guilford."

Guilford is one of the world's largest warp knit textile companies, serving a global customer base in technical textiles, apparel fabrics, fibres markets, and automotive products.

Ciba opens R&D centre in Shanghai

04 May 2005

Swiss-based Ciba Specialty Chemicals held the official opening of its new Research and Development centre in Shanghai on April 28, with an inauguration ceremony that included a senior management delegation from Ciba , government officials from Shanghai, the Swiss Ambassador to China, Dante Martinelli, and 200 VIP guests.

It is envisaged that 100 scientists will work at the new centre which covers an area of approximately 6,000 square metres. The centre's mission will be to combine expertise in organic synthesis, physical chemistry, polymer chemistry, photochemistry, and analytical chemistry with application and formulation sciences to create new products and solutions for its customer industries, in particular in Asia but also globally.

Industries that the R&D Centre will be serving include: textile industries; water treatments ranging from municipal and industrial applications to micro-encapsulation, soil additives, industrial, decoration and automotive coatings; plastics; imaging inks and graphics; polymer and lubricant industries; personal care; home and fabric care; and the papermaking industry.

STR acquires PPT

04 May 2005

UK-based international consumer product testing house, Specialised Technology Resources (STR), has acquired Precision Process (Textiles) Ltd (PPT) , a textiles testing business.

Established in 1944, STR provides quality assurance services covering a spectrum of consumer products, from factory audits, product safety and compliance testing and product inspection. "PPT is a very strong brand within the UK textiles testing market and will further strengthen our offering in this field, particularly to major high street retailers and their suppliers," said Dr Ian Saunderson, director of European operations at STR.

IOC tell adidas to reduce size of brand logo

04 May 2005

Adidas and other sports manufacturers will have to reduce the size of their logos for the 2006 Winter Olympics in order to conform

with IOC rules. The IOC regulations ban brand logos larger than 20 square centimetres on uniforms starting at next year's Olympics in Turin, Italy.

Andre Gorgemans, secretary general of the Swiss-based World Federation of Sporting Goods Industries, said he received a letter from the IOC spelling out the rules. "The letter merely refers to the Olympic charter," Gorgemans said. "These are not new rules, but now the IOC will be strictly enforcing them."

IOC officials said the letter was sent on April 26 and detailed an executive board directive aimed at establishing parity among sports manufacturers.

Adidas-Salomon AG would be the most visibly affected company because of its famous three-stripe logo, Gorgemans said. Other brands which would be forced to make adjustments include Fila, Arena, Umbro, Hummel and Kappa.

"Obviously adidas is unhappy with this and they want to reserve their historical right," Gorgemans added.

Steven Madden's income falls in Q1

04 May 2005

US footwear manufacturer, Steven Madden, Ltd., has published its financial results for the first quarter ended March 31, 2005. Net sales increased 5.8% to $83.3 million from $78.8 million in the first quarter of 2004. Net income was $1.0 million compared with $4.1 million in the first quarter of last year.

Revenues from the wholesale business, comprised of the company's seven brands, Steve Madden Women's, Steve Madden Men's, Stevies, l.e.i., Steven, Unionbay and Candie's, increased 3.3% to $56.9 million from $55.1 million in the comparable period of 2004.

The company has also announced the official return of Steve Madden to the company. Mr. Madden, who founded the company in 1990, has resumed the role of creative and design chief and will be responsible for creative and design functions of the company.

Nike to pull out from Sears

04 May 2005

Nike Inc. has announced it will pull its products from Sears department stores, depriving discount retailer Kmart of access to the brand in an attempt to protect its high-end image. The move will be effective from October 2005.

The decision follows Kmart's purchase of Sears that has made it the third largest US retailer. Other famous athletic brands including Reebok, adidas and Sketchers are currently being sold by Sears and have, so far, showed no intention of withdrawing their products.

Columbia Sportswear wins award for best clothing advert

05 May 2005

The industry has spoken and recognised a Columbia Sportswear marketing advert with one of the newly created "The Tens Awards". Columbia Sportswear Company, which designs, sources, markets and distributes active outdoor apparel and footwear, has received the award in the category of "Best Display Advertisement for Clothing" for an advertisement featuring the Columbia Sportswear High Route Parka.

Sponsored by W.L. Gore and Partners, the awards were created to recognise marketing achievements in the outdoor trade while highlight winning work as an example to others. Attracting 110 entries from 42 companies, the awards were judged by leading industry individuals including David George, former Creative Director at McCann Erickson, Henri Bryant; associate at W.L. Gore and Partners, and Simon Baseley; Editor of OCC.

Created in part by agencies Rage and Borders Perrin Norrander as part of the fall 2004 marketing campaign, the winning advertisement was judged on three

important elements that included the ability to draw the reader's attention, create interest and stimulate desire. Judges commented on the ad's eye-catching headline, simplicity of branding and self assured style.

Shoe Carnival reports decreased April sales

05 May 2005

Shoe Carnival, Inc., a retailer of value-priced footwear and accessories, has reported sales for the four-week period ended April 30, 2005 decreased 6.7% to $45.3 million from sales of $48.6 million for the four-week period ended May 1, 2004. Comparable store sales decreased 9.9% in April 2005.

An earlier Easter this year shifted the week preceding Easter, the highest sales volume week of the quarter, from April last year into March this year. This shift accounted for the negative comparable store sales in April. Combining the results for March and April gives a more accurate reflection of the results of the Easter selling season. For the combined months of March and April 2005, total sales increased 6.8% to $112.4 million from $105.2 million for the two-month period last year. Comparable store sales for the combined months of March and April increased 2.5% over last year.

Sales for the 13-week period ended April 30, 2005 increased 10.5% to $160.8 million from sales of $145.5 million for the 13-week period ended May 1, 2004. Comparable store sales increased 5.5% for the first quarter of 2005.

Mark Lemond, president and chief executive officer, said: "Our customers have responded favourably to our improved merchandise mix. This is our third quarter in a row with a comparable store sales increase, and one of our strongest increases in recent years. For the quarter, our southern stores saw the biggest increases. Although our northern stores improved modestly, we feel that unseasonably cool weather has hampered the sales of our spring product assortment. We expect our sales to accelerate in our northern markets as the weather becomes warmer."

Pacific Sunwear Announces April Sales Results

05 May 2005

Pacific Sunwear of California, Inc. has reported that total sales for the four weeks of fiscal April ending April 30, 2005 were $76.4 million, an increase of 3.5% over total sales of $73.8 million during the same period last year.

Total same store sales decreased 6.4% during the same period. PacSun same store sales decreased 6.4% and d.e.m.o. same store sales decreased 6.4% compared to the same four week period last year. Total sales for the first 13 weeks of fiscal 2005 were $280.0 million, an increase of 14.1% over total sales of $245.5 million during the same period last year. Total same store sales increased 3.0% during the same period. PacSun same store sales increased 3.0% and d.e.m.o. same store sales increased 3.2% compared to the same 13 week period last year.

Pacific Sunwear, operating under two distinct retail concepts, is a specialty retailer of everyday casual apparel, accessories and footwear designed to meet the needs of active teens and young adults. The company operates 754 PacSun stores, 86 PacSun Outlet stores and 173 d.e.m.o. stores for a total of 1,013 stores in 50 states and Puerto Rico.

ECCO Sko A/S has opened its first factory in China

05 May 2005

ECCO has opened its first Chinese factory in the dynamic growth centre of Xiamen. The state-of-the-art production plant took 8 months to construct and will employ 650 Chinese workers producing up to 1 million pairs of shoes annually.

"In a competitive market, we create results through our active and deliberate choices. Whereas several competitors phase out and outsource production, we at ECCO maintain that our core is our own plants responsible for the main part of the production." said Mikael Thinghuus.

Three more Chinese production units are expected to be ready by the end of 2006. The increased production is intended as a support to

ECCO's planned global growth in the years to come.

Saucony reports decrease in net income

06 May 2005

US designer, developer, and marketer of performance-oriented athletic shoes and athletic apparel, Saucony, Inc. has reported a fall in net income and sales for the quarter ended April 1, 2005. Net income decreased to $3.2 million compared with $4.2 million in the first quarter of 2004. Net sales decreased 11%, to $41.9 million, compared with $47.0 million in the same period in 2004.

John H. Fisher, president and CEO, commented: "As anticipated, our first quarter results were primarily impacted by challenges with our crossover and Originals business in the mall-based retail channel. That said, our domestic technical footwear business, which is at the heart of who we are, remains very strong and we are encouraged about our prospects to further expand our position in the core running market. We continue to focus on product creation and we are excited about our new offerings which will debut over the upcoming months of this year."

Saucony produces performance-oriented athletic shoes for adults under the Saucony brand name, athletic apparel under the Hind brand name and athletic and workplace shoes under the Spot-bilt name.

Gildan Activewear defers plans for Nicaraguan facility

06 May 2005

Canadian-based basic activewear manufacturer, Gildan Activewear Inc., has announced that it is to defer plans for a new textile facility in Nicaragua and will enlarge existing facilities in Honduras and the Dominican Republic. The decision was made on the basis that the company's projected annual production rate could be achieved without the necessity to open a new plant.

Meanwhile, the company also released its financial results for the second quarter, reporting that - after reflecting a special charge of US$7.8 million after-tax for the closure of its Canadian yarn-spinning facilities – the company generated net earnings of US$14.3 million for the second quarter ended April 3, 2005, the same as for the second quarter in 2004. Sales in the second quarter amounted to US$165.3 million, up 16.9% from the second quarter a year ago.

Net earnings for the first six months of fiscal 2005 were US$30.5 million up 48.8% from US$ 20.5 million.

Gildan manufactures and markets branded basic activewear for sale principally in the wholesale imprinted activewear segment of the Canadian, US, European and other international markets. The company manufactures and sells 100% cotton and 50% cotton/50% polyester T-shirts, placket collar sport shirts and sweatshirts.

Everlast reports record Q1 revenues

06 May 2005

Everlast Worldwide Inc., manufacturer, marketer and licensor of sporting goods and apparel under the Everlast brand name, has reported record net revenues for its continuing operations of $12.2 million for its fiscal 2005 first quarter ended March 31, 2005, an increase of 23% compared with the prior year period. Net sales increased 16% to $9.1 million compared with $7.9 million in the first quarter of fiscal 2004. Net licensing revenues advanced 49% to $3.1 million compared with $2.1 million in the prior period.

"Our increased marketing and promotion costs this quarter, combined with other selling efforts, enabled us to achieve record first quarter revenues, both in licensing and from continuing apparel sales. The brand building strategy we have employed demonstrates that the Everlast brand has universal appeal as evidenced by our new product placement in May Department Stores and the signing of fifteen licenses since the beginning of 2005, twelve of which

are international, including expansion in Asia and Europe," said George Q Horowitz, chairman and CEO of Everlast.

New anti-pollen fabric launched

06 May 2005

Japanese textile manufacturer, Miyuki Keori, has developed a new fabric that incorporates nanotechnology and could be a welcome invention for the world's many hay fever sufferers. Thanks to the nanoparticles on the surface of the fabric pollen is not able stick to it, thus reducing sufferers' exposure.

The fabric - that is said to repel up to 96% of pollen - is expected to go on sale in men's, anti-pollen winter suits in August or September.

Hohenstein defines nanomaterials

06 May 2005

As a result of the impact of nanotechnology on the textile industry and the lack of a uniform definition of the term the Hohenstein Institutes, in conjunction with NanoMat (a network of various research institutes and leading suppliers of nanomaterials) has now come up with a definition which can be applied to the textile sector.

The Hohenstein quality label, which is already established in the area of wear comfort, will also help retailers and consumers in relation to whether textiles are "Nano or not?"

In order for a textile product to be able to use the Hohenstein quality label in the future, it is therefore not sufficient for nanoparticles (1 nanometer = 10-9 m = 0.000001 mm) to be incorporated within the fibre or for the fibres to be enclosed in a nanoscale coating (nanofilm). Rather, the nanoparticles or nanolayers in or on the textile must be systematically arranged and thus demonstrably result in a new function.

Moreover, the nanotechnology should only be perceptible to the wearer by means of a demonstrably improved function, and should only have a negligible effect on the textile properties.

WTO representatives criticise drives to sanction Chinese textiles

06 May 2005

Former EU trade Commissioner Pascal Lamy and Carlos Perez del Castillo of Uruguay, who are both vying for the top job at World Trade Organisation, have warned the European Union and the United States against blocking Chinese textile imports.

They cited the lack of preparation for the quota-free reality and stressed that the rules were clearly set out and that some safeguards were included in the agreement to address the concerns of the EU and the USA, and that there was no need for further sanctions. Mr Lamy has also accused both the EU and the USA of hypocrisy.

The European Commission has opened an enquiry into Chinese exports to Europe in nine categories of clothing, a move that could lead to the imposition of formal limits on such shipments. US authorities have also launched a formal enquiry procedure to examine a possible re-imposition of quotas following a request from US textile producers.

Joint-venture for Venezuelan textiles

06 May 2005

Hugo Chavez, President of Venezuela, has signed a decree establishing a private-government operated textile company, Invetex SA (Industria Venezolana Endogea de Textiles).

The government is to invest 3.2 billion bolivars ($1.5 million) whilst the plant's owners will provide the equipment and infrastructure for the previously defunct facility and will devote up to 20% of the company's profits to help poor communities.

This falls in line with Chavez's 1999 presidential promise of a "social revolution"

and moving the country towards a socialist model after the alleged failure of capitalism.

Rocky Shoes & Boots reports record Q1 results

07 May 2005

US-based footwear and apparel brand, Rocky Shoes & Boots, Inc., has reported record financial results for the first quarter ended March 31, 2005, with net sales increasing 181% to a record $61.5 million compared with $21.9 million for the corresponding period a year ago. Net income also rose to a record $1.1 million versus $0.1 million in the same period in 2004.

Rocky Shoes & Boots, Inc. designs, develops, manufactures and markets rugged outdoor, occupational, and casual footwear, as well as branded apparel and accessories. Its footwear, apparel and accessories are sold under the brands Rocky and Gate, and as a result of the acquisition of EJ Footwear, Georgia Boot, Lehigh, Durango, and the licensed brand Dickies.

Aeropostale names chief store officer

07 May 2005

Aeropostale, Inc., has appointed Mary Jo Pile chief store officer - director of stores. She will succeed Tom Johnson who has been promoted to the position of executive vice president and chief operating officer.

Ms Pile brings more than 20 years of retail experience to Aeropostale. Most recently, she held the position of executive vice president of stores for Express/Express Men's, where she led the integration of the Express men's and women's storeline businesses.

Aeropostale, Inc. is a US mall-based, specialty retailer of casual and active apparel for young women and men and accessories, targeting 11 to 18 year-olds. The first Aeropostale store was opened in 1987 and the company currently operates 597 stores in 47 states.