Business Week

11th July 05 – 17th July 05

Paxar launches labelling tapes for over-dyes and industrial-strength laundering

11 July 2005

Paxar Corporation, providers of merchandising systems including bar code, RFID and identification technologies for leading apparel manufacturers and the retail supply chain, has developed two labelling tapes specifically designed for the over-dye and industrial laundering markets. The 4760DWT dye-resistant care label tape and the 4700THS heat seal label tape both offer excellent print quality on durable fabrics that remain soft against skin.

Jones Apparel Group, Inc. consolidates denim manufacturing facilities

11 July 2005

Jones Apparel Group, Inc has completed a comprehensive review of its denim manufacturing operations located in Mexico.

The primary action plan arising from this review will result in closing the laundry, assembly and distribution operations located in San Luis, Mexico. All manufacturing will be consolidated into existing operations in Durango and Torreon, Mexico. The closure is anticipated to be substantially completed by the end of September 2005.

In connection with the closure, in the third quarter the company will incur approximately $14 million of pre-tax restructuring costs as prescribed by Statement of Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities".

Peter Boneparth, Chief Executive Officer and President, commented, "This was a very difficult decision; however, it was necessary to address the underutilization of our denim manufacturing operations in Mexico. As a result of the consolidation, our manufacturing operations will perform more efficiently, thereby improving our operating performance. We estimate that the consolidation will result in annual operational savings of $5.0 million."

Approximately 3,500 employees will be affected by the closure. The Company is undertaking a number of measures to assist affected employees, including severance and benefits packages.

Quiksilver acquires DC Shoes' Canadian distributor

11 July 2005

Quiksilver, Inc. has announced the purchase of the Canadian distributor of DC Shoes for approximately $7.0 million in cash. Under terms of the agreement, Quiksilver will acquire Centre Skateboard Distribution, Ltd., which holds the rights to distribute DC Shoes in Canada, as well as the various assets associated with that business. The company also announced that the personnel and infrastructure of CSD Ltd. will support its Quiksilver and Roxy operation in Canada.

Robert B. McKnight, Jr., chairman of the board and chief executive officer of Quiksilver, Inc., commented, "The acquisition of DC Shoes' Canadian distributor is another important step in our ongoing efforts to create a unified world-wide operating platform for our brands. We remain focused on expanding our leadership position in the global marketplace, as this transaction demonstrates."

Lineappelle and Simac move dates forward

11 July 2005

Lineappelle 2006 has been moved forward by one week and will now be taking place 19-21 April, at Bologna, Italy. As a result, ASSOMAC has announced that Simac 2006, which is held in conjunction with Lineappelle, will also take place one week earlier.

Oakley to launch fire resistant clothin using O-CarbonX

12 July 2005

Oakley, Inc. today announced plans to launch an exclusive line of highly fire-resistant clothing made with O-CarbonX, a proprietary blend of CarbonX, an invention of Chapman Innovations engineered specifically for the highly volatile world of motor sports. The co-branded base-layer apparel was demonstrated yesterday for media and NASCAR drivers at the Dodge/Save Mart 350 NASCAR event held in Sonoma, Calif.

"Building on the success of our footwear collaboration with Chapman, which yielded the most flame- and heat-resistant race boot ever made, O-CarbonX fabric enables us to pursue the same superior protection, comfort, and performance in racing apparel," said Jim Jannard, founder and CEO of Oakley. "This ultra-safe technology represents the next generation of innovative fire resistance and we believe that Oakley is positioned to take full advantage of these opportunities in future applications."

"Oakley's passion for innovation and understanding of real-world applications makes it a natural partner to push CarbonX into a broader range of products," said Tyler Thatcher, president of Chapman Innovations. "Working together, we are significantly advancing the industry's level of safety and performance for drivers and crews."

O-CarbonX is a proprietary blend of fibres developed by Chapman Innovations specifically for Oakley. The fabric offers unsurpassed protection against heat and flame, yet can still be worn comfortably next to the skin. O-CarbonX flame-resistant material provides a persistent protective barrier when exposed to direct flame reaching temperatures in excess of 2,000 degrees Fahrenheit for 30 seconds without shrinking, charring, or losing structural integrity.

Oakley's O-CarbonX protective motor sports apparel will be available in long- and short-sleeve tops, bottoms, balaclavas, and high performance racing gloves. The products will be distributed by Speedware Motorsports, the largest distributor of motor sports apparel in North America and have expected availability in the third quarter of 2005.

Dates for Outdoor 2006 remain the same

12 July 2005

The European Outdoor Group and Messe Friedrichshafen have announced that the dates for OutDoor 2006 will remain as originally planned, taking place from 20 -23 July 2006.

In 2003, one of the first actions of the newly formed EOG was to agree and announce that the dates of the OutDoor show should remain stable for a minimum of three years. This was to provide a clear signal to the industry that this was a show that could be relied on to be a consistent calendar date in the hectic summer period, allowing retailers and brands to plan their annual schedules long in advance. Due to next year’s World Cup, ispo has had to move its dates to the end of July, leaving only one clear day between the two shows.

Commenting on the situation the Secretary General of the EOG, Mark Held commented: “As an association we are dedicated to the interests of our members and the outdoor industry and ispo are an important partner for us, so we regret this situation and sincerely hope that for 2007, when the World Cup is no longer an issue, ispo will return to their normal dates and the situation will stabilise again.”

Delta Galil Industries Ltd introduces next generation cotton

12 July 2005

Delta Galil Industries Ltd. has introduced its latest fabric - RealCool Cotton - which incorporates the outstanding advantages of performance fabrics into cotton.

The apparel industry, specifically underwear, still craves the next-skin touch that is special and unique to natural fibres. There are very few, if any, natural fabrics that allow moisture management. The new RealCool Cotton caters a specific market need for the popular natural and soft cotton touch with true moisture management properties.

The fabric uses a nanotechnology process along with special treatment to increase the absorption capacity of the fabric, simultaneously transferring moisture to the surface enabling swift evaporation. It is laboratory approved to the strictest standards in the apparel industry, as it passed 30 washes and perfectly kept its unique fabric properties.

RealCool Cotton may be applied to all types of cotton and cotton-Lycra fabrics, in all categories for any use.

Sara Lee Branded Apparel to reduce staff numbers by 775

12 July 2005

Sara Lee Branded Apparel has completed an organisational review that results in the net reduction of approximately 775 positions. About 285 employees located at Sara Lee Branded Apparel's U.S. headquarters accepted a voluntary transition programme, some of whom will be replaced.

Sara Lee Corporation announced earlier this year that it intends to spin off Sara Lee Branded Apparel into an independent, publicly held company in 2006, and it anticipates adding positions over the next nine months to staff new functions required after the spin-off. Before the reductions, Sara Lee Branded Apparel employed approximately 45,000 people worldwide, and today's announcement affects less than 2 per cent of the organisation's total workforce.

Lee A. Chaden, chief executive officer of Sara Lee Branded Apparel, said: "The changes we announce today accomplish that goal, while also allowing us to become more cost competitive and laying the groundwork for a highly successful independent company. Implementing the associated workforce reduction is a very difficult decision, but we believe these changes are unavoidable if the company is to flourish in the future."

Adidas to launch top-end sportswear with Porsche

12 July 2005

adidas-Salomon AG and Porsche Design Group have signed a long-term strategic partnership to jointly establish a hi-tech premium brand in the sports sector. Footwear, apparel and hardware for golf, tennis, running and possibly other sports will be designed and developed under the name "Porsche Design" with the co-branding of the adidas and TaylorMade brands.

The first products in the new Porsche Design sports product line will be available in 2007 worldwide from select sports retailers and in the exclusive Porsche Design stores.

Erich Stamminger, executive board member of adidas-Salomon AG and responsible for Global Marketing, said: "Our product strategies focus on innovation and design. Over the past few years, we have become leaders in the sporting goods market in both these fields. Our partnership with the Porsche Design Group creates new possibilities to further expand this position."

Porsche Design is a global luxury men's brand and is determined by engineered products. Professor Ferdinand Alexander Porsche established the Porsche Design brand in 1972, whose products are attracting consumers with their technical innovation and represent functionality and timelessness in its purest form.

BASF cuts costs by €480 million

12 July 2005

German specialty chemical company, BASF AG, has permanently reduced costs at its Ludwigshafen production site by €480 million, exceeding the company's original target of €450 million. The reductions are as a result of a restructuring programme that began three years ago.

"We have significantly and sustainably increased the site's competitiveness by consistently identifying and using existing potential. This is an important basis for the further development of our production site," said site manager Dr. Albert Heuser. "The great commitment of all those involved was critical to the success of the project said Heuser: "We would not have achieved our goal without the strong support of our employees and their willingness to help shape these major changes."

Approximately 20,000 individual measures have been implemented over the past three years to reduce costs of which approximately half were achieved by reducing material costs.

Heated belt launched by EX02

12 July 2005

A unique heated back belt has been launched by EX02, a developer of hi-tech textiles. The Heatwave belt is ideal for sportsmen, walkers, farmers or anyone who works outdoor in cold condition. It has also been specifically designed for remedial purposes to help support and relax muscles and sooth strains in cases of back pain, having both the heat pad and support elements installed with a stretch membrane for comfortable fitting.

The belt uses EXO2's Fabroc polymer-based material which conducts heat safely and effectively with no danger of overheating.

Palermo and Lotto extend sponsorship agreement

13 July 2005

US Città di Palermo and Lotto Sport Italia S.p.A. have signed an extension to the technical sponsorship agreement stipulated five years ago. The black and pink football club and the Italian sports company will continue their association until 30 June 2010.

Lotto will stay on as "Technical Sponsor and Official Supplier" for the Palermo football club, exclusively supplying the sports wear and accessories to be used in matches, training and representative events. This applies to the youth teams too who will also wear Lotto football boots.

Andrea Tomat, President and CEO of Lotto Sport Italia said: "We are indeed glad to pursue this all-Italian alliance with a team which we feel akin to our brand in terms of their level of passion, enthusiasm and 'Italianess' that we also share in our company. This renewed contract, over such an extended period, means that the relationship of reciprocal trust remains steadfast."

Bobby Jones to retail LAI's belts and leather products

13 July 2005

Bobby Jones and Luxury Accessories International (LAI) have signed a new licensing agreement for the manufacture and US distribution of Bobby Jones belts and leather products, adding to the existing categories of timepieces, fragrance and golf equipment, currently licensed by the country club lifestyle brand.

Bobby Jones belts and leather accessories will be available at Bobby Jones retail stores and at bobbyjonesshop.com for October 2005. Wholesale distribution to fine retailers, specialty stores, country clubs and resorts will begin in January of 2006 for the spring season. Products will include men's and women's belts, wallets, billfolds, key chains, card cases, dopp kits and duffel and tote bags.

Luxury Accessories International (LAI) is a producer of men's and women's leather accessories and uses many exotic leathers. Bobby Jones, a division of Hickey Freeman Co., which is a subsidiary of Hartmarx Corporation, produces and markets business, casual and golf apparel for both men and women.

Mammut launches Alpine Summer'06 collection

13 July 2005

Mammut Sports has launched an Alpine summer'06 collection which, thanks to the latest technologies and innovations, is light and easy to pack. The new models of the Mammut Alpine collection, including the Zenith, Blaze, Score and Clime Jackets, are reportedly light but robust.

Using Gore-Tex membranes, the jackets provide elasticity, durability and warmth. They range from apparel designed for alpine tours (Zenith) and to protect against the wind whilst ascending (Score) to jackets for those who enjoy strenuous mountain climbs (Clime).

Invista offers knitwear innovations for A/W 06/07

13 July 2005

During Pitti Filati in Florence Invista, an integrated polymer, intermediates and fibres business, launched a knitwear innovation package for A/W 2006/2007. All concepts feature the company's fibres and finishes such as Lycra, Teflon, Supplex and Tactel.

The innovation packages are based on four lifestyle concepts, each with particular relevance to an area of the market: Organise, Health & Fitness, Fun and Relax.

They are available on an interactive CD.

Bayer sets up sales organisation in China

13 July 2005

Bayer MaterialScience AG is establishing its own local distribution network with import and export rights in China. The aim is to supply customers in China with products manufactured at the new production facilities at the Bayer Integrated Site in Caojing near Shanghai and in production centres in other regions.

At the core of this network is Bayer MaterialScience Trading (Shanghai) Co. Ltd., a wholly owned subsidiary of Bayer (China) Ltd., which will be operational from August 1, 2005. In the initial phase, four branch offices will be set up in Qingdao, Chengdu, Guangzhou and Beijing. About 100 employees will be transferred from the company's existing local businesses to support the trading operations.

Within the next five years, the trading company will handle an expected annual sales volume of around $1 billion. It will offer greater direct access to local customers, as it is capable of invoicing in local RMB currency terms. Previously, local customers without import rights were required to channel their business through dealers.

The move provides the third fundamental pillar of Bayer MaterialScience's strategy to strengthen its position in China, adding local distribution to local production capabilities and a local technical service. At Caojing, the company is investing in world-scale production facilities for polycarbonate, polyurethane and coatings raw materials. All facilities planned or under construction should be operational by 2009.

SGMA and athletic footwear companies to measure US market

14 July 2005

Several major athletic footwear companies are working together with SGMA International to produce the most accurate study on the size of the athletic footwear market in the USA. The end result of this initiative, coordinated by Sports Research Partnership (SRP), the recently formed market research arm of SGMA, is the US Athletic Footwear Market Size Report.

The information in this report comes from manufacturers and distributors who report their sales into the US retail sector by

several different categories. The study breaks down the data by price point and distribution channel, and aims to account for at least 95% of the sales in each category of footwear.

All companies selling athletic footwear in any category are invited to attend. The submitted information is highly confidential and only aggregated numbers are reported.

Eurovet launches Shanghai mode lingerie

14 July 2005

Lingerie and swimwear trade show organiser Eurovet is launching Shanghai Mode Lingerie, to be held October 26 – 28, 2005. The purpose of the fair is to forge links between the fabrics and brands, highlight the best designs from Europe and Asia and facilitate industrial partnerships between China and international brands.

The exhibition will include Ultra Lingerie Fashion Show, to be held at Shanghai Orientyal Art Centre in Pu Dong, as well as Private Lingerie and Interfiliere Asia taking place at Shanghai Exhibition Centre in Pu Xi.

There are 5,000 manufacturers of lingerie products in China, 400 of which have significant production capacity. For mid/top range products, the consumer potential is estimated at approximately €1 billion a year.

Imprisonment threat for Cambrelle trademark infringers

14 July 2005

The company behind the renowned Cambrelle brand of footwear linings, UK based Camtex Fabrics Ltd, has reached a settlement with two China-based suppliers TSS Fortune Co. Ltd and Wu Niu Footwear after they were found to be supplying footwear containing fake Cambrelle linings and displaying counterfeit hang-tags.

Camtex Fabrics Ltd was alerted to the counterfeiting incident in September 2003. As part of its ongoing Trademark Protection Programme, they purchased a pair of Storm boots advertised as having a Cambrelle lining. The company importing and distributing the offending boots PFL IMPORT/EXPORT Ltd admitted contracting the manufacture of the safety boots in China for distribution in the UK. An out of court settlement was reached through solicitors Baines Wilson, England. As part of this settlement PFL agreed to pay damages to Camtex Fabrics Ltd for the infringement of their Trademark and all costs incurred.

PFL also disclosed the details of the two China-based companies that had supplied the Storm boots. Camtex Fabrics Ltd takes counterfeiting matters very seriously and appointed the prestigious law firm Bird & Bird, Hong Kong to pursue the culprits in China. Senior investigators interviewed the two accused companies who admitted they had violated the Cambrelle trademarks. Undisclosed settlements have been reached as an alternative to imprisonment.

Kieran O'Hare, managing director of Camtex Fabrics, said: "Our decision to take such severe action has been done to protect ourselves and for the benefit of the customers. Cambrelle is associated with high standards and when someone purchases a product containing Cambrelle they expect the best possible quality from their footwear, something that none of the counterfeit Cambrelle products are able to offer. Altogether, the Cambrelle trademark is protected in over 70 countries around the world."Though we have so far held back from taking action against retailers found selling the bogus footwear, it is another option available to us – and one that we may choose to take if the current situation continues."

South Africa's textile industry to get government boost

14 July 2005

South Africa's ruling African National Congress (ANC) and the trade union organisation Cosatu have confirmed that a document which details measures being taken to bring relief to the clothing, textile and footwear industry will be published soon. The draft paper covers the industries'

analysis, sources of competitiveness and restructuring measures.

It also reportedly spells out a range of measures required to enhance competitiveness of the industry including improve quality of locally manufactured goods, promoting product/design innovation, upgrading technology and reducing raw material costs, as well as urging for a more effective use of local suppliers, improved supply chain management and higher levels of investment.

The paper recognises the need to secure local demand, improve market access for exports and promote South Africa as a destination of fashion tourism. Finally, it spells out plans to safeguard measures on imports allowed under the rules of the World Trade Organization (WTO) and combat illegal imports.

American Idol endorses Skechers brand

14 July 2005

Skechers USA, Inc. has signed American Idol winner Carrie Underwood to a global endorsement agreement. Underwood became the new American Idol after more than 500 million votes were cast during the season. With her recording career off to a fast start with a No. 1 single, the company believes that Underwood is going to be a global superstar with lasting power. Michael Greenberg, president of Skecher's, said: "The mix of fashion and music is essential to both our industries and truly benefits the stars and the brands associated with them."

Adidas launches Ali by adidas collection

15 July 2005

adidas Originals has announced it is to launch a fashion collection developed in collaboration with Muhammed Ali, the inspirational boxing legend. Ali by adidas will be a complete range of men's styles. The collection is due to debut in November 2005, and part of the adidas Sport Heritage division which was created in 2001 for all Originals product development and marketing. This venture is a natural extension of the research and support that adidas has provided for Muhammed Ali and his sport over the years.

AMG Group appoints new footwear manager for Teva and Trezeta

15 July 2005

Supplier of lifestyle equipment, AMG Group, has appointed Lee Budworth as territory manager, north for Teva and Trezeta footwear brands.

Mr Budworth joins AMG's footwear sales team from Helly Hansen, where he spent the last three years as account manager.
As territory manager, Lee will be responsible for promoting the Teva and Trezeta brands across his region and will also be responsible for developing and implementing sales strategies to enhance the existing customer base.

Commenting on the appointment, sales director, Mike Cox said: "Lee has an excellent track record in sales on a global scale and we are delighted he has decided to join our footwear team. He has in-depth knowledge within the sports, lifestyle and outdoor industry and has all the assets we are looking for to enhance the level of service for our Teva and Trezeta brands."

Toyobo settles in Zylon vest case

15 July 2005

A $29 million class action settlement has been reached between a certified national class of consumers who purchased Second Chance bullet proof vests and Toyobo Company, Ltd. and Toyobo America, Inc. The vests were manufactured using Zylon and marketed under the name Ultima, Ultimax, and Tri-Flex. The settlement of this case does not resolve ongoing claims against Second Chance, which is currently going through Chapter 11 bankruptcy proceedings.

"We would like to thank the various state attorneys general, police fraternal organisations and professional police

organisations for their support in achieving this important settlement. We very much appreciate the network of law firms nationwide that have worked hard over the past year and a half to achieve the benefits obtained in this Settlement for law enforcement officers and agencies throughout the United States," said Lead Class Counsel Allan Kanner.

Oakley opens New York store

15 July 2005

Oakley, Inc. has opened a flagship O Store in the SoHo district of Manhattan. The Prince Street location is the latest addition to the company's expanding domestic and international retail presence.

"The Manhattan O Store represents a significant step in the realisation of our retail growth objectives for the year and our belief in the considerable strength and appeal of the Oakley brand," commented Oakley's chief operating officer Link Newcomb. "This high profile store sits in a retail hotbed for style, shopping and design - perfect for showcasing Oakley's entire product line."

Fashion show to highlight INTC

15 July 2005

The worlds of nonwovens and fashion will come together in a fashion show to be presented during the International Nonwovens Technical Conference (INTC) in September.

In this unique presentation, 10 students working towards a Textile and Apparel Management degree at North Carolina State University's College of Textiles - six undergraduates, three graduate students and one Ph.D. student, along with advisor Dr. Cindy Istook and project manager Stacey Frederick - will demonstrate the fashion aspects of these primarily "technical" fabrics.Set to be one of the highlights of the four-day Conference, the Fashion Show is the result of a collaborative research project between North Carolina State's College of Textiles and the Freudenberg Nonwovens Group which began in autumn 2004.

Students designed the garments, made patterns, fitted prototypes and constructed the final apparel. These garments were shown in two fashion shows last spring and are currently on display at the College of Textiles. Taking the project a step further, these students will now present their products to the industry during INTC. The show will display garments designed and modelled by North Carolina State students using Freudenberg, DuPont, and PGI nonwoven fabrics.

"The show is considered technical because we will be discussing the issues of using nonwoven fabrics with a woven pattern as well as other differences and challenges when designing with nonwovens," explains Kate Dutton, one of the three graduate students participating in the project. "We hope to show the industry that one day nonwovens could have a place in the fashion apparel market."

Organised and co-sponsored by INDA, Association of the Nonwoven Fabrics Industry, and TAPPI, Technical Association of the Pulp and Paper Industry, the annual INTC is a global technical meeting for the nonwovens and engineered fabrics industry. INTC 2005 will be held at the Millennium Hotel, St. Louis, Mo., September 19-22.

Tommy Hilfiger Europe to open commercial complex in Milan

15 July 2005

Tommy Hilfiger Europe B.V., a subsidiary of Tommy Hilfiger Corporation, has opened a new office, showroom and retail store complex in Milan. The new commercial complex will house offices, showrooms, a retail store, and an adjacent concept entertainment space. It marks the introduction of the company's first retail location in Milan.

"We are proud to present our new home for Tommy Hilfiger in Italy, and see this as the next significant step in establishing a stronger presence for the company in the Italian market. We believe a central Milan headquarters for our wholesale and retail operations in Italy will truly anchor the company's position in this most critical of

fashion markets," said Fred Gehring, chief executive officer of Tommy Hilfiger Europe. "With the start of our first direct selling season in the showroom in July, followed by the opening of our first Milan retail store in September, this is the first step in developing Italy into a significant European market for the company."

Wolverine reports record Q2 results

15 July 2005

Wolverine World Wide, Inc. has reported record revenue and net earnings for its second quarter of 2005, making it the fourteenth consecutive record quarter of both revenue and net earnings for the company.

Second quarter 2005 revenue totalled $215.7 million, an 8.5% increase over second quarter 2004 revenue of $198.8 million. For the first half of 2005, revenue reached $460.9 million, an 8.8% rise over the $423.6 million reported for the first half of 2004.

"Our strong performance in the second quarter of 2005 was highlighted by the Outdoor Group, with Merrell leading the way among our portfolio of brands," stated Timothy J. O'Donovan, the company's chairman and CEO.

Wolverine markets branded casual, active lifestyle, work, outdoor sport and uniform footwear and slippers. The company's brands include: Bates, Hush Puppies, HYTEST, Merrell, Sebago and Wolverine.