Business Week

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## Northeast China’s garment exports increase

29 August 2005

China’s northeast province of Heilongjiang has reported increased exports of clothing for the first six months of 2005, with exports to countries such as Korea, and Russia rising by over 50% compared with the same period in 2004.

Statistics showed that the main export town in the region, Suifenhe, exported textile and leather goods worth $375.1 million, an increase of 77.7% over last year. Leather and fur garment exports increased 47.2% whilst textile garment exports rose 86.7%.

## Chairman of the board at G&K Services to retire

29 August 2005

US uniform and workwear supplier, G&K Services, Inc., has announced that Richard Fink, 75, chairman of the board of directors, has decided not to stand for re-election to the board at the company's upcoming annual shareholders' meeting scheduled for November 10, 2005, and will retire as its chairman at the conclusion of the meeting. Mr. Fink will also retire as a G&K employee effective on December 31, 2005 after more than 41 years with the company.

"Dick Fink has been a key factor in G&K's success during his 41 year tenure at the company and is largely responsible for shaping G&K into the company that it is today," said Lenny Pippin, president and CEO of The Schwan Food Company and chair of the G&K corporate governance committee.

## Adidas sues three Chinese companies for logo infringement

30 August 2005

According to People's Daily Online, China, adidas-Salomon AG has filed a lawsuit against three China-based companies for using a logo on its sportswear products that is similar to adidas’ trademark.

Adidas International BV has accused the Fujian-based Aile Clothing and Shoe Company of using a design similar to that of the three-stripe adidas trademarked logo. The logo was found on Aile products - mainly sports shoes and clothing - as well as on its promotional material, in a Beijing market in December 2002, said Huang Hui, an attorney for adidas.

The other two Chinese companies, Beijing Jianlijia Aile Sports Goods Shop and Beijing Ruiguan Sports Goods Company, have been accused by adidas of selling Aile products sporting the offending logos, it was reported.

The case was heard on Monday August 29, and the court has yet to make any ruling.

## Fordham, Inc. acquires Gorga Athletic Wear

30 August 2005

Fordham, Inc., a subsidiary of Redi-Direct Marketing, has acquired Gorga Athletic Wear, creating the largest manufacturer of specialty sports apparel in New Jersey.

Fordham offers a line of customised sportswear, providing hand-crafted, varsity and specialty jackets, banners and chenille emblems for sports teams, service organisations, sporting goods stores and businesses. Gorga Athletic Wear manufactures customised uniforms and varsity jackets, supplying approximately 200 organisations throughout New Jersey. The company will continue to produce these specialty items.

This announcement comes four months after the merger announcement between Redi-Direct Marketing, Inc. and Hewitt Manufacturing, a manufacturer of athletic and specialty jackets and chenille.

## Weiqiao Textile profits rise 32%

30 August 2005

China’s largest privately-owned cotton textile producer, Weiqiao Textile Company Limited has announced its unaudited consolidated interim results for the six months ended June 2005, posting a turnover of RMB 6,916 million ($854 million), an increase of 51.1% over the same period of 2004. Net profit was RMB 472 million, a substantial increase of 32.2% over the same period of 2004.

Mr. Zhang Bo, chairman of Weiqiao Textile, commented, "The sharp increase in net profit was primarily a result of the group's ever expanding scale of production and enhanced sales momentum. With continuous improvement in production facilities, equipment and technology standards, the group managed to produce more value-added products to meet the demand of the international and domestic markets."

The increase in the proportion of grey fabric in the group's turnover to 52.2% and the decrease in the proportion of denim were due to the group scaling up the production of grey fabric in response to market demand and the use of some of the denim production equipment to produce grey fabric. The increase in the proportion of cotton yarns sales to 39.6% from 36.6% last year was mainly due to increased sales of high-end cotton yarns.

With respect to the protective measures adopted by the United States and the EU, Mr Zhang Bo said, "These factors will have a limited impact on the group primarily because Weiqiao Textile is positioned in the upstream sector and these protective measures are aimed at downstream products such as fashion.”

Weiqiao, located in Shandong, specialises in the production, sales and distribution of cotton yarn, grey fabric and denim.

## Mandelson urges member states to unblock Chinese textiles

30 August 2005

EU Trade Commissioner Peter Mandelson has urged EU member states to remove the restrictions on Chinese textile imports that are stockpiled in major European ports, due to quotas that were imposed on items such as sweaters, t-shirts and underwear in June.

"I have set in motion procedures to unblock the goods," Mandelson said in a statement at the European Commission, adding that he believed that the current situation would cause harm to European retailers and trade negotiations with China.

## Unifi to restructure nylon business unit

30 August 2005

Producer and processor of multi- filament polyester and nylon textured yarns, Unifi, Inc. has announced that it is to restructure its nylon business unit, located in Rockingham County, North Carolina, in an attempt to improve efficiency.

The company will close plant one in Mayodan, North Carolina and move its operations and offices to plant three in nearby Madison, North Carolina, which is the nylon division's largest facility. Despite

the closure, the company stated that it expects fewer than 30 current jobs will be lost as a result, and the majority of employees will be transferred to the remaining plant. This move is aimed at centralising production and increasing the overall efficiency of the nylon business unit operations. It will begin in September, with the majority of the process being completed by December 2005. The remainder will be completed by March 2006.

"While Unifi has made progress towards returning the company to profitability over the past year, our work is still far from being finished, and we have not yet obtained our goal," said Bill Lowe, chief operating officer and CFO for Unifi. "Despite past efforts, the nylon business unit has continued to report disappointing results over the past couple of years and operate in more facilities than the current business environment requires. We are also reviewing our product mix similar to our efforts last year in the polyester division and are considering other actions to improve the nylon business. Unifi is committed to improving the health of the nylon business and is taking these steps to improve its operations and increase its profitability."

## Gerber Technology names new sales manager, PDM/PLM solutions

31 August 2005

Ireland-based Research and Markets has announced the addition of Global Market Review of Branded Footwear - Forecasts to 2010 to its offering. It is estimated that at least 96% of the world's footwear output is "branded" and, across the globe, footwear carrying a name and/or logo is being increasingly seen as a symbol of status and perceived wealth.

Included in this edition is a case study of Yue Yuen Industrial Ltd - the largest branded athletic and casual footwear manufacturer in the world. One chapter analyses the major global brands currently competing in the industry, and altogether the edition looks at over 20 brand names including Nike Inc, adidas-Salomon and Reebok.

## DuPont Chemical Solutions Enterprise to increase prices

19 July 2005

DuPont Chemical Solutions Enterprise has announced price increases for DuPont Zonyl, Forafac and Foraperle Fluorotelomer products, including intermediates, effective July 1 or as permitted by contracts. List and off schedule prices will increase by approximately 8-20%, depending on the specific product grade.

The price increase is needed to continue to develop sustainable products and support innovation, as well as to keep pace with rising costs for raw materials and transportation.

## Finish Line lowers Q2 earnings guidance

31 August 2005

The Finish Line, Inc. has reported net sales of $341.6 million for the 13 weeks ended August 27, 2005, an increase of 9% over net sales of $312.2 million for Q2 last year. But comparable store net sales for Q2 fell 2%, compared to an increase of 6% reported for the comparable 13 week period last year.

Due to the decrease in comparable sales, product margin pressure resulting from a more promotional environment, and negative leverage on occupancy costs and selling, general and administrative expenses, the company is now lowering Q2 earnings guidance.

On a year-to-date basis, for the 26 weeks ended August 27, 2005, net sales were $632.9 million, an increase of 11% over net sales of $570.1 million reported for the same period last year.  Year-to-date comparable store net sales were flat, compared to the 10% increase reported for the first half of last year.

The Finish Line, Inc. is an American-based athletic specialty retailer offering footwear, apparel and accessories for men, women and kids. As of August 27, 2005, the

company operated 639 Finish Line stores and 38 Man Alive stores.

## AMG Group goes on tour

31 August 2005

UK lifestyle equipment suppliers, AMG Group, embarked on a highly successful nationwide series of retailer roadshows throughout the summer to launch the Vango, Lichfield, Force Ten, Teva and Trezeta 2006 collections. At each venue AMG presented the new ranges of rucsacs and sleeping bags and accessories as well as the latest collection of Teva and Trezeta footwear to retailers for the first time.

The seven Territory Managers taking part in the roadshow were delighted with the numbers of retailers attending the various events and were encouraged with the response to the Spring/Summer 2006 collections across all brands.

AMG is planning to run a similar Retailer Roadshow in Summer 2007.

## Pittards makes a loss

31 August 2005

For the six months ended 30 June 2005, Pittards has seen an operating loss of £0.4m, which compares with a similar loss in the first half of 2004, and a loss of £3.5 million in the six months ended 31 December 2004.

Pittards Yeovil (formerly the Glove Leather Division) returned a profit in the first half of 2005 with sales up by 21% on the second half of last year, albeit 11% down on the first six months of 2004. Sales of leather for sports gloves - particularly for golf - were strong.

Pittards Leeds (formerly the Shoe and Leathergoods Division) achieved similar sales of finished leather in the period as in the second half of 2004 in terms of both volume and value, although lower on both counts than the first half. Sales of leather for sports and leisure footwear were ahead of both the first and second halves of last year. These gains, however, were offset by a drop in sales of leather for luxury leathergoods, which was largely the result of difficulties the company encountered in sourcing sufficient quantities of hides of the right quality.

Stephen Boyd, chairman, said: In common with most manufacturers in this country, we are experiencing higher chemical, fuel, power and waste treatment costs which are eroding the benefits of the cost savings we have achieved over the last 12 months. With these and other pressures on our margins it is unlikely that we will show much improvement in the second half on our performance in the first six months."

## Hugo Boss, René Lezard and Paul Stuart get functional

31 August 2005

International fashion houses Hugo Boss, René Lezard and Paul Stuart have incorporated functionality into their fashion wear having launched new men's and women's apparel treated with Nano-Tex fabric technology.

Nano-Tex has announced today that the Hugo Boss, René Lezard and Paul Stuart brands have adopted the company's Resists Spills fabric treatment for high-end trousers, shirts and outerwear.

Hugo Boss has integrated the treatment into its Orange label men's front-button woven shirts; René Lezard has designed a range of men's outerwear utilising the Nano-Tex treatment; and Paul Stuart has unveiled a new line of high-end wool trousers with the Resists Spills treatment.

## Berghaus launches Challenge 8000 jacket

31 August 2005

Outdoor clothing and equipment manufacturer, Berghaus, is launching a

limited edition 'signature' jacket, with all profits going to charity.

The Challenge 8000 jacket is being produced to celebrate the achievement of Team Berghaus mountaineer, Alan Hinkes, who this year became the first Briton to climb all of the world's 8000m mountains. A limited run of 1,000 jackets will be available.

The jacket is a new design, manufactured from Gore-Tex XCR and has numerous features specified by Alan that are said to be unique to the garment. Each jacket will come with an authentification certificate with an explanatory note attached.

All profits, after direct costs, will be donated to Wateraid which Alan Hinkes has supported for a number of years in its programme to bring clean drinking water to developing areas of the world.

## Reebok partners with hip hop star Nelly

31 August 2005

Reebok has agreed a long-term partnership with three-time Grammy Award winner Nelly, which includes a signature collection of athletic footwear, apparel and accessories. It will feature clean, aggressive, sport-inspired designs with unique colours and materials that reflect Nelly's personal style and flavour.

"Reebok's partnership with Nelly elevates the fusion of sports and music to a whole new level," says Dennis Baldwin, Reebok's chief marketing officer. "Not only is Nelly an incredible artist, but his passion for music is equally matched by his love of sports. Nelly has a unique style that transcends music and cultural genres with a broad consumer appeal that speaks to who Reebok truly is as a brand."

## Haggar issues acquisition agreement

1 September 2005

Haggar Corp., a marketer of men's casual and dress apparel and women's sportswear, has announced the execution of a definitive agreement whereby Infinity Associates LLC, Perseus, L.L.C. (through an affiliate) and Symphony Holdings Limited would acquire Haggar Corp. in a transaction valued at approximately $212 million.

Completion of the transaction is contingent on, among other things, regulatory review, approval by the stockholders of Haggar, and funding of debt to complete the acquisition. The transaction is expected to close by the end of 2005.

J.M. Haggar, III, chairman of the Board and CEO of Haggar Corp., stated, "This transaction provides outstanding shareholder value and represents an endorsement of the excellent performance of our entire team. With the new ownership team and our ability to utilise their respective capabilities, we will be able to accelerate our strategy of world-class sourcing and will strengthen the marketing power of our owned and licensed brands as well as our service to the private label market."

With its headquarters in Dallas, Texas, U.S., Haggar markets in the United States, Canada, Mexico, and the United Kingdom.

## The Walking Company completes Footworks acquisition

1 September 2005

The Walking Company (TWC), a specialty retailer of high-quality, technically designed comfort shoes and accessories that features premium brands such as ECCO, Mephisto, Dansko, Birkenstock and Merrell that is a subsidiary of Big Dog Holdings, Inc., has completed the acquisition of substantially all of the assets of Footworks, a division of the privately held shoe retailer Bianca of Nevada, Inc.

The total purchase price was $10,094,750 and the acquisition includes a chain of 7 retail stores selling comfort shoes and accessories. Footworks' operations have

historically focused on high-visibility stores in Las Vegas, Nevada. The Walking Company currently operates 77 stores in premium malls across the nation. It intends to convert the majority of the acquired stores into "The Walking Company" stores.

## DHB discontinues use of Zylon in bullet resistant products

1 September 2005

DHB Industries Inc., operating principally in the growing field of body armour, has announced that although it remains confident in the safety and performance of its body armour products containing Zylon, it has discontinued the use of Zylon in its bullet resistant products on August 24, 2005.

The Company has ceased production of all Zylon-containing bullet resistant products due to the National Institute of Justice's (NIJ) decision to revoke the NIJ's previously issued certifications of all vests containing Zylon in the marketplace. The Company also announced that it will be implementing a Voluntary Replacement Program to assist its customers who presently have non NIJ-compliant Zylon body armour.

"We will diligently work with our customers to address these issues. Officer safety is and will remain our number one priority," stated General (Ret.) Larry Ellis, DHB's President. "It is our intent to work with the law enforcement community to supply them with replacement vests as rapidly as possible."

## Zumiez nets sales increase 25.1%

1 September 2005

Zumiez Inc., a specialty retailer of action sports related apparel, footwear, equipment and accessories, announced that total net sales for the four-week period ended August 27, 2005 increased 25.1% to $24.7 million, compared to $19.7 million for the four-week period ended August 28, 2004. The company's comparable store sales increased 9.4% for the past month, versus a comparable store sales decrease of 3.3% in the year ago period.

Zumiez is a retailer of action sports related apparel, footwear, equipment and accessories. It operates 154 stores that cater to young men and women between ages 12-24, focusing on skateboarding, surfing, snowboarding, motocross and BMX.

## Australian directory of textiles and apparel products update published

2 September 2005

Australian Textiles Publishers, based in Victoria, Australia, has published the 2005/2006 edition of the Australian Textiles & Fashion Index, a comprehensive directory of suppliers of products, services and technologies for the Australian textiles, clothing and retail industries.

The Index comprises the following individual directories: product manufacturing, fabric and garment sourcing, services, consultants and training, and supplier directories.

## New company founded to market Birkenstock products in U.S.

2 September 2005

Birkenstock Orthopädie GMBH & Co. KG, Vettelschoss, and BFS Inc., Novato, California, who have been trading partners for many years, have today signed a new contract, concluding the founding of a new company. Birkenstock Distribution USA Inc. is a wholly owned subsidiary of BFS Inc and will be solely responsible for marketing Birkenstock products in the USA with effect from 1 October 2005.

The contract can be viewed as an adapation to changed market requirements and the long-standing huge demand for Birkenstock products in the USA affecting the agreements reached on collaborations over the past decade. Alongside supplying the US Market from the Warehouse in Novato, California, the new contract provides for delivery programmes which will see

specialist shops in the USA being supplied directly from the German logistics centre.

Direct delivery programmes from the Vettelschoss warehouse for amongst other things seasonal goods will assist the specialist trade shops by providing faster availability of our products. We are aiming for growth of at least 20% in the U.S." says a senior level spokesperson from Birkenstock.

## Dates for Spoex 2006 announced

2 September 2005

Spoex 2006, the Sports and leisure industry show held in Seoul, Korea, will take place from 23 – 26 February.

At Spoex 2005 there were 203 exhibitors, including 69 from overseas, and 22,144 buyers and visitors attended. Exhibitor numbers increased by 6.8% compared to Spoex 2004, and the number from overseas increased by 8.7%.

## U.S. puts limits on Chinese textile imports

2 September 2005

The United States has imposed quotas on imports of bras and certain expensive fabrics from China after American and Chinese trade negotiators failed to reach a deal in a brief meeting in Beijing on Thursday.

The two sides have agreed to hold further talks on October 1 but China has admitted that fundamental differences remain. The decision is politically sensitive because it comes ahead of a visit by Chinese president Hu Jintao to the US next Wednesday.

US textile producers are claiming that cheap Chinese imports are threatening jobs, but retailers have complained that the imposition of quotas will drive up the price of clothing for U.S. consumers.

China is currently facing separate problems in the EU, with millions of goods being stranded at European ports after China breached annual quota levels.

Safeguards in America are currently in place on combed cotton yarn, men's and boys' shirts, cotton and synthetic-fibre trousers, synthetic-fibre knit shirts, cotton shirts and blouses, socks and underwear.