Business Week
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Clariant India reports rise in sales turnover

30 January 2006

Manufacturer of dyes and speciality chemical products for textiles, leather and masterbatches for the plastics and polymer industry, Clariant (India) Limited, has recorded sales turnover (net of excise) of Rs100 crore ($22.6 million) in the third quarter of current financial year 2005-06 against Rs92.8 crore in the same period in the previous financial year, a rise of 7.7%.

For the nine months of the current financial year, the company sales turnover increased by 11.2% to Rs282.8 crore against Rs. 254.2 crore in the same period a year earlier.

Industry segments Dyes & Chemicals and Masterbatches recorded sales growth of 7% and 29% for the quarter and 10% and 36% respectively for the nine-month period.

Nilit to purchase interest in Invista's European nylon apparel business

30 January 2006

Israel-based producer of nylon Nilit has signed an agreement with Invista to acquire its apparel nylon facility in Oestringen, Germany. It will also acquire Invista's nylon apparel product, manufactured in Gloucester, UK. Invista will continue to operate the apparel facility in Gloucester and sell all of its production through Nilit. Under the agreement, Nilit will hold an exclusive licence for the Tactel, Cordura and Supplex trademarks in Europe, the Middle East and Africa.

The European assets and businesses of Invista's Interiors and Performance Fibres divisions are excluded from the agreement.

Rhodia and Salomon launch new softshell composite fabric at ispo

30 January 2006

Silicone producer Rhodia and active and outdoor sports brand Salomon have launched a new softshell composite fabric Advantex One at ispo Winter.

The result of several years of Rhodia research and development work including laboratory and field tests carried out in partnership with Salomon, Advantex One is said to combine the performance advantages of the best hardshell and softshell materials. The technology uses an ecological concept involving bonded, in-depth silicone treatment as an alternative to traditional fluorinated surface treatments to provide performance and comfort even under extreme outdoor conditions.

It offers multi-directional stretch of the composite fabric allowing for full range of motion; resistance to abrasion and multiple washing cycles, to guarantee the long-term original performance levels of the fabric for lasting water repellency, water proofing, wind blocking and breathability; and guaranteed warmth and softness in a lightweight fabric, for added comfort.

Advantex technology is suitable for many different applications both for sports apparel and for technical fabrics (medical, military, etc.).

Our Advantex technology, which is both unique and patented, is a good illustration of how the chemicals sector can provide innovative and 'tailor-made' solutions to textile manufacturers for all types of applications," commented

Frédéric Jacquin, director of Performance Coatings BU at Rhodia.

Mountain Hardwear names new director of operations

30 January 2006

Mountaineering and outdoor equipment and clothing company Mountain Hardwear Inc. has named B. James Bottoms to the new position of director of operations. Mr Bottoms will execute the strategic and tactical operational plans for Mountain Hardwear and will oversee the functional areas of customer service, forecasting/planning, sourcing/production, warranty/returns, management reporting and California-based warehouse operations. He will report to Mike Wallenfels, president of the company.

Previous to starting at Mountain Hardwear in December 2005, Mr Bottoms held the position of director of global operations for Eagle Creek Inc. where he worked for four years. He has over 12 years of experience in the sewn goods industry.

Adidas unveils modular soccer boot: +F50 TUNIT

30 January 2006

Adidas has launched what is said to be the first ever modular soccer boot, the +F50 TUNIT. This new boot concept allows players to customise, adapt and tune

their boots to any weather, any pitch and even their own personal style. It is constructed from three interchangeable components: the upper, the chassis and the studs. Each component comes in a variety of styles and functions and each player can build and tune their boots by mixing and matching the components of their choice.

Different options for the boot include a lightweight chassis which provides reduced weight through less material usage; a comfort chassis for additional comfort, cushioning and shock absorption at high pressure points, such as the heel and the forefoot ball area; the orthopaedic chassis which features reductions in the sock liner to allow the usage of personal orthopaedic in-socks.

Aditya Birla Nuvo reports positive results

30 January 2006

Indian textile and garment company Aditya Birla Nuvo, an Aditya Birla Group company, has posted positive results for the quarter ended December 31, 2005.

Its consolidated turnover of Rs1150.15 Crores ($260.5 million), was up by 41.5% over the Rs812.62 crores achieved in the corresponding quarter of the previous year. Net profit rose to Rs26.00 crores against Rs11.35 crores in the corresponding quarter of the previous year.

The company's Textiles Division's reported a 19% increase in revenues to Rs. 139.81 crores against Rs117.44 crores. Operating profits jumped 76% helped by strong performance across segments.

The Rayon Division's revenues at Rs102.06 Crores increased by 6% compared with Rs96.32 crores in the corresponding quarter of the previous year.

At the company's Madura Garments division, revenue increased 31.5% to Rs170.76 crores vis-à-vis Rs129.89 crores recorded in the corresponding quarter of the previous year.

Haggar appoints new senior VP

31 January 2006

Haggar Clothing Co. has promoted Tim Lyons to senior vice president, national sales manager for Haggar Men's Wear. He will report directly to Jim Lewis, president and CEO.

Haggar Clothing Co., a subsidiary of Haggar Corp., markets men's casual and dress apparel and women's sportswear in the United States, Canada, Mexico, and the United Kingdom.

Denim Apparel signs letter of intent to acquire Moonlight Graham

31 January 2006

Denim Apparel Group has signed a letter of intent to acquire Moonlight Graham Inc., a high quality manufacturer of men's and children's licensed sportswear featuring Major League Baseball and Anheuser – Busch.

High raw material costs impact Ciba results

31 January 2006

Swiss specialty chemicals company Ciba has reported higher sales for 2005, but results were impacted by increased raw material and energy prices.

Sales rose 6% to CHF7.4 billion ($5.8 billion), reflecting sales price increases, strong growth in Asia Pacific and the acquisition of Raisio Chemicals.

Asia Pacific now represents 29% of the company's sales. Sales growth in both mainland China and India was double digit. Sales in Europe were also higher.

The company's Textile Effects recovered in second half. 2005 sales were at a similar level to 2004 at CHF1.3 billion, with very strong growth in Asia Pacific, particularly China and South Asia. Textile chemicals remained stable, while sales in dyes were slightly lower. Sales prices fell by 1% over 2004, with volumes 1% lower, although improving in the second half of the year with signs of market recovery.

Jones Apparel makes management changes

31 January 2006

US-based designer and wholesaler of branded apparel, footwear and accessories Jones Apparel Group, Inc. has realigned its management structure within its wholesale footwear and accessories, company-owned retail apparel and footwear (excluding Barneys New York) and wholesale moderate apparel businesses.

Effective immediately, Andrew Cohen has been named to the newly created position of president Wholesale Footwear and Accessories, with responsibility for managing and developing the brand portfolio of footwear, handbags and costume jewellery; Heather Pech has been named president Company-Owned Retail Footwear and Apparel; and Barry Bates has been appointed group president l.e.i. and Energie.

Jones Apparel operates the Barneys New York chain of luxury stores and its brands include Jones New York, Evan-Picone, Norton McNaughton, Gloria Vanderbilt, Erika, l.e.i., Energie, Nine West, Easy Spirit, and Enzo Angiolini.

The company also markets apparel under the Polo Jeans

Company brand licensed from Polo Ralph Lauren Corporation and footwear under the Dockers Women brand licensed from Levi Strauss & Co.

Steven Madden's Q4 results beat forecasts

01 February 2006

US footwear designer, wholesaler and retailer Steven Madden, Ltd., has reported better than expected unaudited preliminary results for the fourth quarter.

Based on higher than anticipated sales in the wholesale segment, the company expects to report fourth quarter net sales in the range of $90 million to $91 million, approximately 7% to 8% higher than the $84.5 million reported in the same quarter last year. Net sales reflect an approximate 14% increase in total wholesale sales, partially offset by a decline in total retail sales of approximately 1.6%. Same store sales in the retail division decreased approximately 6.5% versus an increase of 9.5% last year. This is due primarily to the phase out of previous accessory items in order to prepare for the first quarter re-launch of accessories, including licensed handbags and belts.

The company plans to report final fourth quarter and full year results and provide its outlook for 2006 on March 2.

IBTec researches application of nanotechnology in shoe components

01 February 2006

The Brazilian Institute for Leather, Footwear and Leathergoods Technology IBTeC (formerly CTCCA) has signed an agreement with Orbys Materials Technology Development Ltd. to carry out a joint research project into the application of nanotechnology in the production of shoe components.

Orbys carries out research, development and sales of high performance materials offering solutions in the field of polymeric nanocomposite technology for applications in the transformation and leathergoods industries.

The State University of Campinas (Unicamp) will also take part in this research project, designed to develop a component for the production of adhesives (for soles, heels and insoles) based on the mechanical and antistatic properties of polymeric nanocomposites and clays. Another posssible application for the new

component would be for air retention in sports balls.

Adidas-Salomon and Reebok close acquisition

01 February 2006

Adidas-Salomon AG announced that it closed its acquisition of Reebok International Ltd. on January 31, thus providing the new adidas Group with a footprint of around €9.5 billion ($11.8 billion) in the global athletic footwear, apparel and hardware markets.

"We are delighted with the closing of the Reebok transaction, which marks a new chapter in the history of our group," said adidas-Salomon chairman and CEO Herbert Hainer. "By combining two of the most respected and well-known brands in the worldwide sporting goods industry, the new group will benefit from a more competitive worldwide platform, well-defined and complementary brand identities, a wider range of products, and a stronger presence across teams, athletes, events and leagues."

With the close of the transaction, Paul Fireman is stepping down as CEO of Reebok International Ltd. and will serve as an advisor to Mr. Hainer. Reebok will retain its headquarters in Canton, Massachusetts, USA.

Bayer launches new high-performance dispersions for textile coating

01 February 2006

Bayer MaterialScience AG has developed new high-solids, 60% polyurethane dispersions for use in textile coating, all of which are free of organic co-solvents, thickeners and external emulsifiers. The new high-solids dispersions offer end-users a number of advantages over the traditional polyurethane dispersions with solids contents of 35%-50%. Above all, thicker coats can be produced in one application, significantly reducing costs through higher machine utilisation and lower energy consumption.

Impranil DLU is a polyurethane based on polycarbonate polytetramethylene glycol (PC-PTMG), which is noted for its high resistance properties. The product is compatible with the additives normally used in textile coating and was developed for the production of high-grade coatings.

The other three products are further developments of existing grades with a higher solids content of 60%. Impranil LP RSC 1380 can be used for the production of fashionable coatings and for the finishing of nonwovens.

Apart from its higher solids content, the product properties are similar to those of Impranil DLN. Impranil LP RSC 1537 (its properties correspond to those of Impranil DLP-R) was developed primarily for the production of upholstery materials, car seats, sports goods and other technical products. It is suitable for use as an anchor coat and constitutes an alternative to solvent-based products. Impranil LP RSC 1554, whose properties largely correspond to those of Impranil DLS, is particularly suitable for mechanical foaming and for the production of fashionable articles and garments. All the new dispersions are non-reactive, but can be co-crosslinked either with suitable melamine resins or water-dispersible polyisocyanates to improve their fastness properties.

Huntsman confirms acquisition interest

01 February 2006

Huntsman Corporation has confirmed that in late 2005 it received an indication of interest regarding an acquisition of all of the outstanding stock of the Huntsman Corporation.

In response to this, the board of directors engaged financial and legal advisors to assist it in evaluating a sale of the company and other alternatives to enhance shareholder value. It also formed a special committee with authority to make a recommendation concerning any potential sale. As part of this process, the company has contacted, obtained proposals from, and held discussions with, a limited number of potential acquirers or merger partners.

According to Huntsman, the company is currently continuing to review its strategic alternatives, which could include a possible sale of the company or remaining an independent public company.

Huntsman is a global manufacturer of differentiated and commodity chemicals, manufacturing basic products for a variety of industries including chemicals, plastics, footwear, and textiles.

Calvin Klein completes sale of minority interests

01 February 2006

Phillips-Van Heusen Corporation has announced that its Calvin Klein, Inc. (CKI) subsidiary has completed the announced sale of minority interests in various entities to The Warnaco Group, Inc. Warnaco has acquired the companies that operate the Calvin Klein jeans and accessories wholesale and retail businesses in Europe and Asia and the CK Calvin Klein "bridge" sportswear and accessories businesses in Europe.

SGMA reports positive trend in US sporting goods sales

01 February 2006

According to the Sporting Goods Manufacturers Association (SGMA), wholesale sales of sporting goods equipment, sports apparel, and athletic footwear in the USA were slightly stronger in 2005 with sales rising to $55.7 billion, a 6.8% increase over the $52.2 billion reported for 2004. The positive trend sets to continue too as 2006 sales are now projected to rise by 7% to reach $59.5 billion.

A renewed popularity in sports brands for both fashion and performance were largely responsible for the surge in sales last year, noted SGMA President Tom Cove, who announced the results at the State of the Industry luncheon during The Super Show in Orlando, Florida.

Wholesale shipments of sports apparel rose by 9% to $26.1 billion with consumers purchasing more units of sports apparel and paying more for them. The leading activities for sports apparel usage are walking, running, basketball, golf, and baseball/softball. Athletic footwear shipments were also up by nearly 9% to $10.9 billion. Higher sales of low-performance, fashion-oriented shoes and expensive, high-performance models fuelled growth in this area.

In other segments: Fitness equipment experienced an increase of 6% to more than $4 billion; golf equipment sales rose slightly to $2.6 billion from $2.5 billion; tennis and soccer equipment also continued their upward trend in sales, with sales growing by more than 10% in 2005.

Industry partners welcome proposed origin labelling

02 February 2006

The ETUF:TCL and the CEC, representatives of the European footwear industry, have welcomed the European Commission's proposal for a Council Regulation establishing compulsory indication of the country of origin of certain goods (including textiles, clothing, footwear and leather) imported from non-EU countries. The organisations believe that this regulation would bring to an end discrimination penalising European producers in the garment and footwear industry, since 1985".

Managing director of the CEC stated, At present, European industrialists wishing to export must label their goods (so that they can enter a series of countries), whilst their competitors are not subjected to the same rules when they sell within the European Union. Accordingly, introducing a marking scheme at European level would finally establish reciprocity."

Such a system is compatible with the rules of the WTO and Canada, Japan, the United States, China and many other countries have already been applying it for some time.

A statement from the ETUF:TCL and the CEC also stated that it would provide European consumers with basic information on the origin of the goods offered thus allowing them to make a choice.

New chemical analysis business leader named at SATRA

02 February 2006

Jacqueline Glasspool has been named as manager of UK-based research and technology centre SATRA's new chemical and analytical technologies business area.

She joined the technology centre in 1999 as a technologist examining personal protective equipment, having previously worked as an analytical chemist. Her

qualifications include a degree in chemistry from Nene College (University of Leicester) and a Masters degree in science from the UK's Open University.

Texon to launch new nonwoven technology at APLF

02 February 2006

Texon Proform, a new nonwoven technology, will be launched at the next APLF exhibition in Hong Kong (March 28 – 31) by Texon International. The company will also unveil other new footwear technologies and environmental initiatives.

Texon Proform is designed to deliver high quality and production consistency in the manufacture of stiffener heel counter products for use in shoemaking. It utilises raw materials formulated to provide fast activation time with a long 'open time' (time to shape material as it cools), improving the production process, reducing 'yellowing' and saving costs.

A structurally engineered polyester scrim (durable, loosely woven or knitted mesh/net) is used to provide strong three-dimensional stability to produce two distinct structural material solutions aimed at two distinct markets—ladies and fashion footwear sectors—which is supplied with a white scrim for use with light coloured uppers. Texon ProForm 'Extreme' utilises a green scrim for high performance footwear such as outdoor, golf shoes and athletic footwear.

Dubarry appoints new distributor in Germany

02 February 2006

Ireland-based manufacturer of technical performance footwear, Dubarry, has appointed Sailtec as its new distributor for the marine market in Germany.

Established in 1984 Sailtec specialises in the distribution of technical marine products including Oceanair and Navtec, and covers Germany and its neighbouring countries.

UCAR Emulsion Systems starts up new latex facility

02 February 2006

UCAR Emulsion Systems (UES), a global business unit of The Dow Chemical Company, has announced the successful start-up of its next-generation latex facility at St. Charles Operations (Hahnville, Louisiana, USA).

The St. Charles Operations latex facility will replace existing latex manufacturing sites in Tucker, Georgia, and Garland, Texas, which are scheduled for closure by Union Carbide Corporation later this year.

Every aspect of the new latex facility's operation, including the process, environmental controls, quality and worker safety, sets a new level of standards for latex plants worldwide. In addition, investments are currently underway at other UES production facilities to increase their long-term manufacturing capacity and capabilities. The new investment in St. Charles Operations is expected to add 30 permanent jobs.

The UCAR Emulsion Systems business manufactures and markets emulsions for architectural and industrial coatings as well as for textiles.

ispo winter 06 breaks all records

02 February 2006

An event record was obvious even before ispo winter 2006 took place on 160,000m2 at the New Munich Trade Fair Centre from January 29 to February 1. A total of 1,806 exhibitors from 49 countries, 81% from foreign countries, presented their product innovations and current fashion collections at the trade fair. This is the greatest number of exhibitors since ispo was inaugurated.

Extremely strong visitor participation was seen from the first trade fair day with a 10% increase, which continued over subsequent days. More than 60,000 trade visitors were counted on the four trade fair days, approximately 60% of them from overseas. Increases in the numbers of visitors from Eastern European countries as well as Austria, Italy, France, Switzerland and Spain were particularly significant.

The focus topics of ispo winter 06 were safety, product lines specifically for women, Nordic Fitness, technological innovations in the ski and snowboard areas, Mountain Lifestyle" with collections of top fashion designers as well as an increased integration of electronics and technology in equipment with systems for mobile phones, MP3 players and iPods.

We can look back on a very successful event, which attracted record numbers of exhibitors and visitors. But the extremely pleasant course of the trade fair reflected above all the correspondingly positive situation in the industry. Retailers and the industry agree at the beginning of the sports year 2006 that a reversal of trends has succeeded," stated CEO of Messe München GmbH, Manfred Wutzlhofer.

American Eagle reports record January sales

02 February 2006

US lifestyle apparel, footwear, and outerwear retailer American Eagle Outfitters, Inc. has posted a 17.5% increase in sales for the month ended January 28, 2006 to a record $128.8 million, compared with $109.6 million for the comparable month in 2005.

Total sales for the fourth quarter increased 13.4% to $764.4 million from $674 million for the fourth quarter

ended January 29, 2005. Comparable store sales increased 7.8% for the quarter.

Total sales for the year-to-date fifty-two week period ended January 28, 2006 increased 22.8% to $2.309 billion, compared to $1.881 billion for the fifty-two week period ended January 29, 2005. Comparable store sales increased 15.5% for the year-to-date period.

Rohm and Haas reports rise in sales for Q4

03 February 2006

Rohm and Haas Company has reported sales of $2,012 million for the fourth quarter 2005, an 8% increase over the same period in 2004. Higher selling prices accounted for 7%.

Sales in the Coatings business of $587 million represented a 5% increase over a strong fourth quarter 2004. Performance Chemicals recorded sales of $438 million, up 7% over the comparable period in 2004. Sales in plastics additives were up 11% as a result of higher pricing in North America, Europe and Asia, and higher overall demand. Sales for Process Chemicals rose 5% from the comparable period a year ago. Packaging and Finishing Technologies sales increased 30% with growth across all regions. For Adhesives and Sealants sales were down 1% at $173 million, as higher pricing to recover higher raw material and energy costs was more than offset by lower demand and the unfavourable impact of currencies.

Full-year 2005 sales of $7,994 million increased approximately 10% over 2004, with higher selling prices representing approximately 9%.

Foot Locker reports Q4 sales

03 February 2006

New York-based specialty athletic retailer Foot Locker, Inc., has reported increased sales of $1,563 million for the 13-week period ended January 28, 2006, versus $1,535 million in the comparable period last year, an increase of 1.8%. For this same 13-week period, comparable store sales increased 3.9.

For the 52-week period ended January 28, 2006, sales increased 5.5% to $5,652 million, from $5,355 million in the corresponding period last year. Comparable-store sales for the Company's same 52-week period increased 2.7%.

Foot Locker operates approximately 4,000 stores in 20 countries in North America, Europe and Australia.

LaCrosse Footwear launches camouflage leather hunting boots

03 February 2006

US provider of branded work and outdoor footwear LaCrosse Footwear, Inc. has unveiled a new line of LaCrosse leather hunting boots, created in conjunction with Realtree Camouflage.

LaCrosse and Realtree have co-designed the boots to better serve the needs of hunters in the field. In addition to Realtree's camouflage exterior, these new boots have many technical attributes. The boot features LaCrosse's Quad Comfort outsole system, a Gore-Tex waterproof, breathable membrane, and ThinsulateUltra Insulation.

Ruddick Corporation reports higher sales

03 February 2006

Ruddick Corporation—a holding company with two primary operating subsidiaries: American & Efird, Inc., (A&E), a manufacturer and distributor of thread and specialty engineered yarns and Harris Teeter, Inc., a chain of supermarkets—has reported that consolidated sales for the 2006 fiscal first quarter ended January 1, 2006 increased by 9.6% to $796.6 million from $726.9 million in the first quarter of fiscal 2005.

In the first quarter of fiscal 2006, consolidated net income was $16.9 million compared with $16.6 million in the prior year's first quarter. The 1.7% increase in net earnings over the prior year was driven by a 14.4% increase in operating profit at Harris Teeter. The operating profit improvement at Harris Teeter was partially offset by an operating loss at A&E resulting from weak manufacturing operating schedules for apparel-related thread products in the Americas and incremental costs associated with the implementation of A&E's initiatives to diversify its product lines.

A&E sales of $80.5 million in the first quarter of fiscal 2006 increased by 12.4% from the $71.7 million reported in the prior year period. The increase was driven by domestic sales increases of 27.1% resulting primarily from sales attributed to the acquisition of the businesses of Robison-Anton Textile Co. in the fourth quarter of fiscal 2005 and Ludlow Textiles Company, Inc. in the second quarter of fiscal 2005. Foreign sales were relatively consistent between the first quarters of fiscal 2006 and fiscal 2005, and accounted for approximately 49% of A&E total sales for the first quarter of fiscal 2006 compared with approximately 55% in the prior year period.

In the first quarter of fiscal 2006, A&E recorded an operating loss of $1.3 million compared with operating profit of $1.5 million in the previous year's first fiscal quarter.

VOLVO SportsDesign Awards enjoy continued popularity

03 February 2006

From girls climbing shoes to high-tech, graphically

coordinated ski and snowboard sets, women's sports design attracted a great deal of attention at the Volvo SportsDesign awards held at ispo.

Nearly 1,000 people attended the award ceremony of the seven Volvo Women's SportsDesign Award winners, selected from 281 entrants from around the world. We have waited a long time to see women's products receive the recognition they deserve," master of ceremonies and awards judge Andrej Kupetz of the German Design Council said. The decisions we had to make were very, very difficult."

The category winners were:
- Ski Set: Rossignol Attraction, designed by Mediapack. The judges noted that the ski provided the perfect blend of performance, comfort, and good looks with its unique nubuck" tattoo graphics statement.
- Board Equipment: the Burton Troop Group (board, boots, bindings), designed by Lisa Fickentscher, won the top prize for its board, boots and bindings.

- Outdoor Equipment: the Dynafit ST 5.0 Women's Set (ski, bindings, boots, poles), designed by Herwig Halun, Fritz Bathel and Stefan Tschager. Each ski weighs only 1.08kg, thanks to its carbon laminates.

- Footwear: the Montrail Grommet Girl, designed by Scott Franklin. Franklin took his extensive climbing experience and the influence of his toddler-aged daughter to create a shoe that has true climbing sole features, with flower graphics that are catchy to young girls.

- Accessories & Components: Salomon Siam Helmet, designed by Quentin Verhaeghe. To date, women's sports helmets had been inspired by racing sports or martial arts. That has changed with a ski and snowboard-inspired helmet. Its features include fur-lined removable ear pads, airflow ventilation and goggle attachments.

- Women's Concepts: Homesick Sports Net, designed by Silvia Knuppel and Damien Regamey. New design concepts took centre stage, with Silvia Knuppel's innovative Homesick Sports Net. The concept revolutionises net development by steering away from the age-old, predictable mesh design pattern. Plus, the net can be used for volleyball, tennis, badminton, basketball, field hockey, handball and other sports.

Delta Apparel posts record Q2 results

03 February 2006

Manufacturer and distributor of branded and private label activewear apparel Delta Apparel, Inc. has reported record financial results for its fiscal second quarter ended December 31, 2005. The company's results for the fiscal 2006 second quarter include the operations from Junkfood Clothing Company which was acquired on August 22, 2005.

For the second quarter of fiscal 2006, net sales rose 17.3% to a record $57.7 million compared with $49.2 million in the prior year quarter.

The Activewear Apparel segment, which includes the Delta Apparel business, reported sales of $28.5 million compared with $33.9 million in the prior year quarter. The decline in sales was due to lower sales volume in the company's private label channel and in its long-sleeve products, along with lower average selling prices.

Operating margins for the three months ended December 31, 2005 improved 200 basis points driving an increase in operating income to $2.2 million compared with $1.9 million in the prior year, primarily related to less expensive raw materials and lower manufacturing costs flowing through cost of sales. Additionally, the business recorded a $0.4 million gain on the insurance recovery associated with inventory damaged during Hurricane Katrina.

The Retail-Ready Apparel segment, which includes the Soffe and Junkfood businesses, reported a sales increase of 90.6% to $29.2 million for the second quarter of fiscal year 2006 compared with $15.3 million in the prior year. The sales increase was primarily driven by the acquisition of Junkfood Clothing Company.