

► **MEN'S:**
The new men's line from Alexander Wang, page 10.



► **FINANCIAL:**
Moody's downgrades Barneys New York, page 2.



► **BEAUTY:**
Japan's beauty market struggles, page 8. ◀

► **FASHION:**
St. John goes back to its roots, page 9.



Women's Wear Daily • The Retailers' Daily Newspaper • July 24, 2009 • \$3.00

WWWD FRIDAY

Beauty

High Notes

With their upcoming women's scents, two fashion houses are attempting to distill the distinctive style of their namesakes. A Scent by Issey Miyake is keyed to the designer's mission of essential and simple luxury, while Viktor Horsting and Rolf Snoeren's Eau Mega is a bold juice with a patented oversize gold atomizer they've dubbed the Megamizer. A Scent will hit Saks Fifth Avenue in August, while Eau Mega bows in September. For more, see pages 4 and 5.

Tory Burch Says 'Hola': Designer Sells Minority To Mexican Equity Firm

By Julee Kaplan

TORY BURCH HAS FOUND A NEW partner.

After a yearlong search for additional financing, the designer has sold a minority stake in her more than \$200 million firm to Tresalia Capital, a Mexico City-based family-owned and -operated investment company known for investing in Mexican projects from young entrepreneurs.

Tory Burch executives declined to divulge the final price and the percentage stake they sold to Tresalia, but industry sources estimate it at between 20 and 25 percent.

Burch and her ex-husband, Christopher Burch, who cofounded Tory Burch five years ago, still jointly own the majority stake in the firm, which now operates 18 freestanding

See **Burch**, Page 12



Barneys Downgraded by Moody's

By David Moin and Arnold J. Karr

BARNEYS NEW YORK WAS DOWNGRADED by Moody's Investors Service late Thursday due to liquidity concerns, but the retailer quickly responded by stating it has taken several measures to put itself in a "stronger financial condition."

"Barneys has responded aggressively in the midst of these challenging conditions in the luxury retail market," a company spokeswoman said.

"Controllable operating expenses have been reduced by approximately 10 percent to 15 percent on an annualized basis, and capital spending has been reduced by 50 percent in comparison to last year. Inventory purchases have been reduced for fall 2009 and spring 2010 by over 20 percent.

"These measures will put Barneys in a stronger financial position, with anticipated better margins," she continued. "Our sales trend is improving and we expect a stronger performance in the second half of 2009."

Barneys said Moody's action is primarily a reflection of its financial performance in the fourth quarter of 2008 and first quarter of 2009.

Moody's downgraded Barneys' credit two notches, to "Caa3" from "Caal." The move, which covers the corporate family rating as well as the probability of default rating and ratings on Barneys' senior secured term loan, keeps the debt within the class carrying "very high credit risk."

However, it places the retailer's debt just one tick above a "Ca" rating, which is reserved for securities that "are likely in, or very near, default, with some prospect of recovery of principal and interest."

This is Moody's first rating action on Barneys since Nov. 4, when the corporate family rating was reduced to "Caal" with a negative outlook.

Moody's action on Thursday covers \$270 million of rated debt securities.

"Moody's remains concerned that in the aggregate, free cash flow will remain negative over the near term," the company said. The combination of its 2007 acquisition by Isthmar PJSC from Jones Apparel Group Inc. and "significant declines in revenue and earnings that are consistent with the overall luxury retail segment" have left Barneys in "strained financial condition," wrote Kendra Smith, managing director of the corporate finance group, and Michael Zuccaro, analyst in the group.

Free cash flow is expected to remain in negative territory. Excess availability on the firm's \$200 million asset-based revolving credit agreement is likely limited because the revolver has been used to fund recent cash-flow deficits.

Complicating matters, according to Moody's,

is a "springing financial covenant" if excess availability falls below \$20 million. "Moody's believes that the company would not meet this test, if required," the ratings agency said. Moody's doesn't rate the \$200 million revolver.

Moody's also noted that retail spending, especially for luxury goods, is expected to continue to contract, "although at a declining rate," in the near term.

Barneys has been experiencing double-digit declines of a magnitude comparable to competitors in the luxury sector, though store officials see signs the worst could be over. "Although sales and operating results continue to reflect the difficult economic operating environment, we experienced slight improvements in the sales trend beginning in May and the trend has continued into July," the company told WWD. In the first quarter, total sales were down 26.3 percent and, on a comparable-store basis, were down 27.6 percent. However, from May to July 20, sales were down 14.6 percent, and 16 percent on a comp basis. Year-to-date sales are running negative 20.9 percent, and negative 22.1 percent on a comparable-store basis. Moody's estimated that the retailer's sales in the last 12 months are about \$675 million.

Barneys did get a lift from its new Chicago flagship, which opened in April and is tracking 15 percent ahead of the store it replaced. Barneys also said its Web site is 32 percent ahead, year-to-date. The company is building a flagship store in Scottsdale, Ariz., scheduled to open in October. Barneys operates seven flagships, two regional stores, 19 Co-Ops and 13 outlets. The company also has two warehouse sale locations, in New York and Los Angeles.

The absence of a chief executive officer "also remains a concern in this difficult environment," said Moody's. Howard Socol left as ceo in July 2008. The company is being led by its tier of seven executive vice presidents.

Moody's move follows by just over three months a downgrade from Standard & Poor's, which cut its rating to "CCC" from "B-minus," skipping over the "CCC-plus" grade.

Just one day after the Moody's downgrade in April, Isthmar opted to pump another \$25 million into Barneys, helping to ease concerns and ensure shipments.

In other news, Barneys executive vice president and chief financial officer, Steve Feldman, is resigning today, after 13 years with the company. He will be succeeded by Vince Phelan, treasurer and also a veteran of Barneys, having been at the firm for 14 years. Barneys said Feldman decided to leave to pursue other interests.

Kellwood Secures New Financing

By Vicki M. Young

KELLWOOD CO. ENDED WEEKS OF TENSE negotiations by completing a \$140 million exchange offer with Deutsche Bank and other bondholders.

The agreement exchanges old notes that expired on July 15 for new senior secured notes due in 2014. The deal, closed on Thursday, allowed the firm to avoid a bankruptcy filing.

As reported, jitters about Kellwood's solvency arose earlier this month when Deutsche Bank unexpectedly elected not to accept a proposed note swap, even though it played a key role in negotiating its terms. The parties have been in talks for two weeks trying to resolve the matter amicably.

"I am very pleased that Deutsche Bank and the other bondholders accepted Kellwood's exchange offer," said Michael W. Kramer, Kellwood's president and chief executive officer. "This will let us continue to build on the operational improvements we have made to date and take advantage of opportunities to grow our brands and our business."

According to Kramer, there are no notes due until the ones just exchanged mature in 2014. "We're looking forward to taking advantage of [the work we've done so far] and move forward," the ceo told WWD.

A spokesman for Sun Capital Partners Inc., which acquired Kellwood for \$762 million in February 2008, said, "We are very happy that Deutsche Bank got to the position they did," referring to the about-face in support of the bond exchange.

The Sun spokesman added, "What's exciting is that the thing we need is time. Mike's team has improved the business with some initiatives, such as optimizing distribution centers, consolidating operations, and being more competitive on freight. Now with the exchange [offer completed], we have the time to really see the progress and efforts [by Mike's team] through to the finish. A great deal of progress was made, but there's more work to be done to create value."

Kramer said several of Kellwood's brands have been doing well and business seems to have stabilized at retail, but was careful to temper his remarks. "None of my customers as it relates to my brands are being overly aggressive for back-to-school by any means," he said.

The ceo said there's been some pickup on orders in private label, and on some reorders as well. He asserted that Kellwood's brands, from the premium to the value sector, are performing better at retail than many of their competitors.

"Fashion is still really important [to the consumer]," he emphasized.

As for retailers, Kramer added, "Most everyone is in a great position from an inventory perspective. We're not seeing huge discounting."

Kellwood is also entering the premium denim category with its Vince brand in the fall.

"We're well poised for when the recession does turn around," the ceo said.

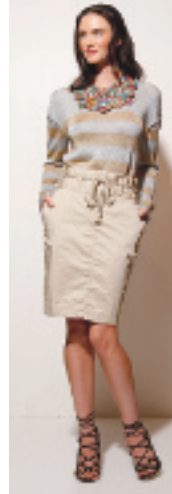
Kramer, previously executive vice president and chief financial officer of Abercrombie & Fitch Co., succeeded Robert C. Skinner Jr. as president and ceo one year ago.

WWD FRIDAY

Beauty

GENERAL

- 1 After a year-long search for financing, Tory Burch has sold a minority stake in her firm to Tresalia Capital, a Mexico City investment company.
- 2 Kellwood Co. ended weeks of tense negotiations by completing a \$140 million exchange offer with Deutsche Bank and other bondholders.
- 5 Seventeen years after introducing the blockbuster L'Eau d'Issey, Parfums Issey Miyake will launch A Scent by Issey Miyake for fall.
- 6 Reinvention was the recurring theme at Cosmoprof North America, the trade show for the professional beauty market held in Las Vegas.
- 8 The global economic slowdown has caused sluggish sales in the Japanese beauty industry, despite strength of several categories.
- 12 Retailers are bracing for the impact of a federal minimum wage hike, which starts today, but advocates feel it will help workers and the economy.
- 12 The U.S. will encourage China to move away from an export-driven growth model during bilateral talks next week in Washington.
- 15 Four years into its new ownership and management, La Rinascente unveiled a floor for design products at its Duomo flagship in Milan.



A resort look from Tory Burch.

Classified Advertisements..... 15

TO E-MAIL REPORTERS AND EDITORS AT WWD, THE ADDRESS IS FIRSTNAME.LASTNAME@FAIRCHILD.PUB.COM, USING THE INDIVIDUAL'S NAME.

WWD IS A REGISTERED TRADEMARK OF ADVANCE MAGAZINE PUBLISHERS INC. COPYRIGHT ©2009 FAIRCHILD FASHION GROUP ALL RIGHTS RESERVED. PRINTED IN THE U.S.A.
VOLUME 198, NO. 17. WWD (ISSN 0149-5380) is published daily (except Saturdays, Sundays and holidays, with one additional issue in January, May, October, November and December, two additional issues in March, April, June and August, and three additional issues in February and September) by Fairchild Fashion Group, which is a division of Advance Magazine Publishers Inc. PRINCIPAL OFFICE: 750 Third Avenue, New York, NY 10017. Shared Services provided by Condé Nast Publications: S. I. Newhouse, Jr., Chairman; Charles H. Townsend, President/CEO; John W. Bellando, Executive Vice President/COO; Jill Bright, Executive Vice President/Human Resources. Periodicals postage paid at New York, NY, and at additional mailing offices. Canada Post Publications Mail Agreement No. 40664503. Canadian Goods and Services Tax Registration No. 886549096-RT0001. Canada Post: return undeliverable Canadian addresses to: P.O. Box 503, RPO West Beaver Cre, Rich-Hill, ON L4B 4R6. POSTMASTER: SEND ADDRESS CHANGES TO WOMEN'S WEAR DAILY, P.O. Box 15008, North Hollywood, CA 91615-5008. FOR SUBSCRIPTIONS, ADDRESS CHANGES, ADJUSTMENTS, OR BACK ISSUE INQUIRIES: Please write to WWD, P.O. Box 15008, North Hollywood, CA 91615-5008, call 800-289-0273, or visit www.subnow.com/wd. Please give both new and old addresses as printed on most recent label. Subscribers: If the Post Office alerts us that your magazine is undeliverable, we have no further obligation unless we receive a corrected address within one year. If during your subscription term or up to one year after the magazine becomes undeliverable, you are ever dissatisfied with your subscription, let us know. You will receive a full refund on all unmailed issues. First copy of new subscription will be mailed within four weeks after receipt of order. Address all editorial, business, and production correspondence to WOMEN'S WEAR DAILY, 750 Third Avenue, New York, NY 10017. For permissions and reprint requests, please call 212-630-4274 or fax requests to 212-630-4280. Visit us online at www.wwd.com. To subscribe to other Fairchild magazines on the World Wide Web, visit www.fairchildpub.com. Occasionally, we make our subscriber list available to carefully screened companies that offer products and services that we believe would interest our readers. If you do not want to receive these offers and/or information, please advise us at P.O. Box 15008, North Hollywood, CA 91615-5008 or call 800-289-0273. WOMEN'S WEAR DAILY IS NOT RESPONSIBLE FOR THE RETURN OR LOSS OF OR FOR DAMAGE OR ANY OTHER INJURY TO, UNSOLICITED MANUSCRIPTS, UNSOLICITED ART WORK (INCLUDING, BUT NOT LIMITED TO, DRAWINGS, PHOTOGRAPHS, AND TRANSPARENCIES), OR ANY OTHER UNSOLICITED MATERIALS. THOSE SUBMITTING MANUSCRIPTS, PHOTOGRAPHS, ART WORK, OR OTHER MATERIALS FOR CONSIDERATION SHOULD NOT SEND ORIGINALS, UNLESS SPECIFICALLY REQUESTED TO DO SO BY WOMEN'S WEAR DAILY IN WRITING. MANUSCRIPTS, PHOTOGRAPHS, AND OTHER MATERIALS SUBMITTED MUST BE ACCOMPANIED BY A SELF-ADDRESSED STAMPED ENVELOPE.

DAILY QUOTE "Less bad is good enough right now [for investors]."

— Marie Driscoll, equity analyst at Standard & Poor's, on the rebound in retail shares. Page 14.

CORRECTION

Juicy Couture's new London flagship is based at 27 Bruton Street. The address was incorrect in a story on page 11, Thursday, due to misinformation from a company spokeswoman.



TODAY ON
WWD
.COM

- Additional photos from the St. John show
- More looks from the Alexander Wang men's wear line
- Further images from Cosmoprof
- Beauty Roundup: July 24, 2009
- WWD Blog: Matthew Williamson's pool party at Soho House in New York
- Online this weekend: Week in Review and Story of the Week

LANCÔME
PARIS

Feel the vibration.
See the growth.*



NEW ÔSCILLATION POWERBOOSTER
Vibrating. Amplifying. Primer.

The first vibrating primer to boost the appearance
of natural lash growth.

Results are spectacular: lashes are visibly stronger, fuller, longer,
day after day. After one week, women see:

A denser lash fringe	81%
Visibly longer lashes	81%
Thicker lashes	88%

Test: one week product usage, consumer perception of 70 women.

shop at lancome-usa.com

*The vibrating primer enhances the appearance of lash thickness, density and length so that naturally occurring lash growth is more visible/noticeable.

The Beauty Report

Viktor & Rolf Aiming for 'Mega' Hit With Women's Scent

PARIS — Designers Viktor Horsting and Rolf Snoeren are storytellers. So is it any surprise the starting point for their second women's fragrance was, just like their first, the name?

"We thought of the name Eau Mega because we wanted something that would complement Flowerbomb," said Horsting, referring to the debut scent launched for the label in 2004 with Viktor & Rolf's beauty license-holder L'Oréal. "Whereas Flowerbomb was a very sensual, gourmand and oriental fragrance, we wanted to create a fragrance that is fresh but not sporty or natural."

"In the perfume business, an eau is often connected to something sporty or natural," added Snoeren. "And we thought it would be nice to have a mega eau that is an eau but very feminine and glamorous."

"So that's how we thought of the word 'eau,' and, by association, we thought of Eau Mega," explained Horsting. "We also like the play of words."

A brief for a fresh, feminine and glamorous scent was given to International Flavors & Fragrances perfumers Olivier Polge and Carlos Benaim, who also conceived Flowerbomb's juice.

"We wanted to create a big perfume that had the quality of freshness and fluidity of water," said Ladan Lari, international managing director of Viktor & Rolf Fragrances. So there's an aquatic entry with green notes, such as violet leaf, green basil and pear.

"The 'mega' part is about the flowery heart," continued Lari. There, notes include peony, sambac jasmine and Italian primofiore lemon. "And then, it finishes up with something very warm, very creamy and enveloping," she said, of the cedar, cashmere wood, sandalwood and white musk notes. "As always, Viktor and Rolf wanted contrasts. So the perfumers came up with something very cold at the start that finishes up with a warm end."

Horsting and Snoeren, who have a penchant for old-time bulb spray atomizers, worked with Fabien Baron of Baron & Baron to come up with a newfangled version, encapsulated in their signature V&R seal. The pump system integrated into the gold-colored cap



The ad visual for Eau Mega.

was patented under the name Megamizer.

"I think we were specifically looking for the feminine touch, because the name has a slight masculine touch," said Snoeren. To spritz Eau Mega, either side of the seal is squeezed.

Said Horsting: "It's like you press on the symbol of our universe."

"And the imagination comes out," added Snoeren.

Viktor & Rolf's particular brand of surreal imagination seeps into Eau Mega's advertising image. It features the Eau Mega bottle and Raquel Zimmermann swathed in wafting gold fabric. She's like a superhero, towering above New York's skyscrapers. The single- and double-page ad was shot by Inez van Lamsweerde and Vinoodh Matadin.

"We wanted to express this feeling of 'megafying' yourself, like when you use this fragrance, you become the best, biggest megaversion of yourself, whoever you are," said Horsting.

Eau Mega, which Viktor & Rolf executives likened to ready-to-wear, versus Flowerbomb's more couture positioning, is nonetheless priced the same as its predecessor. A 30-ml. Eau Mega eau de parfum spray will sell in the U.S. for \$75; the 50-ml. version, for \$100, and the 75-ml. edition, for \$140.

Eau Mega is to be introduced in the Netherlands in mid-September and the rest of the world in October. The scent will be in 4,500 stores globally, or about one-quarter of the selective market's total distribution.

Viktor & Rolf executives would not discuss sales projections, but industry sources estimate Eau Mega will generate \$25 million in wholesale revenues during its first 12 months worldwide.

Meanwhile, Flowerbomb keeps building momentum. For instance, in sell-out terms, it was up approximately 20 percent in France, 50 percent in the U.S. and 30 percent in Spain for the January-to-June period, according to Lari. She added it ranks first in U.S. specialty stores.

A second men's fragrance for the brand, after Antidote, is in the works.

— Jennifer Weil

Motherhood Inspires Latest Lopez Fragrance

OH, MAMA: JENNIFER LOPEZ'S LATEST SCENT, MY GLOW, IS INSPIRED BY THE EXPERIENCE of mothering her 17-month-old twins.

"My Glow came from where I am right now — a place of happiness and fulfillment at this intimate stage in my life," said Lopez of the scent, which will be launched in October. "There's a special glow women get when they're pregnant and when they are falling in love with their babies. I wanted My Glow to connect with that intimacy and love."

Lopez said son Max and daughter Emme have changed her worldview, inspiring her to become more involved with awareness for children's causes, such as the Children's Hospital of Los Angeles. "It's a bond unlike any other — something that you can really only understand when you have little ones of your own," said Lopez. "It's extremely intimate, the most fulfilling relationship there is. My fragrance captures the tender, nurturing nature of this relationship; the overwhelming love and joy you feel."

My Glow, concocted by Lopez and Firmenich's Harry Fremont, has top notes of lavender flower, water lily and freesia; a heart of white rose, wet leaves, peony and Casablanca Lily, and a drydown of skin musk, milky sandalwood, precious woods and heliotrope.

The collection will include eaux de toilette in two sizes, 50 ml. for \$49.50 and 100 ml. for \$59.50, as well as My Glow Tender Body Lotion, \$29.50 for 200 ml., which has been specifically formulated to allow usage on infants.

The bottle and carton were created by Lopez with Coty Prestige's Jon Dinapoli. "I wanted the bottle to convey serenity and joy," said Lopez. "The cherub cap [which is dual-sided, with one side a female cherub and the other a male] was inspired by a soap that I have in my nursery. It's extremely angelic and innocent and the bottle has this gorgeous vintage detailing that is overwhelmingly feminine. The symbolism of the cherubs is that every baby is an angel. The pearlescent carton marries with the bottle's feminine beige. It's embossed with a stylized pattern and features a unique logo design, all inspired by our baby shower invitations."

My Glow will be sold in about 2,000 department and specialty stores in the U.S. this fall. Later, it will roll out in the United Kingdom and Asia. Coty will also sell the scent on HSN.

Advertising, shot by Carter Smith and featuring Lopez, is intended to capture the love and intimacy between mother and baby. In the U.S., it will begin running in November fashion, beauty and lifestyle magazines. Advertising spending is expected to reach between \$5 million and \$7 million globally in the scent's first year on counter.

"This project is a perfect fit for our Glow by Jennifer Lopez franchise," said Susan Kelly, senior director of marketing for the Lopez fragrances at Coty Prestige. "It leverages the Glow name with something new and fresh — and this is a message that millions of women can relate to, especially in this economic climate. Glow is the jewel of the Lopez lineup and generates upwards of 50 percent of that business." While she declined to discuss the total size of the business and the sales projections for My Glow, industry sources estimate that My Glow could do about \$25 million at retail globally in its first year on counter, with about half that figure expected to be generated by the U.S. market.

— Julie Naughton



Varvatos' Rock 'n' Roll Turn

A NEW LIMITED EDITION JOHN VARVATOS SCENT, CALLED Rock Volume One, declares that the designer is the king of rock — at least that's the message four icons on the front of the bottle are meant to convey.

The icons, which, left to right display the initials "JV," a crown, a guitar and "EST '00" are stamped onto the flask-shaped bottle's Zamac shell. (The metal, which is a zinc-based alloy, lends a heavy feel to the flacon, as does its weighty cap.)

The scent is due to roll out to Nordstrom stores and international markets on Sept. 1, according to executives at JV Fragrances and Skincare, a subsidiary of Shiseido Americas Corp. It is currently carried at John Varvatos' Boutiques and has been carried at Bloomingdale's since early June.

"In the month of June, JV Rock sales accounted for close to 50 percent of the total John Varvatos fragrance business in the 59th Street [Bloomingdale's] store," said Howard Kreitzman, vice president of cosmetics and fragrances at the retailer. "This far exceeded our expectations for a limited edition considering we were able to achieve these numbers prior to the official launch this month."

Industry sources estimate the scent has generated sales so far of between \$250,000 and \$500,000. About 8,500 of the 125-ml. scents were produced in total for the U.S. market, according to sources, and each is priced at \$82. If the scents completely sell through in the U.S., sales will reach roughly \$700,000. Some 17,000 of the scents will be distributed internationally, sources added.

"Like a great song, the right scent can also trigger a secret memory," said Varvatos. "Rock Volume One plays on the emotions and, like a classic melody, it only gets better with time."

Nicholas Ratut, president of JV Fragrances and Skincare, said of Rock Volume One. "This will generate excitement with the music element of the brand for the current [John Varvatos] consumer and increase market awareness."

There are to be a total of three scents in the Rock collection. Rock Volume Two is due for fall 2010, while Rock Volume Three is to be launched in fall 2011.

Rock Volume One exceeds previous John Varvatos scents in price due to the cost of the materials that comprise the new scent, Ratut noted. The designer's existing scents are priced at \$77.

Both Varvatos' original signature scent and Rock Volume One were composed by Givaudan perfumer Rodrigo Flores-Roux. New olfactive notes in Rock Volume One include rose absolute, tobacco and coffee beans.

— Matthew W. Evans



Miyake's Fragrance Sequel: A Scent

PARIS — Seventeen years after introducing the blockbuster fragrance LEau d'Issey, Parfums Issey Miyake will launch A Scent By Issey Miyake for women this fall.

"The first objective is to bring back newness to the brand," said Nathalie Helloin-Kamel, president of Parfums Issey Miyake, which is part of Beauté Prestige International. She explained A Scent is for women receptive to Issey Miyake's approach — essential and simple luxury — including those who may not yet have found an olfactive offer suitable to them in the brand's fragrance portfolio.

Whereas LEau d'Issey is a floral aquatic scent with a woody trail, A Scent is a green floral woody fragrance.

Helloin-Kamel said creating an Issey Miyake scent

means getting to the heart of the brand. "It is really to express a vision of the designer," she explained. "All the exchanges we had were around one subject — the essential."

For example, Miyake didn't want a fragrance that tells a complicated story, she said. "There were some very important ideas for him, as well: That there is lots of air and space," she said, noting Miyake wanted people to have the sensation of being on a plain in Mongolia, for instance, where there is nature — the green ground, blue sky and a very fresh breeze.

"He had lots of notions of nature," said Helloin-Kamel, adding A Scent's juice — created by Firmenich perfumer Daphné Bugey — focuses on leaves, flowers and wood. Specifically, notes include two types of jasmine, musk, galbanum, lemon verbena, hyacinth, cedar wood and crystal moss.

Helloin-Kamel said there is a common point in all Issey Miyake juices: "They are fresh fragrances with a strong signature."

The extruded, streamlined bottle design, created by Arik Levy, of L Design, came from the idea of what's essential, as well. "What is a flacon when it comes down to it? It's a block of glass," said Helloin-Kamel.

Viewed from the front, A Scent bottles of various sizes look the same height and width. However, from the side, the 50-ml. version has a different length than the 150-ml. version, for instance.

The bottle stars in the advertising photographed by Hiroshi Iwasaki, which comes in single and double pages, among other formats.

There will be heavy sampling for A Scent, including minisprays and LiquaTouch, plus online operations.

The fragrance is to be introduced in Saks Fifth Avenue in the U.S. on Aug. 1, Galeries Lafayette's Paris flagship on Aug. 10, Harrods in London on Aug. 16 and Isetan in Shinjuku, Japan, on Aug. 26. The rest of the world will get A Scent starting in early September.

Although Issey Miyake executives would not divulge sales estimates, industry sources believe A Scent will generate \$80 million in retail sales during its first year.

Prices in France are to be 65 euros, or \$92.50 at current exchange, for a 50-ml. eau de toilette spray; 90 euros, or \$128, for a 100-ml. eau de toilette spray, and 115 euros, or \$163.60, for a 150-ml. eau de toilette spray. Ancillaries include a 200-ml. shower gel for 32 euros, or \$45.50, a 200-ml. moisturizing milk for the body for 36 euros, or \$51.20, and a 100-ml. spray deodorant for 30 euros, or \$42.70.

— Jennifer Weil

The Miyake ad.



Elizabeth Arden Adds to Prevenge

ELIZABETH ARDEN INC. IS BUILDING ITS antiaging arsenal for fall with the introduction of Prevenge Day Ultra Protection Anti-Aging Moisturizer SPF 30 PA+++, the fifth product in its top-selling Prevenge franchise.

Hitting U.S. counters in October, the moisturizing day cream, which is designed to help prevent the visible signs of aging and improve the appearance of sun-damaged skin, is being positioned as the partner to the brand's Prevenge Anti-Aging Treatment. According to industry sources, Prevenge Day could garner as much as \$25 million at retail globally in its first year on counter, with about \$12.5 million of that figure expected to be done in the U.S.

Elizabeth Arden is billing Prevenge Day as the first moisturizer to merge a high-level SPF and EPF (environmental protection factor) with the antioxidant Idebenone. The antioxidant, which is the cornerstone of the Prevenge line, is said to offer skin one of the highest levels of defense against free radical damage, especially in combination with another key ingredient, the antioxidant Thiotaine. The new product features a 95 EPF rating. The metric measures things like sunburn cell protection, lipid oxidation and DNA damage.

"Sunscreen with SPF alone doesn't protect against every environmental free radical that can cause skin damage," said Elizabeth Park,

Prevenge Day



executive vice president of global marketing and general manager of Elizabeth Arden USA. "Prevenge Day marks the first time in the history of prestige skin care that one product combines the most powerful antioxidant available with broad-spectrum sunscreens for the maximum in daily environmental protection."

Other key ingredients include UVB and UVA ray absorbers including Octisalate, Octinoxate and Avobenzonone to help protect skin from environmental damage, as well as shea butter and an advanced moisture

complex said to help soothe and hydrate the skin.

Prevenge Day will bow in about 1,900 department and specialty store doors in the U.S. in October, to be followed by an international rollout in November. It is priced at \$125 for 1.7 fl. oz. Launched four years ago, the Prevenge franchise, which currently consists of an antiaging serum, night cream, eye treatment and body moisturizer, has grown into a multimillion-dollar business, which pulls in an estimated \$50 million annually in the U.S., according to market sources.

"We are taking very calculated steps in expanding the line and a facial moisturizer is a cornerstone of any product range," said Robin Mason, vice president, global marketing, skin care for Elizabeth Arden USA. "It really completes the regimen for the Prevenge consumer." Mason said she anticipates the day cream to become the second largest stockkeeping unit in the franchise, behind the treatment serum.

A national 12-month print campaign features a model wearing a fencing mask over her face with the tagline "Prepare yourself for the beauty battlefield." The ad is scheduled to bow in October books alongside a sizable online initiative, according to Mason. "We are marketing Prevenge Day with the Prevenge Anti-Aging Treatment. The initial ad will feature the two products partnered together because they are designed to work as a team," said Mason, noting the treatment doesn't have the moisturization properties that the day cream does.

While none of the executives would discuss advertising budget, industry sources estimate a \$5 million spend on the campaign.

— Gillian Koenig

Nars to Launch Foundation, Mascara Offerings

NARS IS LOOKING TO BUILD A STRONG FOUNDATION business with its new Sheer Glow and Sheer Matte foundations.

"One of Francois' [Nars] — and the brand's — core beliefs is that beautiful makeup begins with beautiful skin," said Louis Desazars, chief executive officer of Nars. "With this launch, we're looking to increase market share and authority in the complexion category and round out our foundation offerings. We've also expanded our shade range to suit all skin tones, which was something we didn't have before."

The foundations are also designed to enhance skin's radiance and texture, noted Barbara Calcagni, vice president of global marketing for Nars. "With repeated use, after four weeks, women will see a noticeable improvement in skin's radiance and texture and will see skin tone appear more clarified and soft," said Calcagni.

Sheer Glow, which imparts a satin finish, and Sheer Matte, which offers a matte finish, both contain a proprietary blend of vitamin C, amino acids, turmeric root extract and peptides.

Each of the formulas will be available in 20 shades, ranging from Siberia, a pale shade with pink and yellow undertones, to Khartoum, a dark brown with espresso undertones. Each will retail for \$42.

The two foundations will be launched in August at Nordstrom, to be followed in September by a global rollout to all of the brand's specialty doors, including Saks Fifth Avenue, Barneys New York and Neiman Marcus. The brand is currently in about 517 department and specialty store doors.



Nars' new Sheer Glow foundation.

While Nars executives declined to discuss sales projections, industry sources estimated that Sheer Glow and Sheer Matte combined could do \$6 million at retail in their first year on counter.

Also in August, Nars will introduce Larger Than Life Volumizing Mascara and Larger Than Life Lengthening Mascara, each \$25. Both are exclusive to Sephora and sephora.com. Both feature vitamin E and macadamia nut oil, as well as deep pigments,

said Calcagni. Each formula features a different brush, she explained: the volumizing formula has a square brush of honeycomb fibers, intended to facilitate maximum product pickup and apply a thick layer to lashes. The lengthening formula features a conical wand of high-tech fiber bristles, said to encourage lash separation and definition. Both formulas are water-resistant.

Sources estimate the two new mascaras could do \$4 million at retail in their first year on counter. Sephora will have a two-month exclusive on the mascaras, with the brand's remaining distribution to get the mascaras in October.

Also in October, Nars will launch Eyeliner Stylo, a liquid liner, on its Web site, narscosmetics.com. The liner features a marker-type tip and dense pigmentation, and will be available in three shades, each \$27. "This is a waterproof, quick-drying formula that doesn't move," said Calcagni. Industry sources estimated they would do \$1.5 million at retail worldwide during their first year on counter.

Packaging for all of the new introductions was designed by Fabien Baron.

— Julie Naughton

Cosmoprof Offers Solutions to Fix S

By Andrea Nagel

LAS VEGAS — The time is ripe for a makeover.

Reinvention — as the term is more commonly called — is the strategy many businesses are embracing in these tough times, and was the recurring theme at Cosmoprof North America, the trade show for the professional beauty market held at the Mandalay Bay Convention Center here from July 19 to 21.

As the economy continues to pummel the salon industry — recent figures track the market as down 5.4 percent to \$37.5 billion — attendees of the show talked mostly about how to best drive consumers back into salons and stores: create value, offer promotions, establish magic price points and perfect the art of service.

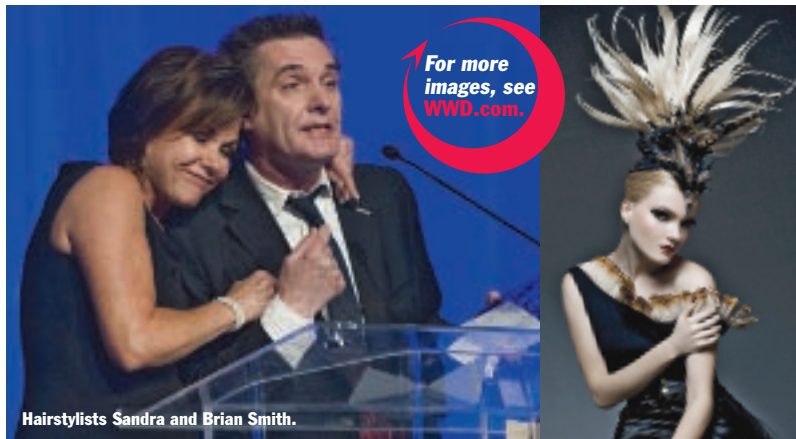
"It's a tough time to have to reinvent yourself, but it's the right time," said

almost as many attendees (22,500 this year versus 25,000 last year) and people were busy, surprising even show officials.

"I have to say I was surprised, because we were foreseeing not a lot of people and a lack of business on the show floor," said Auraliana De Sanctis, the head of SoGeCos, which operates Cosmoprof. "Yet in reality, exhibitors said they met with high-quality distributors, the international area was happy and everyone told me that the image of the show was higher and that this was important to them. In the past, I didn't see the show's [upscale] image as important to them."

Next year's show looks to put more of a focus on skin care and cosmetics, she added, as well as new international beauty companies. Typically, the show strongly centers on hair care items. "The market is ready to do something different," she said.

Indeed, the professional beauty spirit is a hard one to break. On Saturday,



Hairstylists Sandra and Brian Smith.



The show floor at Cosmoprof.

Steven Brooks of Diva Studio in Las Vegas, who spoke on the Professional Beauty Association's Defining the Future of Beauty Retailing panel Monday morning.

Procter & Gamble Salon Professional's Reuben Carranza, who also sat on the panel, said, "The industry will continue to be under pressure. If past trends hold, it will be down anywhere between 2 and 5 percent for the year."

The panel broke down eight different strategies of how businesses could best grow sales. Norma Knudsen of Regis Corp., who sat on the panel, talked about the importance of building a salon's retail section. At Regis, she said, the chain looks to refreshen its retail area this year by instituting a trends section, which will be changed out quarterly. Goals also include growing the average number of items sold per customer per visit from 1.6 to three. Retail sales for the firm overall, she said, are 19 percent. The industry average is 7 percent.

But by weaving a retail-centric culture into a salon, sales can grow, said Jennifer Lynn of Mandarin Oriental, who also served on the panel.

"Culture and service is what will set you apart. It cannot be an afterthought," she said.

The tough environment affected Cosmoprof's exhibitor attendance, with 625 exhibitors at the show this year, down from 740 last year. But overall, there were

more than 2,000 people attended PBA's annual hairstyling competition awards ceremony, North American Hairstyling Awards, which was judged by industry influencers, including top beauty editors. Among the winners were: Brian and Sandra Smith, Master Stylist of the Year, of Matrix C.R.A.F.T. Global Academy, based in Dalton, Ga., and Janell Geason, Make-Up Artist of the Year, of Eden Prairie, Minn. Also at the event was Nancy O'Dell, co-anchor of "Access Hollywood," who was presented the inaugural PBA Beautiful Humanitarian Award for her continued support for charities such as March of Dimes, Child Help, Best Buddies and American Red Cross.

Reinvention was being taken seriously by many companies at Cosmoprof.

Kicking off the show was an event by Tigi Saturday night featuring its makeover of Catwalk, which is now taking on a strong fashion positioning. Your Highness, a volumizing line, is the first range to receive the new sleek look (packaging features script writing, jewel-toned bottles and hair tips). The range includes a shampoo and conditioner under Prep It, a root boost and gel cream under Work It and a hair spray and shine spray under Perfect It. Products ship to salons in September. A Catwalk Curl line and a Smooth collection are planned for the first and second quarters of

Joico Targets Color-Treated Hair With Therapy

JOICO IS EXPANDING ITS BEST SELLING K-Pak brand to target those with color-treated hair.

K-Pak, Joico's leading brand for damaged hair, is introducing K-Pak Color Therapy this September. Color Therapy consists of a shampoo, conditioner and restorative styling oil.

According to Joico officials, K-Pak Color Therapy restores the outermost layer of the hair — or b-layer — which is meant to protect the hair, but is often compromised after color and all other chemical processes, according to Sara Jones, senior vice president and general manager for Joico, ISO and Senscience brands.

"Products aren't refined enough to protect the b-layer," according to Jones, which is said to lose a significant amount of color within the first two to three weeks of shampooing.

Using an altered version of the K-Pak technology, Color Therapy now includes Quadramine PEP, a polymer system designed to protect the hair by attaching to "the potholes in the b-layer." It also uses arginine, an amino acid said to help shine, and African manketti oil, said to help

moisturizing. According to Jones, K-Pak Color Therapy "can double the life of the color in the hair" and is weightless.

The shampoo, priced at \$13.95, is said to gently cleanse without stripping color in the b-layer. The conditioner, priced at \$15.95, is said to defrizz and remove tangles. The Restorative Styling Oil, priced at \$19.95, has been designed to be weightless and to nourish the hair cuticle. It can also be used as a styling aid.

The line will be available at all Joico salons, about 60,000, this fall. Industry sources expect K-Pak Color Therapy to generate about \$2 million in first-year retail sales.

Joico is also making some "green" changes. Anthony Perdigao, vice president of operations of Zotos International, Joico's parent, said Joico will be one of the first in the industry to have a wind turbine producing energy for their manufacturing site, which is based in Geneva, N.Y. The turbines will be built within the next year. Also, K-Pak Color Therapy containers are made out of recycled materials.

— Alissa Cherry



K-Pak Color Therapy

CND Overhauls Nail Polish Ranges for Salons

CREATIVE NAIL DESIGN INC. IS CHANGING ITS COLORS.

CND, as the firm is now known, has stopped production of all its original nail polish colors and, starting Sept. 1, will begin distributing a new 50-color polish line. According to CND, the change for the brand "allows salons to offer clients more choices while [stocking] fewer total sku's [stockkeeping units]."

The colors fall into one of four categories: Crèmes, including 40 shades in sheer, semi-sheer and opaque shades ranging from Brilliant White to Blackjack; Primaries, including Bicycle Yellow, Relay Red and Anchor Blue; Secondaries, including Electric Orange, Greene Scene and Electric Purple; and Chromes, such as Gold, Copper and Silver.

Along with the new colors, CND is also launching 15 new clear-based nail color shades that are meant to be applied on top or underneath a high-pigment polish, which create a whole new rainbow of hues. Effects, as they are called, fall into three categories: Shimmers, Sparkles and Pearl. CND officials said nearly 5,000 color combinations are possible when combining Effects with CND's polish line. All of the polishes are said to have competitive quick drying qualities and are free of toluene, formaldehyde and dibutyl phthalate. Along with the new colors and Effects, CND is also launching its newest top coat, Super Matte. The new top coat is said to "give a modern matte finish to any color polish."

All new items are packaged in flat-back bottles with a rubberized, no-slip top. Brushes will have triangular shaped bristles, which are said to create a smooth stroke for the polish. The colors will be sold for \$9 per bottle, Effects for \$11 and Super Matte will sell for \$8.

Items will be sold in Ulta, Beauty Brand and high-end salons and spas. The original colors will still be available on bebeautiful.com through December.

— A.C.



CND's new polishes.

lumping Biz

2010, while a fourth range is slated for the third quarter, to be launched along with a fashion designer who will help promote the brand.

Natural beauty care maker Pharmacopia, which appeared in the Discover Beauty section of the show floor that's set aside for new exhibitors, talked about several of its endeavors, including a new line tailored for the mass market.

"Even the stores that could handle our usual price points are having trouble. The mass line may be a hit for them," said Lisa Levin, founder and owner of Pharmacopia, which has been making prestige body and skin care products for 10 years. Mass items such as hand lotions, body lotions and body washes will sell for around \$11.99, versus \$17 for their prestige counterparts. Manufacturing costs were cut by replacing essential oils with natural fragrances.

This year, Pharmacopia partnered with Hunter Amenities International as its manufacturer distributor after deals with financial investors fell apart in October. "Everyone is having to change and refocus and think of new ways to do business," said Susan Lange, Pharmacopia's director of sales. Levin is working with Excelsior Beauty to meet with retailers such as Walgreens and CVS to gauge interest on the mass line, which will be ready to ship Jan. 1.

Hair U Wear, a leading hair extension maker, is aware of the spending pressure consumers are facing and in turn has found a magic price point for all new launches.

"We made a decision in October 2008 that we need to appeal to the consumer and we are not making anything above \$99," said Michael Kleinman, executive vice president of Hair U Wear. New items feature Tru 2 Life, a synthetic fiber technology that can withstand up to 350 degrees of heat, and uses a "breadth of colors" in each hair piece. A five-piece kit launches in October and will sell for \$49; a full hairpiece will sell for \$99 and is available in December.

Value was on the lips of many beauty firms at Cosmoprof.

Zotos International, for example, was showcasing its new Diamond Shine range, a hair care and styling line with prices at \$6 an item. Products include a shampoo, conditioner, volumizing mousse, smoothing gel, hair spray and gloss drops. Zotos' various price-conscious brands are performing well in this economy.

"We are having a good year — we are well positioned as a company," said Liz Kenny, senior vice president of marketing at Zotos, which also makes the Bain de Terre and EasyStraight brands. "People are giving up things. We are seeing consumers trading down, stylists are trading down.... I think we are bringing in some new users based on the market," she added.

OPI began offering "salon stimulus" promotions beginning in January as a response to the overall slowdown in salon traffic.

"She is still buying polish, but she is doing the service herself," said Susie Fischmann, founder of OPI. However, pedicure services are up as women find doing this service at home more difficult. At the OPI salon in Los Angeles, for example, two manicure tables were taken out and replaced by a pedicure chair.

Conair, which sells value-priced hair appliances, "is having a banner year" in a segment of the market that is down 10 percent overall.

"We are driving business by giving value products for a good price. Build a product that does everything and it will sell," said the firm's Ken Russo. It's newest item is Babyliss Pro U Style Straight Curl, which straightens, curls and styles and will sell for \$200. Within Rusk, a new value line called Being Sensible is due out in salons and retail stores, such as Ulta, in October. The line targets the value seeker, said Rusk's Brooke Carlson: Each 20-oz. container retails for only \$7.99.

Essie Weingarten from Essie Cosmetics said her business experienced the best June in the company's history, after experiencing a "terrible October."

"We have reengineered," she said, mainly by focusing on smaller distributors. "We like to be the big fish in a small pond." Fewer nail services has led to trends such as more neutral nails. But other trends abound as Essie — along with CND and OPI — sees matte as a big up-and-comer in 2010. Her new mattifier — Matte About You — hits shelves in January.

Tweezerman is talking value, too, with a slew of new items that don't skimp on quality, said president Connie Wittke. Matchbox, a small box of itty-bitty nail files, is priced at \$5; a tweezer packaged with a mirror outfitted with suction cups will sell for \$20, and a nail kit, equipped with a mini cuticle pusher, a file and a clipper, is also \$20. "We are quality and we don't discount, but by doing something that is value, we are doing what we have to for the consumer," Wittke said.

DeveloPlus' New Take on Covering Grays

NEW YORK — A company that helped solve the problem of a bad at-home hair color job, with an item called Color Oops, now sets its sights on solving one of the biggest complaints with do-it-yourself products — telltale gray.

"Seventy percent of those who color their hair do so to color gray," said Edward Geopfert, vice president of sales and marketing for DeveloPlus, the firm behind both Color Oops and the latest launch, No Gray. "But many are disappointed with the products on the market. We talk to colorists and stylists and it is the number-one problem we hear."

DeveloPlus estimates 90 million men and women perform at-home dye jobs to cover gray. That number is mushrooming in the weak economy as more consumers forgo salon visits or extend the time between professional hair color treatments by occasionally doing their own.

No Gray was developed to mix with hair dye or tint to prohibit the gray from breaking through for up to six weeks. When mixed with conventional market items, No Gray adds pigment to the color mixture. The formula penetrates the cuticle layer and reduces the surface tension of water enabling the color pigmentation to cling to the hair resulting in more uniform penetration.

"Retail buyers have recognized this a real problem-solver for the home hair color market and believe consumers, both men and women, understand the need and how to use it," said Geopfert.

Available in three packages, the retail price for a woman's single application is \$2.99, the double package is \$5.75 and a men's version is \$2.99. Chains currently stocking No Gray include Walgreens, Duane Reade and Bed, Bath and Beyond.

Print advertising in magazines such as Marie Claire, Cosmopolitan, Woman's Day, Star, First, Glamour and Fitness will break later this year.

A buyer for a major chain said what is nice about No Gray is that it boosts the turns of hair color since shoppers buy it in addition to the hair color. "So you have more items sold and a higher ring for the two products," she said. "In hair color, you have

critical mass
by Faye Brookman



No Gray

to get people to buy more frequently, higher tickets, or multiple products."

No Gray follows on the heels of DeveloPlus' unique Color Oops, a formula that allows users to change an existing hair color. While first a hit with shoppers who were disappointed with an at-home hair color experience, Color Oops is now selling to consumers who merely want to change their hair color frequently. "It is now a fashion product and that has helped us build upon our sales from year to year," said Geopfert, who added a user could be blonde one week and a redhead the next. "We passed our sales projections for the year in June and I am sure it is because of the fashion positioning," he said. More than \$1 million is spent on print ads for Color Oops and a TV commercial is in the works.

Geopfert suggested retailers situate No Gray next to Color Oops in hair color planograms. While hair color is certainly a category undergoing stockkeeping optimization, he said both Color Oops and No Gray are "niche" products not duplicated by other brands.

The 20-year-old DeveloPlus also markets Splat, a vibrant hair color line that now also includes bright hues of hair extensions, and a hair color called Satin for professional beauty supply stores.

Although buyers note a move to more people coloring their hair at home, drugstore hair color sales for the 51-week period ended May 17 declined 1.95 percent to \$489 million. However, units sales of lower-priced products rose (Revlon Colorsilk, for example, jumped 12 percent in sales), as did the items designed to just cover roots. And, Color Oops — which is not a mainstream color product — exhibited a 21 percent jump in sales to hit almost \$2.5 million in volume. Also, in a limited, but growing number of doors and only a short time on shelves, No Gray has already cracked into the top 100 hair color stockkeeping units — a sku intensive category — ranking number 73.

EcoTools Taps 'Green' Actress for Natural Line

ONE COULD SAY ALICIA SILVERSTONE is brushing up on her beauty skills:

The actress, known for her environmental and animal welfare activism, is partnering with EcoTools, a division of Paris Presents, to launch a cosmetics brush and cosmetics storage line in time for the holidays.

"Unless you need it, it's just stuff," said a Stella McCartney-clad Silverstone during a recent interview. "I only wanted to do something that hadn't been done before. This is a conscious product line that is good for the planet."

All the bags in Silverstone's lineup are made with natural hemp materials and have a recycled PET lining. "I wanted to do something rough, so the hemp was perfect," she said. "I even spilled soy sauce on one, threw it in the washer and it turned out great."

The floral design on the bags — a mix of Silverstone favorites, including lavender, rose, chrysanthemum and thyme — is printed with nontoxic ink, and the hangtags are printed on tree-free stone paper.

The collection includes a five-piece brush set and bag, \$15.99, which includes a finishing brush, blush brush, angled eye shadow brush and lash and brow groomer; Cosmetics Brush Bag, \$12.99, which also includes a blush brush; a train case, \$14.99, with a zip top and clear removable compartment; an overnight bag, \$19.99, with two removable interior compartments, and a cosmetic bag, \$8.99, designed to be



EcoTools accessories.

thrown in a purse.

"Finding a partner to develop the concept became a key component to the launch, and Alicia was a natural fit because of her love of the environment and already established relationship with the brand," said Beth Cassidy, vice president of marketing for EcoTools. "We believe Alicia and EcoTools are a perfect match because both are so passionate about living green and increasing awareness about earth-friendly products, without sacrificing style."

The limited edition collection will be available in about 7,000 mass market doors, including Walgreens and Target, in December, and is expected to remain on counter throughout 2010.

While EcoTools executives wouldn't discuss sales figures, industry sources estimated the Silverstone collection could do \$10 million at retail.

— Julie Naughton

Japan's Beauty Market Pressured by Economy

By Kelly Wetherille

THE GLOBAL ECONOMIC SLOWDOWN HAS CAUSED THE JAPANESE BEAUTY industry to feel the effects of sluggish sales, despite the general strength of several cosmetics categories (mascara and antiaging skin care, for example) in the face of a recession.

Takashimaya, one of Japan's largest department store chains, is seeing sales of beauty products that are just barely on par with figures from a year ago. "Integrated large-scale brands are not doing well, but brands that have a strong makeup line, such as MAC and RMK, are faring better. Overall, things are more difficult than expected," said Sayaka Morikawa, a spokeswoman for the retailer.

Meanwhile, Mitsukoshi reported a 4 percent drop in beauty sales for the second half of its fiscal year ended March 31, compared with the same period last year. "All department stores are struggling now, but even sales of cosmetics, which are considered strong products in a recession, have come in at less than the forecasts that were calculated last year," said Yasuo Miyachi, a Mitsukoshi cosmetics buyer.

The Japanese beauty market is second only to the U.S. in terms of value. It is estimated by Fuji Keizai to generate around 3 trillion yen, or \$31.5 billion at current exchange. The market breaks down to 45 percent skin care, 23 percent makeup, 20 percent hair care, 5 percent body care, 5 percent men's cosmetics and 2 percent fragrances. Japanese women are the world's biggest spenders on beauty products per capita, and their daily routines often include seven or eight steps.

After many years of flat sales, the total value of the market is expected to decline by about 1 percent in 2009 compared with last year. However, analysts predict sales volumes will remain flat due to the tendency of consumers to trade down from prestige to more mass market brands, rather than dropping their beauty regimens completely.

Retailers are bracing for things to remain tough through the rest of the year, and are focusing on inventive marketing strategies and the strength of newly launched product lines to help boost sales.

"We expect circumstances to continue to be difficult, but by strengthening our strategies, we want to at least match last year's results," said a spokeswoman for Tokyu Department Stores, which operates branches in several locations around Tokyo, including two stores in the crowded Shibuya shopping district.

In addition to regular cosmetics promotions and fairs, Tokyu and Takashimaya now publish original editorial booklets highlighting beauty trends and new or popular products. The booklets are sent to customers to encourage people to go into the stores. Many retailers also are teaming up with major cosmetics brands to create limited edition items only available at certain stores or locations, in order to give products a more elite feel and increase desirability.

Retailers are also not holding back from adding brands to their lineups in an effort to lure reluctant consumers. For example, Takashimaya is enjoying success with French body care line L'Occitane, which it launched in stores a year ago, as well as with newly opened eyebrow and eyelash salons.

PHOTO BY YUIRE KASUBA



A Takashimaya store in Japan.

Tokyu introduced MAC Cosmetics just over a year ago and is continuing to take advantage of favorable initial sales by expanding the brand's reach. It also re-modeled the Dior counter at its busy location attached to Shibuya station, which has resulted in a better performance from the line.

But in tough economic times, it's basic products that are performing best. All three department stores reported good sales of staple skin care products, foundations and eye makeup. "Skin care items such as cleansers and moisturizers, and makeup items such as foundations, eye shadows and lipsticks, each make up about 40 percent of total beauty sales," said Morikawa of Takashimaya.

One area in which sales of beauty products are showing more buoyancy is on the Internet. Cosme.com is a beauty-themed e-commerce site, as well as the sister site of @cosme, a word-of-mouth portal where users can rate and post reviews of thousands of skin care, cosmetic and fragrance products. After reading reviews and browsing through product rankings in a variety of categories, consumers can then purchase their favorites at Cosme.com.

"Sales at Cosme.com are showing steady growth despite the global recession. They say that since cosmetics are fast-moving consumer goods, they are not easily influenced by economic conditions, but because of a recent increase in the number of players in online cosmetics sales, as well as intensifying price wars, we can feel the market conditions starting to become more difficult. However, thanks to original merchandising programs, such as collaborations with makers on limited edition items or kits, we don't feel market conditions have changed completely compared with last year," said Kei Sugawara, a marketing representative for the shopping site.

Cosme.com's top-performing brands are often less mainstream ones that customers won't see on the cosmetics floors of major retailers. These include House of Rose, a skin, body and hair care line that has been one of Cosme.com's top sellers for some time. Founded in 1978 with a shop in Tokyo's Aoyama district, the brand is known for its handmade products in a variety of natural scents.

Another line doing well on the online shopping site is Chacott for Professionals. Originally developed as high-quality stage makeup used by theater and dance performers, the brand recently has become popular with general consumers as well. The brand's flagship loose finishing powder in particular sells well at Cosme.com, thanks to rave reviews on @cosme.

Online shopping is still fairly new in Japan, but is enjoying a recent boom thanks to retailers' efforts to drastically improve the customers' buying experience.

"We are now starting to strengthen our customer base much more, and developing services that will eventually increase the number of repeat buyers at Cosme.com. We also set ourselves apart from other companies' e-commerce sites by carrying limited edition @cosme collaboration items that are not available in department stores or anywhere else," said Sugawara.

These efforts seem to be paying off, and the future is also looking rosy for other online beauty retailers. "We expect firm growth throughout the rest of the year," said Sugawara. "Since top-selling lines and categories, as well as consumers' skin problems and worries, are things that change every season, we think we can guarantee that there is not a large fluctuation in sales at different times of the year."

SNIPPETS

PHARMACA CEO: Mark Panzer has been named chief executive officer of Boulder, Colo.-based Pharmaca Integrative Pharmacy Inc. Panzer was appointed president of Pharmaca earlier this year and was previously its chief operating officer. Barry Perzow, co-founder of Pharmaca and its most recent ceo, is becoming executive chairman of the board. "As we grow our business and build our pharmacy base, I could not have hoped for a more experienced and capable executive to ensure our success," he said of Panzer. Panzer joined Pharmaca after serving as the chief marketing officer and senior vice president at Rite Aid Corp. Pharmaca operates 23 pharmacies in Colorado, California, New Mexico, Oregon and Washington.

EVANGELISTA EXITS SPA CHAKRA: Earlier this month, hair stylist David Evangelista took his name off the salon at Spa Chakra to pursue an outpost on his own. It seems Spa Chakra and Evangelista had differences on how to run a business. "They look at things differently. They are a big company and that's not my style. I want things more personal....I want an intimate space that shows my personality," said Evangelista, adding the split was amicable. "It's all good."

ROOM SERVICE: What does a \$1,400 haircut look like? A handful of Chicago women will find out when they participate in Hair Room Service, a weekend event featuring private appointments with French hairstylist John Nollet, who teamed up with Louis Vuitton, Park Hyatt hotels and Shu Uemura hair products for a world tour promotion.

Hair stylist John Nollet partnered with Louis Vuitton for his hair tour.



Nollet, who has styled the likes of Juliette Binoche, Elizabeth Hurley and Marion Cotillard, spends two to three hours on each appointment at a portable salon he created at the Chicago Park Hyatt.

ON THE ROAD: Miami-based celeb stylist Oribe is taking his talents on the road, recently visiting Argyle Salon & Spa in Los Angeles, LuxeLab in Santa Monica, Calif., and Michael & Michael salon in Chicago yesterday. Oribe was on hand to meet and greet Windy City women, demonstrate his craft and promote his new line of products, Oribe Hair Care.

TOP BLOGS: According to a new report from research firm Konector on the top-50 beauty blogs, Temptalia, NaturallyCurly.com and Basenotes are the top three beauty blogs garnering more than 500,000 viewers a month. Kingsley Maunder, a director at Konector, explained the leading blogs typically focus on a "very particular topic or target market" to generate a "large, regular following that spend a significant amount of time on the site." The report found that two of the fastest-growing beauty blogs are Pursebuzz.com and xSparkage, which utilize YouTube to communicate about beauty. The report measured how many people visit each blog, how often they visit and how active they are on the blog to rank beauty blogs.

LATINA BEAUTY: A recent study by Spanish-language media company Univision on Latina consumers show they often use beauty products more frequently than their non-Latina peers, and they value brand names and celebrity endorsements. "Latinas overall place an inordinate amount of importance on beauty," said Graciela Eleta, senior vice president of brand solutions at Univision. She explained the study found that Latinas are 1.3 times more likely than non-Latinas to use hair care products at home, and 10 times more likely to say a celebrity endorsement is important for brand. In addition, Eleta pointed out the study revealed that demos and samples are crucial to woo Latina consumers, and Latinas are more willing than non-Latinas to spend on their product of choice regardless of price.

St. John Taps Into Brand Heritage

By Marcy Medina

COSTA MESA, Calif. — St. John is refocusing on the brand's DNA to serve its core customer and cope with the economic downturn.

That was the message when the luxury firm presented its 2010 resort and spring collections Wednesday during a runway show for 400 guests at the Orange County Performing Arts Center here.

In addition to its ready-to-wear line, St. John introduced the latest incarnation of its casual lifestyle collection. The company has decided to shelve SoCa, the spin-off line launched last fall, and to bring the casual collection back under the St. John label.

"We took a temperature check in this economy, and where we can't promote a new brand, we could take advantage of our brand equity," chief executive officer Glenn McMahon said in an interview.

The sole SoCa store at South Coast Plaza in Costa Mesa, Calif., which opened last October, reverted to being a St. John boutique in May.

"A year ago we came up with the SoCa concept and it hit the floor as the economy went into meltdown, but certain elements got a lot of attention, which meant our customer was ready for more fashion," McMahon said.

The customer who once bought five or six pieces at a time has cut those purchases in half, he said. In response to conservative buying, there is more of a focus on classic investment pieces with a modern flair.

"The whole notion of obsolete fashion is really passé," McMahon observed. "Customers are smarter and are no longer waiting to be told there are different pieces to wear each season."

Like most companies, St. John is looking to lower costs and improve efficiency. The company reduced its workforce by about 10 percent, eliminated bonuses, suspended merit pay increases, froze 401(k) matching contributions and cut salaries by an unspecified amount across the board, including executives.

"If it saves jobs, we'll do it," McMahon said. "As painful as it is, it's also healthy. This is the new reality and we're creating a new business model."

McMahon said he was "not concerned" by the decision of Moody's Investors Service last week to lower St. John's corporate credit rating to "B3" from "B2" and the probability of default to "Caal1" from "B3." "We remain liquid, and we are in a good position," he said.

Moody's estimated the company's revenues for the 12 months ended May 3 at \$315 million.

George Sharp, executive vice president of design, who handles both the rtw and casual lifestyle collections, said, "We want to dress our customer 24/7, so we took the best of the best from SoCa — basic Ts, cardigans and jeans — and made it all part of St. John. Women can mix a tweed jacket from the ready-to-wear collection with a pair of jeans and it will have the same coloration and fit. It's seamless."

The casual lifestyle collection, which is referred to as Yellow Label because its tags feature the same St. John logo with a different hue, is priced 30 percent lower than rtw, with most pieces retailing for less than \$500.

"It speaks to a broader audience and it's how women dress today," McMahon said. "For example, there's a trenchcoat in [nylon] techno fabric that she can wear from the office to a night out. They are go-to pieces."

The rtw collection, where a knit jacket retails for about \$1,000, is based on the company's signature Santana knits along with an increasing mix of woven fabrics, including brocade, charmeuse, georgette, linen and leather. Graphic prints, volume, ruffles, bows and asymmetric necklines were key elements, while silhouettes veered toward long and lean. The emphasis was on mixing and matching patterns and textures, as well as accessories, which are produced in partnership with Stuart Weitzman.

"I feel so comfortable with our ready-to-wear now," McMahon said. "That's our priority and we are making great progress there. Our biggest focus is on ingenuity and innovation, where maybe we were a little delinquent in the last five years. A better product means the difference between a customer buying full price or waiting for a markdown."

In addition to casual lifestyle, McMahon identified two other areas of opportunity: a basics program of all-black pieces in a new fine-textured knit stitch called caviar, and more special occasion offerings such as white organza blouses and floor-length knit skirts.

Building retail real estate is not a priority. "We're not aggressively going after retail expansion right now," McMahon said. "We have 29 boutiques in great markets, so service and education is our priority."

Three stores — Houston and Bal Harbor and Naples in Florida — feature a revamped design with a residential look in a platinum hue, but the company is in no rush to renovate the other stores.

"In a tough economy, we have to pick our battles," McMahon said. "Some things are more three-year strategy than one-year strategy. We're focusing on quality product with exceptional value. Our prices are not going up and our customer appreciates that more than ever."



St. John

St. John
Yellow Label

St. John Yellow Label

St. John

For the complete collections, see WWD.com.

PHOTOS BY DONATO SARRELLA



Looks from cruise 2010.

PHOTO BY KYLE ERICKSEN

Zimmermann Comes Up

NEW YORK — Eschewing Mercedes-Benz Fashion Week Swim in Miami last week, the Sydney-based duo of Simone and Nicky Zimmermann instead took over the pool deck atop The Empire Hotel here Wednesday evening. The goal? Capitalizing on the 15-year-old firm's 100 percent sales growth last year and showing off their latest cruise 2010 swim collection.

Zimmermann had sales of \$25 million in 2008 for both its contemporary and swim collections, 30 percent of which was U.S. business. "Last year's success put us in a good position to deal with the challenges of this economy," said Simone Zimmermann. She estimated that growth this year will hit closer to the 25 percent mark, "but we've taken out bigger booths at trade shows including Project Las Vegas and Coterie, and felt showing the collection in New York [to buyers and editors] was a great way to present ourselves."

The duo will also be scouting downtown store locations while here, which would be the first outside of their native Australia. Zimmermann has 14 freestanding shops.

— Kim Friday

Luxe Takes Center Stage at Singapore's ION Orchard

By Ong Soh Chin

SINGAPORE — Orchard Road here, the city-state's main shopping and commercial strip, got a shot in the arm this week with the opening of a highly anticipated mall called ION Orchard.

The 640,000-square-foot mall has eight floors and is situated at the busiest intersection of the famous street, called Orchard Turn. It sits strategically above a subway station and boasts more than 333 stores, with about 70 percent made up of flagships, new-to-market retailers and new concepts.

Commanding prime frontage at ION Orchard are six luxury "superbrands" that are establishing their first duplex flagships here. Together, Prada, Cartier, Christian Dior, Dolce & Gabbana, Giorgio Armani and Louis Vuitton take up almost 50,000 square feet of space with impressive 30-foot-high double-story units.

This is nothing to sniff at, considering the brands already have stores nearby. In addition, Orchard Road boasts 4.5 million square feet of retail space, making up 21 percent of the city's total private retail area. By December, two more malls will open along the stretch, and together with ION Orchard, they will add 1.1 million square feet of shops on the 1.2-mile-long shopping belt.

This saturation has not deterred many retailers, which regard the ION Orchard as the pinnacle of malls. Sebastian Suhl, chief operating officer of Prada SpA, said, "ION Orchard is by far the largest and most important luxury retail development in Singapore in roughly the last decade. The opportunities for our brands were excellent."

Apart from Prada's storefront flagship, Miu Miu will have a prominent unit on the ground floor. The company also is launching Car Shoe and Church here at the ION Orchard, added Suhl, who, while declining to reveal figures, said the total investment amount is "significant."

In addition to the six flagships, the mall's tenants stretch from fast fashion through to beauty firms and up to designer shops and high-end jewelers. Companies opening stores in the mall include Seven For All Mankind, Bebe, Burberry, Calvin Klein Jeans, Sephora, Dior, Yves Saint Laurent, Marc Jacobs, Louis Vuitton, Ermenegildo Zegna, Diane von Furstenberg, Swatch, Patek Philippe, Dolce & Gabbana, Dsquared2, Guess Accessories, Harry Winston, Kiehls, Topshop, Uniqlo, Max Mara, New Look and Valentino.

ION Orchard is the retail component of the Orchard Turn development, which is a venture between two Asian property giants — CapitaLand Group, based here, and Hong Kong's Sun Hung Kai Properties Ltd. The development also boasts a superluxury 56-story residential component called The Orchard Residences with 175 residential units offering panoramic views of the city. Some 80 percent of the apartments have been sold, at record transaction prices, on a by-invitation-only basis, said Lim Beng Chee, chief executive officer of CapitaLand Retail Ltd.

The venture, which was formed in 2005, also marks Sun Hung Kai's first foray into the property market here. Jimmy Wong, the company's real estate agency executive director, said, "When the tender for the sale of the Orchard Turn site came up, we knew that this would be the perfect project to mark our debut in Singapore's property and retail market. Here was a very strategic site on Orchard Road, a world-renowned street and premier shopping precinct, and the last remaining prime site in Orchard Road that many developers had been eyeing for a very long time."

Apart from unique fashion, lifestyle, dining and entertainment outlets, the mall intends to set itself apart from its competitors with ION Art, an art program showcasing



The ION Orchard facade.

the best emerging Asian and Singaporean artists.

The upscale mall opens at a time when competition for tenants is intense. Apart from the other malls on Orchard Road, the two upcoming casino-led Integrated Resorts at Marina Bay and Sentosa here are luring high-end retail outlets. However, ION Orchard's management says it hasn't wavered from its midhigh-to-high-range tenant mix, even when the economy started to take a turn for the worse last year.

Soon Su Lin, ceo of Orchard Turn Developments Pte. Ltd., said the company is mindful the mall is opening in an "unexpected economic climate," which is why it is collaborating with tenants on various strategies and mall-opening incentives to support their store-opening programs.

"These include opening financial incentives of up to 30 percent of their contracted base rental, and specially designed recruitment and training programs to facilitate their staffing needs. This will be on top of the 40 percent property tax rebate from the government that we will pass on to all tenants."

So far, ION Orchard has 94 percent of its leasable space taken up.

Added Soon: "We continue to select suitable retail concepts for the remaining spaces and are confident that ION Orchard is on track to take its place alongside the world's iconic malls, and will become the new destination for shopping, dining and entertainment."

Wang Launches T for Men Collection

By Jean Scheidnes

ALEXANDER WANG IS WADING CAREFULLY into men's wear by launching a range of basic tops under his T by Alexander Wang label.

"Men's was a long time in the making," said the 25-year-old designer, who is known for edgy, downtown-chic women's wear. When he started his business with cashmere knitwear five years ago, he wanted it to be unisex but it really caught on with women. Wang won the CFDA's Swarovski Award for Womenswear this year.

As his business expands and the brand begins to encompass a lifestyle, the time has come to identify the Alexander Wang man. And although his women's wear often has a tomboy element, don't expect gender bending when it comes to men's. There is not a stitch of flamboyant fashion in the line.

"I have a different motive for launching men's. Women's is more about a fantasy and indulgence. But I think guys look most sexy in a T-shirt and jeans," he said.

Therefore it made sense to do men's under the T label that launched last season. T is sometimes called a diffusion line because of its relatively accessible prices, but is not merchandised as such. It simply fills the need for

A look from T by Alexander Wang.



jersey basics in the wardrobe.

"The whole idea is T-shirt dressing, the ideal basics that you throw on and you layer. It's very much about functionality and ease," he said.

Many of the pieces are athletic-inspired, such as muscle tanks, sweatshirts and hoodies. Distinctive details include his signature yokes, pockets pieced to suggest a capital A, and two bits of hardware at the nape of the neck, which resemble a bar piercing. And all of the fabrics were custom developed.

"I wanted the cotton jersey to be soft but still dry. I feel like most T-shirts are either too stiff and dry or too slinky and slimy. So we developed this balance," he said.

Wang commissioned photographer David Armstrong to capture his men's aesthetic.

"It's a guy who doesn't think he's fashionable, but is just cool and has taste and style. That's much more appealing than a guy who's fighting his girlfriend for the mirror. And a lot of brands that have both men's and women's are about matchy-matchy style, but for me it's not like that. There's a similar sensibility, but opposites attract," Wang said.

Armstrong shot model Vincent LaCrocq moving around an urban athletic court. A behind-the-scenes film will air on alexanderwang.com on Aug. 1 to mark the launch of e-commerce.

Retail prices for T men's are \$70 to \$120.

Media/Advertising

MEMO PAD

TIMELY NUMBERS: The New York Times Co. on Thursday reported a 21 percent drop in second-quarter revenues, to \$584.5 million, and cited double-digit declines in print and online advertising revenues at the company's newspapers and related Web sites, including The New York Times and the Boston Globe. But net income rose more than 80 percent to \$39.1 million, mostly due to cost cutting and a tax adjustment. Even without the tax break, the company still eked out a small, and surprising, profit.

Advertising revenues across the entire company declined 30 percent for the quarter, to \$317 million, although total circulation revenues rose 1.5 percent, to \$227 million, thanks to an increase in newsstand and subscription prices for the Times, the Boston Globe and some of its regional newspapers.

Within the News Media Group, total revenues shrunk 22 percent, with advertising revenues across the segment contracting 32 percent. Times Co. president and chief executive officer Janet Robinson said the pace of the declines had slowed over the three months — from 35 percent in April to 29 percent in June. "Based upon what we have seen so far in July, we continue to believe the advertising environment to continue to be challenging. We believe the rate of decline will moderate slightly in the third quarter from what we experienced in the second quarter," she said.

At the New York Times Media Group, home of the flagship paper and Web site, national advertising contracted across financial services, live entertainment and books, but telecommunications, health care and technology outperformed. Digital revenues at the News Group declined 22 percent, mostly due to a slowdown in classified advertising. Online revenues in the quarter accounted for 21 percent of the Times Co.'s overall revenues.

With such declines in ad sales, Robinson said the company was researching other means of generating revenue, including how to charge readers for content online. The company hopes to have insight in the fall from its own research on consumers' attitudes toward paying for content.

The company also said it had trimmed costs faster than expected during the first half of the year, and predicted it would have cut \$450 million in expenses, or 16 percent of its 2008 costs, by the end of the year. It also said the company is moving forward with the sale of its stake in the Boston Red Sox. The company, however, declined to comment on the much-expected sale of the Boston Globe. "What we will say is that we regularly review our portfolio of properties to ensure they are meeting our financial targets and remain a strategic fit. The recent revenue and expense initiatives we undertook at the Globe...help put it on stronger financial footing," said Robinson. — **Stephanie D. Smith**

NEW GUY AT O: As Susan Casey takes the reins as editor in chief of O, The Oprah Magazine, the magazine may be getting a new look. Design director Kerry Robertson has left and is being succeeded on an interim basis by Robert Priest. The well-regarded Priest was most recently design director at Condé Nast Portfolio, and years ago worked on the launch of the now-defunct O at Home.

"With any new editor in chief there are often staff changes," said a spokeswoman for the magazine. Priest started on Wednesday. Casey was named last month to succeed Susan Reed, who left the magazine after less than a year. The long-successful O has struggled on the newsstand, dropping 25 percent in single copy sales in the second half of 2008. So far this year through the May issue, there have been bright spots that helped boost the average despite some weaker months: over 1.1 million copies sold of the January weight loss-themed issue, according to the Audit Bureau of Circulations Rapid Report, and a jump from a Michelle Obama cover that sold 825,000 copies. — **Irin Carmon**

CHANEL CROSSING: It seems Londoners aren't going to let the U.K. release of "Coco Before Chanel" pass by unnoticed. To celebrate the film's U.K. launch July 31, vintage fashion Web site QueensOfVintage.com is organizing a spontaneous gathering of Chanel fans — which it dubs a "fash mob" — at London's St. Pancras International train station July 30. The site has asked those who partake to wear "their finest attire," when they gather at the station to wave at the Eurostar trains departing for Paris, "and share their enthusiasm for the legendary Parisian label." Those who attend will also be able to win Chanel biographies and soundtracks to the film.

A spokesman for the film in the U.K. said the gathering isn't an official event and has been organized by "enthusiasts of the film." A spokeswoman for Chanel in the U.K. could not be reached for comment, but a spokeswoman for Queens of Vintage said the event isn't affiliated with Chanel the fashion house. — **Nina Jones**

Sweaters and jeans are a key initiative.



Coldwater Creek Taps Jessup

By Sharon Edelson

NEW YORK — Coldwater Creek on Thursday tapped Jerome Jessup as executive vice president and creative director as it continues to seek a product formula that will return it to the growth path.

Jessup, an industry veteran who worked at Ann Taylor and Gap, will be responsible for brand management, creative services and visual merchandising. The retailer also said it is maintaining its second-quarter loss forecast of 5 cents to 7 cents a share; its prior guidance was a quarterly loss of less than 8 cents a share.

Coldwater Creek's comp-store sales have been depressed since the fourth quarter of 2006, the decline blamed in part on the economy and its own assortment. After 18 months of retooling and refining, the Sand Point, Idaho-based company believes its fall collection in stores represents a "significant transformation of the brand," said Daniel Griesemer, president and chief executive officer.

Intensive focus groups and consumer surveying helped Coldwater make the changes. Coldwater's customers aren't trendy, but they want to feel relevant. They like casual clothes, but insist the clothes be sophisticated. But the retailer has had some difficulty walking the fine line between providing styles that look current without making their Baby Boomer shoppers feel like they're masquerading in their daughters' clothes.

"The fashion relevance has changed," said Georgia Shonk-Simmons, president and chief merchandising officer. "Consumers told us our shapes were too boxy. We built a business on boxy cuts. I'm this customer. I'm aging, but fighting it all the way."

The results of the research "caused us to shift our thinking in everything we were doing," Griesemer said. "Every woman from three to 70 [years of age] wants jeans that fit. We expanded our jeans assortment to give her seven different styles, including classic, lower riding and slim leg in different washes and colors.

"This is an important turning point in the business," he said, adding Coldwater Creek is stepping up its advertising and marketing spending. "We did a lot of work in 2008 to cut costs. Now, this [product initiative] is beginning. We're not going to cost-cut our way to greatness or market our way to greatness."

Wall Street isn't ready to make such pronouncements. "A nice representation of novelty, new silhouettes and new pricing could go a long way to helping them," said Roxanne Meyer, a retail analyst at UBS. "They have to be well received by the customer. At the end of the day, they need to figure out how to fix the product and make it resonate with customers. At the end of the day, the product has got to work."

Meyer said Jessup's appointment will free up Shonk-Simmons "to really focus on the merchandising, and that's a positive."

"There's a lot to be encouraged by the May comp being flat, which is a standout in retail," Meyer said. "Still, there's pressure on gross margins. They did sell out, which is a great sign and a sign that they're managing inventory conservatively, but they're still promoting to lure [the customer] into the stores."

Griesemer said the specialty store sector has been the hardest hit of any sector. Coldwater's customer, who is closer to retirement, has a different mind-set than younger consumers. "She's closer to retirement, and her sense of wealth comes from the value of her home and her investments. She told us she was trading down a bit."

Coldwater is lowering price points. For example, pants last fall were priced at \$69 to \$79, while this fall they're \$49 to \$69. More than half of the pants assortment is below \$50, Georgia said. She added 45 percent of jackets are less than \$50. The most expensive item in the store is a suede lambskin duster coat for \$199.

The company believes it has a big opportunity to expand accessories and dresses. Coldwater Creek, The Spa, a business that was once seen as growing to 200 units, is on the back burner, perhaps permanently. Griesemer said the spa business "has been improving. It's not a problem and it's not a distraction. We're focussed on restoring the Coldwater core business." Griesemer said the chain still has an opportunity to reach 500 to 550 units from its current 353, but gave no timetable.

Coldwater in 2005 decided to open stores in downtown locations, but that position has changed. "At the time, that seemed appropriate," Griesemer said. "We aren't going to pursue downtown locations now. There are enough opportunities elsewhere. The economic environment and our own performance has caused us to rethink everything."



A display of fall styles at Coldwater Creek's Manhattan flagship.

PHOTOS BY VALAZA GRIESEMER

FASHION SCOOPS

GIRLS ON FILM: It's no secret **Giorgio Armani** has a thing for Hollywood, from "American Gigolo" to "The Untouchables" to red carpets around the globe. Now he's moved into the romantic comedy genre. The designer wardrobe **Katherine Heigl** in several scenes in "The Ugly Truth," which opens nationwide today. Armani worked with costume designer **Betsy Heimann** on the looks, which are from Emporio Armani and include a trenchcoat and suede jacket. The pièce de résistance, though, could well be a little black cocktail dress Heigl sports in a key scene. Armani certainly thinks so: A version of the dress will be available at Armani/5th Avenue in Manhattan and at the Emporio Armani boutique in Los Angeles for \$950, beginning next week.



A sketch of Katherine Heigl's Emporio Armani dress in "The Ugly Truth."

family-friendly Brooklyn stores. **Odile Gakire Katese**, founder of Ingoma Nshya, Rwanda's first women's drumming group, suggested the Rwandan outpost with the hope of sweetening life there. Her troupe is now learning the ropes of making and selling ice cream and they will bang on the drum for the likes of **Sally Field**, **Billy Crudup** and others expected at Sunday's fund-raiser.

FIRST TIMER: Liz Earle Naturally Active Skincare, the British company known for its botanical-based products, is breaking into a new product category and will launch its first fragrance in October. Botanical Essence Eau de Parfum No. 1 will launch in the U.K. on Oct. 12, and a U.S. rollout will follow, most likely in the spring, according to **Liz Earle**. "One of the most common requests from our customers was for a fragrance," she said. The fresh, zippy fragrance has top notes including bergamot and mandarin, middle notes of rose absolute and lavender and base notes of cedar wood and tonka bean absolute. Ninety-eight percent is directly derived from natural ingredients, said Earle, adding the scent was developed in-house with perfumer **Jean Charles Niel** at the Laboratoire Monique Rémy in Grasse, France. The fragrance is priced at 39.50 pounds, or \$64.80 at current exchange, for a 50-ml. bottle.

READY FOR REPLAY: Replay heirs **Silvia** and **GianPaolo Buziol** swung through New York for men's market week on their first trip as company ambassadors. Silvia, 25, and GianPaolo, 17, are the daughter and son, respectively, of Replay founder **Claudio Buziol**, who died in 2005. With their mother, **Paola**, they now own Replay and its parent company, Fashion Box Group, which posted sales of \$448.3 million in 2008. The siblings hosted a party at Cipriani Downtown on Monday for retailers and Italian-American notables.

"Growing up, I never wanted to join the company because girls always have to go against their dads," said Silvia, who graduated from college earlier this month and originally planned to be a teacher. But starting in September, she will officially join Replay and is currently on a crash course learning the business, with creative director **Gigi Vezzola** as her mentor. "He's my guru," she noted of the designer, who joined Replay in January following stints at Dolce & Gabbana, Pirelli and Samsonite Black Label.

GianPaolo is still in high school and plans to study business management in college, before officially joining Replay down the road.

The siblings will have challenges facing them, as the company's sales declined 3.6 percent last year. The U.S. contributes less than 5 percent of sales. "I don't think there has been a focused strategy in place of the U.S.," said **Gaetano Sallorenzo**, who joined Replay as ceo last year. "We are trying to reposition the brand here and put a new team into place."

The company has signed a new U.S. distributor, Studio Tog, and plans to open a new Miami flagship in December, joining units in New York and Los Angeles.

HERE'S THE SCOOP: **Zac Posen**, **Jonathan Adler** and **Bird Boutique's Jennifer Mankins** are among the silent auction donors for Blue Marble Ice Cream's fund-raiser Sunday for Rwanda's first ice cream shop. This is new terrain for Blue Marble owners **Jennie Dundas** and **Alexis Miesen**, who have two

DOLLAR DIPLOMACY: While Secretary of State **Hillary Clinton** was making the case for stronger democracies among Southeast Asian nations during her two-day visit to Bangkok this week, her staff found time to do some jewelry shopping.

Dropping in Tuesday afternoon to Venus Jewelers, just a five-minute walk from the American Embassy, staffers bought a treasure trove of gems. The most expensive buy was a black star sapphire and diamond gold pendant and earrings, which was wrapped up for \$650. One member of the Democratic administration's staff bought a gold elephant pendant, which in Thailand symbolizes the strength of the monarchy. Other buys included a white pearl ring, green jade earrings and gold earrings. About 10 staffers spent a total of close to \$4,000 in their one-hour shopping spree.

"We didn't expect them to spend much money because of the state of the economy," a spokesman at Venus Jewelers said.

Past U.S. dignitaries have been treated to secret visits by Venus representatives who carried suitcases of gems to their hotels. First lady **Barbara Bush** bought some of her ubiquitous pearls at Venus, and president **Bill Clinton** was given a pair of Ming Dynasty pottery cuff links set in silver. With its walls lined with pictures of U.S. officials who have shopped there over the years, the shop caters almost exclusively to the American expatriate clientele in Thailand.

NEI Buys Jeweler Penny Preville

By Sophia Chabbot

JEWELRY BRAND PENNY PREVILLE HAS GOTTEN A NEW LEASE ON LIFE from NEI Fashions LLC.

The U.S. Bankruptcy Court in the Eastern District of New York on July 13 approved the sale of the business assets of JPPS Inc., doing business as Penny Preville, to NEI Fashions for \$1.5 million. Court papers in November said assets totaled \$7 million, while liabilities totaled \$8.5 million.

Designer Penny Preville and Jay Siskin, president of the firm, have formed a partnership and licensing agreement with NEI's principal, John Nanasi. The partners purchased the entire Penny Preville inventory, including all memo inventories and all assets of the former company.

Sales, marketing and advertising will continue to be under the Penny Preville trademark.

Preville, which is sold at retailers including Neiman Marcus, London Jewelers and Lux Bond & Green, filed for Chapter 11 bankruptcy protection in October.

Based in Great Neck, N.Y., Preville is known for her feminine diamond jewelry that ranges from intricate filigree necklaces with diamonds to cuffs and earrings in the same vein. The company recently launched a bridal collection, rife with engagement rings and assorted bridal jewelry.

— With contributions from Vicki M. Young

Burch Sells Stake to Tresalia

Continued from page one

stores and wholesales apparel and accessories to 450 high-end department and specialty stores worldwide. Christopher Burch is still actively involved in the company, but declined comment Thursday.

With the ongoing recession, increasing credit crunch and overall declining retail sales, the Burch deal comes at a time when few acquisitions or other investments are being made in the fashion world. In the past year, only a handful of key brands have inked deals — Jones Apparel Group Inc. acquired a 50 percent stake in Rachel Roy, VF Corp. acquired the Splendid and Ella Moss brands and Iconix Brand Group Inc. purchased Ed Hardy.

Tresalia is run by María Asunción Aramburuzabala, who is president and chief executive officer. According to Tory Burch, her

tion between \$935 million and \$1 billion for the whole company. However, sources said with such a steep asking price, the field of candidates had been narrowed down to two main bidders, TSG Consumer Partners and Bear Stearns Merchant Bank. Calling the asking price too high, particularly given the current lending environment, sources estimated the stake's price would come in closer to \$250 million. Neither firm ended up investing in the brand.

Originally launched as a retailer, Tory Burch plans to add six more stores in the U.S. to her current 18 units before the end of the year. In addition, the company will open its first freestanding store in Japan in the Ginza section of Tokyo by yearend.

Burch also plans to build on the wholesale portion of the business. In March, the designer signed two long-term Asian distribution deals



Tory Burch's store in New York's Meatpacking District opened in December.

For more looks from Tory Burch, see WWD.com.

PHOTOGRAPH BY JOHN AQUINO

company is Tresalia's first investment in the apparel industry. Tresalia has invested in several Mexican companies in industries such as telecommunications, real estate, technology, media, education and health, as well as the management of private and venture capital funds and the creation of new companies. Aramburuzabala, who could not be reached for comment, is also a vice chairman at Grupo Modelo, a family-founded Mexican brewery.

"I love that they are a family-owned business and a private company. I felt an instant connection with them when we met, and this is a process we started about a year ago. I'm so thrilled to have closed the deal with the right partner," said Tory Burch.

Burch said with a new investor, she now has the infrastructure to grow on a global scale, particularly in South America, where sales have been promising in many of the brand's wholesale accounts.

"The team at Tresalia Capital has the same entrepreneurial values that our brand was built on," she said. "They have a great understanding of the vision we have for Tory Burch and the future of our company. I look forward to working with them as we continue to expand and diversify our brand on a global scale."

Burch said she particularly likes that Tresalia's owners are big believers in philanthropy, and that they've encouraged Burch to continue her charitable work. Last year, she established The Tory Burch Foundation, which provides economic opportunity to women and their families in the U.S. The Foundation's first partner, ACCION USA, provides loans and financial services to small businesses.

WWD reported in July 2008 that Burch was on the hunt for an investor. At the time, Burch said she was looking to sell a 30 percent stake for about \$300 million, based on a self-valua-



Tory Burch

— the first with Look Inc. in Japan and the second with Samsung Cheil Industries Inc. in South Korea. The deals marked the first time the Tory Burch brand was sold in those countries. According to Tory Burch president Brigitte Kleine, the goal is to eventually run businesses of equal size in the U.S., Asia and Europe. The fall Tory Burch collections will be sold in Japan in Isetan, Hankyu Umeda in Osaka and in Takashimaya Nagoya, and the goal is to open six freestanding stores and 24 department store locations throughout Japan within the next few years.

Last year, the company opened a showroom in Milan. For fall, the brand will be sold in about 371 doors throughout Europe.

Currently, Tory Burch sells in major department and specialty stores worldwide including Bloomingdale's, Saks Fifth Avenue, Bergdorf Goodman, Selfridges and Harvey Nichols. Products wholesale from \$119 to \$166 for clothing and from \$95 to \$272 for accessories. Half the business comes from accessories, which includes handbags, shoes and jewelry. With the exception of eyewear, which is licensed to Luxottica Group SpA and will launch in November, and footwear, which is produced under a production partnership with Vince Camuto, all products are designed and produced in-house.

Although Burch's vibrant printed tunics and "luxury at a price" clothing were what launched her company in 2004, it was her popular line of Reva ballerina flats, which showcased her now-famous "double T" logo, that catapulted her success. Last year, she beat out Marc Jacobs and Michael Kors at the Council of Fashion Designers of America awards, winning the Accessories Designer of the Year. In 2005, and after just one year in business, she won a Rising Star Award for best new retail concept from Fashion Group International.

Industry Debates Impact Of Minimum Wage Rise

By Kristi Ellis

WASHINGTON — Retailers are bracing for another financial hit to payroll costs and profits as the last increase in the federal minimum wage rate takes effect today, while advocates maintain it will serve as a big boost to the livelihood of workers, the economy and businesses.

The hourly wage rate will increase to \$7.25 from \$6.55, the third increase in two years, stemming from legislation enacted in 2007. The change will give a boost to workers in 30 states, Washington, D.C., and Puerto Rico, where the state wage rate is currently lower.

Facing mounting bankruptcies and consolidations due to the recession, many retailers, particularly in the teen retail segment, will feel the spike in wage pressure with the increase.

"Heading into the third and final step, especially in this economy, I think there is a little more concern in the broader business community that this will bring additional wage pressure for companies that are working hard to protect the jobs they have," said Mark Warren, vice president for tax policy at the Retail Industry Leaders Association, which includes such companies as Wal-Mart Stores Inc. and Target Corp. "So that certainly gives us some pause."

Rob Green, vice president of government and political affairs at the NRF, which includes such chains as Macy's Inc. and J.C. Penney Co. Inc., said the impact will vary depending on the size and location of a retailer.

"The record shows that labor-intensive industries such as retailers, restaurants and other small businesses are disproportionately impacted by minimum wage increases," said Green.

Rep. George Miller (D., Calif.), chairman of the House Education & Labor Committee, on a call with reporters, dismissed the argument many in the business community have raised that a minimum wage increase will lead to a decline in hiring.

"The evidence just isn't solid," Miller said. "The fact is an increase in the minimum wage will put more money into workers' pockets and that worker will put more money into the economy with the spending he does. We hear that argument year after year and there are many studies that refute those statements."

Labor Secretary Hilda Solis, also on the same call, cited a study conducted by the Economic Policy Institute, a nonpartisan think tank, that estimated an increase in the wage rate would generate \$5.5 billion in consumer spending over the next year.

She also said her agency will hire an additional 250 wage and hour inspectors, bringing the total to roughly 900, to police minimum wage and overtime violations across the country. The agency collected \$82 million in back wages owed to 107,000 workers in the first half of the year and plans to step up enforcement with the new investigators, Solis said.

"This will give us an opportunity to do more targeted enforcement," said Solis. "Hopefully, we can work with those employers to prevent those kinds of abuses."

U.S. Sets Issues for China Talks

By Liza Casabona

WASHINGTON — The U.S. will encourage China to move away from an export-driven growth model during talks between officials from the two countries here, set for next week.

Senior Obama administration officials on Thursday said the Strategic & Economic Dialogue — high-level talks chaired by the U.S. State and Treasury Departments — will include discussions of how China can turn away from its long focus on expanding exports to drive its economic recovery toward a domestic-consumption model. China's currency policy also will be up for discussion, officials said.

The trade deficit the U.S. has with China decreased significantly in the last year, primarily driven by plummeting consumer demand in the U.S. For the first five months of this year, the U.S. trade deficit with China was \$84.6 billion, down from \$96.8 billion for the same period in 2008. For the 12-month period through May, the goods trade deficit with China was \$255.8 billion, down from the \$258.6 billion deficit in the same period a year earlier.

Administration officials said they will communicate to their Chinese counterparts that there has been a shift in the U.S. economy away from consumerism and they should change their growth models accordingly.

"The most important message we have for China is that there has been a fundamental change in the U.S. economy," said a senior official during a briefing.

The U.S. economy will recover, he said, but in a way that is different from past recoveries, as U.S. households raise their savings rates and shift away from a consumption-driven lifestyle.

"Our message to China will be that, if you want to achieve your growth objectives, you must do it in a different way than export-led growth," the official said.

China has made strides to increase domestic consumption in recent months, he said, but more needs to be done to keep the historic trade imbalance between China and the U.S. from returning to previous levels.

As for the ongoing issue of China's currency, which many consider undervalued and unfairly propped up by the government, the officials indicated that reforming its policies are an important step in helping China move away from a dependence on exports.

This is the first Strategic & Economic Dialogue meeting the Obama administration has held with China. Administration officials said other topics that will be part of the talks include climate change and reform of international economic institutions such as the International Monetary Fund and the World Bank to give large developing economies like China more input.

WWD BEAUTYBIZ

TRACKING BEAUTY AROUND THE GLOBE

PHOTO BY DELPHINE ACHARD

IN PRINT & ONLINE: SEPTEMBER 11 SPACE CLOSE: AUGUST 14

THE ULTIMATE FALL
TREND GUIDE

FALL COUTURE BEAUTY
RUNWAY WRAP-UP

THE BOOMER MARKET
IN SKIN CARE

BONUS DISTRIBUTION: NEW YORK FASHION WEEK,
COSMEETING/BEYOND BEAUTY

For more information on advertising, contact Christine Guilfoyle, publisher, at 212-630-4737, or your WWD sales representative.

FAIRCHILD
fashion group

Financial

Retail Stocks Soar 2.7%

By Evan Clark

RETAIL STOCKS SURGED 2.7 PERCENT Thursday, retaking ground not seen since October, as the Dow Jones Industrial Average broke through the 9,000 mark.

Investors were driven by some encouraging news on earnings, including eBay Inc.'s forecast for better-than-expected third-quarter profits, and word that existing home sales rose for the third consecutive month.

While the economy has shown some signs of improvement, with credit markets rebounding, the toll exacted by a 9.5 percent unemployment rate remains a big question mark for retail.

"Less bad is good enough right now [for investors]," said Marie Driscoll, equity analyst at Standard & Poor's. "That may well change going forward."

The S&P Retail Index advanced 9.29 points to 352.53, the first close over 350 since Oct. 1, when global markets were in free-fall and the credit crunch was worsening.

Retailers joining in the rush included New York & Company Inc., up 13.6 percent to \$3.60; AnnTaylor Stores Corp., 11.9 percent to \$9.60; Coldwater Creek Inc., 11.4 percent to \$6.27; Charlotte Russe Holding Inc., 9.5 percent to \$14.50; Dillard's Inc., 9 percent to \$9.05; Chico's FAS Inc., 6.8 percent to \$10.83; Nordstrom Inc., 6.3 percent to \$25.79; Macy's Inc., 4.8 percent to \$13.28, and J.C. Penney Co. Inc., 0.5 percent to \$29.42.

But even the good news supporting Thursday's rally had a touch of gray.

June home sales did increase 3.6 percent from a year earlier, but the median home price fell 15.4 percent to \$181,800, according to the National Association of Realtors.

Retailers now also have to contend with the possibility that Amazon.com will become a more aggressive player in the fashion world after reaching a deal to buy online shoe and apparel merchant Zappos.com.

"This acquisition could put Amazon on a competitive collision course with key department stores," said Credit Suisse analyst Michael Exstein, pointing specifically to Nordstrom, Penney's and Macy's.

Zappos.com, which has sales of about \$1 billion and is primarily a shoe seller, could also pressure companies with big footwear businesses, such as Jones Apparel Group Inc.

Pacific Sunwear of California Inc. was one of just a few apparel retailers to miss out on Thursday's rally. Its shares slumped 10.3 percent to \$3.05 after the firm said its second-quarter loss and same-store sales declines would be worse than projected.

The Anaheim, Calif.-based retailer now expects losses of 22 to 24 cents a share instead of the 11 to 17 cents anticipated in May. Comps, originally expected to drop 17 to 20 percent, are now expected to fall about 24 percent.

American Apparel Inc. shares rose 11 cents, or 3.1 percent, to \$3.70 in trading Thursday, but the retailer said after the close of the markets that it would restate its 2008 consolidated financial statements, moving \$33.4 million of \$49.4 million borrowed under its revolving credit facility into current liabilities from the long-term debt category. It said the change to the balance sheet would not affect its previously reported cash position, profits or sales figures.

— With contributions from
Alexandra Steigrad and Matthew Lynch

For full daily stock changes and more financial news, see WWD.com/business-news.

CIT Sees 3 Possible Bidders for Unit

By Vicki M. Young

WITH TALK OF A PREPACKAGED bankruptcy swirling around CIT Group Inc., three potential bidders for its profitable factoring arm appear to have emerged.

Word surfaced July 16 that J.P. Morgan Chase was looking to acquire CIT's factoring business, but a spokeswoman for J.P. Morgan declined comment.

If it makes a run at the CIT unit, the bank will face competition from GMAC Financial Services and W.L. Ross & Co., both of which are also said to be eyeing the factoring operation, according to investment bankers. GMAC does have a factoring business, while W.L. Ross does not, although chairman and chief executive officer Wilbur Ross said earlier this year that at some point his firm will likely acquire a financial institution. A spokeswoman for GMAC declined comment, while Ross could not be reached for comment.

The factoring arm of CIT finances at least \$50 billion in wholesale inventory, and provides financing to about two-thirds of the fashion industry, sources said.

Many fashion firm advisers expect CIT's factoring arm may find a new home.

Gilbert Harrison, chairman of investment banking firm Financo Inc., said, "The factoring assets are most valuable, and every day they lose more value since the clients are looking at more secure sources from other banks and factors."

Victor Wahba, accounting partner at Weiser LLP, added, "CIT will need to be

broken up. The commercial finance side will wind up somewhere intact."

According to Michael Appel, managing director of Quest Turnaround Advisors, "A prepackaged restructuring is done out of court, with all the senior lenders locked up and other credit groups having prenegotiated certain issues before filing the bankruptcy court petition."

Citing General Motors and Chrysler, Appel said prepacks, as they are called, are "looking increasingly successful. Companies don't want to go into Chapter 11 and languish in court. With other bond payments due shortly after the planned Aug. 17 exchange, there may be a feeling that not enough restructuring of debt has been done."

Meanwhile, many vendors have decided not to take any chances. Louis Cappelli, ceo of Sterling National Bank, said, "There are an awful lot of people seeking a new home."

He added his bank has been "getting numerous calls in the last week to 10 days. We also have a very close relationship with many [accountants] who are in contact with us and who are instrumental in working with manufacturers and vendors."

Cappelli said his bank has seen a wide range of potential new clients from small to large firms, many with strong balance sheets and some that are less so.

While his bank has a factoring operation and the capacity to take on new clients, he suggested that a CIT failure would cause some disruptions, as it "takes some time for water to seek its own level."

Inter Parfums Sales Drop Levels Off

INTER PARFUMS INC.'S SALES DECLINES MODERATED in the second quarter, and the company projected further improvement in the second half.

The New York-based firm reported net revenues for the second quarter ended June 30 of \$88.6 million, down 10.6 percent from \$99.1 million in the same period a year ago, and off 3 percent at comparable exchange rates. The double-digit dip was better than the 19.4 percent decline — to \$179 million from \$222.2 million — registered during the first half. Excluding currency effects, the first-half decrease was 13 percent.

Jean Madar, chairman and chief executive officer, said, "In light of the worldwide decline in consumer spending and the corresponding destocking of fragrance inventories by distributors and retailers, our 10.6 per-

cent decline in net sales is rather modest and considerably less than many of our peers."

The firm's European-based operations generated sales of \$79.4 million, compared with \$83.9 million in the same period in 2008. Second-quarter sales of U.S.-based operations declined to \$9.2 million from \$15.2 million.

The company stated that, "based upon its new product launch schedule, as well as the seasonality of its business, [Inter Parfums Inc.] expects a stronger second half." It maintained full-year guidance for sales of \$390 million and net income of \$21 million or 70 cents a diluted share.

Meanwhile, the firm's Paris-based affiliate, Inter Parfums SA, posted first-half 2009 net sales of 121.3 million euros, or \$161.71 million at average exchange, down 5 percent from the 2008 quarter.

By beauty brand, Lanvin's revenues rose 25 percent to 19 million euros, or \$25.3 million. Burberry's business fell 11 percent to 77.8 million euros, or \$103.72 million, due to a high year-ago comparison. Inter Parfums stated. In the first half of last year, Burberry's fragrance business grew 19 percent. Van Cleef & Arpels' revenues gained 4 percent to 9.4 million euros, or \$12.53 million. Paul Smith's sales dropped 13 percent to 5.4 million euros, or \$7.2 million in the period.

Inter Parfums said markets such as the U.S., U.K., Spain, Brazil and Argentina remained adversely impacted by local economic conditions. "Satisfactory" performances were noted in France, China and Saudi Arabia. Meanwhile, business in Russia has improved since the start of 2009, according to Inter Parfums.

Amid reduced visibility, the company expects a "marginal decline" in revenues for full-year 2009.

— Jennifer Weil and Matthew W. Evans

10 BEST PERFORMERS

DAILY		COMPANIES	P/E	VOLUME	AMT	
HIGH	LOW				LAST	%CHANGE
1.95	1.61	Quiksilver (ZQK)	-	4355675	1.92	+18.52
14.16	12.16	Skechers (SKX)	17.9	2669840	13.95	+18.02
3.62	3.14	New York & Co. (NWX)	-	1423127	3.60	+13.56
5.34	4.81	Developers Diversified (DDR)	-	5718118	5.34	+12.90
9.95	9.08	Ann Taylor (ANN)	-	6494741	9.60	+11.89
0.57	0.50	Phoenix Footwear (PXG)	-	1000	0.57	+11.76
6.47	5.35	Coldwater Creek (CWTR)	-	3379533	6.27	+11.37
11.99	10.56	Jones Apparel (JNY)	-	3657066	11.88	+11.34
13.76	12.30	Movado (MOV)	-	296069	13.74	+10.54
14.93	13.60	Charlotte Russe (CHIC)	-	833291	14.50	+9.52

10 WORST PERFORMERS

DAILY		COMPANIES	P/E	VOLUME	AMT	
HIGH	LOW				LAST	%CHANGE
0.13	0.13	Cygn Designs (CYDS)	-	17000	0.13	-18.75
3.25	2.90	Pacific Sunwear (PSUN)	-	3614173	3.05	-10.29
0.42	0.39	Charles & Colvard (CTHR)	-	18780	0.39	-9.32
2.50	2.26	Tandy Brands (TBAC)	-	2182	2.26	-6.61
16.58	15.48	Gap (GPS)	12.2	23163683	15.71	-2.78
1.96	1.78	Unifi (UFI)	-	396543	1.93	-2.53
17.05	16.13	Duckwall-Alco (DUCK)	78.1	8380	16.79	-2.27
5.08	4.83	Zale (ZLC)	-	424713	4.86	-2.21
1.90	1.83	Parlux Fragrances (PARL)	-	36908	1.83	-1.61
3.69	3.65	CCA (CAW)	23.1	2096	3.65	-1.35

La Rinascente Unveils Design Floor at Flagship

By Luisa Zargani

MILAN — Four years into its new ownership and management, La Rinascente unveiled a floor for design products at its Duomo flagship here on Thursday.

The new floor is the latest step in the renovation of the famed department store flagship, where each floor has been overhauled one at a time without the store ever closing. Although well aware the economy is curbing consumers' shopping, Vittorio Radice, who joined

and Georg Jensen shop-in-shops stand next to Italy's first The Conran Shop.

Fashion director Tiziana Cardini, who is in charge of brand selection and assortment, has also singled out items under the Northern Design Objects category from the likes of Boda Nova, Muuto and Royal Copenhagen, and pieces from designers such as Pols Potten, Arik Levy and Tord Boontje.

"Everything is accessible; we don't want to have a museumlike space, and there is nothing elitist about this concept," said Cardini.

A variety of diverse items, from pens, frames and vases to lights and coffee cups are displayed on rows of white shelves. A high-end luggage and travel section is marked by wooden walls and separated from the all-white design area. A bar with bright lavender seats and ornamental metallic structures designed by Martino Berghinz offers a break from shopping. A Sony corner is expected to open soon. The "Design Supermarket" replaces a more traditional kitchen, tableware and china floor.

Radice said the investment in the new design floor, which took more than a year to complete, totaled 3 million euros, or \$4.2 million at current exchange. "Before this, there was nothing that expressed the fact that Milan is the capital of design," said Radice. "It was a huge gap. And we wanted this space to be accessible to those visitors that had only seen design pieces in magazine pages. They can touch and feel the objects without this being a huge undertaking for them."

Attracting 14 million visitors a year, La Rinascente Duomo reported sales of 220 million euros, or \$323.4 million at average exchange, in 2008, up 24 percent compared with 2007.

Owner Maurizio Borletti said La Rinascente embraced the challenge of entering the design arena — a difficult one for department stores, which he believes have rarely found the right formula. "We are breaking traditional schemes, with a selection of products rather than brands, leveraging on Milan as the capital of design," said Borletti.

The entrepreneur said the project also harkens back to the store's history. "La Rinascente had a tradition in design, with collections of pieces designed by Gio Ponti back in the Thirties and Forties," said Borletti, also chairman of Printemps Holding.

La Rinascente, which dates to 1865, was acquired in 2005 by Tamerice Srl, a consortium led by the Borletti family.



The new design floor at La Rinascente.

Italy's main department store chain as chief executive officer in May 2005, said "people always respond to new, innovative projects," and pointed to the lack of such concepts in the country.

Designed by architect Claudio Silvestrin, Giorgio Armani's long-time collaborator, the new 21,600-square-foot "Design Supermarket" carries more than 200 brands ranging from Artemide, Flos and Driade to Gaia & Gino and Venini, with pieces designed by Ron Arad, Zaha Hadid and Marc Newson, among others. Nespresso, Kartell, Alessi

France OKs More Selling On Sunday

PARIS — The French senate on Thursday narrowly passed a law that will allow more stores to open for business on Sundays, relaxing a ban that has been in place since 1906.

The law, which was passed 165 to 159, is far from being applied, however. The opposition Socialist party has asked the Constitutional Council to examine whether the law, which has been backed by President Nicolas Sarkozy, is constitutionally sound.

If introduced, the law would allow all stores in certain designated areas — for example, in large cities such as Paris, Lille and Marseille — to open on Sundays, marking a major cultural shift in a country where Sundays traditionally have been dedicated to rest and family activities. French shops are currently required by law to stay closed on Sundays, unless they sell food, or are located in tourist areas and are deemed to have "recreational" or "cultural" value, such as bookstores.

— Elena Berton

WWD Marketplace

For more career opportunities log on to WWDcareers.com. Call 1.800.423.3314 or e-mail fpclassified@fairchildpub.com to advertise.

WWD Spaces

COMMERCIAL REAL ESTATE

In Let For Business

Showrooms & Lofts
BWAY 7TH AVE SIDE STREETS
Great 'New' Office Space Avail
ADAMS & CO. 212-679-5500

BUSINESS OPPORTUNITIES

Business Services

PATTERN/SAMPLES
Garment center location. Professional/Reliable Quality. Men & women all style. Low Cost. Small production. 212-563-3331

PATTERNS, SAMPLES, PRODUCTIONS
All lines. Any styles. Fine Fast Service. Call Sherry 212-719-0622.

PATTERNS, SAMPLES, PRODUCTIONS
Full service shop to the trade. Fine fast work. 212-989-2699.

Find the job of your dreams

WWDcareers.com

CONFIDENTIAL SERVICE: To answer box number ads and protect your identity: (1) Seal your reply in an envelope addressed to the box number; (2) In a separate note, list companies and subsidiaries you do not want your reply to reach; (3) Enclose both in a second envelope addressed to: CONFIDENTIAL SERVICE, WWD, Classified Advertising, 750 3rd Ave. New York, NY 10017

HELP WANTED

Help Wanted

Help Wanted

MERCHANTS

NYC based women's specialty retailer is looking for creative, energetic, entrepreneurial, fashion savvy merchants with strong analytical and strategic thinking skills.

Merchants need proven experience in driving and achieving sales and gross margin through building assortments, identifying opportunities and capitalizing on trending businesses while minimizing risks.

Merchants need ability to build talent and an organization through training and partnership. Proven partnerships with planning, design, production, technical design, marketing and visual are essential, as well as, discipline to adhere to a calendar.

Qualifications/Requirements:

- 6+ years experience in driving a successful high volume fashion apparel business with proven bottom line results
- Strong leadership ability
- High energy, passionate, creative, disciplined
- Education BA/BS

Please send your resumes to: merchantsearch@yahoo.com

DESIGNER

Girls Branded Denim Co. seeks indiv w/min. 5 yrs exp. Responsibilities include trend & style direction, detailing, prod packs & approvals. E-mail res w/sal Jobs@appareunltd.com

DESIGNER/STYLIST

Well known Special Occasion Dress Manufacturer looking for Highly Motivated Designer/Stylist to style Prom, Homecoming, Young MOB & Cocktail Dresses for Missy, Petite & Lrg Size. Approx 5 years exp. Fax resume to: 212-813-3370

Help Wanted

Production Patternmaker

High-End luxury designer house seeks experienced Production Patternmaker with strong draping skill for couture line. Minimum of 7-10 years couture level required. Please email/fax resume & salary requirements to: HR.Fashion@gmail.com or 646-304-5674.

SALES HELP WANTED

Sales Help Wanted

Head Sales Position

NY based contemporary line is looking for SALES person min 10 years experience selling majors and specialty stores. robb@robbandhugo.com

Sales Help Wanted

SALES MANAGER

Seeking Costume Jewelry Sales MANAGER for Wendy Mink Jewelry. Minimum 3-5 years experience in the costume jewelry industry- inhouse sales and trade show sales experience a MUST. Looking for highly energetic team player with proven sales track record. Salary/commission package based on experience. Please send resumes to: resumes@wendyminkjewelry.com

SALES REP

Seeking results-oriented Sales Representative for NY showroom to develop and grow our WOMEN'S accessory division. Responsibility is national and travel will be required. Minimum of 2 years accessory sales experience required. Ideal candidate must be highly motivated, a team player and have relationships with department and specialty stores. Please e-mail resume and cover letter to: robert@codydirect.com

Technical Designer Sweaters Private label mfg seeks exp TD. Knowledge of sweater construction required with excellent follow-up skills. Email resume: Sweaters6@aol.com

To subscribe, call our toll-free number
1-800-289-0273

WWD

GET RESULTS! PHONE YOUR AD TO WWD TOLL-FREE:

(800) 423-3314 or (212) 630-4610

FAX: (212) 630-4634

DEADLINE: NOON (ET) DAY PRIOR TO DATE OF PUBLICATION

HOW TO ANSWER BOX NUMBER ADS:

All replies to box number ads should be addressed exactly as indicated in ad copy. For those box numbers without a street address, mail to:

Box _____
WOMEN'S WEAR DAILY
750 3rd Ave. New York, NY 10017

L' O R É A L[®]
PARIS

The 1st Lipstick
With Anti-Aging Serum.

Immediate definition. Improved fullness.

NEW
Colour Riche[®]
anti-aging serum

Rich colour fused
with pro-xylane and collagen.



Before use



After use*

- Fills surface lip lines
- Improves definition

L'ORÉAL
PARIS

Because You're Worth It™

"Younger-looking lips plus rich colour in one.
That's lipcolour perfection."

—Linda

*Simulation based on actual results.
Linda Evangelista is wearing Colour Riche Anti-Aging Serum in Real Red (301).
Rejuvenate your makeup at www.lorealparis.com ©2009 L'Oréal USA, Inc.