

McCartney on trend with romantic vibe

The spring/summer 2005 collection from Stella McCartney was inspired by a relaxed holiday vibe – a key trend here in Paris.

A new softness emerged in breezy fabrics and light floaty dresses, worn with McCartney's signature tailoring pieces.

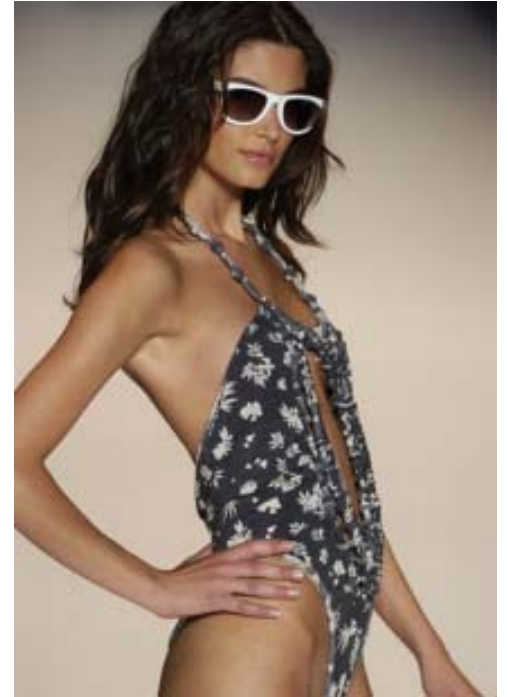
Marriage and impending motherhood seem to suit McCartney who dedicated her show to her "amazing husband". The show drew a heavyweight front row line-up including Robert Polet, Francois-Henri Pinault and Serge Weinberg from parent company Pinault Printemps Redoute.

They saw fresh-faced sun-kissed models sporting cool white cotton kaftan tops and soft masculine-style shirts and those essential crop bolero-style jackets, which had a new take this season with *Sergeant Pepper*-style tails.

The season's romantic vibe is perfectly suited to McCartney's flower-child signature look and came through in macramé-trimmed smocks and floaty tiered skirt. Elsewhere, abstract prints (vaguely ethnic in style), slouchy safari jackets and a dropped-shoulder trench with full pushed-up sleeves were also right on trend. At last, it looks like this could be Stella's moment.

Hussein Chalayan has moved on from his past sometimes tricky conceptual phase, these days producing highly wearable, easy collections that mix urbane and feminine touches with his signature flair for tapping into a directional seasonal theme.

This season he looked to the world of sleep for inspiration and came up with distinctly lounge-like jerseywear and shirting-stripped



Paris Fashion Week: Stella McCartney

gowns with a calming appeal, and more importantly were in tune with his sporty summer suiting.

The look was light and summery with a palette of palest blue, grey and white worked into soft unstructured silhouettes that included tail-hemmed shirtdresses, soft raincoats and slouchy shorts.

A blindfolded drawing session provided inspiration for quirky prints worked across asymmetric chiffon dresses, layered with laced leather corset tops.

US department stores are sluggish

Federated Department Stores has enjoyed some good months this year but September was not one of them as the retail giant reported an unimpressive rise of 0.1% in same-sales and a total sales decline of 0.2% to \$1.352bn.

The company's September sales were negatively impacted by about \$30m as a result of Hurricanes Frances and Jeanne, which combined to reduce sales for the month by approximately 2%.

Company chief Terry J Lundgren said the September sales figure showed modest improvement relative to August, but was still not enough to predict a "robust" October and

Federated is forecasting comps up this month by around 2-3%. That would mean Q3 comps being generally flat.

Earnings for the third quarter are expected to be 30 to 32 cents a share, which is within the lower end of the company's prior guidance of 35 to 40 cents a share, reduced by 4-6 cents a share impact of the hurricanes.

Saks was another poor performer with same-store sales down 4%.

The May Department Stores Company also reported comps down, by a below-expectations 1.5%, even though total sales rose 18% to \$1.34bn on the back of its Marshall Field's buy.

D&G switch eyewear deal to Luxottica Group

Italian eyewear giant Luxottica Group has signed up for a five-year deal to produce and market Dolce & Gabbana and D&G prescription frames and sunglasses worldwide for the Italian design duo from January 2006. The deal will end a 10-year collaboration with Marcolin.

The new agreement is automatically renewable for an additional five years through December 2015 linked to meeting certain sales targets, the pair said.

Commenting on the switch to Luxottica in a statement, the designers said: "Aiming at a further international development of the group, we felt the need to exploit our potential even more within a dimension that can guarantee the company's growth."

The first new collections, to be presented in January 2006, expect to generate sales of around €120m during the first 12 months with additional growth beyond that through the fifth year, Luxottica said.

Terms also include a €60m January 2006 advance payment on royalties that will mature over the five-year term of the initial agreement.



Paris Fashion Week cont'd

Celine

Following the departure of Celine designer Michael Kors, it was a big hello to Roberto Menichetti for spring/summer 2005. The ex-Burberry Italian designer ushered in a fresh and experimental look at the French house. Outgoing US designer Michael Kors, who is now concentrating on his own line, took with him the signature international jet-set look that was an effective money-spinner for Celine. Menichetti's approach may yet prove to be just as effective, but it is quieter and displays subtle creative flair.

Show notes described his inspiration as the Celine woman affirming her spontaneous Parisian culture based on a delicate balance of inherent elegance, grace and freshness. It was indeed fresh and completely different. Under four giant primary-coloured lanterns suspended over the runway, models sported fluid abstract print dresses and short graphic knitwear dresses that had a touch of Marni to them but majored on Menichetti's own sportswear handwriting.

A-line skirts fluttered with back-pleat detailing, while there were touches of utility as well as femininity in a princess-style patch pocket coat and belted satin day dresses.

Acid colours mixed with brights such as fuchsia and indigo blue for a welcome burst of colour. Backless dresses and cut-out shaped sleeve blouses were perhaps a little too tricky. Considering the house's heritage, there were surprisingly few accessories on offer apart from tiny rounded satchel purses, flat sandals and the strange padded headpieces.



Hussein Chalayan



Celine



Hussein Chalayan

in the markets

Gap Inc rose 2.3%, or 43 cents, to \$19.41 Thursday, after the parent of its namesake stores as well as **Banana Republic** and **Old Navy** missed September sales projections but softened the blow with a \$500m share repurchase plan, its first since 2000.

Hot Topic rallied 15%, or \$2.57, to \$19.98, on an upgrade after the company said that it will repurchase up to 1m shares. Other gainers included **bebe**, which rose 12%, or \$2.58, to \$24.16, while **Abercrombie & Fitch** rose 9.7%, or \$3.09, to \$35.09.

Decliners in the US retail sector included **AnnTaylor** Stores, which fell 7.8%, or \$1.84, to \$21.80, after missing estimates, and **Gymboree**, which fell 13.6%, or \$1.95, to \$12.35, their lowest point since February.

Matalan climbed as much as 9% to 245p in trading in London Thursday, on speculation that **Wal-Mart** is aiming to expand its presence in the UK with a £1bn-plus bid for the discount apparel retailer.



US: AnnTaylor warns on quarterly earnings

Womenswear retailer AnnTaylor Stores said yesterday that September same-store sales increased just 1.4% year-over-year, as it warned quarterly earnings would fall below Wall Street expectations.

Same-store sales at Ann Taylor stores were down 5.1%, but were offset as its high-flying Ann Taylor Loft division came in 10.2% ahead. Total sales at the 709-store group for the five weeks ended October 2 increased 16.9% to \$187.7m. Sales at Ann Taylor stores fell to \$79.7m from \$83.6m last year, as Ann Taylor Loft store sales rose sharply to \$90m from \$64.5m a year ago.

Chairman J Patrick Spainhour said: "The Ann Taylor division did not meet our internal expectations, which resulted in greater promotional activity. The miss was primarily due to sweaters, where our offering was too narrow and too deep, and pants, where sales increased over last year yet were not in line with our inventory levels."

The company estimates that Hurricanes Frances, Ivan and Jeanne reduced September sales by about \$3m with impacted stores representing 8% of total.

China: direct sales ban to be lifted

Direct marketing channels are set to be significantly relaxed in China with a range of amended regulations expected by the end of the year, according to Chinese news reports. Both foreign and domestic players, will be able to conduct direct selling, which has been banned on the mainland since 1998. In addition, foreign retail brands will be explicitly allowed to sell via a variety of direct channels - including the internet and telephone - and not just from a fixed point-of-sale.

Direct sales are key for a number of international giants in the beauty sector.

The new regulations, expected to come into effect by the end of this year, have been widely anticipated, given the terms of China's WTO accession.

trade show calendar

SUN MON TUE
16 17 18

France: Jardin des Tuileries, October 8-11, Paris

Type: apparel, footwear/leather/accessories

Contact: www.premiere-classe.com

UK: The Music Room, October 13-14, London

Type: textiles/fibres/yarns

Contact: www.textileforum.co.uk

US: International Home Furnishings Marketing Association, October 14-20, High Point

Type: Interiors

Contact: www.highpointmarket.org



US: Bluefly launches storefront on Amazon.com

Bluefly said yesterday that it has launched its storefront in the Apparel & Accessories store at Amazon.com, located at amazon.com/bluefly.

"We are thrilled to have a presence on the Amazon.com website and look forward to introducing the Bluefly experience to Amazon.com's extensive customer base," said Melissa Payner, Bluefly's CEO.

Australia: Elders to buy controlling stake in BWK

Wool broker Elders is to buy a controlling stake in German-based wool processor BWK AG under a proposed restructure.

Futuris, Elders' parent company, will pay A\$28m (\$20.4m) to increase its current 41% stake in BWK. Elders is expecting its shareholding in the company to increase to between 75-90% under the deal.

UK: music industry to sue music pirates

The British Phonographic Industry (BPI) is to sue 28 internet users that it has identified as "major uploaders," in other words, people that make music available online to share free with others.

The BPI's actions follow that of its counterpart in the US, which is already suing those it calls the worst offenders, with more cases expected to come. US record companies have issued more than 5,700 lawsuits from alleged file-sharers, with many settling out of court.

China: 2005 cotton import quotas kept at 894,000 tonnes

China is to maintain its cotton import quota at 894,000 tonnes in 2005, the same figure it has been set at for the past two years, reported AFX.

However the figure, released by the National Development and Reform Commission (NDRC), is perhaps misleading. Figures from the Ministry of Commerce show that China has already exceeded its 2004 quota after importing 1.74m tonnes in the first eight months, a year-on-year increase of 178.4%. China's cotton imports for 2003 totalled 2.5m tonnes.

UK: M&S slow to exploit internet

Marks & Spencer chief executive Stuart Rose said yesterday that the UK retailer has been slow in spotting the potential of the internet but is now looking at ways of expanding its online presence, according to a report in *The Guardian*.

Rose, speaking at a retail conference organised by Barclays, said the company had been a "Johnny come lately" in terms of using the internet as a sales channel, compared with its rivals, and that it "ought to be pushing harder".



US: Giant Robot seeks Manhattan store

Trendspotting pop culture magazine *Giant Robot* is looking for a retail site in Manhattan, the *New York Daily News* reported.

Giant Robot, with a cult-like following soon to open a restaurant of the same name, currently has two stores in Los Angeles and one in San Francisco. They offer Japanese comic books, signature T-shirts and caps, art, and other collectibles.

The stores act as a 3-D gallery of the magazine, founded by Eric Nakamura and Martin Wong.

Giant Robot is credited with starting the craze for UglyDolls now sold at Barneys, in the FAO Schwarz catalogue and design museums. It also is the exclusive importer to the US of Takashi Murakami's figurines.

US: Kenneth Cole to enter Middle East

Kenneth Cole New York said yesterday it will enter the Middle East market through an exclusive license agreement with the Dubai-based Apparel LLC.

The announcement comes ahead of the official opening of the first Kenneth Cole flagship store in the key BurJuman shopping mall in Dubai early next week with the brand rapidly expanding to other GCC (Gulf Cooperation Council) markets within the next two years.

"I am confident that the launch of Kenneth Cole in the region will fill an existing market void and the apparel, footwear and accessories will appeal to those who want fashion with an attitude," says Nilesh Ved, managing director of Apparel LLC.

"We are also certain that the brand will find immense appeal among the youth with its distinct 'fashion with a cause' concept," he added.



There's research for a film and then there's just plain suicide. *High Fidelity* star, **John Cusack**, decided it would be a good idea to fly head long into Hurricane Ivan last month as part of his research for a role in a new film about freak weather chasers. Ok, he was with military weather experts and his extreme sports star pal, **Laird Hamilton**, and he may have been flying on board a rather sturdy Hercules jet, but they were still flying into the eye of a major hurricane. "It was fantastic," he says. "It was scary, exciting and thrilling, all at the same time. At times it was like being in a clothes dryer with incredible wind gusts shaking the whole plane. The worst part was when the plane suddenly plunged like a brick. It felt like my stomach left my body." The man is quite obviously insane.



Marc by Marc Jacobs spring/summer 2005

Womenswear: denim colours

The evolution of colour over the last few seasons has ushered in a whole new desire for colour in men's and womenswear.

At the same time, the denim market has become so swamped with washes and finishes that the search for the next big thing has become crucial as never before.

As a result, colour and denim combine for an important future direction. Menswear has started the ball rolling and womenswear looks set to follow suit.

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