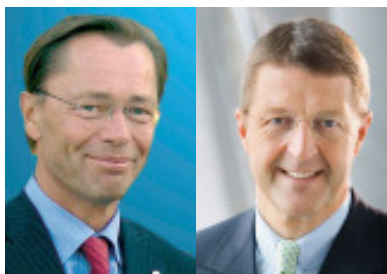


Karstadt and Kaufhof happy with flat sales

Germany's two leading department stores are cautiously optimistic after calling recent trading solid in an overall challenging retail climate. Both chains reported largely flat sales for the last three months of 2008 and were content with the performance of the fashion business.



Karstadt said its performance was "solid" in the Christmas trading period. With growth of 4% fashion outperformed the rest of the chain between October and December, Karstadt said. Total sales for the operator of 119 stores, which also include sports stores, were largely unchanged at €1.3bn.

Thanks to restructuring Karstadt had shown a "very robust" performance in an extremely challenging environment in the group's most important quarter, Karstadt parent Arcandor's CEO Thomas Middelhoff, above left, said. Sales at the Primondo home shopping unit were also flat at €1.2bn.

Kaufhof owner Metro was also pleased with "almost flat" sales at the chain in the final quarter of the year. Sales inched down 0.6% to €1.1bn. Sales for the whole of 2008 fell 1.1% to €3.5bn, but were better than the 3.4% drop reported by its bigger rival Karstadt for a year, according to Metro. Kaufhof runs 141 stores including 15 Inno stores in Belgium. Sales of winter clothes and outdoor products benefited from the cold weather, Kaufhof said. "All in all, Christmas trading in Germany was satisfactory," Metro chief Eckhard Cordes, above right, said. Sales for the entire Metro group increased by 3% to €20.1bn in the quarter.



Karstadt outperformed its smaller rival Kaufhof in the crucial Christmas quarter. In the financial year, Kaufhof's sales drop was smaller than Karstadt's.

Expansive Burani shrugs off crisis

The Italian fashion group sees big opportunities in emerging markets.

Mariella Burani is undeterred by the global economic crisis. This year, the owner of brands like Coccinelle, Mandarin Duck and Braccialini, plans to open between 25 and 30 stores worldwide. The lion's share of openings will take place in emerging markets like Russia and India. The group's CEO Giovanni Burani is optimistic about business in the future. "We have learnt a lot from past crises and since the early 1990s, we have restructured, rationalised and internationalised the group," Burani said.



Emerging markets will be key to the group's success, Burani believes. "Today, we no longer rely only on Europe, Japan and the US. In the past, we had no international alternatives when sales in established markets started to slump," Burani added. In India alone, the €700m group plans to open 164 stores and shops by spring 2010. Presently, Burani operates more than 380 stores worldwide. In the first nine months of 2008, group sales rose 8% to €521m. Sales in emerging markets showed growth of 17%.

Burani chief Giovanni Burani is targeting growth in new markets, where the group generates more than 30% of total sales.

Valentino's menswear design chief walks out

Only three months after the departure of creative director Alessandra Facchinetti, the Roman fashion house has parted ways with menswear design chief



Ferruccio Pozzoni, above. The contract with the ex-Burani creative chief, who has been designing Valentino menswear since autumn 2007, was not renewed, the group said. In December, Valentino decided to no longer show its menswear collection on the catwalk.

weekly

Aeffe needs new boss for Moschino



Thierry Andretta, left, has quit as CEO of Italian fashion house Moschino. Andretta's contract expired without renewal at the end of December as agreed, majority owner Aeffe said. There is no successor to the ex-Belfe boss yet. Andretta, who has headed Moschino since 2006, is said to be a candidate for the top job at Italian clothing maker Ittierre.

Ferré creative duo to design menswear

Italian fashion brand Gianfranco Ferré has assigned responsibility for menswear design to **Tommaso Aquilano** and **Roberto Rimondi**, below. Extending the cooperation with the designers, who were named womenswear designers nine months ago, was a natural step, Ferré boss Michela Piva said. They replaced Lars Nilsson in spring 2008.



Roberto Menichetti to design Cruciani

Italian cashmere specialist Cruciani has named **Roberto Menichetti**, below, as creative director. The ex-head designer of Celine, Burberry and Cerruti will create a luxury line for the company that has annual sales of € 18m. The 42-year old designer's first menswear creations for Cruciano are being presented at menswear event Pitti Uomo in Florence.



Spanish designer Armand Basi is dead



The Catalan founder of fashion company **Armand Basi**, left, died in Barcelona after a long illness on Friday. The 84-year old designer, who dressed stars like Antonio Banderas and Tom Cruise, founded his company in 1948 and opened the first store in London in 1995. Today, there are 29 Armand Basi stores and shops in Spain and abroad.

The new nerd

Yesterday's weirdo gets fashionable.

Bore, outsider, freak. Everyone knows the nerd. A pariah bullied at school, mocked by all and damned for eternal solitude, the nerd turned to his only friend: the computer. Today, suddenly, the loner's look is becoming more and more visible on the high streets of major international cities. In London, the species can be spotted wearing thick glasses, bobble hat and half mast trousers. The female variant as seen in Stockholm looks like her grandmother. She wears a battered pleated skirt, penny loafers and a Scandinavian-style pullover. The icon of the nerd look is actress Chloë Sevigny. The "non emotionally responding dude" has also become a welcome party guest and his style is already reflected in some of the designer collections. Say hello to the new nerd.



The nerd look. Photos from left to right: John Smedley, Stockholmstreetstyle.feber.se, Monika Andrexlinger.

In depth

Retail gloom in the UK is deepening following a truly grim Christmas. Figures released by **British Retail Consortium** (BRC) show that deep discounts could not spare British retailers from the worst December since BRC began its survey 14 years ago. Retail **sales fell 3.3%** on a like-for-like basis and 1.4% overall in the final month of 2008. Between October and December like-for-like sales declined by **2.7%** and by 0.7% on a total basis. Food and footwear were the only sectors to show growth. "Non-food retailers had a **torrid December** despite a blizzard of promotions and deals, which would have hit margins," BRC director general Stephen Robertson said. Britain's descent into full-blown **recession** was highlighted as

supermarket chain **Tesco** reported a 2.5% rise in like-for-like sales, its slowest growth in 15 years. The group warned of even tougher times



Young fashion specialist Republic was one of Britain's few fashion stores reporting growth: like-for-like sales were up 7% over Christmas.

to come. Tesco's performance was in sharp contrast to that of German discounters **Aldi**, which saw sales in the UK jump 20% in December. While supermarket chains Sainsburys and Asda posted growth, **fashion retailers** felt the pinch. **JJB Sports Fashion** forecast an annual loss after reporting a 6.8% like-for-like sales drop for the five weeks to 11 January. **Next** saw like-for-likes fall 7% in the five months to 24 December. At **Debenhams** like-for-likes were down 3.5% in the 18 weeks to 3 January. **Marks & Spencer** suffered a 7.1% decline in like-for-like sales in the 13 weeks to 27 December. But there were also winners: young fashion specialist **New Look**, Cult Clothing and Republic showed like-for-like growth over Christmas.