

IT Holding's subsidiary Ittierre is insolvent

The problems IT Holding is currently facing appear to be deepening. The highly indebted Italian clothing company has declared its subsidiary Ittierre insolvent.



HOLDING

IT Holding's board of directors made this decision "to allow the group to be restructured and to continue its business operations". Prior to this, the administrative board had deliberated over an auditor's report that IT Holding's CEO had tabled on the basis of a bid made by a foreign investor. The board reached the conclusion that the prerequisites needed to continue operations and licensing agreements as before were no longer in place. Trading for IT Holding's shares was suspended in Milan.

Ittierre, IT Holding's young lines division, holding licences such as VJC Versace, Versace Sport, Just Cavalli, C'N'C Costume National and Galliano, has already been at the centre of an exclusive takeover bid by Chinese businessman Billy Ngok. At the beginning of February, IT Holding also declared that several parties had displayed an interest. Soon after, the company referred to the foreign investor who reportedly made an offer of a capital increase and a bond repurchase. In its insolvency announcement for Ittierre, IT Holding, which is also behind the Gianfranco Ferré, Malo and Extè brands, considered filing for bankruptcy itself. Meanwhile, Ashraf Abu Issa, chairman and CEO of Abu Issa Holding from Qatar, is said to have expressed an interest in Gianfranco Ferré.



IT Holding chairman and majority stakeholder Tonino Perna is under pressure. A dossier has reportedly been sent to a number of potential investors who could either take over parts or all of the group.

French luxury brands defy the crisis

Growth checked in fourth quarter, European business remains strong.

Hermès last year witnessed an 8.6% rise in sales to €1.76bn. Whereas sales in the strong European market climbed 10.2% to € 74m, revenues in the US improved 7.8% to € 264.6m, increasing 7.4% to € 713.4m in Asia. The company opened 12 stores and refurbished 13 outlets in the period. With a jump of 13.1%, bags and leather goods delivered an over-average performance, whilst fashion and accessories managed to achieve a 6.8% improvement "despite high inventories".



LVMH benefited greatly from the strength of its star brand Louis Vuitton. Compared with the other fashion brands, its double-digit jump in sales and "exceptional profitability" made a greater contribution to the growth of the fashion & leather goods segment, which with a 7% rise to € 6bn delivered the strongest growth. The overall company saw a 4% improvement to € 17.2bn. By contrast, Christian Dior Couture struggled in the face of the ailing US and Japanese economies, with revenues dipping 2.8% to € 765m.

Louis Vuitton is pinning its hopes on new products and 25 to 30 new stores, which will be less than the total opened in 2008.

Karl-Johan Persson appointed CEO of H&M

The Swedish fashion chain has promoted Karl-Johan Persson (right) to the position of **CEO**. The 34-year-old son of chairman Stefan Persson succeeds Rolf Eriksen on 1 July who is due to retire. Karl-Johan Persson has held an operational leadership role with H&M since 2005 and is currently in charge of expansion, business development, the brand and new business divisions.



weekly

Inditex launches in India



The Spanish fashion retailer is poised to roll out its **Zara**

format in India in 2010. To facilitate the launch, the company has entered into a joint venture with the Indian Tata Group. Inditex holds 51% of the shares whilst Trend Ltd, a subsidiary of the Tata Group, owns the remaining 49%. The first stores will open in New Delhi and Mumbai.

Fashion Box has a new creative director

The Italian jeans and casualwear company has assigned the position of creative director to **Gigi Vezzola** (below). In this role he will be in charge of overseeing the Replay, We are Replay and Replay & Sons



brands, the licences and their brand image in Italy. Vezzola takes over from Sergio Arreghini, who passed away last year at the age of 48.

Austin Reed snaps up Viyella

The London fashion company has acquired British brand **Viyella** from insolvency for an undisclosed sum. 21 of the 40 Viyella stores, 16 of the 64 concessions and 230 of the former 450 members of staff will continue to operate as before. Womenswear and menswear supplier Austin Reed, which belongs to Dawnay Day operates from around 300 stores and concessions.



Gareth Pugh under observation

British designer **Gareth Pugh** (right) has caused quite a stir at the Paris Fashion Week with his first menswear show. The presence in the first row of Delphine Arnault, daughter of LVMH's head Bernard Arnault and deputy managing director of Christian Dior, fuelled speculation that Dior is looking for someone to succeed Dior Homme designer Kris van Assche.



Fur is fashion

In Copenhagen it was impossible to ignore – fur as far as the eye could see.

Copenhagen is always the place to be if you are looking for trendy furs. Not least because of Denmark's strong tradition of fur "breeding". This isn't only apparent as you walk along Copenhagen's streets, but also at last weekend's shows which presented a wealth of trendy furs. From By Malene Birger to Annhagen. Fur has been cast an innovative role even in the collections of Benedikte Utzon, Heartmade by Julie Fagerholt and Baum und Pferdgarten. In Copenhagen fur has absolutely nothing to do with Gran's mothballed, old mink coat. In Copenhagen fur means fashion in its most potent form. We see petite A-line jackets, fur trimmings on a flannel dress, mink gilets with sequin decors, scarves, boleros, biker jackets, coats and capes. Fur is emerging as a force to be reckoned with and will be a fashion must-have next autumn.



From left to right: By Malene Birger, Annhagen, Annhagen.

In depth

Despite being in the throes of an economic crisis, France is experiencing a **shopping centre boom**. The 750 shopping arcades, precincts and trade parks, which were counted across the country at the end of 2008, are to be joined by another 103 in the course of 2009. This was announced by Procos, the French association for urban development and trade. This confirms a forecast by real estate consultant Jones Lang Lasalle, which sees the core of investments in retail property being focused on the five lar-



Porte Jeune, which was opened in Mulhouse in autumn 2008 is considered a new-generation shopping centre.

gest European countries. This is because they offer a greater measure of transparency, liquidity and stability whilst weaker economies tend to check the development of rents and profits. The **new projects differ** from past undertakings in that they are not so much moulded around the likes of Carrefour, Auchan and Casino but are devoted more to areas such as leisure

and the home. The largest centres to open this year include Docks Vauban and Carré de Soie in Le Havre and Lyon, each with an overall area of 40,000 square metres. In Paris, La Défense is opening a 28,000 square-metre shopping centre in the CNIT congress centre. In southern France, Montpellier and Béziers will be home to two shopping centres, each boasting an area of around 30,000 square metres. After relaxing **planning permission procedures** for new trading locations – 83% of the plans for new centres were given the go-ahead in 2008 – the first signs of slowing are indeed beginning to rear their head. It is taking longer to find tenants, anything from three months to a year, it was said.