

Puma makes shorter leaps

Puma, the third largest sporting goods company after Nike and Adidas, has decided to reduce costs by cutting investments, also at its own stores.



Jochen Zeitz, CEO of the German sporting goods company, is keeping "its options open" after suffering a 13.5% decline in profit and a 5.4% drop in orders in 2008 without ruling out the possibility of redundancies. Potential acquisitions are also being placed on the back burner. "We wish to plan very conservatively whilst keeping our cash flow up," stresses Zeitz. At present, the company has € 325m in liquid funds. Its equity ratio amounts to 62%.

Puma made adjustments to the challenging market environment in the fourth quarter by implementing initial structural measures. This had a € 25m impact on the operating results in 2008, Zeitz continued. In the wake of major sporting events such as the European Cup, sales increased 6.4% to € 2.5bn. Brand sales including licences inched up a good 1% to € 2.7bn. However, profit tumbled 13.5% to € 232.8m. Whereas € 119m was last year channeled into own stores and new headquarters, this sum will be limited to € 65m to € 75m in 2009. Besides the decision to close down unprofitable stores, new stores are still in the pipeline though not on the same scale of 15 to 20 per year. Parent company PPR has also announced savings. The French luxury goods maker witnessed a 5.8% rise in sales to € 20.2bn, whilst net profit remained almost static at € 924m, up 0.2%.



Puma last year invested € 119m in own stores and new headquarters.

EganaGoldpfeil brands sellout

Almost all the subsidiaries of insolvent EganaGoldpfeil Europe have been sold.

Sioux, the shoe brand with the moccasin feel, will in future be in the hands of German investor Square Four which acquired a stake in German shoemaker Rohde in July 2008. Sioux is the second shoe company from Egana's portfolio to change hands. Recently the German shoe manufacturer Ara snapped up all the shares in shoe retailer Salamander as well as its foreign subsidiaries in France, Russia, Austria, the Czech Republic, Hungary and Poland.



Joop, which was previously half owned by Egana Goldpfeil Europe, has since been taken over in its entirety by the Swiss Holy Fashion Group, which until December held the other half of the shares. The watch brand Junghans has also been spun off to an entrepreneur whilst the Comtesse brand has gone to an unnamed company. A solution is yet to be found for the Goldpfeil brand which is held by EganaGoldpfeil Europe's insolvent subsidiary Egana Goldpfeil Accessoires.

Joop and Comtesse have been sold, whilst a solution is still being sought for Goldpfeil.

Versace continues expansion

The Italian luxury goods company has continued to grow despite the financial crisis and the international slump in consumption. In 2008, sales growth topped 8% to € 336m, matching last year's improvement. Following investments in expansion worth € 45m last year, **Asia** has now become Versace's second most important market after Europe.



Marlies Dekkers appoints a new CEO

Vincent van Zon, who for the past four years has been co-owner of the Dutch lingerie and beachwear company operating from eight stores, has assumed the role of CEO after Arnold Perizonius stepped down following a dis-



agreement over further expansion. Designer Marlies Dekkers (left) was awarded the Creator of the Year prize in 2008.

Mariella Burani ventures into Italy

The Italian fashion group plans to expand to India. Mariella Burani is currently in talks with the Indian Reliance Group regarding the inauguration of 45 stores for the Mandarin Duck, Coccinelle (above) and Francesco Biasia brands over the next three years. Press reports claim that a joint venture is due to be signed, a statement which Mariella Burani has declined to confirm.



Redcats Group under new leadership

Jean-Michel Noir will assume his new role as CEO of the French catalogue company in April. Succeeding Thierry Falque-Pierrotin (below), who announced his departure in October, he has been charged with the reorganization of the Redcats Group whilst expanding its internet operations. Noir is currently still COO of French shoe and clothing company Vivarte.



Replay plans to grow in South Korea

The Italian jeans label intends to open a flagship store and seven corners at Korean department stores by the end of 2010. The company's local partner is SK Networks, which has already introduced to the market labels such as Tommy Hilfiger and DKNY. By the end of 2013, Replay expects the number of points of sale in Korea to total 20, generating sales of over € 50m.



Denim hot pants

They're not just for summer.

Given the right accessories, denim shorts can be ideal for the winter months as well. But they have to be torn, scored, destroyed and, above all, frayed. We're talking here not about any old shorts but denim hot pants. Preferably they are worn with thick tights in contrasting colours, be it black or neon. The shorts also catch the eye together with patterned or glossy latex leggings. The winner of the moment are the good old 501s. The classic that can be found in almost every wardrobe, has had the scissors taken to it, giving it a completely new style. Throw them together with a trendy blazer or a uniform jacket, high heels or butch biker boots and voilà – the new look is complete. The more hand-made it looks the more authentic and better it is. For both men and women alike.



From left to right: Trendspot Hugentobler, Stockholmstreetstyle.feber.se, Trendspot Hugentobler.

In depth

Turkey, Russia, Poland and Romania are the most important target countries for the internationally expanding retail trade. This was the conclusion drawn by real estate consultancy Jones Lang LaSalle in a recent study on cross-border retail trade expansion in Europe. A total of 500 cross-border market entries were examined in 18 European countries in 2007 and 2008. The results showed that more than one in ten of all rollouts occurred in Turkey. Over the past two years, an area of around one million square metres has been opened there, among others, by Gap, Muji and Banana Republic. LaSalle states that Turkey is seen as the gateway to the Middle East and Caucasus. Interna-

tionally operating retailers ventured onto the Russian market with similar dynamism. Overall, Central and East European countries hold



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the first five places in the ranking of the most attractive locations. Portugal, the UK and Belgium are the main targets in Southern and Western Europe. The majority of companies expanding internationally are brand suppliers in the medium price bracket from Italy, the US and the UK. One in ten of the market entries observed in the years 2007 and 2008 was from Germany, with names like Tom Tailor, S. Oliver and Deichmann leading the field. Cooperation with franchisees has intensified, above all, in markets such as Poland, Romania and Russia. For 2009 Jones Lang LaSalle expects to see a rise in cross-border expansion from North America, above all, in Western and Southern Europe.