



MAKING HER MARK

MARIGAY MCKEE IS PUTTING HER STAMP ON SAKS FIFTH AVENUE WITH MORE FASHIONABLE ASSORTMENTS, REDESIGNED SHOPPING BAGS AND MORE. PAGE 3

ON EDGE

THE BRITISH GOVERNMENT UPS ITS TERRORIST WARNING, POINTING TO DEPARTMENT STORES AS POTENTIAL TARGETS. PAGE 10

MADRID MOMENT

A PREVIEW OF THE UPCOMING MADRID FASHION WEEK, INCLUDING DESIGNERS TO WATCH. PAGES 6 TO 8

BRAND VALUED AT \$1.1B

Cavalli Sale to VTB Seen by Mid-October

By LUISA ZARGANI

MILAN — Roberto Cavalli is closer to selling a majority stake in his namesake brand, with the deal expected to be completed in mid-October.

The Italian designer has signed a letter of intent to sell a 60 percent stake in his company to VTB Capital, according to market sources, confirming a WWD report last month. The eventual goal is to launch an initial public offering in four to five years, WWD has learned.

VTB Capital is part of VTB Group, a major Russian investment bank, but it's understood that it is acting for a Cyprus-based fund. The identity of the fund could not be learned at press time.

The price tag is pegged at 500 million euros, or \$656.5 million at current exchange. The deal values the Cavalli brand at 830 million euros, or \$1.1 billion. This represents four times the firm's sales in 2013 and more than 22 times its earnings before interest, taxes, depreciation and amortization last year. In 2013, the Florence-based firm reported sales of 201 million euros, or \$265.3 million at average exchange, up 9.3 percent compared with the previous year. Net profit last year dropped to 159,000 euros, or \$209,880 at average exchange, from 359,000 euros, or \$459,520, in 2012. EBITDA last year totaled 22.4 million euros, or \$29.5 million. The company has not reported results for the first half of 2014.

At the end of 2012, the company had 179 stores, of which 90 were under the designer's signature brand. Of these, 44 are directly owned — including Cavalli's prestigious Rue du Faubourg Saint-Honoré boutique in Paris, which may eventually clip the deal's final price as the designer is said to have kept ownership of this asset.

The value of the company has been a thorny issue for years and the designer is said to have backed out of previous negotiations over price. A deal to sell a 30 percent stake to private equity firm Clessidra SGR SpA broke down in 2009 for that reason. At the time,

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LED VUITTON'S GROWTH

Yves Carcelle Dies at Age 66

By MILES SOCHA

PARIS — Yves Carcelle, the dynamic French executive who spearheaded Louis Vuitton's transformation into a global powerhouse, on Monday was remembered as a visionary manager who shaped the entire luxury sector. That's how colleagues described Carcelle, who died Sunday at the Pitié-Salpêtrière Hospital in Paris following a battle with cancer. He was 66.

"A tireless traveler, Yves was a pioneer who embodied the image and values of Louis Vuitton. Always curious, passionate and in motion, he was one of the most inspiring leaders of men and women whom I have ever had the privilege of knowing," said Bernard Arnault, chairman and chief executive officer of Vuitton parent LVMH Moët Hennessy Louis Vuitton. "Today, the LVMH group has lost one of its closest and dearest friends and I join in the sorrow of each of us as we mourn Yves' passing, but also importantly in our collective appreciation for his life, his work and his legacy."

One of the fashion industry's most admired executives, Carcelle stepped down as chairman and ceo of Vuitton in 2012 after a tenure that spanned more than two decades.

"He was a visionary, an inspiration to his teams, a friend," Antoine Arnault, ceo of Berluti and chairman of Loro Piana, told WWD.

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SPRING 2015
INSPIRATIONS
NEW YORK
COLLECTIONS

Made in the Shades

Keep cool — it's just another fashion week (already). And with it comes WWD's designer inspirations, for which Jason Wu offered up this striking image with one simple word: "Beauty." His illustration certainly is, and it also keeps us guessing as to what exactly Wu will show on his spring runway. For more inspirations, see pages 4 and 5.

