



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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TUESDAY, SEPTEMBER 2, 2014

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.

TEXTILES

Mood Improves Heading to Milano Unica

By EMILY BACKUS

MILAN — Italian textile and accessories makers showing fall-winter 2015-16 collections at next week's Milano Unica trade fair see signs of recovery in the sectors that could herald sales growth after two years of uncertain market conditions.

The show's 19th edition runs Sept. 9 to 11 at Fieramilanocity here.

"As entrepreneurs, we are condemned to be optimistic and try to see the glass as half full," said Silvio Albini, president of Milano Unica and owner of the Albini Group textile company. "With the next edition of Milano Unica, we would like to try to help fill the other half."

Total Italian textile sales are forecast to grow 3.1 percent in 2014 after contracting 2.4 percent in 2013 to 7.8 billion euros, or \$10.3 billion at current exchange rates, according to a June report by the Italian fashion and textile federation Sistema Moda Italia.

Conditions had improved somewhat last year, with the fashion and textile sector as a whole dipping just 0.7 percent in 2013 after a 3.2 percent downturn in 2012. Textiles made up 15.5 percent of 2013 textile-fashion supply-chain revenues.

Italian textile exports and imports in the first quarter of the year met optimistic expectations for 2014, rising 6 and 10 percent, respectively, according to Milano Unica. That growth was supported by an inversion of trends seen in recent years, with imports signaling a possible upswing in Italy's previously languishing domestic demand, slumping Asian markets and recovery in Europe and the U.S.

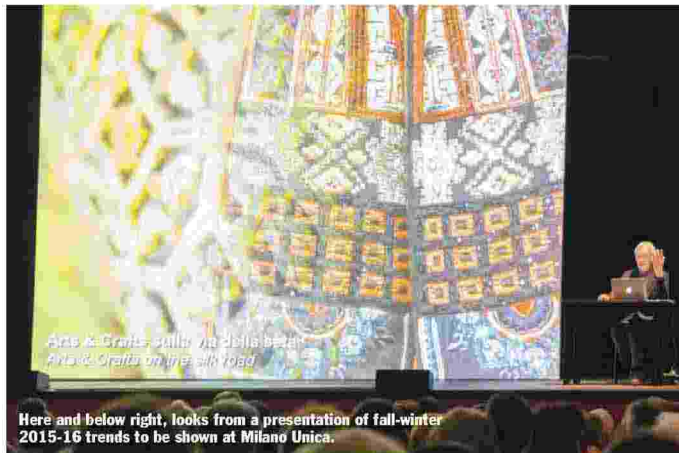
First-quarter textile exports to Europe and the U.S. rose 10.4 and 16 percent, respectively. Exports to China dropped 5.5 percent and sank 11.1 percent to China compared with January to March of last year.

Within Europe, first-quarter exports mounted 15 to 25 percent to emerging-economy countries such as Portugal, Romania, Poland, Spain and Bulgaria, while traditional high-volume textile consumption markets Germany and France remained flat.

Mauro Bellini, commercial director for textiles at luxury Italian fashion house Ermenegildo Zegna Group, said he was "moderately satisfied" with his division's sales so far this year.

"The spring 2015 collection is moving well," said Bellini, but much of his outlook for the year will be determined at the Milano Unica trade fair.

"It will be very interesting to see what happens in 15 days," Bellini said in an interview two weeks before the fair. "It is



Here and below right, looks from a presentation of fall-winter 2015-16 trends to be shown at Milano Unica.



Looks from shirt fabric maker Cancellini Tessile.

a very important moment of encounter."

Milano Unica organizers have made an effort to strengthen their offering by collaborating forces with other Italian fashion fair groups. Milano Unica is working with Florence's Pitti Immagine to showcase highlights of Italy's premium denim production chain, with an exhibit called "Italian Denim Makers."

For the first time in many years, Milano Unica is joining forces with international leather trade fair Lineapelle to overlap show dates, provide a single entry badge for both exhibitions and run a free shuttle between the two venues. Lineapelle runs Sept. 10 to 12 at Milan's Rho-Pero fairgrounds.

After five years of scouting design talent for its On Stage runway show, fair organizers are instead putting on a retrospective exhibit about the 50 designers featured so far, with samples of their clothes and profiles of their career progress. The exhibit will be held in the gal-

lery of the fashion store and restaurant complex 10 Corso Como.

There will also be 29 top-end Japanese textile makers exhibiting in the fair's Japan Observatory.

Mauro Cancellini, style director for the luxury cotton shirt fabric maker Cancellini Tessile SpA, said his company will be presenting a balance of "extravagant chic" fabrics and best-selling staples to satisfy shirt operators' needs for eye-catching window displays, but relatively conservative fabrics for products that sell best once customers are inside.

Cancellini's collection introduces jacquards that decompose and morph from one pattern to another halfway down the shirt, as well as prints that have a smooth, monochrome reverse side. Cancellini will also show its signature top-selling fabric Skin, made of 100 percent ultrafine cotton featuring micro-patterns in checks or stripes.

Cancellini's luxury denims will run from classic indigo to fancy weaves, and include a capsule collection designed in

Italy but made in Japan, with stripes and closed selvage.

Creative textile maker Bonotto SpA, specialized in vanguard prêt-à-porter, men's sportswear and luxury artisanal fabrics, will be introducing 3-D, puffy, soft tricot in baby and Suri alpaca, and fluffy Mongolian "fur" made from mohair. Bonotto will also show fabrics combining cellophane with felt, leather with lame, and primitive, worn-looking weaves made by hand on wooden Japanese Fifties looms in Berber wool, wild hare and Tibetan yak.

Jersey and wool mill Botto Giuseppe is focusing on rippled and 3-D stretch wool and wool-silk mixes, Saxon patterns, leathery distressed looks, opaque "Liquid Wool" finishes and a palette that ranges from deep and gritty to iridescent tones.

16%

THE INCREASE IN FIRST-QUARTER TEXTILE EXPORTS FROM ITALY TO THE U.S.

Upscale jersey specialist Mario Bellucci SpA said it will be presenting "hairy" jacquards, prints and laminated fabrics in its collection.

Zegna's three textile lines — Zegna for men, Agnona for women and Tessitura di Novara for men's silk — will be presenting precious fabrics in luxury fibers that "look heavy but have a very light feeling," said Bellini.

Ultrafine wools have been selling best for spring, but Bellini expects carded silk and cashmere to be received best for fall and winter.

Luxury cotton maker Larusmiani, which reported 10 percent global sales growth this year compared with 2013, said it would push its new luxury denim, a cotton-cashmere mix called Sea Island, its body-warmth-regulating Litrix and new flourine-free water-repellent outerwear in "silk touch" microfiber.

Milano Unica's own trend curators are forecasting daring material mixes, like Neoprene and lace, mohair and crystal, and melton and vinyl to be key for the season. The trade fair's official trend areas will also show colors featuring thermochromic pigments that change color with temperature, and intarsia, as well as added density through felting, resins and bonded membranes. Plasticized, laminated and crystallized surfaces are also predicted to get attention, as well as dynamic effects from radial quilting, progressive crinkling and curved pleating.

