



▲ Versace Pour Homme, the house's latest men's scent, page 4.

WWD FRIDAY

Beauty

Eye Contact

Guerlain is aiming to boost its U.S. color cosmetics business with Le 2 de Guerlain, a \$35 mascara it will launch here in March and globally in April. The high-tech formula incorporates a medical polymer and custom-designed brushes. In the U.S., it will be available in about 300 specialty store doors and could do \$3 million in sales in its first year on counter. For more, see page 4.

No End to the Excess: Couture Houses Say The Party Plays On

By Miles Socha

PARIS — Never mind mounting economic woes: The possibility of rain soaking clients' heels ranks as a bigger worry than recession as couture houses here get ready for another high-fashion week.

"The trend of 'super luxury' is good," said Sidney Toledano, president of Christian Dior, which posted "very strong double-digit growth" in couture sales last year. "It's been an excellent year for haute couture and I'm optimistic for the coming years."

Bruno Pavlovsky, Chanel's president of fashion, concurred, calling 2007 Chanel's best year in couture ever

See Paris, Page 13

Boucheron's Fantasy Gems/12
Pharrell Talks Rocks/14





The grand staircase on Barneys New York's main floor.



A whimsical display.



Here and right: Jewelry and accessories.

Barneys on the Strip: Whims

By Sharon Edelson

LAS VEGAS — Barneys New York arrived here Thursday with its usual style and wit and another trait not commonly associated with the retailer — flamboyance.

"There's more glitter here," said creative director Simon Doonan. "There was a conscious desire by us to inject a little flamboyance into the store."

And, while Barneys may be known for its affinity for the color black, the Las Vegas store is alive with brightly colored apparel and accessories.

The store will carry plenty of directional designers. "It's going to be fun to introduce Marni and Dries Van Noten to Las Vegas," Doonan said. "It's going to feel very fresh and new. The subtlety and craft of fashion really differentiates us."

The 81,000-square-foot store is Barneys' first in Vegas. "This has been a long process," said Howard Socol, chairman and chief executive officer, during an interview in one of the store's personal shopping suites. "We were invited to go to a lot of different places. We wanted the right location."

The Palazzo, a \$2 billion stand-alone resort developed by the Las Vegas Sands Corp., has rolled out the welcome mat for Barneys. Signage throughout the casino directs people to the store and there are signs showing the way to Barneys at the Grand Canal Shoppes at the Venetian, the Palazzo's sister property.

Part of the appeal of the site for Barneys was the fact that the store would have its own street entrance with valet parking. "To see Barneys New York from Las Vegas Boulevard is great," Socol said, noting Barneys is the only fashion retailer with its own facade on the Strip.

The facade, sheathed in glass, has a spiral pattern made up of hearts, clubs, diamonds and spades and was designed by artist John Paul Phillippe, whose work is found elsewhere in the store, and includes the backlit line drawings that are used to decorate the cosmetics cases on the main floor.

The Foundation beauty area features two Frederic Malle scent chambers, which Doonan calls "our 'Beam me up, Scottie,' columns," noting they allow Malle's exclusive scents to be sampled in a "completely untainted environment."

Accessories include Givenchy, the Barneys New York collection, Lanvin, Henri Cuir and Miu Miu. A separate Valextra shop sells the Italian brand's leather goods.

Jeffrey Hutchinson, who designed the store, said, "Barneys doesn't do cookie-cutter stores." The focal point is a grand elliptical staircase. "The materials are very sophisticated," he said. "We used a lighter palette, oak, teak and sycamore. Some of the fixtures are sculptural, almost Giacometti-like."

Barneys is particularly bullish on the jewelry business, as evidenced by the amount of space given over to the category. In addition to a large selection of fine jewelry on the ground floor featuring designers such as Linda Lee Johnson and Cathy Waterman, a jewelry mezzanine offers Frederica Rettore, Lucifer Vir Honestus, Rene Lewis and Sharon Khazzam. "If you're a Russian oligarch, you can come up here with your wife or girlfriend for privacy," observed Doonan.

“There was a conscious desire by us to inject a little flamboyance into the store.”

— Simon Doonan, Barneys New York

"The jewelry assortment reaches a lot of different levels," said Socol. "We've added some zest."

Barneys' characteristic wit and humor greets customers on the second floor, where a large giraffe made out of jeans stands sentry in front of the Co-op. Here, designers such as Diane von Furstenberg, Marc by Marc Jacobs, Alexander Wang and Helmut Lang can be found along with Rogan, Mayle and Loomstate for Barneys New York. Turn the corner and there's Pucci and Fabucci.

Designers include Lanvin, Marni, Balenciaga, Giles Deacon, Vionnet, Prada, Stella McCartney and Fendi. There's also L'Wren, Burberry Prorsum and Nina Ricci. Fashion runs the gamut from a white leather and lace Jean Paul Gaultier jacket, for \$5,495, to a Proenza Schouler beaded dress, \$7,500.

The shoe department "might be our biggest ever," said Doonan. It features the

Saks' Off 5th in Growth Mode

By David Moin

NEW YORK — Expansion is back on at Off 5th.

The Off 5th outlet chain, a division of Saks Inc., has developed a prototype that will make its debut in the Prime Outlets International center in Orlando, Fla., in mid-April. The 26,400-square-foot outlet will replace the existing 21,800-square-foot unit in the same mall. Over the next 60 days, three or four new locations will be unveiled as leases get finalized, and sites for additional locations are being scouted around the country, Robert Wallstrom, president of Off 5th, told WWD.

"Over time, we believe there is meaningful new store growth opportunity for Off 5th, and we look forward to expanding this new format into other markets...." said Wallstrom. "Productivity is absolutely part of the goal."

Off 5th, currently operating 48 outlets in 23 states, last year generated volume of just under \$400 million. Merchandise includes labels sold at Saks Fifth Avenue and other high-end stores, as well as Saks' private label. Discounts start at 30 percent off, but go as high as 90 percent off on clearance goods.

Wallstrom described the prototype as a "very open, clean, modern loft environment." It's also brighter and uncluttered compared with the older generation of outlets, and has one consistent hard-surface floor throughout. Fixtures are on casters so there's flexibility in the merchandising and easier movement through the store.

In comparison, the existing outlets have the feel of an old department store with a lot

of small rooms and different floor surfaces, Wallstrom observed.

He said that when you visit other outlets, like those of Coach, Polo, J. Crew or Brooks Brothers, they reflect the regular-priced stores. "The customer is looking for an environment reflective of parent brands." He wants Off 5th to better reflect the image of Saks Fifth Avenue. He also said the prototype will help with the expansion because it's a selling point to developers.

Around the country, some Off 5ths will be totally renovated to the new look and others will incorporate various elements of the upgrade.

Off 5th was last in expansion mode in the mid-Nineties until around 2000. Despite the slowdown, Wallstrom said Off 5th has always been profitable. The majority of stores are in outlet centers, while some are in strip centers and mixed-use centers. The new prototype is also suitable for lifestyle centers.

"We have really dug into customer demographics. We now have a better understanding of this business model than we did 10 years ago," Wallstrom said. "We realize that customers shopping Off 5th are different customers than those who shop our full-line stores. Off 5th is an opportunity to pick up another customer."

Between 80 and 90 percent of the labels found in Off 5th are the same as those found in the Saks Fifth Avenue regular-priced stores; 10 to 20 percent are brands not carried at Saks and could be from competitors. The outlets also sell some private label.



by and More

usual suspects such as Manolo Blahnik, Christian Louboutin and Prada, as well as Chloé, Lanvin and Azzedine Alaïa.

The store is emphasizing service, with two concierges and three personal shopping suites outfitted with leather club chairs and flat-screen TVs.

Barneys officially opened on Thursday, but many of the stores in the adjacent Palazzo Shoppes are not open. A spokeswoman for the property said the mall is more than 90 percent leased. Several retailers are opening their first Las Vegas stores at the Palazzo, including Tory Burch, Van Cleef & Arpels, Diane von Furstenberg, Chloé, Christian Louboutin, Catherine Malandrino, Anya Hindmarch, Lambertson Truex, Michael Kors and Poleci. General Growth Properties is in the process of acquiring the Palazzo's retail component.

Cole Haan is launching its new prototype today, a 3,200-square-foot unit with a white-stained oak floor.

Jimmy Choo was putting the finishing touches on its store on Thursday. Brian Henke, president of Jimmy Choo USA, said the company's unit in the Forum Shops at Caesars Palace produces more than \$3,000 a square foot in sales.

Across the way, Piaget also was getting ready to open. Larry Boland, president of North America, said the store's average sale is \$25,000. The most expensive piece in the store, a \$1.5 million diamond-encrusted watch, sat in the window waiting for a high roller to come in.

Socoll declined to reveal sales projections, but admitted, "We think this could be one of our top stores."

And, this being Vegas, where no one ever sleeps, Barneys is adapting its hours accordingly — the store will be open until 11 every night to catch all those crowds exiting shows, such as "Blue Man Group" at the Palazzo, and looking for something else to do.

Tiffany Adds Two Japan Boutiques

By Jeanine Poggi

Tiffany & Co. said Thursday that it is expanding in Japan with boutiques in Tokyo's Matsuzakaya Ginza and Fukuoka's Hakata Daimaru department stores opening on March 1.

Michael Christ, president of Tiffany & Co. Japan, said in a statement that "both locations offer greater convenience to our established clientele, and give us the opportunity to expand our presence" in the market.

The new boutiques will bring the total number of Tiffany's Japan locations to 56.

In the company's most recent quarterly-results report, earnings soared to \$98.9 mil-

lion, or 72 cents a diluted share, from \$29.1 million, or 23 cents in the prior year on sales that gained 18 percent to \$627.3 million. International retail sales jumped 22 percent to \$270.8 million, and on a constant-exchange-rate basis, sales rose 18 percent.

Same-store sales at Tiffany's U.S. stores fell by 2 percent during the holiday season, a bigger drop than the company had predicted.

During the quarter, Tiffany said it opened six locations, including Nagoya Japan, Macau, Malaysia, Hong Kong, London and Mexico City, bringing its total number of international stores and boutiques to 113 —

which does not include the two department store boutiques announced Thursday.

At the bell, shares of the company inched up 0.5 percent to close at \$37.18.

The firm also announced that its board "extended the expiration of its current stock repurchase program and authorized the additional repurchase of up to \$500 million of common stock. This increase will enable the Company to repurchase up to \$637 million of its common stock through January 31, 2011."

On Wednesday, billionaire investor Nelson Peltz increased his stake in Tiffany's to 7.9 percent, according to an SEC filing.

Prada Denies Report on IPO Date

By Andrew Roberts

MILAN — Prada SpA denied a newspaper report Thursday that it had set a date for its proposed initial public offering.

The Wall Street Journal said the luxury goods group was scheduled to list on the Milan Stock Exchange in the second half of June, citing a person familiar with the deal.

But a Prada spokesman rebuffed that suggestion. "We haven't fixed any date for the IPO," the spokesman said. "Work has begun with our advisers and global coordinators. A decision will be taken in due course."

The company, which owns the Prada, Miu Miu, Car Shoe and Church brands, said in December that it planned to float in 2008, subject to market conditions, and named as its banks Italy's Intesa Sanpaolo SpA and UniCredit SpA and Goldman Sachs & Co. Some 30 to 40 percent of the group is expected to go public.

Industry sources valued Prada at an estimated 4 billion to 5 billion euros, or \$5.91 billion to \$7.39 billion at current exchange.

A source close to the placement told WWD Thursday that June was a possible date for the listing, when Prada could tout its 2007 results to investors, but that September or October was another option after the company's 2008 half-year results.

He said he did not expect Prada to make any decision for another two months, when market

conditions were more understandable, following full-year reporting by banks. "It's too premature at the moment," he said.

Competitor Ferragamo SpA is also planning an IPO this year. Italian news daily Il Sole 24 Ore said the group had tapped Mediobanca and J.P. Morgan as global coordinators and UBS as joint book-runner on the deal.

A Ferragamo company spokesman declined to comment on the speculation Thursday.

Prada, which is 95 percent owned by the Prada family, has pulled the plug on its IPO three times in the last seven years, citing market volatility.

A Prada spokesman said in December that the company was in perfect condition to list this year, referencing a track record of solid sales and earnings before interest, taxes, depreciation and amortization growth over the last three years and a strong internal management team. He added that Prada sales were in line to grow at least 20 percent in 2007.

However, slumping luxury stocks and concerns over consumer spending in the U.S. and Europe may force Prada to reconsider once again.

Bulgari SpA has shed 34 percent of its market value in the last six months, closing at 7.79 euros, or \$11.52, on Thursday.

Aeffe SpA and Damiani SpA, which listed on the Milan Stock Exchange STAR segment for small companies in July and November respectively, are trading at a fraction of their initial IPO prices.