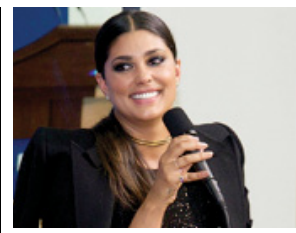


# WWWD

Fashion. Beauty. Business.

## Give Me an H

H by Halston gets set to launch on QVC, with Cameron Silver as fashion director. PAGE 2



## Rachel's Story

Rachel Roy gives entrepreneurial advice at a small business event in Washington. PAGE 7

## Size Matters

Who's the biggest, ranked by market cap, sales, assets and gross margin. PAGE 3

FASHION

# Bubble Bar

CANNES, France – Raf Simons took his resort show for Dior to the famed Bubble Palace here for an architectural yet frothy collection, including suits that were a take on the house founder's iconic Bar jacket. For more, see pages 4 and 5.

BY MILES SOCHA



## RETAIL

# Gap Sales Fall In April, Quarter

- The first-quarter earnings expectations were on par with estimates.

BY ARNOLD J. KARR

Gap Inc.'s April and first-quarter sales continued to struggle as weakness at its Gap brand, the earlier timing of Easter and unfavorable currency translation all took a toll on the retailer's top line.

The San Francisco-based company, reporting four days after the rest of stores who continue to report comparable sales, said its April comps were down 12 percent during the month, with both Gap and Banana Republic shedding 15 percent and Old Navy pulling back 6 percent. All four figures fell below estimates provided by Thomson Reuters, which called for a 7.2 percent corporate decline, a 10.6 percent drop at Gap, a 5.8 percent dip at Banana Republic and a 4.9 percent pullback at Old Navy, which in recent years has been its fastest-growing brand by far.

With April closing out the fiscal first quarter, sales for the three months fell 3 percent to \$3.66 billion from \$3.77 billion in last year's quarter. Gap said that unfavorable currency translation, mostly from the weakening of the yuan and Canadian dollar, cost Gap \$90 million in sales revenue, putting the sales decline on a constant currency basis at 1 percent.

Quarterly comps were down 4 percent, with Gap down 10 percent, Banana Republic off 8 percent and Old Navy up 3 percent.

Without providing comparable figures for its other brands, Gap noted that



A Gap store at Hong Kong Plaza in Shanghai.

comparable sales at Old Navy for the combined months of March and April rose 5 percent. The brand generated a 14 percent increase in March, while Gap fell 7 percent and Banana Republic declined 3 percent.

The earlier timing of Easter this year - April 5 versus April 20 a year ago - beefed up March comps at the expense of those last month.

"Old Navy delivered another quarter of positive comps, building on its track record of three consecutive years of growth," said Sabrina Simmons, Gap's chief financial officer. "We remain focused on driving improved performance across our other divisions."

Old Navy had registered positive comps

every month since March 2014, which preceded an 18 percent advance in April. Gap's comps have been in negative territory every month for the last 12 and its turnaround a top priority for new chief executive officer Art Peck and brand president Jeff Kirwan, who succeeded Stephen Sunnucks in December.

With its three months of sales in the quarter now reported, Gap said it expected earnings of 55 to 56 cents per diluted share for the period, including a 2-cent benefit from the resolution of a tax dispute in the quarter. The consensus analyst estimate for the period was EPS of 55 cents.

Gap will report its full financial results for the quarter after the close of the markets on May 21.

## BUSINESS

## H by Halston Diffusion Line On QVC in September

- Cameron Silver is fashion director for the Halston diffusion lines owned by Xcel Brands Inc.

BY VICKI M. YOUNG

Xcel Brands Inc. is getting ready to roll out its H by Halston diffusion line.

The group has tapped stylist Cameron Silver as fashion director for H by Halston and H Halston. H by Halston is set to showcase on QVC in September, with Silver as the brand's on-air personality.

Xcel Brands Inc. acquired H by Halston and H Halston, both diffusion lines, in December for \$27.7 million in a combination of cash, stock and warrants. The two Halston brand assets were held in a Halston intellectual property holding company that was owned by investors that include Hilco Consumer Capital and Ben Malka. The investor group retained ownership of the Halston and Halston Heritage brands under the Halston LLC umbrella.

Robert D'Loren, chairman and chief executive officer of Xcel, said he has his own design and marketing teams working on the H by Halston line, although they are also in consultation with Halston LLC to ensure the same aesthetics across each label and consumer distribution channels that each one targets.

"H by Halston is the line sold to QVC, while H Halston will be the line for retailers. Both are designed differently for the customers in that channel, although they will share similarities, such as the same modern, sensual aesthetic that is [inherent] in Halston's designs," D'Loren said.

H by Halston is the third brand under Xcel's umbrella that is sold on QVC. The other two are Isaac Mizrahi Live and Judith Ripka, both of which Xcel owns. It also

"H by Halston is the line sold to QVC, while H Halston will be the line for retailers. Both are designed differently for the customers in that channel."  
— Robert D'Loren, Xcel

has an interest in Liz Claiborne New York, a brand that Xcel manages and designs for sale exclusively on QVC. The typical arrangement for the QVC distribution is a three- to five-year agreement, with renewal options, according to D'Loren.

Silver will have input into the design of both Halston diffusion lines, although when H Halston will be available hasn't been determined.

The first QVC collection for fall and holiday will include silhouettes such as caftans,

jumpsuits and knits and jersey dresses, along with footwear and accessories. The 128-piece line starts at \$32 for knit tops and can go as high as \$339 for leather totes.

Executives at QVC expect the line to also attract a younger demographic to the brand, ranging from Boomers to Gen X and even some Millennials.

Silver, who is also a fashion historian, said the "Halston aesthetic is the one most closely aligned with my personal aesthetic." While some may equate Halston with disco and Studio 54, Silver said the QVC line is actually a good opportunity to "translate evening wear glamour into daywear and casualwear that's more accessible to consumers." He said while the sophistication and timeless

qualities of Halston's designs are also in the new line for QVC, the newer line is a touch more sporty and doesn't at all have any kind of retro look to the designs.

Doug Howe, executive vice president of merchandising and planning for QVC, said, "With the debut of H by Halston this fall, we look forward to continuing our relationship with Xcel Brands, introducing shoppers to the rich history of Halston and offering them a new option for accessible luxury in the apparel and accessories categories."

## TOP 5 TRENDING ON WWD.COM



Marni's python boot.







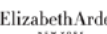


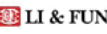
## Fall Accessories Trend: Emerald Envy

● May's birthstone, the emerald, provides the perfect palette for fall accessories. We've rounded up a selection of shoes, bags, hats, scarves and more - each as luxurious as the gemstone that inspired them.

- Met Ball Red Carpet Arrival
- Dior Cruise 2016
- Chanel Cruise 2016
- Louis Vuitton Cruise 2016

## Global Stock Tracker

As of close February 17, 2015

ADVANCERS	
 YOUNGOR	Youngor Group Co. Ltd. 7.90%
 LI-NING	Li Ning Co. Ltd. 6.08%
 TRINITY	Trinity Ltd. 5.39%
 周大福 CHOW TAI FOOK	Chow Tai Fook Jewellery Group 3.78%
 JCPenney	J.C. Penney Company, Inc. 2.94%
DECLINERS	
 LOTTE	Lotte Shopping Co. Ltd. -3.67%
 Elizabeth Arden NEW YORK	Elizabeth Arden Inc. -3.50%
 ANTA	Anta Sports Products Ltd. -3.10%
 AVON	Avon Products Inc. -2.08%
 LI & FUNG	Li & Fung Ltd. -1.99%