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LVMH sells Donna Karan International to G-III in \$650M deal

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DKNY summer 2016 collection

By STAFF REPORTS

Conglomerate Mot Hennessy Louis Vuitton has entered a definitive agreement to sell the Donna Karan International business to fashion group G-III.

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Donna Karan International, Inc., the parent company of the Donna Karan and DKNY brands, has been part of the LVMH group since 2001. The transaction, valued at \$650 million, is expected to close late in 2016 or early next year.

New ownership

Fashion designer Donna Karan founded her eponymous New York-based label in 1984. After going public in 1996, the brand was acquired by LVMH in 2001.

LVMH has now established a deal to put Donna Karan International in new hands. Apparel manufacturer and distributor G-III, the owner of licenses for Karl Lagerfeld, Jessica Simpson, Calvin Klein, Ivanka Trump, Cole Haan and more will take over the company.



DKNY's store in New York's SoHo neighborhood

In addition to licenses, G-III also owns brands including Bass and Andrew Marc.

Morris Goldfarb, chairman, CEO and president of G-III, said in a statement, "Donna Karan International is an iconic

global fashion company. Its lifestyle aesthetic resonates well with consumers throughout the world.

"We are excited to build upon its strong foundation as we seek to capitalize on a significant market opportunity," he said. "Donna Karan brings increased scale and diversification, while providing incremental growth on top of our portfolio of some of the best fashion brands in the world. We believe we are well positioned to create and sustain additional value for our shareholders, partners and customers."

Ms. Karan stepped down from her chief designer position at her eponymous Donna Karan International brand last year.



Donna Karan

The designer, who will remain in an advisory role at the company, made the decision after "soul-searching" with LVMH, a choice that enables her to focus more on her Urban Zen business. Since then, the Donna Karan Collection line has suspended operations, and the company's employees shifted their efforts towards the DKNY diffusion line, now being guided by newly instated designers Dao-Yi Chow and Maxwell Osborne also of Public School ([see story](#)).

"Donna Karan International has a deep heritage, global recognition and renewed energy," said Toni Belloni, group managing director of LVMH, in a statement. "We believe the DKNY brand has a dynamic position in the market, and when G-III approached us about acquiring the brand, we concluded that the time was right and that G-III was the right steward going forward.

"We are pleased to have reached an agreement with G-III, a company that has the expertise and capabilities to broaden the brand's distribution and take it to its next level of success," she said. "We are grateful to CEO Caroline Brown, creative directors Maxwell Osborne and Dao-Yi Chow and the entire management and design teams for the strategic actions that created a platform to support DKNY's continued growth."

In an interview with the [New York Times](#) in 2014, Ms. Karan had hinted that LVMH's relationship with her brands was not as hands-on as desired, saying, "Vuitton runs their businesses separately. I would love to work more with them, but Vuitton has given me the cold shoulder."