

APPAREL AND ACCESSORIES

Lanvin defends its interests following negative press reports

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Lanvin's fall/winter 2017 collection. Image credit: Lanvin

By STAFF REPORTS

French atelier Lanvin has issued a statement in response to reports regarding its ongoing financial challenges and murky future.

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On Dec. 21, Reuters reported that the financially strained Lanvin would seek ways other than a capital raise to revive its business, which has suffered from declining sales since beloved designer Alber Elbaz was pushed out in 2015. In November, majority shareholder Shaw-Lan Wang said she would "inject fresh cash" into the brand by the end of the year, but the capital increase never happened after three canceled shareholders' meetings.

In response

Speaking with Lanvin CEO Nicolas Druz, Reuters quoted the chief executive as saying that, "sustained financial and industrial solutions that do not involve capital increase will be found by end of the March." Mr. Druz also said that the solutions would solve Lanvin's cash flow problems and revive development.

Back in November, sources told Reuters that recapitalization was necessary to buy Lanvin time to reorganize, otherwise it would struggle to pay its employees' salaries in January.

Mr. Druz stated that December, January and February salaries would be paid.



Established in 1889, Lanvin is Paris' oldest fashion house. Image credit: Lanvin, spring/summer 2018

On Dec. 22, Lanvin responded to Reuter's report with a statement from its general management. The statement acknowledges that the brand is indeed going through a difficult time, but has no debts and the the response to Reuters is Lanvin's way of "act[ing] in defense of its interests."

Lanvin's statement reads as follows:

"The Lanvin House reports its astonishment about the relentlessness of some of the media again her, and this for months. Today, articles have been published in which one reports, all too often, on the basis of noises and not of certain facts.

"This deeply hurts the company as well as its employees. The house has always paid its employees and suppliers, and is working actively and optimistically on its future."

Since Mr. Elbaz's departure, Lanvin has seen a drastic decline in sales. As a privately owned brand, Lanvin does not publish earnings, a recent audit issued a warning regarding its finances.

According to the audit, sales have declined since its peak of 235 million euros in 2012, falling 23 percent to 162 million euros in 2016. Last year, Lanvin saw a net loss of 18.3 million euros, the brand's first loss in nearly a decade ([see story](#)).