

VTB's Talks to Buy Cavalli Called Off

By [The Moscow Times](#)

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Sanctioned Russian bank VTB's months-long negotiations to buy the fashion house of Italian designer Roberto Cavalli have fallen flat, The Wall Street Journal reported Thursday, citing undisclosed sources.

The deal collapsed due to slowing economic growth and falling retail spending in Russia, which has hit even the luxury sector. Sales of luxury goods are expected to fall 18 percent this year compared with 2013, the report said, citing consultancy Bain & Co.

Cavalli, known for his exotic designs and lavish evening gowns, has been trying to find an investor for about eight years, the report said. A deal with VTB would have helped Cavalli expand into the Russian market.

The Cavalli fashion house declared 201 million euros (\$252 million) in revenues last year, a 9 percent increase from the year before.

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