

Nike to exit elite swimwear market

By SARAH SKIDMORE
AP BUSINESS WRITER

PORTLAND, Ore. (AP) — Nike said Monday that it is leaving the elite swimwear market.

The company will continue to provide swimwear for colleges and sell to traditional retail customers. But it will not compete against the likes of Speedo to get the swoosh on the world's top swimmers.

"We will not invest in next-generation swim innovation, which is not in line with our stated category growth strategy," the company said in a statement.

Nike said it made a "strategic

decision as part of the company's long-term growth plan."

The Beaverton, Ore.-based company had announced several years ago that it would focus on six key categories to reach a \$23 billion revenue goal by 2011. Those categories are running, soccer, basketball, men's training and women's training and sportswear.

CNBC reported this weekend that Nike may be halting its swimsuit development after a showdown at the Beijing summer Olympics. Nike lost some of its edge at the games when Speedo stole the spotlight with its LZR Racer suit.

According to Speedo, of the 77 world records set since the release of the suit in February, 72 have been in the LZR Racer. And it was worn by Olympics darling Michael Phelps.

Other swimmers clamored to get the suit at the games. Nike even allowed some of its athletes to wear the LZR Racer, an unprecedented move by the

world's largest athletic shoe and apparel company.

But Nike denied that Monday's decision was a direct result of Speedo's success, saying it was a "direct result of our long-term growth strategy focusing on the areas where we can have the largest growth."

Research organization The SportsOneSource Group said Nike is a distant third in the \$200 million performance swimwear market place

— which encompasses consumer swim goods for exercise rather than leisure. Speedo holds roughly 60 percent of the market share, up from 54 percent last year. TYR comes in second at 20 percent and Nike is third at 13 percent, lower than its 18 percent share last year.

Speedo said Nike's move would not have much impact on its own business, such as the launch of the Racer to general consumers in October.

"We've been in the swimwear business for 80 years," said Stu Isaac, senior vice president of team sales and sports marketing for Speedo. "We are going to keep doing what we've been doing."

But Evan Morgenstein, an agent who represents a number of top swimmers, said Nike's decision is a blow to elite athletes who depend heavily on apparel companies for their funding

— especially in non-Olympic years.

Morgenstein's clients include Nike-endorsed Olympians Cullen Jones, Brendan Hansen, Aaron Peirsol and Jason Lezak.

Morgenstein said Speedo and

too," Morgenstein said.

He called on the U.S. Olympic Committee and USA Swimming to come up with a new funding

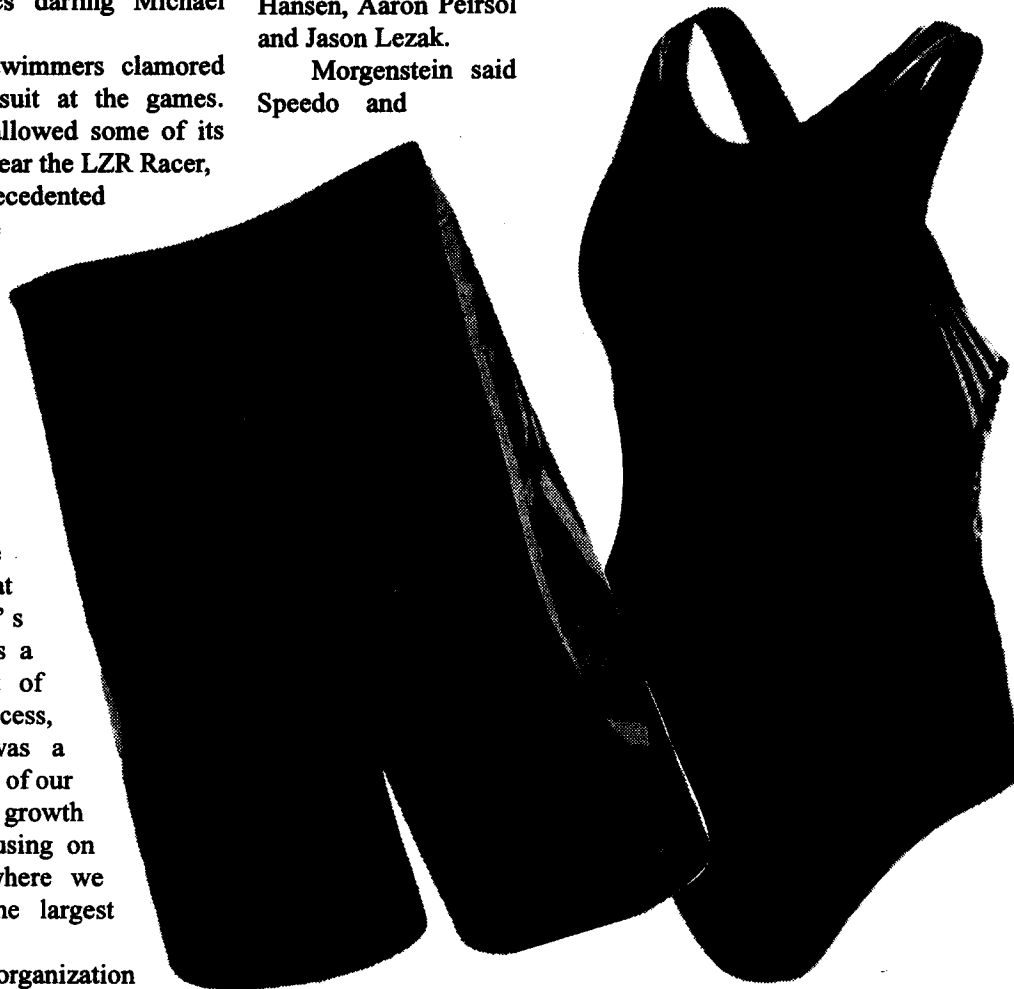


Photo courtesy of nike.com

Nike corporation has decided to suspend providing swimsuits to the elite market. It will still continue to sell traditional retail attire.

YANKEES: Getting a new look

Continued from page 18

"Just driving in, I think it really starts to hit you, that this is the last time," he said. "When you take the field, you're constantly reminded of the history that's been here before you."

With the Yankees nearly out of postseason contention for the first time since making the playoffs in 1995, there was plenty of time to join the crowd.

Yankees manager Joe Girardi went onto the field to sign autographs. Mike Mussina and Alex Rodriguez posed for photos with rooters. Joba Chamberlain even took fans' cell phones and shouted messages to their family and friends.

An elaborate ceremony was planned before the start of the game. Whitey Ford, Goose Gossage, Ron Guidry, Graig Nettles and Bobby Richardson were among those expected.

Don Larsen, David Wells and David Cone — the three pitchers who threw perfect games in Yankee Stadium — all were on hand, as was former Yankees star Willie Randolph, fired as manager of the Mets earlier this year.

Larsen, whose gem was the only one thrown in a World Series, thought about his former teammates.

"I'm missing a lot of the guys who are gone and not able to join us," he said.

Bernie Williams returned for the first time since the Yankees let him go after the 2006 season.

"All the memories that I have here, I know that I'm going to have to keep them in my head

because this place is not going to be any longer," Williams said. "There is a part of me that feels very sad about watching the stadium go."

New York didn't plan it this way as it prepared to move next year to a new Yankee Stadium, a \$1.3 billion sports palace rising across 161st Street that will be filled with 2,500 seats, a martini bar, steak house and art gallery. The Yankees won 26 World Series championships after moving into their big ballyard in the Bronx, and had hoped to close the Stadium with another title.

Thousands of police and security filled the worn aisles to ensure the fans didn't walk away with the ballpark's guts — which will be sold piece by piece to collectors. Many fans have been arrested and screwdrivers confiscated during the past week.

"I'd like to try and get two seats," said Bartow, the early-arriving fan. "They're going for a couple thousand dollars. It's going to be tough, but I may have to do it because, you know, we have to."

The Bartows lingered on the field for 1 hour, 15 minutes, taking pictures they're certain to cherish. When it was time to climb the steps back to the stands, father and daughter turned to exchange a final-day kiss.

Berra, a 10-time champion often considered the greatest living Yankee, didn't really need any more souvenirs.

"I hate to see it go," he said. "It will always be in my heart."

TYR Sport are the only two major companies left in the U.S. now that Nike has pulled out — and they are embroiled in a bitter antitrust lawsuit filed by TYR against Speedo and USA Swimming.

"And then there was two," Morgenstein said. "The truth is that TYR and Speedo are the only two companies pumping any kind of money directly to the athletes. There are other companies that make suits, but they haven't spent a dime on the swimmers."

Morgenstein worries that Nike's decision could be a precursor to other funding woes that might directly affect the performance of the powerful U.S. swim team at the 2012 London Olympics.

"With the tough economic times we're in, Speedo is probably looking at their investment in terms of the athletes, and I'm sure TYR is,

structure that gives more money directly to elite athletes, instead of putting the bulk of it into training centers that are designed to help the sport at the grass-roots level. Morgenstein said the current monthly stipend of \$1,750 to top-level swimmers is "absurd."

"The financial house of cards for a lot of elite swimmers, especially the older ones, may come crumbling down," he said. "In non-Olympic years, many swimmers depend on up to 90 percent of their funding from the apparel companies."

"You're going to see a lot more athletes from China and Europe on the medal stand unless something is done," Morgenstein predicted.

AUSA Swimming representative was not immediately available for comment.