

PENNEY'S PUSH
THE RETAILER PLANS NEW BRANDS IN INTIMATES AND CHILDREN'S WEAR.
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MEN'S MAKEOVER
BLOOMINGDALE'S ADDS MORE LUXURY LABELS TO ITS
MAIN-FLOOR MEN'S AREA. PAGE MW1

WWD

THURSDAY, AUGUST 9, 2012 \$3.00 WOMEN'S WEAR DAILY

Get Rich Quick

Opulence is back — at least when it comes to this season's fabrics. Designers are making a play for ornate silk brocades that add a touch of fancy to simple silhouettes like this fit-and-flare dress by Osman, worn with an Alexis Bittar bracelet and Sigerson Morrison shoes. For more, see pages 4 and 5.



MODEL: SIMONA TRUMP; HAIR BY JASON MURILLO/BEAUFORT FOR KEBASTISE; MAKEUP BY RYAN MCKNIGHT FOR MAC; FASHION ASSISTANT: CATERINA SANDOVAL

PHOTOGRAPHED BY KYLE ERICKSEN AT THE ROYAL SUITE AT THE ST. REGIS NEW YORK; STYLED BY MAYTE ALLENDE

EUROPE A DRAG

Ralph Lauren Sees Slower Growth Ahead

By VICKI M. YOUNG

NEW YORK — Slowing economies in Europe and the Far East are pinching Ralph Lauren Corp.

In reporting a 5.1 percent increase in profits in the first quarter, the fashion company Wednesday said it expects consolidated net second-quarter revenues to decline by a mid-single-digit percentage with a low-double-digit fall in wholesale revenues offset by a mid-single-digit increase in retail sales. Wall Street pushed the company's stock down 1.2 percent to \$151.17 on the second-quarter outlook.

Roger Farah, president and chief operating officer, told Wall Street analysts during a conference call that there were some challenging traffic trends in Ralph Lauren stores in Europe, and in concession shops in Korea and Japan, due to global economic issues impacting discretionary luxury spending. In addition, the company has found its factory stores to be "resilient" as consumers become more cautious in general around the world, Farah said. Also growing have been the company's sales online, he added.

In a telephone interview, Farah noted there's been some slowdown in the gateway tourist locations. "Sales have flattened out, they're not growing at the rate that it was," he said, attributing the data extrapolation to purchasing patterns in the stores.

Still, fashion items are selling. "We see customers gravitating toward newness in fashion. When they're buying what's new in fashion, price doesn't matter. [So far, based on] fall receipts, the early winners are the most fashionable items," Farah said.

He noted leather and suede items that were hard to find in other markets were winners at Ralph Lauren stores. Also doing well were boot sales.

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A Web Race in Brazil

By VICKI M. YOUNG

THE BRAZILIAN Internet scene is attracting some heavy-hitting investors.

Brazilian start-up Elike Social Commerce has closed on its Series A funding with an investment from Intel Capital — the global investment and mergers and acquisitions arm of semiconductor giant Intel Corp. — for an undisclosed amount.

Elike is an application that has two components: a B2B "my shopping" platform that allows Brazilian retailers to open stores online accessible by consumers through the B2C app within Facebook. The B2C platform is the social shopping component that allows sharing, liking and buying through the digital marketplace.

Elike, launched in July 2011, already has 10 high-end retail stores on its site, with three more launching next month. It uses a hybrid performance pricing-revenue share model.

Tatiana Albuquerque, Elike's cofounder, said about 70 percent of the high-end merchandise on the B2B platform is fashion, with the balance in other categories such as home and electronics.

"The site allows users to shop [digitally] with their friends and gives retailers who open stores inside the social book to get closer to the user," Albuquerque said. She plans to use the funding from Intel to improve the technology behind the platform, add new features and bring aboard creative talent.

Since 1991, Intel Capital has invested more than \$10.4 billion in over 1,212 start-ups and companies in 51 countries. Some of its current retail-related investments include Fashion Republic Technologies Ltd., a China-based online fashion platform that allows users to generate fashion content in the community via a vertical search engine; Goldsquare Pvt. Ltd., which operates in Asia the members-only online shopping destination site Fashionandyou.com, and Netretail Holding BV, which operates localized e-commerce sites in five

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Barbara Tfank's silk and polyester dress worn over Elizabeth and James' embroidered cotton shirt. Alexis Bittar bracelet; Kara Ross clutch; Valentino shoes.

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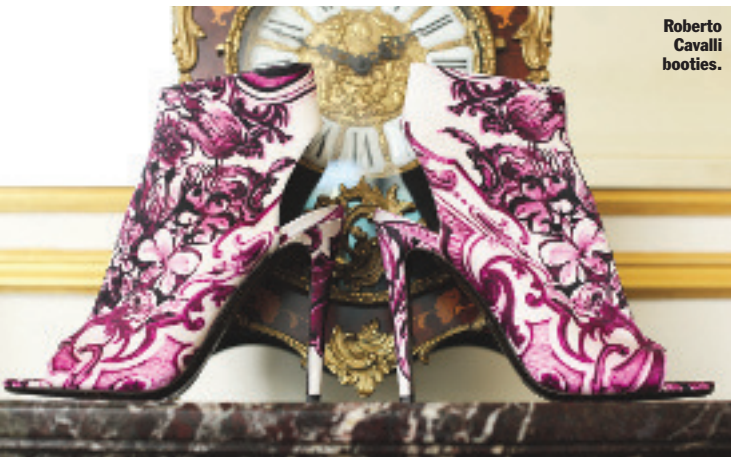
Tracy Reese's polyester and polyamide dress; Alexander Wang's silk and leather shirt. Alexis Bittar necklace.

CALL IT A BROCADE BRIGADE. DESIGNERS ARE FLOCKING TO THE LAVISH FABRICS THIS SEASON, WORKING SIMPLE SHAPES TO EXTRAVAGANT EFFECT.

grand



Pink Tartan's cotton and polyester dress; Roberto Cavalli's silk shirt.



Roberto Cavalli booties.

stand



Asos' polyester dress; Jen Kao's embroidered silk, wool and polyester shirt.



Theia's silk and polyester dress worn over Elizabeth and James' embroidered cotton shirt. Alexis Bittar bracelet; Christian Louboutin shoes.

PHOTOGRAPHED BY KYLE ERICKSEN AT THE ROYAL SUITE AT ST. REGIS NEW YORK; STYLED BY MAYTE ALLENDE