



## **lululemon athletica inc. Raises Guidance for Third Quarter of Fiscal 2009**

VANCOUVER, Oct 26, 2009 (BUSINESS WIRE) -- lululemon athletica inc. (NASDAQ: LULU; TSX: LLL) today announced that the Company is raising its guidance for the third quarter of fiscal 2009 ending November 1, 2009.

For the third quarter of fiscal 2009, the Company now expects diluted earnings per share to be in the range of \$0.17 to \$0.19 as compared to its previous guidance range for diluted earnings per share of \$0.11 to \$0.13. The Company's improved guidance reflects stronger than anticipated net revenues for the quarter.

The Company now expects net revenue to be in the range of \$110 million to \$112 million for the third quarter of fiscal 2009. This compares to the Company's previous guidance of net revenue in the range of \$95 million to \$100 million for the quarter, and compares to net revenue of \$87.0 million for the third quarter of fiscal 2008. Comparable-store sales for the third quarter of fiscal 2009 are expected to reflect a high-single digit increase on a constant-dollar basis compared to the third quarter of fiscal 2008. This compares to the Company's previous guidance of relatively flat comparable store sales for the third quarter of fiscal 2009.

Christine Day, lululemon's CEO stated: "Our sourcing and production strategies designed to chase inventory and keep pace with renewed sales momentum proved to be very effective during this fall season. By staying in stock in our core items, as well as our new running line and seasonal outerwear offerings, we have been able to satisfy strong guest demand and exceed our original revenue expectations for the quarter. We will continue to chase inventory and will also increase our reinvestment in the business to ensure that we are delivering the product and in-store experience that our guests have come to expect from lululemon."

The Company is also announcing that management will be attending the Credit Suisse Retail Round-Up Conference on Wednesday, October 28 in Chicago.

The Company is providing this information in light of the significant expected outperformance of its original third quarter guidance provided in conjunction with the announcement of the Company's second quarter fiscal results on September 10, 2009. Investors should not expect the Company to provide regular interim quarterly updates of guidance or outlook information in advance of quarterly earnings announcement dates.

### **About lululemon athletica inc.**

lululemon athletica (NASDAQ:LULU; TSX:LLL) is a yoga-inspired athletic apparel Company that creates components for people to live longer, healthier and more fun lives. By producing products that help keep people active and stress free, lululemon believes that the world will be a better place. Setting the bar in technical fabrics and functional designs, lululemon works with yogis and athletes in local communities for continuous research and product feedback. For more information, visit [www.lululemon.com](http://www.lululemon.com).

### **Non-GAAP Financial Measure**

Constant-dollar net revenue changes, which exclude the impact of changes in foreign exchange rates, are not a U.S. Generally Accepted Accounting Principle ("GAAP") performance measure. We provide constant-dollar net revenue changes because we use the measure to understand the underlying growth rate of revenue excluding the impact on a quarter by quarter basis of changes in foreign exchange rates, which are not under management's direct control. We believe that disclosing net revenue changes on a constant-dollar basis is useful to investors because it enables them to better understand the level of growth of our business.

### **Forward-Looking Statements:**

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks, uncertainties and assumptions, such as statements regarding our future financial condition or results of operations and our prospects and strategies for future growth. In many cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "outlook," "believes," "intends," "estimates," "predicts," "potential" or the negative of these terms or other comparable terminology. These forward-looking statements are based on management's current expectations but they involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-

looking statements as a result of risks and uncertainties, which include, without limitation: the possibility that we may not be able to manage operations at our current size or manage growth effectively; risks that consumer spending may continue to decline and that U.S. and global macroeconomic conditions may worsen; the possibility that levels of comparable-store sales or average sales per square foot will decline; the possibility that we may not be able to successfully expand in the United States and other new markets; increased competition causing us to reduce the prices of our products or to increase significantly our marketing efforts in order to avoid losing market share; the possibility that we may not be able to continually innovate and provide our consumers with improved products; the possibility that our suppliers or manufacturers may not produce or deliver our products in a timely or cost-effective manner; and other risk factors detailed in our Annual Report on Form 10-K for the fiscal year ended February 1, 2009 and in our subsequent reports on Form 10-Q filed with the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov). You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements made herein speak only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

SOURCE: lululemon athletica inc.

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