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The Wet Seal, Inc. Announces July Comparable Store Sales Declined 15.6%

Comments on Near-Term Merchandising Actions;

Updates Second Quarter EPS Guidance

FOOTHILL RANCH, Calif.--(BUSINESS WIRE)-- The Wet Seal, Inc. (Nasdaq: WTSLA), a leading specialty retailer to young women, reported net sales and comparable store sales for the four-week period ended July 28, 2012, or fiscal July, and the fiscal second quarter ended July 28, 2012, as follows:

Fiscal July

	Net Sales		Comparable Store Sales	
	\$ in Millions	% Change From Last Year	This Year	Last Year
Wet Seal	\$ 34.3	-13.3%	-15.9%	7.8%
Arden B	6.1	-10.8%	-14.1%	5.0%
Total	\$ 40.4	-12.9%	-15.6%	7.4%

Fiscal Second Quarter

	Net Sales		Comparable Store Sales	
	\$ in Millions	% Change From Last Year	This Year	Last Year
Wet Seal	\$ 113.7	-9.0%	-11.0%	6.2%
Arden B	21.6	-9.1%	-11.6%	5.0%
Total	\$ 135.3	-9.1%	-11.1%	6.0%

E-commerce sales declined 6% and 5% in fiscal July and the fiscal second quarter, respectively, as compared to declines of 17% and 13% in the prior year fiscal month and quarter, respectively.

Hal Kahn, Chairman of the Board of The Wet Seal, Inc., said: "The second quarter ended with weak July sales results. We believe the Company's performance in recent quarters is due in part to a move away from some of our fast fashion merchandising practices at Wet Seal that had been successful in the past. Price points were elevated in many product categories, and we believe the Company ceded a key part of its customer base.

"Starting last week, I began to set merchandising direction for the Company. I am leading the Office of the Chairman, which also includes President and Chief Operating Officer Ken Seipel and Chief Financial Officer Steve Benrubi. We are taking immediate steps to return key elements of our prior core strategy, which include improving the speed and agility of our buying practices, expanding assortment breadth and adjusting prices to ensure we offer fast fashion at a value. We believe these initiatives will result in improved sales performance and enable us to, again, attract a broader customer demographic to Wet Seal, including the younger teen, which we may have lost during the past year.

"As of quarter-end, we estimate total inventory dollars per square foot decreased 4% versus the prior year, with Wet Seal down 2% and Arden B down 21%. Entering the third quarter, we have positioned inventories in both divisions to enable us to replenish and offer more relevant fashion for our customers," said Mr. Kahn.

Mr. Kahn added, "Separately, our Board of Directors is conducting a thorough capital planning review and developing a strategic plan to enhance shareholder value. As previously disclosed, we intend to communicate the details of these efforts and progress with our operating initiatives to our shareholders during our quarterly earnings call on August 21st."

The Company currently estimates a second quarter loss per diluted share of between \$0.09 and \$0.10. This includes the after-tax effect of estimated severance costs for the Company's former CEO of \$0.02 per diluted share and estimated non-cash asset impairment charges of \$0.01 per diluted share. Before the impact of the CEO severance and asset impairment charges, the Company expects a second quarter loss per diluted share of between \$0.06 and \$0.07, which is unchanged from the Company's recently updated guidance range.

About The Wet Seal, Inc.

Headquartered in Foothill Ranch, California, The Wet Seal, Inc. is a leading specialty retailer of fashionable and contemporary apparel and accessory items. As of July 28, 2012, the Company operated a total of 550 stores in 47 states and Puerto Rico, including 468 Wet Seal stores and 82 Arden B stores. The Company's products can also be purchased online at www.wetseal.com or www.ardenb.com. For more Company information, visit www.wetsealinc.com.

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