



The Wet Seal, Inc. Announces January Comparable Store Sales Declined 13.0%

Updates Fourth Quarter EPS Guidance to Low End of Range

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 January 28, 2012, or fiscal January, and the fiscal fourth quarter ended January 28, 2012, as follows:

Fiscal January

	Net Sales		Comparable Store Sales % Change	
	\$ in Millions	% Change From Last Year	This Year	Last Year
Wet Seal	\$ 27.3	-8.1%	-13.0%	6.6%
Arden B	5.1	-8.7%	-12.7%	3.7%
Total	\$ 32.4	-8.2%	-13.0%	6.2%

Fiscal Fourth Quarter

	Net Sales		Comparable Store Sales % Change	
	\$ in Millions	% Change From Last Year	This Year	Last Year
Wet Seal	\$ 138.8	0.1%	-4.6%	1.9%
Arden B	24.4	-9.1%	-11.0%	4.8%
Total	\$ 163.2	-1.4%	-5.5%	2.3%

Susan McGalla, chief executive officer of The Wet Seal, Inc., commented: "The fourth quarter ended with January sales that did not meet our expectations. Although January is the smallest sales month of the quarter, this led to lower fourth quarter comparable store sales than our previous estimate. Our updated fourth quarter earnings guidance reflects an improvement in merchandise margin over the prior year quarter, offset by effects of the lower comparable store sales.

"At Wet Seal, our denim and overall bottoms business performed well through the month. In contrast, after an initial strong week of selling, our spring transitional fashion in tops and other categories underperformed through the course of January.

"Furthermore, tight inventory management through the quarter led to lighter than desired apparel inventory units at Wet Seal in January. Apparel units were down from high single-digit to low double-digit percentages versus the prior year during the month, which challenged sales performance. We are encouraged by the quality of upcoming spring assortment deliveries. However, our light apparel unit levels, and related sales challenge, will persist until we build inventory over the course of February.

"At Arden B, overall sales trends remained similar to recent months and experienced weakness in all major categories. We will continue to carefully manage Arden B inventories as we identify opportunities for improvement.

"E-commerce trends improved versus recent months, with a 9% decline in January compared to a 41% increase for the prior year month. For the fourth quarter, e-commerce sales declined 17% versus growth of 34% in the prior year quarter, as we continue our strategic efforts to transition to a higher penetration of full-price selling online and better align merchandising in this channel with our stores.

"As previously noted, we managed inventory levels carefully through the end of January. As of fiscal year-end, Wet Seal inventory dollars per square foot decreased an estimated 8% from the prior year. At Arden B, inventory dollars per square foot

decreased an estimated 15% from the prior year, a planned decline to clear underperforming merchandise and allow for a build into fresh spring season inventory during the first quarter."

The Company currently estimates fourth quarter earnings before non-cash asset impairments will be \$0.03 per diluted share, as compared to its prior guidance of \$0.03 to \$0.05 per diluted share. The Company will incur a non-cash asset impairment charge before income taxes of an estimated \$1.1 million, or \$0.7 million after income taxes, which was not in its prior estimate. Including this charge, the Company estimates fourth quarter earnings will be \$0.02 per diluted share.

About Wet Seal

Headquartered in Foothill Ranch, California, The Wet Seal, Inc. is a leading specialty retailer of fashionable and contemporary apparel and accessory items. As of January 28, 2012, the Company operated a total of 558 stores in 47 states and Puerto Rico, including 472 Wet Seal stores and 86 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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