



## The Wet Seal, Inc. Announces July Comparable Store Sales Declined 12.1% and Affirms Second Quarter EPS Guidance within Lower End of Range

FOOTHILL RANCH, Calif., Aug 06, 2009 (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 August 1, 2009, or fiscal July, and the fiscal second quarter ended August 1, 2009, as follows:

### Fiscal July

	Net Sales		Comparable Store Sales	
	\$ in Millions	% Change From	% Change	
		Last Year (1)	This Year	Last Year
Wet Seal	\$ 35.5	-6.9%	-12.3%	-6.2%
Arden B	7.2	-13.3%	-11.2%	-16.2%
Total	\$ 42.7	-8.0%	-12.1%	-8.2%

### Fiscal Second Quarter

	Net Sales		Comparable Store Sales	
	\$ in Millions	% Change From	% Change	
		Last Year (1)	This Year	Last Year
Wet Seal	\$ 111.5	-8.4%	-11.9%	-1.8%
Arden B	24.9	-9.2%	-4.1%	-13.8%
Total	\$ 136.4	-8.5%	-10.6%	-4.4%

(1) Net sales in the current year fiscal July and fiscal second quarter included breakage benefits of \$1.2 million (\$0.8 million at Wet Seal and \$0.4 million at Arden B) resulting from a change in estimated breakage for unredeemed gift cards, gift certificates and store credits remaining outstanding more than two years from their respective issuance dates. Before the effects of breakage adjustments on both fiscal years, fiscal July sales declined 9.1% at Wet Seal, 17.8% at Arden B and 10.6% in total, and fiscal second quarter sales declined 9.0% at Wet Seal, 10.6% at Arden B and 9.3% in total. The breakage benefits have no effect on the calculation of comparable store sales.

The Company estimates that the shift in retail "sales tax holidays" in 10 states, from fiscal July last year to fiscal August this year, negatively affected the Wet Seal division comparable store sales decline by slightly more than 1% in July.

The Company now estimates fiscal second quarter earnings per diluted share will be between \$0.02 and \$0.03. This includes \$1.6 million in non-cash asset impairment charges, partially offset by the \$1.2 million of breakage benefits, which were not anticipated in the Company's initial guidance. These expected results are within the lower end of the Company's initial guidance.

The Company also estimates it had year-over-year declines in inventory per square foot at Wet Seal and Arden B of approximately 15% and 21%, respectively, as of the end of the second quarter.

Ed Thomas, chief executive officer of The Wet Seal, Inc., commented: "While we are pleased with the progress we are making on the merchandising front at both divisions, the effects of the challenging economic environment continued to hamper sales. This, combined with the highly aggressive promotional environment throughout the second quarter, led to our current earnings expectations. That said, we were pleased to have achieved cost savings greater than we initially anticipated, and inventory levels remain well-aligned with the challenging environment."

Mr. Thomas continued, "At Wet Seal, we made significant progress addressing inventory mix issues we had at the start of the second quarter. We began to see improved results in our tops business in late July due to these efforts. While we know we still have work to do in certain categories, we believe we are beginning the third quarter with an improved assortment."

"At Arden B, we are managing inventories conservatively as we continue to evaluate ideal levels under our new, lower-price selling model. This likely challenged comparable store sales results, but has also helped us maintain the merchandise margin improvements we began to demonstrate in the first quarter and improve operating income at this division in the second quarter as compared to the same period in the prior year."

### **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 August 1, 2009, the Company operated a total of 496 stores in 47 states, the District of Columbia and Puerto Rico, including 415 Wet Seal stores and 81 Arden B stores. The Company's products can also be purchased online at [www.wetseal.com](http://www.wetseal.com) or [www.ardenb.com](http://www.ardenb.com). For more company information, visit [www.wetsealinc.com](http://www.wetsealinc.com).

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SOURCE: The Wet Seal, Inc.

**The Wet Seal, Inc.**  
**Steven H. Benrubi, 949-699-3947**

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