

October 2, 2006

## **lululemon athletica and Descente Ltd. form "lululemon Japan Inc."**

### **Vancouver-based retailer establishes partnership in Asia**

Vancouver, British Columbia, October 2, 2006 - Yoga-inspired athletic apparel retailer lululemon athletica is expanding operations in Asia. With a store already in Tokyo, lululemon athletica announced today that it is partnering with Descente Ltd. to establish the joint venture "lululemon Japan Inc." The Vancouver-based lululemon athletica will hold majority ownership of the partnership with Descente, a Japanese leader in apparel.

lululemon Japan will take over the existing store in Aoyama, Tokyo and open a second Tokyo store in Mejiro on October 3. An additional 3 stores in Tokyo are planned to open within the first year and by January 2010, lululemon Japan expects to have 20 stores in total.

"Descente is a global leader in fabric technology and has long been recognized as a great Japanese company," says Robert Meers, lululemon athletica CEO, "This partnership further establishes lululemon as a global player in the athletic apparel industry."

"This is one of the most exciting retail concepts we have seen," says Kunio Tajiri, President of Descente Ltd., "We are thrilled to have our businesses merging their collective assets."

lululemon athletica has seen tremendous success in North America with sales doubling for the past 4 years. In December 2005, the company partnered with Boston-based private equity firms Advent International and Highland Partners Inc. With a minority interest of 48%, the transaction was estimated at \$195 million US.

"New technical fabrics are the future and lululemon athletica will be at the forefront," says lululemon's founder Chip Wilson, "Descente is the perfect partner for us. They are business leaders in Japan and their innovations in fabric technology are world-class."

lululemon currently operates 40 stores across north America in addition to a store in Melbourne Australia. The Canadian retail success story has rapid growth plans across North America and in Asia and anticipates over 30 new retail outlets to open in 2007.

lululemon athletica is a yoga-inspired athletic apparel company that provides components for people to live longer, healthier and more fun lives. By creating products that 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. lululemon athletica was founded in Vancouver, British Columbia in 1998 by Chip Wilson, founder of Westbeach Sports, a skate/surf/snowboard clothing company. lululemon athletica is extending into new communities across North America and throughout the world. For more information, visit [www.lululemon.com](http://www.lululemon.com).

Overview of "lululemon Japan Inc."

Name: lululemon Japan Inc.

Office address: 4-8 Mejiro 1-Chome, Toshima-ku, Tokyo 171-8580 JAPAN

Tel/Fax: 03-3986-7066

President: Fumio Akai

Established: September 1, 2006

Business: Sales/distribution of lululemon athletica products (Import and License)

Fiscal year: The end of January

Sara Gardiner

Community Relations Manager

[sgardiner@lululemon.com](mailto:sgardiner@lululemon.com)

604.732.6124 x218