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lululemon athletica gains partners in growth equity investment - Board, management and financial expertise to assist expansion

Vancouver, B.C., December 8, 2005 - yoga-inspired athletic apparel retailer lululemon athletica announced that it has partnered with the private equity firm Advent International. Advent will have a significant minority interest in the Vancouver-based company. The transaction will support the company's growth strategy in the US and internationally and will also provide partial liquidity to the founder Chip Wilson who will retain a majority position in lululemon. The enterprise value of the transaction is approximately CDN \$225 million. Advent partnered with Highland Capital in this growth equity financing.

lululemon was founded in 1998 in response to the increased participation of women in athletics. The technical products are designed with the feedback of athletes and yogis, allowing lululemon to continually innovate the functionality and fit of their apparel. The company offers a comprehensive line of athletic pants, tops and yoga accessories. Today, lululemon is a premium brand and enjoys a market-leading position in the Canadian active wear market.

lululemon sells its merchandise through 33 company-owned specialty retail locations, primarily in Canada with a presence in the US, Japan, and Australia. Store openings and strong same-store sales have significantly contributed to the company's rapid growth. lululemon has successfully doubled revenue and earnings annually for the past four years.

In connection with the investment, former Reebok CEO and Advent operating partner Robert Meers will be named the new CEO of lululemon athletica. Mr. Meers' extensive consumer and retail experience will be important in leading the company through its aggressive US expansion plans.

"We will continue to provide product that reaches a well-educated, athletically driven person who wants to create a great life for themselves," said Chip Wilson, lululemon founder, Chairman and Chief Product Designer, "We like the Advent/Highland group because of who they have brought to the table. The expertise of the Board and management will ensure that we are successful in the US and worldwide."

"Advent proactively pursued an investment in lululemon because of its leading product offerings, inspiring culture and impressive growth characteristics," said David Mussafer, a Managing Director at Advent International. "The broader introduction of lululemon's technologically advanced products to the underserved women's athletic segment presents a tremendous opportunity for the brand not only in North America but globally."

According to Steven Collins, a Principal at Advent International, "lululemon is one of the strongest new athletic brands to develop in recent years. We are excited to join with Chip Wilson and Bob Meers to further the reach of the brand and accelerate the company's strong growth."

The women's sports apparel industry is approximately a \$15 billion market and 25% larger than men's active wear. With impressive double-digit growth in this segment and a product designed with women in mind, lululemon is well-positioned. To build the company's presence, lululemon plans to expand on its four existing US stores and open 15 US new locations annually over the next five years.

Product innovation will remain a key priority as the company builds on its heritage of providing products for consumers who choose to lead a healthy and balanced lifestyle. lululemon has built considerable brand equity among yoga fans and with the number of yoga participants in the US jumping more than five-fold from 3 million in 2000 to 16.5 million in 2005, growth opportunities for the business are excellent.

In connection with the transaction, Messrs. Collins and Mussafer will join the lululemon Board of Directors. Tom Stenberg, founder and former CEO of Staples and venture partner of Highland Capital will also join the Board.

Pepper Hamilton served as the legal counsel and PricewaterhouseCoopers LLP provided accounting services to Advent International. Capital West Partners served as the investment advisor to lululemon.

lululemon is Advent's second investment in the active wear market this year following the April 2005 buyout of Fat Face, the UK's leading retailer of active lifestyle clothing. Other investments in the specialty retail sector include, Dollar Express Inc., a US single-price retailer acquired by Dollar Tree Stores (Nasdaq: DLTR); HMV Group plc (LSE: HMV), one of the world's largest retailers of music, books and videos; Kirkland's Inc. (Nasdaq: KIRK), the US specialty retailer of decorative home accessories; Poundland Ltd., the UK's No. 1 single-price discount chain; Dufry Group, the world's fourth-largest duty-free retailer; ILVA,

Denmark's second-largest furniture retailer; New Look Group plc, UK based women's value fashion chain; Tweeter Home Entertainment Group Inc. Nasdaq (TWTR), America's premier specialty retailer of consumer electronics.

About lululemon athletica:

lululemon athletica is a yoga-inspired athletic apparel company that provides components for people to live a longer, healthier and more fun life. By producing 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 feedback on the products. lululemon athletica Inc. was founded in Vancouver, British Columbia in 1998 by Chip Wilson, founder of Westbeach skate and snowboard clothing company. lululemon athletica's family is extending into new communities across North America and internationally. For more information, visit www.lululemon.com.

About Advent International:

Advent International is one of the world's leading private equity firms, with \$10 billion in cumulative capital raised and offices in 13 countries across North America, Western and Central Europe, Latin America and Asia Pacific. Since its founding in 1984, Advent has invested in over 500 companies and has helped businesses raise more than \$10 billion through public equity and debt offerings. These include over 130 IPOs on major stock exchanges worldwide. For more information, visit www.adventinternational.com.

About Highland Capital:

Highland Capital Partners was founded with the mission of helping great people build great companies. Since its inception in 1988, the firm has taken a sector-focused and stage-diversified approach to investing in exceptional information technology, communications and healthcare companies. With over \$1.8 billion of committed capital, Highland has invested in and worked to create such firms as Ask Jeeves, Avid Technology, Be Free, CheckFree, Conor Medsystems, EXACT Sciences, Lycos, MapQuest, Ocular Networks, Odyssey Healthcare, Staples.com, Sybase, Telica, VistaPrint and WebLine Communications. For more information, visit www.hcp.com.

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