

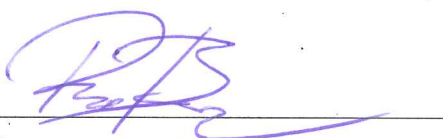
# **lululemon athletica DK ApS**

**c/o Harbour House  
Sundkrogsgade 21  
2100 København Ø**

**CVR no. 36926678**

**Annual Report 2016**

Chairman



Rasmus Este Bruun

Approved at the Company's Annual General Meeting, on 28 June 2016

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## CONTENTS

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Management's report .....	2
Company information .....	3
Accounting policies .....	4
Income statement for the period 17 June 2015 (date of incorporation) - 31 January 2016 .....	6
Proposed distribution of profit/loss .....	7
Balance sheet as at 31 January 2016 .....	8
Notes to the financial statements .....	10

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## MANAGEMENT'S REPORT

The Board of Directors and Management have today discussed and approved the Annual Report of lululemon athletica DK ApS, "The Company", for the financial period 17 June 2015 (date of incorporation) - 31 January 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 January 2016 and of the results of the Company's operations for the financial period 17 June 2015 (date of incorporation) - 31 January 2016.

The Annual Report has not been audited according to the articles of association. The Company complies with the section 135, 1.2 in the Danish Financial Statements Act.

The Annual Report for the coming year will not be audited.

We recommend that the Annual Report be approved at the Annual General Meeting.

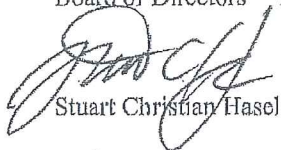
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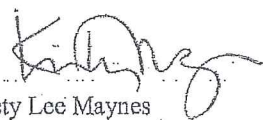
Management

  
Stuart Christian Haselden

  
Kristy Lee Maynes

Board of Directors

  
Stuart Christian Haselden

  
Kristy Lee Maynes

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#### COMPANY INFORMATION

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Company name lululemon athletica DK ApS

CVR no. 36926678

Address  
c/o Harbour House  
Sundkrogsgade 21  
2100 København Ø

Management  
Stuart Christian Haselden  
Kristy Lee Maynes

Board of Directors  
Stuart Christian Haselden  
Kristy Lee Maynes

Annual General Meeting 28 June 2016

Ownership control  
The Company is owned by:  
Lululemon LU Holdings S.à.r.l.  
16, Avenue Pasteur  
L2310 Luxembourg

## **ACCOUNTING POLICIES**

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The Annual Report of the Company has been prepared in accordance with the provisions of the Danish Financial Statements Act for Class B companies.

The Annual Report is prepared in DKK.

The most significant elements of the accounting principles applied are described below.

### **Recognition and measurement**

Revenue is recognised in the income statement as it is earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, write downs and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at cost, thus recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortisation of the difference between cost and nominal value.

When recognising and measuring assets and liabilities, any gains, losses and risks occurred prior to the presentation of the Annual Report will be considered and evidence of such conditions existing at the balance sheet date will be taken into account.

### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

### **Income statement**

#### **Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

## **ACCOUNTING POLICIES**

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### **Financial items**

Financial income and expenses and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financial items include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax relating to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

### **Balance sheet**

#### **Receivables**

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

#### **Tax assets, receivables and liabilities**

Current tax liabilities and outstanding current tax are recognised in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding shares where computation of the tax value can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at expected realisable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realisable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognised in the income statement. On the basis of the assessment made by the management in regards to realisation of the Company's assets a tax rate of 22% has been applied when calculating deferred tax. When calculating tax on a net profit for the year the current tax rate of 23,5 has been applied.

#### **Liabilities**

Liabilities are measured at amortised cost equal to nominal value.

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**INCOME STATEMENT FOR THE PERIOD 17 JUNE 2015 (DATE OF  
INCORPORATION) - 31 JANUARY 2016**

	<u>Note</u>	<u>2015/16</u> DKK
Selling, general and administrative expenses		(104.736)
<b>Gross loss</b>		<u>(104.736)</u>
<b>Loss before tax</b>		<u>(104.736)</u>
Tax on result for the year		<u>0</u>
<b>Net result for the year</b>		<b>(104.736)</b>

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**PROPOSED DISTRIBUTION OF PROFIT/LOSS**

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	<u>Note</u>	<u>2015/16</u> DKK
Proposed distribution of profit/loss		
Retained earnings		(104.736)
		<hr/>
<b>Total distribution</b>		<b>(104.736)</b>



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**BALANCE SHEET AS AT 31 JANUARY 2016**

	<u>Note</u>	<u>2016</u> DKK
<b>ASSETS</b>		
Cash and cash equivalents		5.006.258
<b>Total cash and cash equivalents</b>		<u>5.006.258</u>
<b>Total current assets</b>		<u>5.006.258</u>
<b>Total assets</b>		<u>5.006.258</u>

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**BALANCE SHEET AS AT 31 JANUARY 2016**

	<u>Note</u>	<u>2016</u> DKK
<b>EQUITY AND LIABILITIES</b>		
Share capital		50.001
Paid in capital		4.966.999
Retained losses		(104.736)
<b>Total shareholder's equity</b>	I	<u>4.912.264</u>
Other payables		11.941
Intercompany payables		82.053
<b>Total short-term liabilities</b>		<u>93.994</u>
<b>Total liabilities</b>		<u>93.994</u>
<b>Total liabilities and shareholder's equity</b>		<u>5.006.258</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**1 Shareholders' equity**

	Share capital DKK	Paid in capital DKK	Retained earnings DKK	Total DKK
Balance 17 June 2015	50.000	1.467.000	0	1.517.000
Recapitalization	1	3.499.999	0	3.500.000
Result of the year	0	0	(104.736)	(104.736)
<b>Shareholders' equity total</b>	<b>50.001</b>	<b>4.966.999</b>	<b>(104.736)</b>	<b>4.912.264</b>