

CVR no.

36926678

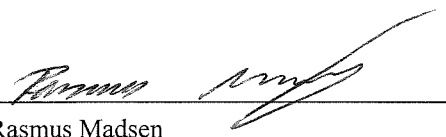
LULULEMON ATHLETICA DK APS

ANNUAL REPORT

FOR THE YEAR FROM 1 FEBRUARY 2016 TO 31 JANUARY 2017

c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

Chairman


Rasmus Madsen

Approved at the Company's Annual General Meeting, on: 19/5-2017

LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT

CONTENTS:

	Page
Management's report	1
Company information	2
Management's review	3
Accounting policies	4
Income statement for the year ended 31 January 2017	6
Proposed distribution of loss	7
Balance sheet as at 31 January 2017	8
Notes to the financial statements	10

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

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 year from 1 February 2016 to 31 January 2017.

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 2017 and of the results of the Company's operations for the financial year from 1 February 2016 to 31 January 2017.

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.

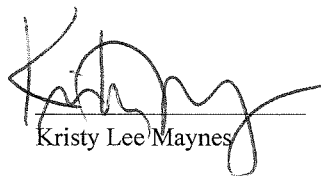
We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen.

Management



Winston Cummins

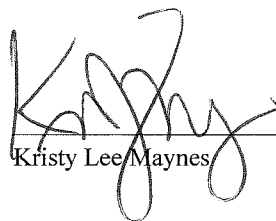


Kristy Lee Maynes

Board of Directors



Winston Cummins



Kristy Lee Maynes

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

COMPANY INFORMATION

Company name lululemon athletica DK ApS

CVR no. 36926678

Address c/o Harbour House
Sundkrogsgade 21
DK 2100 Copenhagen

Management Winston Cummins
Kristy Lee Maynes

Board of Directors Winston Cummins
Kristy Lee Maynes

Annual General Meeting

Financial year From 1 February 2016 to 31 January
2017

Ownership control The Company is wholly owned
by:

Lululemon LU Holdings S.à r.l.
16, Avenue Pasteur
L-2310 Luxembourg

The Company's ultimate parent, lululemon athletica inc.,
prepares consolidated financial statements which
incorporate lululemon athletica DK ApS.

lululemon athletica inc.
c/o Corporation Trust Center
1209 N Orange Street
Wilmington, DE
19801

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

MANAGEMENT'S REVIEW

The directors of lululemon athletica DK ApS (the "Company") present their management review for the year ended 31 January 2017. The Company is a subsidiary of the lululemon athletica group of companies (the "Group") whose ultimate parent company, lululemon athletica inc., is listed on the NASDAQ stock exchange.

Main activity

The Company is a distributor of lululemon branded technical athletic apparel. The Company had no sales in the year.

LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT

ACCOUNTING POLICIES

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 accounting policies applied are consistent with those of last year.

Recognition and measurement

Revenue is recognised in the income statement as it is earned. Value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. 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 and bad debts.

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

ACCOUNTING POLICIES (CONTINUED)

Income statement (continued)

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

Cash and cash equivalents

Cash and cash equivalents equates to cash held at banks and on hand.

Receivables

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

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

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 22% has been applied.

LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT

INCOME STATEMENT FOR THE YEAR ENDED 31 JANUARY 2017

	2016/2017	2015/2016
	DKK	DKK
Selling, general and administrative expenses	(134,940)	(104,736)
Gross loss	<u>(134,940)</u>	<u>(104,736)</u>
Finance expense	(10,267)	—
Loss before tax	<u>(145,207)</u>	<u>(104,736)</u>
Tax on loss for the year	—	—
Net loss for the year	<u>(145,207)</u>	<u>(104,736)</u>

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

PROPOSED DISTRIBUTION OF LOSS

	2016/2017 DKK	2015/2016 DKK
Proposed distribution of loss	—	—
Retained earnings	(145,207)	(104,736)
Total distribution	<u>(145,207)</u>	<u>(104,736)</u>

**LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT**

BALANCE SHEET AS AT 31 JANUARY 2017

	2017 DKK	2016 DKK
Assets		
Current assets		
Cash and cash equivalents	4,975,025	5,006,258
Trade and other receivables	3,942	—
Total current assets	<u>4,978,967</u>	<u>5,006,258</u>
Total assets	<u>4,978,967</u>	<u>5,006,258</u>

LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT

BALANCE SHEET AS AT 31 JANUARY 2017 (CONTINUED)

	Note	2017 DKK	2016 DKK
Equity and liabilities			
Equity			
Share capital	1	50,001	50,001
Paid in capital	1	4,966,999	4,966,999
Retained earnings	1	(249,943)	(104,736)
Total shareholder's equity		<u>4,767,057</u>	<u>4,912,264</u>
Liabilities			
Current liabilities			
Other payables		—	11,941
Intercompany payables		211,910	82,053
Total current liabilities		<u>211,910</u>	<u>93,994</u>
Total liabilities		<u>211,910</u>	<u>93,994</u>
Total equity and liabilities		<u>4,978,967</u>	<u>5,006,258</u>

LULULEMON ATHLETICA DK APS
YEAR ENDED 31 JANUARY 2017
ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 JANUARY 2017

1. Owner's equity

	Share capital	Paid in capital	Retained earnings	Total
	DKK	DKK	DKK	DKK
Owner's equity at 31 January 2016	50,001	4,966,999	(104,736)	4,912,264
Loss for the year	—	—	(145,207)	(145,207)
Owner's equity at 31 January 2017	<u>50,001</u>	<u>4,966,999</u>	<u>(249,943)</u>	<u>4,767,057</u>

2. Staff Costs

The Company had no employees in the year (2016: Nil).