

Waterson Sheree
Form 4
December 15, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Waterson Sheree

2. Issuer Name and Ticker or Trading Symbol
lululemon athletica inc. [lulu]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
12/13/2010

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Exec VP Gen Merch Management

C/O LULULEMON
ATHLETICA, 400-1818
CORNWALL AVENUE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

VANCOUVER A1, A1 V6J 1C7

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership: Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount (A) or Price (D) | | |
| Common Stock | 12/13/2010 | | M | | 5,000 A \$ 28.47 | D | |
| Common Stock | 12/13/2010 | | S | | 5,000 D \$ 70.5642 | D | |
| Common Stock | 12/13/2010 | | M | | 5,000 A \$ 12.99 | D | |
| Common Stock | 12/13/2010 | | S | | 5,000 D \$ 70.6674 | D | |
| Common Stock | 12/14/2010 | | M | | 3,750 A \$ 28.47 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|------------|-------|---|
| Common Stock | 12/14/2010 | S | 3,750 | D | \$ 69.3635 | 0 | D |
| Common Stock | 12/14/2010 | M | 3,750 | A | \$ 12.99 | 3,750 | D |
| Common Stock | 12/14/2010 | S | 3,750 | D | \$ 69.3635 | 0 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|-------------------------------|
| Stock Option (Right to Buy) | \$ 28.47 | 12/13/2010 | | M | 5,000 | <u>(1)</u> 06/16/2018 | Common Stock | 5,000 |
| Stock Option (Right to Buy) | \$ 12.99 | 12/13/2010 | | M | 5,000 | <u>(2)</u> 06/16/2016 | Common Stock | 5,000 |
| Stock Option (Right to Buy) | \$ 28.47 | 12/14/2010 | | M | 3,750 | <u>(1)</u> 06/16/2018 | Common Stock | 3,750 |
| Stock Option (Right to Buy) | \$ 12.99 | 12/14/2010 | | M | 3,750 | <u>(2)</u> 06/16/2016 | Common Stock | 3,750 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Waterson Sheree C/O LULULEMON ATHLETICA 400-1818 CORNWALL AVENUE VANCOUVER A1, A1 V6J 1C7 | | | Exec VP Gen Merch Management | |

Signatures

| | |
|--|---------------------|
| Sheree Waterson, by David Negus, Attorney-in-Fact | 12/15/2010 |
| <small>**Signature of Reporting Person</small> | <small>Date</small> |

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This option vested as to 25% on each of June 16, 2009 and June 16, 2010 and shall vest as to 25% on each of June 16, 2011 and June 16, 2012.
 - (2) This option vested as to 25% on June 16, 2010 and shall vest as to 25% on each of June 16, 2011, June 16, 2012 and June 16, 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.