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**BEBE NAMES BEN BAUM CHIEF DIGITAL OFFICER
SIGNALLING A MAJOR INVESTMENT AND
EXPANSION IN E-COMMERCE**

BRISBANE, CALIF. – October 31, 2012 – bebe stores, inc. (NASDAQ: BEBE) announces the appointment of Ben Baum to the newly created position of Chief Digital Officer, reporting to Manny Mashouf, Chairman and CEO.

Mr. Baum, who was previously the Head of Business Development for Shopping at Google, as well as Senior Group Manager of Merchandising at Target, brings leading-edge expertise to bebe. Mr. Baum's role is to elevate the omni-channel shopping experience, enabling the bebe customer to shop her favorite brand anywhere, anytime, on any device.

"Ben is a tremendous addition to our team," said Manny Mashouf. "We look forward to leveraging his digital expertise as we continue to make major investments and upgrades in our digital platforms and infrastructure including mobile, order fulfillment and social media."

New features in the bebe smartphone app and a mobile-enhanced website will keep bebe in the hands of our smartphone-savvy customers. The recently introduced app, available for iPhone and Android, offers a fun, easy and intuitive experience, including in-store scanning, inventory lookup, social integration and richer content. Mobile functionality will be improved with stress-free search, checkout integration and overall transaction speed.

What this means is that holiday shopping just got even better for the bebe customer.

To support bebe's future digital strategies, the company has brought its e-commerce operations in-house with seamless omni-channel architecture and fulfillment systems. "The new structure speeds up the supply chain," Mr. Mashouf said. "It all supports bebe's objective to be one of the most digitally advanced fashion companies. I am very excited about these new opportunities which will enrich the digital experience for our customers."

Future plans include "buy online, ship from store", "buy online, pick up in store" and the introduction of international shipping, allowing bebe to go global.

bebe stores, inc. is a global specialty retailer, which designs, develops and produces a distinctive line of contemporary women's apparel and accessories under its bebe, BEBE SPORT and 2b bebe brand names. bebe currently operates 250 stores, of which 198 are bebe stores, including the on-line store bebe.com, and 52 are 2b bebe stores, including the on-line store 2bstores.com. These stores are located in the United States, U.S. Virgin Islands, Puerto Rico, Canada and Japan. bebe also distributes and sells bebe branded product through its licensees in approximately 121 international point-of-sale locations in 21 countries.