NEWS RELEASE

American Eagle Outfitters, Inc. Wins Preliminary Injunction Against Payless ShoeSource

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Payless Must Include Disclaimer When Using AMERICAN EAGLE Footwear Mark to Eliminate Customer Confusion

PITTSBURGH--(BUSINESS WIRE)--July 16, 2008--American Eagle Outfitters, Inc. (NYSE:AEO) today announced that it has won a preliminary injunction against Payless ShoeSource, Inc. in a trademark infringement and unfair competition lawsuit arising out of Payless' use of the AMERICAN EAGLE mark for footwear and bags. The ruling requires Payless to adopt a clear disclaimer stating that AMERICAN EAGLE by Payless is not affiliated with AMERICAN EAGLE OUTFITTERS.

(AMERICAN EAGLE OUTFITTERS shoes and bags are available only at AMERICAN EAGLE OUTFITTERS stores and on its website www.ae.com.)

"We're pleased with the court's decision to issue a preliminary injunction against Payless," said Neil Bulman, vice president and general counsel, American Eagle Outfitters, Inc. "Our ultimate goal is to stop Payless from misleading and confusing consumers and to protect the integrity of our brand."

Since 1977, American Eagle Outfitters has developed a well-known and successful brand by selling high-quality apparel, footwear and accessories under a family of marks including AMERICAN EAGLE OUTFITTERS(R), AMERICAN EAGLE(R), AEO(R) and AE(R), at more than 900 American Eagle Outfitters retail stores and through its website, www.ae.com. AEO contends that Payless, a discount shoe chain, is deceiving consumers by portraying itself as the owner of "the youth fashion brand American Eagle(R)" and indicating that it is selling genuine AMERICAN EAGLE OUTFITTERS merchandise when in fact it is not.

Additionally, Payless is marketing AMERICAN EAGLE shoes and accessories with advertising and promotional materials that copy the look and feel of AEO's distinctive marketing style and falsely claiming to be the exclusive source of AMERICAN EAGLE and AE "women's," "men's" and "accessories," which continues to cause consumer confusion as to the relationship between Payless and AEO.

The April 2007 suit was filed in United States District Court Eastern District of New York.

American Eagle Outfitters designs, markets and sells its own brand of laidback, current clothing targeting 15 to 25 year-olds, providing high-quality merchandise at affordable prices. The original collection includes standards like jeans and graphic Ts as well as essentials like accessories, outerwear, footwear, basics and swimwear. American Eagle currently operates 871 stores in 50 states, the District of Columbia and Puerto Rico, and 76 AE stores in Canada. American Eagle also operates ae.com(R), which offers additional sizes and styles of favorite AE(R) merchandise and ships to more than forty countries around the world. The American Eagle(R) brand also includes a Dormwear(R) collection, aerie(TM) , which is available in 68 standalone stores, American Eagle stores and at aerie.com. The collection includes bras, undies, camis, hoodies, robes, boxers, sweats and leggings for the AE girl. Designed to be sweetly sexy, comfortable and cozy, the aerie brand offers AE customers a new way to express their personal style everyday, from the dormroom to the coffee shop to the classroom.

MARTIN + OSA(TM), a concept targeting 28 to 40 year-old women and men, offers refined casual clothing and accessories, designed to be valuable, irresistible, inspiring, authentic and adventurous. MARTIN + OSA currently operates 22 stores. For additional information and updates, visit www.martinandosa.com.

The company plans to launch a children's apparel brand, 77kids by american eagle(TM), offering on-trend, high-quality clothing and accessories for kids age two to 10. 77kids will debut online at www.77kids.com during Fiscal 2008, with brick-and-mortar stores in the U.S. planned for 2010.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release contains forward-looking statements, which represent our expectations or beliefs concerning future events, specifically regarding second quarter earnings. All forward-looking statements made by the company involve material risks and uncertainties and are subject to change based on factors beyond the company's control. Such factors include, but are not limited to the risk that the Company's second quarter earnings expectations may not be achieved and the risks described in the Risk Factor Section of the company's Form 10-K and Form 10-Q filed with the Securities and Exchange Commission. Accordingly, the company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. The company does not undertake to publicly update or revise its forward-looking statements even if future changes make it clear that projected results expressed or implied will not be realized.

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SOURCE: American Eagle Outfitters, Inc.