SAN FRANCISCO – April 16, 2014 – As part of its annual investor meeting, Gap Inc. (NYSE: GPS) today is providing an overview of its strategic initiatives designed to achieve long-term, profitable growth across its portfolio of brands. The company also will highlight its use of technology, innovation and scale as competitive advantages as it makes progress toward bridging the growing digital world with its physical stores to create world-class shopping experiences for its customers.

“We have the world’s best collection of American brands coupled with a strong economic model and runway for global growth,” said Glenn Murphy, chairman and chief executive officer, Gap Inc. “As the retail landscape evolves, we continue to deliver on our omni-channel roadmap and focus on owning the shopping experience of the future.”

The company will discuss its plans to continue driving online growth by leveraging technology and innovation combined with top talent to deliver new digital capabilities to customers and make further progress in mobile, personalization and loyalty programs.

Building upon its current omni-channel suite – including reserve in store, find in store and ship from store – later this year, the company will be testing its new order in store capability, which allows customers instant access to expanded product offerings online. Further, the company is announcing the expansion of its reserve in store service to all Gap stores in the United States by the end of the second quarter, enabling online and mobile shoppers to now reserve items at more than 1,000 Gap and Banana Republic store locations.

In addition to its industry-leading omni-channel capabilities, the company will reaffirm its intention to fuel growth and gain share in the $1.4 trillion global apparel market. Murphy and company executives will discuss plans to grow through expansion in Asia, as well as in its global outlet, online and franchise channels. The company also is excited about the long-term potential of its fast-growing Athleta brand.

Building on Old Navy’s recent debut in mainland China and Gap’s growing store base in the world’s second largest apparel market, the company will highlight China as its largest growth initiative where it expects sales to reach $1 billion in three years.

Gap Inc. leaders also will discuss progress against its move to a seamless inventory model and a more responsive global supply chain, both designed to fulfill customer demand with increased speed and flexibility, while unlocking revenue and gross margin potential.

“In the next five years, we plan to leverage our scale to drive our strategic initiatives – including global growth plans, omni-channel strategies, a seamless inventory model and fully responsive supply chain. We expect these initiatives to contribute meaningfully to our revenue growth and operating profit,” Murphy added.
As it has the last number of years, the company also will underscore its continued commitment to delivering against long-term financial objectives.

“Our goal is to strike a good balance between growing the top and bottom line, as well as returning excess cash to shareholders,” said Sabrina Simmons, executive vice president and chief financial officer, Gap Inc. “Over the past five years, we have increased revenue $1.6 billion, grown EPS at a 15 percent compound annual growth rate and returned an average of $1.6 billion in cash per year via share buybacks and dividends.”

“We have a strong financial track record and we remain focused in our approach to drive value – by driving revenue growth with healthy merchandise margins and leveraging expenses to expand operating margin, as measured on a full year basis,” Simmons added.

In addition to Murphy and Simmons, the following Gap Inc. leaders are slated to provide updates during today’s meeting (in the following order):

- **Art Peck**, President, Growth, Innovation and Digital
- **Sonia Syngal**, Executive Vice President, Global Supply Chain
- **Tom Keiser**, Executive Vice President, Global Product Operations
- **Jeff Kirwan**, President, Greater China
- **Steve Sunnucks**, Global President, Gap
- **Jack Calhoun**, Global President, Banana Republic
- **Stefan Larsson**, Global President, Old Navy

A live webcast is accessible on Gap Inc.’s Financial News and Events page at [www.gapinc.com/investors](http://www.gapinc.com/investors) from 10:00 a.m. Pacific Time until about 2:30 p.m. Pacific Time today. In addition, audio of this meeting can be accessed by calling 1-855-5000-GPS or 855-500-0477 for domestic callers and 913-643-0954 for international callers. The conference passcode is 8783693. A replay of this event will be available on [www.gapinc.com](http://www.gapinc.com).

Follow the event on Twitter at [http://twitter.com/gapinc](http://twitter.com/gapinc). The Twitter cashtag for the event is $GPS.

**Forward-Looking Statements**

This press release, related investor conference and webcast, and related investor day materials, including Twitter and other social media postings made during the Investor Day conference, contain forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as "expect," "anticipate," "believe," "estimate," "intend," "plan," "project," and similar expressions also identify forward-looking statements. Forward-looking statements include statements regarding:

- international growth, including store openings and expansion in Asia through global outlet, online and franchise channels;
- revenue in China, across all brands and channels, in the next three years;
- the impact of global growth strategies on revenue growth and margins;
- returning excess cash to shareholders;
- driving revenue and comp growth with healthy merchandise margins;
- leveraging expenses to drive operating margin expansion;
- increasing investments in our supply chain and omni-channel capabilities and the expected impact on our financial results;
- total square footage increase in 2014;
- number of franchise store locations to be added in 2014, including Old Navy franchise store openings in the Philippines, and the total number expected by the end of 2014;
- responsive supply chain, including deploying inventory management tools in 2014, and the impact on merchandise margins and inventory management;
- annual dividend per share for fiscal 2014;
- maintaining enough cash to fund our working capital needs and hold a reserve;
- omni-channel, including expansion of reserve in store and launch of additional omni-channel capabilities, and the impact on sales and margins;
- number of Athleta store openings in 2014, and total Athleta store count at the end of 2014;
- seamless inventory, including the timing of testing and launch of seamless inventory into one global brand and eventual launch across all global brands, and the impact on sales, margins, and inventory;
- sales growth and the opening of additional stores in key markets for franchise, including in new countries and with franchise partners; and
- expected financial results for fiscal year 2014.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause the company's actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, the following:

- the risk that changes in global economic conditions or consumer spending patterns could adversely impact our results of operations;
- the highly competitive nature of our business in the United States and internationally;
- the risk that we or our franchisees will be unsuccessful in gauging apparel trends and changing consumer preferences;
- the risk that if we are unable to manage our inventory effectively, our gross margins will be adversely affected;
- the risks to our efforts to expand internationally, including our ability to operate under a global brand structure, foreign exchange, and operating in regions where we have less experience;
- the risks to our business, including our costs and supply chain, associated with global sourcing and manufacturing;
- the risks associated with importing merchandise from foreign countries, including failure of our vendors to adhere to our Code of Vendor Conduct, could have a negative impact on our reputation or operations;
- the risk that trade matters could increase the cost or reduce the supply of apparel available to us and adversely affect our business, financial condition, and results of operations;
- the risk that our franchisees' operation of franchise stores is not directly within our control and could impair the value of our brands;
- the risk that we or our franchisees will be unsuccessful in identifying, negotiating, and securing new store locations and renewing, modifying, or terminating leases for existing store locations effectively;
- the risk that comparable sales and margins will experience fluctuations;
- the risk that the failure to attract and retain key personnel could have an adverse impact on our results of operations;
- the risk that our investments in omni-channel shopping initiatives may not deliver the results we anticipate;
- the risk that updates or changes to our information technology ("IT") systems may disrupt our operations;
• the risk that we are subject to data or other security breaches that may result in increased costs, violations of law, significant legal and financial exposure, and a loss of confidence in our security measures, which could have an adverse effect on our results of operations and our reputation;
• the risk that natural disasters, public health crises, political crises, or other catastrophic events could adversely affect our operations and financial results, or those of our franchisees or vendors;
• the risk that changes in the regulatory or administrative landscape could adversely affect our financial condition, strategies, and results of operations;
• the risk that we do not repurchase some or all of the shares we anticipate purchasing pursuant to our repurchase program; and
• the risk that we will not be successful in defending various proceedings, lawsuits, disputes, claims, and audits.

Additional information regarding factors that could cause results to differ can be found in the company’s Annual Report on Form 10-K for the fiscal year ended February 1, 2014, as well as the company’s subsequent filings with the Securities and Exchange Commission.

These forward-looking statements are based on information as of April 16, 2014. The company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

About Gap Inc.
Gap Inc. is a leading global retailer offering clothing, accessories, and personal care products for men, women, and children under the Gap, Banana Republic, Old Navy, Piperlime, Athleta, and Intermix brands. Fiscal year 2013 net sales were $16.1 billion. Gap Inc. products are available for purchase in more than 90 countries worldwide through about 3,100 company-operated stores, over 350 franchise stores, and e-commerce sites. For more information, please visit www.gapinc.com.