

## **Gymboree Group Commences Strategic Review Process to Reposition Company**

*Company to Evaluate a Range of Strategic Options for its Gymboree®, Janie and Jack® and Crazy 8® Brands.*

*Evaluates Retail Footprint of Gymboree® and Crazy 8® Stores to Best Focus Resources, Improve Operational Efficiency*

*Stores Open, Fully Stocked and Operating as Usual Through the Holiday Season*

**SAN FRANCISCO, December 4, 2018** – Gymboree Group, Inc. (the “Company” or “Gymboree Group”), the children’s retailer known for providing high quality, comfortable clothing and accessories, today announced that it has initiated a comprehensive review of strategic options for its Gymboree®, Janie and Jack® and Crazy 8® brands, which may include a sale or other transactions at the brand level.

In addition, the Company is evaluating the retail footprints of its Crazy 8® and Gymboree® brands with the intention of closing the Company’s Crazy 8® store locations and significantly reducing the number of Gymboree® store locations in 2019. All Gymboree®, Janie and Jack® and Crazy 8® stores are open, fully stocked and ready to delight kids and parents throughout the holiday season.

On November 14, 2018, Shaz Kahng, member of the Company’s Board since September 2017, was appointed Gymboree Group CEO. Kahng brings 30 years of retail leadership experience, and was instrumental in leading the successful turnarounds of Lucy Activewear and various Nike business segments. For the past year, she has worked closely with the Gymboree Group management team to revitalize the business, unlock brand value, modernize product offerings and enhance the customer shopping experience. As CEO, Kahng is focused on the ongoing transformation of the Company.

Shaz Kahng, Gymboree Group CEO, said, “The process we announced today is designed to reposition the Company for success by establishing a brand portfolio and store footprint that is optimized for the current retail environment. These strategic initiatives are an important next step as we continue to look for ways to unlock additional value in our brands. We are optimistic about our future as a more streamlined organization that can deliver enhanced, long-term value to its stakeholders. Our team remains focused on delivering the quality children’s clothing and accessories and exceptional service that our customers have come to expect from us.”

There can be no assurance that the Company’s strategic review process for any of its brands will result in a sale transaction or other strategic alternative of any kind. Gymboree Group does not intend to disclose developments or provide updates on the status of this process unless it deems further disclosure is appropriate or required. The Company is proceeding expeditiously but has not fixed a timetable for completion of this review.

Stifel and Berkeley Research Group are serving as the Company’s financial advisors. Milbank, Tweed, Hadley & McCloy LLP is serving as its legal counsel.

### **About Gymboree Group, Inc.**

Gymboree Group, Inc. is a portfolio of children’s brands operating specialty retail stores with high-quality clothing and accessories for children. The Company currently operates 380 Gymboree stores in the United States and Canada. Gymboree Group’s family of brands includes Gymboree®, Janie and

Jack® and Crazy 8®, with hundreds of retail stores across the United States, Canada and Puerto Rico as well as online stores at [www.gymboree.com](http://www.gymboree.com), [www.janieandjack.com](http://www.janieandjack.com) and [www.crazy8.com](http://www.crazy8.com).

### **Forward Looking Statements**

This press release contains or may contain forward-looking statements, including statements relating to Gymboree Group’s strategic initiatives. Forward-looking statements typically are identified by use of terms such as “believe,” “expect,” “may,” “will,” “should,” “could,” “seek,” “intend,” “plan,” “estimate,” or “anticipate” or similar expressions, although some forward-looking statements are expressed differently. These forward-looking statements are subject to significant risks, uncertainties, contingencies and other factors that may change at any time, and, therefore, Gymboree Group’s actual results may differ materially from those expressed in any forward-looking statement. Factors that could cause such differences include, but are not limited to: risks related to retail businesses generally; deterioration of general economic conditions; consumer spending patterns, debt levels, and the availability and cost of consumer credit; additional competition from existing and new competitors or changes in the competitive environment; weather conditions that could negatively impact sales; the ability to attract and retain qualified management; the dependence upon relationships with vendors; operational disruptions; unsuccessful marketing initiatives; and changes in, or the failure to, successfully implement, key strategies. Readers should not place undue reliance on these forward-looking statements, which speak only as of the date they were made. Gymboree Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, and such forward-looking statements speak only as of the date of this press release.

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