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

FORM 10-Q

(Mark One)

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the quarterly period ended May 2, 2015

OR

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

For the transition period from to

Commission file number 000-21250

THE GYMBOREE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**94-2615258** **(IRS Employer Identification No.)**
500 Howard Street, San Francisco, California **(Address of principal executive offices)**	**94105** **(Zip Code)**

(415) 278-7000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐*

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated Filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 12, 2015, the registrant had 1,000 shares of common stock outstanding, par value $0.001 per share, all of which are owned by Giraffe Holding, Inc., the registrant's indirect parent holding company, and are not publicly traded.

* In order to comply with reporting covenants governing the terms of its indebtedness, the Registrant files periodic and current reports with the SEC, but is not required by law to file reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended.

THE GYMBOREE CORPORATION

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Part I—FINANCIAL INFORMATION

Item 1. Financial Statements

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

	13 Weeks Ended	
	May 2, 2015	May 3, 2014
Net sales:		
Retail	$ 261,732	$ 259,124
Gymboree Play & Music	8,648	6,832
Retail Franchise	5,689	6,054
Total net sales	276,069	272,010
Cost of goods sold, including buying and occupancy expenses	(170,712)	(163,652)
Gross profit	105,357	108,358
Selling, general and administrative expenses	(104,710)	(102,290)
Operating income	647	6,068
Interest income	19	47
Interest expense	(21,076)	(20,374)
Other expense, net	(110)	(368)
Loss before income taxes	(20,520)	(14,627)
Income tax expense	(1,960)	(376)
Net loss	(22,480)	(15,003)
Net (income) loss attributable to noncontrolling interest	(545)	1,572
Net loss attributable to The Gymboree Corporation	$ (23,025)	$ (13,431)

See notes to condensed consolidated financial statements.

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	13 Weeks Ended	
	May 2, 2015	**May 3, 2014**
Net loss	$ (22,480)	$ (15,003)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax	956	(397)
Unrealized net gain on cash flow hedges, net of tax expense of $198 and $0	261	22
Total other comprehensive income (loss)	1,217	(375)
Comprehensive loss	(21,263)	(15,378)
Comprehensive (income) loss attributable to noncontrolling interest	(612)	2,047
Comprehensive loss attributable to The Gymboree Corporation	$ (21,875)	$ (13,331)

See notes to condensed consolidated financial statements.

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	May 2, 2015	January 31, 2015	May 3, 2014
ASSETS			
Current assets:			
Cash and cash equivalents	$ 22,363	$ 18,520	$ 24,773
Accounts receivable, net of allowance of $2,304, $1,939 and $1,228	25,515	25,248	22,394
Merchandise inventories	208,908	198,337	170,411
Prepaid income taxes	2,759	2,599	2,986
Prepaid expenses	18,561	6,821	18,623
Deferred income taxes	7,263	6,824	14,236
Total current assets	285,369	258,349	253,423
Property and equipment:			
Land and buildings	22,428	22,428	22,428
Leasehold improvements	199,869	198,098	201,067
Furniture, fixtures and equipment	125,481	123,943	119,115
Total property and equipment	347,778	344,469	342,610
Less accumulated depreciation and amortization	(171,378)	(162,038)	(139,134)
Net property and equipment	176,400	182,431	203,476
Goodwill	374,308	373,834	758,777
Other intangible assets, net	342,816	343,552	559,003
Deferred financing costs	23,984	25,622	30,754
Other assets	3,683	4,155	10,288
Total assets	$1,206,560	$1,187,943	$1,815,721
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY			
Current liabilities:			
Accounts payable	$ 105,426	$ 87,032	$ 73,345
Accrued liabilities	106,669	94,805	107,648
Line of credit borrowings	42,000	33,000	10,000
Current obligation under capital lease	565	552	515
Total current liabilities	254,660	215,389	191,508
Long-term liabilities:			
Long-term debt	1,114,127	1,114,048	1,113,817
Long-term obligation under capital lease	2,704	2,850	3,269
Lease incentives and other liabilities	52,858	53,677	50,534
Unrecognized tax benefits	5,151	5,048	6,304
Deferred income taxes	129,865	129,196	215,232
Total liabilities	1,559,365	1,520,208	1,580,664
Commitments and contingencies			
Stockholders' (deficit) equity:			
Common stock, including additional paid-in capital ($0.001 par value: 1,000 shares authorized, issued and outstanding)	523,124	522,403	519,207
Accumulated deficit	(876,388)	(853,363)	(292,689)
Accumulated other comprehensive loss	(10,081)	(11,231)	(4,780)
Total stockholders' (deficit) equity	(363,345)	(342,191)	221,738
Noncontrolling interest	10,540	9,926	13,319
Total (deficit) equity	(352,805)	(332,265)	235,057
Total liabilities and stockholders' (deficit) equity	$1,206,560	$1,187,943	$1,815,721

See notes to condensed consolidated financial statements.

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	13 Weeks Ended	
	May 2, 2015	**May 3, 2014**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (22,480)	$ (15,003)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	10,700	11,178
Amortization of deferred financing costs and accretion of original issue discount	1,886	1,776
Interest rate cap contracts—adjustment to market	778	461
(Gain) loss on disposal/impairment of assets	(539)	359
Deferred income taxes	264	(33)
Share-based compensation expense	720	1,276
Other	(198)	18
Change in assets and liabilities:		
Accounts receivable	(168)	(553)
Merchandise inventories	(10,958)	4,776
Prepaid income taxes	(154)	(1,013)
Prepaid expenses and other assets	(11,739)	1,087
Accounts payable	18,375	(28,602)
Accrued liabilities	11,350	8,897
Lease incentives and other liabilities	(476)	693
Net cash used in operating activities	(2,639)	(14,683)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(3,140)	(9,353)
Proceeds from sale of assets	353	—
Other	8	(56)
Net cash used in investing activities	(2,779)	(9,409)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from ABL facility	130,000	78,000
Payments on ABL facility	(121,000)	(68,000)
Payments on capital lease	(133)	(121)
Net cash provided by financing activities	8,867	9,879
Effect of exchange rate fluctuations on cash and cash equivalents	394	(443)
Net increase (decrease) in cash and cash equivalents	3,843	(14,656)
CASH AND CASH EQUIVALENTS:		
Beginning of period	18,520	39,429
End of period	$ 22,363	$ 24,773
OTHER CASH FLOW INFORMATION:		
Cash (received) paid for income taxes, net	$ (3,664)	$ 1,380
Cash paid for interest	$ 10,390	$ 10,104

See notes to condensed consolidated financial statements.

THE GYMBOREE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The unaudited interim condensed consolidated financial statements, which include The Gymboree Corporation (the "Company," "we" or "us") and our 100%-owned subsidiaries, as well as Gymboree (China) Commercial and Trading Co. Ltd. ("Gymboree China") and Gymboree (Tianjin) Educational Information Consultation Co. Ltd. ("Gymboree Tianjin") (collectively, the "VIEs"), have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in the notes to the annual financial statements prepared in accordance with generally accepted accounting principles have been omitted. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our annual report on Form 10-K for the fiscal year ended January 31, 2015 filed with the Securities and Exchange Commission on May 1, 2015.

The accompanying condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly our financial position, results of operations, comprehensive income (loss) and cash flows for the periods presented. The results of operations for the 13 weeks ended May 2, 2015 ("first quarter of fiscal 2015") are not necessarily indicative of the operating results that may be expected for the 52-week period ending January 30, 2016 ("fiscal 2015") or any future period.

2. Recently Issued Accounting Standards

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments do not affect the current guidance on the recognition and measurement of debt issuance costs. This ASU would be applied retrospectively to all prior periods and is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. This ASU will require the Company to reclassify deferred financing costs, currently presented as assets on the condensed consolidated balance sheets, and net those costs with long-term debt. This ASU will have no effect on the Company's condensed consolidated statements of operations or its liquidity.

In February 2015, the FASB issued ASU No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which provides guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). The amendments are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. We have not yet determined the impact of the new standard on our condensed consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, to provide guidance on principles and definitions to reduce diversity in the timing and content of disclosures when evaluating whether there is substantial doubt about an organization's ability to continue as a going concern. This ASU is effective in the annual period ending after December 15, 2016, with early adoption permitted. We have not yet determined the impact of the new standard on our condensed consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, to clarify the principles of recognizing revenue and create common revenue recognition guidance between U.S. generally accepted accounting principles and International Financial Reporting Standards. This ASU is effective for fiscal years and interim periods within those years, beginning after December 15, 2016, and is to be applied either retrospectively to each prior reporting period presented or with the cumulative effect recognized at the date of initial adoption as an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets). In April 2015, the FASB proposed a deferral of this ASU's effective date by one year, to December 15, 2017. The proposed deferral allows early adoption at the original effective date. We have not yet determined the impact of the new standard on our condensed consolidated financial statements.

3. Fair Value Measurements

We record our money market funds, interest rate caps and forward foreign exchange contracts at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. Accounting guidance prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market or can be derived from observable market data.

Level 3 – Inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. Valuation techniques could include the use of discounted cash flow models and similar techniques.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety is classified is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The tables below present our assets and liabilities measured at fair value on a recurring basis as of May 2, 2015, January 31, 2015 and May 3, 2014, aggregated by the level in the fair value hierarchy within which those measurements fall (in thousands). There were no transfers into or out of Level 1 and Level 2 during the 13 weeks ended May 2, 2015 and May 3, 2014, or for the year ended January 31, 2015.

	May 2, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Interest rate caps	$ —	$ 9	$ —	$ 9
Total	$ —	$ 9	$ —	$ 9
Liabilities				
Forward foreign exchange contracts	$ —	$ 55	$ —	$ 55
Total	$ —	$ 55	$ —	$ 55

	January 31, 2015			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Interest rate caps	$ —	$ 17	$ —	$ 17
Forward foreign exchange contracts	—	96	—	96
Total	$ —	$ 113	$ —	$ 113

	May 3, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Money market funds	$ 900	$ —	$ —	$ 900
Interest rate caps	—	433	—	433
Forward foreign exchange contracts	—	100	—	100
Total	$ 900	$ 533	$ —	$ 1,433

Our cash equivalents, which are primarily placed in money market funds, are valued at their original purchase prices plus interest that has accrued at the stated rate.

The fair value of our interest rate caps was determined using the market standard methodology of discounting future cash receipts. The variable cash receipts were based on the expectation of future interest rates (forward curves) derived from observed market interest rate curves and volatilities. In addition, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, were incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of these contracts for the effect of nonperformance risk, we have considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees.

Although we have determined the majority of the inputs used to value our interest rate caps fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with these derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. However, as of May 2, 2015, January 31, 2015 and May 3, 2014, we assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our interest rate cap positions and determined the credit valuation adjustment was not significant to the overall valuation. As a result, we classified our interest rate caps derivative valuations in Level 2 of the fair value hierarchy.

The fair value of our forward foreign exchange contracts was determined using the market approach and Level 2 inputs. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities.

The carrying value of cash and cash equivalents, receivables and payables balances approximate their estimated fair values due to the short maturities of these instruments. We estimate the fair value of our long-term debt using current market yields. These current market yields are considered Level 2 inputs. The estimated fair value of long-term debt is as follows (in thousands):

	May 2, 2015		January 31, 2015		May 3, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term loan	$ 768,127	$611,436	$ 768,048	$530,680	$ 767,817	$619,127
Notes	346,000	166,080	346,000	128,020	346,000	221,440
Total	$ 1,114,127	$777,516	$ 1,114,048	$658,700	$ 1,113,817	$840,567

We had no other financial assets or liabilities measured at fair value as of May 2, 2015, January 31, 2015 and May 3, 2014.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Our non-financial assets, which primarily consist of goodwill, other intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis whenever events or changes in circumstances indicate their carrying value may not be fully recoverable, and at least annually for goodwill and indefinite-lived intangible assets, non-financial assets are assessed for impairment and, if applicable, written-down to and recorded at fair value, considering external market participant assumptions. We recorded no impairment charges during the first quarter of fiscal 2015 and 2014.

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4. Goodwill and Intangible Assets and Liabilities

Goodwill

Goodwill allocated to our reportable segments as of May 2, 2015, January 31, 2015 and May 3, 2014 is as follows (in thousands):

	Retail Stores Segment	Gymboree Play & Music Segment	International Retail Franchise Segment	Total
Balance as of May 2, 2015				
Goodwill	$ 887,241	$ 16,389	$ 23,636	$ 927,266
Accumulated impairment losses	(547,285)	—	—	(547,285)
Effect of exchange rate fluctuations	(5,673)	—	—	(5,673)
	$ 334,283	$ 16,389	$ 23,636	$ 374,308
Balance as of January 31, 2015				
Goodwill	$ 887,241	$ 16,389	$ 23,636	$ 927,266
Accumulated impairment losses	(547,285)	—	—	(547,285)
Effect of exchange rate fluctuations	(6,147)	—	—	(6,147)
	$ 333,809	$ 16,389	$ 23,636	$ 373,834
Balance as of May 3, 2014				
Goodwill	$ 887,241	$ 16,389	$ 23,636	$ 927,266
Accumulated impairment losses	(168,489)	—	—	(168,489)
	$ 718,752	$ 16,389	$ 23,636	$ 758,777

Goodwill Impairment

During the first quarter of fiscal 2015 and 2014, we did not identify impairment indicators for goodwill. During fiscal 2014, we recognized goodwill impairment in the Gymboree Retail, Gymboree Outlet, and Crazy 8 reporting units, components of our retail stores reporting segment, of approximately $252.3 million, $67.2 million and $59.3 million, respectively.

Intangible Assets and Liabilities

Intangible assets and liabilities consist of the following (in thousands):

	May 2, 2015			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Net Amount
Intangible Assets Not Subject to Amortization:				
Trade names	$ 567,012	$ —	$ (229,600)	$ 337,412
Intangible Assets Subject to Amortization:				
Customer relationships	770	(688)	—	82
Below market leases	4,839	(3,319)	—	1,520
Co-branded credit card agreement	4,000	(2,727)	—	1,273
Franchise agreements and reacquired franchise rights	6,625	(4,096)	—	2,529
	16,234	(10,830)	—	5,404
Total other intangible assets	$ 583,246	$ (10,830)	$ (229,600)	$ 342,816
Intangible Liabilities Subject to Amortization:				
Above market leases (included in Lease incentives and other liabilities)	$ (11,400)	$ 7,196	$ —	$ (4,204)

The decrease in the gross carrying amount of below market leases from January 31, 2015 to May 2, 2015 reflects the write off of certain fully amortized intangible assets.

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	January 31, 2015			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Net Amount
Intangible Assets Not Subject to Amortization:				
Trade names	$ 567,012	$ —	$ (229,600)	$ 337,412
Intangible Assets Subject to Amortization:				
Customer relationships	770	(605)	—	165
Below market leases	5,274	(3,486)	—	1,788
Co-branded credit card agreement	4,000	(2,573)	—	1,427
Franchise agreements and reacquired franchise rights	6,625	(3,865)	—	2,760
	16,669	(10,529)	—	6,140
Total other intangible assets	$ 583,681	$ (10,529)	$ (229,600)	$ 343,552
Intangible Liabilities Subject to Amortization:				
Above market leases (included in Lease incentives and other liabilities)	$ (11,400)	$ 6,795	$ —	$ (4,605)

The decrease in the gross carrying amount of customer relationships, below market leases, franchise agreements and reacquired franchise rights, and above market leases from May 3, 2014 to January 31, 2015, reflects the write off of certain fully amortized intangibles.

	May 3, 2014			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Net Amount
Intangible Assets Not Subject to Amortization:				
Trade names	$ 567,494	$ —	$ (17,000)	$ 550,494
Intangible Assets Subject to Amortization:				
Customer relationships	37,551	(36,975)	—	576
Below market leases	7,055	(4,457)	—	2,598
Co-branded credit card agreement	4,000	(2,112)	—	1,888
Franchise agreements and reacquired franchise rights	6,632	(3,185)	—	3,447
	55,238	(46,729)	—	8,509
Total other intangible assets	$ 622,732	$ (46,729)	$ (17,000)	$ 559,003
Intangible Liabilities Subject to Amortization:				
Above market leases (included in Lease incentives and other liabilities)	$ (16,631)	$ 10,508	$ —	$ (6,123)

Indefinite-Lived Intangible Assets Impairment

During the first quarter of fiscal 2015 and 2014, we did not identify impairment indicators for indefinite-lived intangible assets. During fiscal 2014, we recognized a $212.6 million impairment charge related to trade names of our retail stores segment.

Net amortization income (expense) is presented below for the periods ended (in thousands):

	13 Weeks Ended May 2, 2015	13 Weeks Ended May 3, 2014
Cost of goods sold—Amortization income	$ 133	$ 247
Selling, general and administrative expenses—Amortization expense	$ (468)	$ (535)

5. Line of Credit

We have a senior secured asset-based revolving credit facility ("ABL") that provides financing of up to $225 million, subject to a borrowing base. Availability under the ABL is subject to the assets of the Company, any subsidiary co-borrowers and any subsidiary guarantors that are available to collateralize the borrowings thereunder, and is reduced by the level of outstanding letters of credit. Line of credit borrowings outstanding under the ABL as of May 2, 2015, January 31, 2015 and May 3, 2014 were $42.0 million, $33.0 million and $10.0 million, respectively. Amounts available under the ABL are reduced by letter of credit utilization totaling $38.1 million as of May 2, 2015. Undrawn availability under the ABL, after being reduced by outstanding borrowings and letter of credit utilization, was $90.8 million as of May 2, 2015. Average borrowings under the ABL for the 13 weeks ended May 2, 2015 and May 3, 2014 amounted to $54.1 million and $9.7 million, respectively. Average borrowings under the ABL for the year ended January 31, 2015 amounted to $32.0 million. Principal amounts outstanding under the ABL are due and payable in full in March 2017.

Borrowings under the ABL bear interest at a rate per annum equal to, at our option, either (a) a base rate determined by reference to the highest of (1) the prime rate of Bank of America, N.A., (2) the federal funds effective rate plus 0.50%, and (3) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00%, or (b) a LIBOR rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs ("Adjusted LIBOR"), in each case plus an applicable margin. As of May 2, 2015, the interest rate was 5.5% on the first $12.0 million of line of credit borrowings outstanding under the ABL and 4.0% on the remaining $30.0 million of line of credit borrowings outstanding under the ABL. In addition to paying interest on outstanding principal under the ABL, we are required to pay a commitment fee on unutilized commitments thereunder, which is 0.375% per annum under the amended ABL. The ABL provides us the right to request up to $125 million of additional commitments under this facility (or, if less, the amount permitted under the Term Loan described in Note 6), subject to the satisfaction of certain conditions.

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the ABL exceeds the lesser of (a) the commitment amount and (b) the borrowing base, we will be required to repay outstanding loans and/or cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. The ABL Facility contains financial and other covenants that, among other things, restrict our ability to incur additional indebtedness and pay dividends. The ABL Facility also contains a financial covenant that is tested when availability under the facility falls below a specified threshold. As of May 2, 2015, we were not required to test compliance with this covenant. The obligations under the ABL are secured, subject to certain exceptions, by substantially all of our assets. Our 100%-owned domestic subsidiaries have fully and unconditionally guaranteed our obligations under the ABL.

6. Long-Term Debt

Long-term debt consists of (in thousands):

	May 2, 2015	January 31, 2015	May 3, 2014
Term loan due February 2018, Adjusted LIBOR (with a floor of 1.5%) plus 3.5%, net of discount of $975, $1,054 and $1,285	$ 768,127	$ 768,048	$ 767,817
Senior notes due December 2018, 9.125%	346,000	346,000	346,000
Long-term debt	$1,114,127	$ 1,114,048	$1,113,817

Term Loan

We have an agreement with several lenders for an $820 million senior secured Term Loan, with a maturity date of February 2018. The Term Loan allows us to request additional tranches of term loans in an aggregate amount not to exceed $200 million, subject to the satisfaction of certain conditions, provided such amount will be subject to reduction by the amount of any additional commitments incurred under the ABL described in Note 5. The interest rate for borrowings under the Term Loan is, at our option, a base rate plus an additional marginal rate of 2.5% or the Adjusted LIBOR rate (with a 1.5% floor) plus an additional rate of 3.5%. As of May 2, 2015, the interest rate under our Term Loan was 5%.

The Term Loan requires us to make quarterly payments equal to 0.25% of the original $820 million principal amount of the Term Loan made on the closing date plus accrued and unpaid interest thereon, with the balance due in February 2018. The Term Loan also has mandatory and voluntary pre-payment provisions, including a requirement that we prepay the Term Loan with a certain percentage of our annual excess cash flow. We calculated our excess cash flow using fiscal 2014 operating results and concluded we are not required to make any excess cash flow payments on the Term Loan during fiscal 2015. Excess cash flow payments on the Term Loan for fiscal 2016 will be calculated with our fiscal 2015 annual operating results. Voluntary prepayments and the excess cash flow prepayments made in prior fiscal years were applied toward our remaining quarterly amortization payments payable under the Term Loan through fiscal 2016. Our next quarterly payment payable under the Term Loan is due in the first quarter of fiscal 2017.

The obligations under the Term Loan are secured, subject to certain exceptions, by substantially all of our assets and those of our 100%-owned domestic subsidiaries. Our 100%-owned domestic subsidiaries also have fully and unconditionally guaranteed the Company's obligations under the Term Loan.

Notes

In fiscal 2010, we issued $400 million aggregate principal amount of 9.125% senior notes due in December 2018 (the "Notes"). Interest on the Notes is payable semi-annually. If the Company or our subsidiaries sell certain assets, we generally must either invest the net cash proceeds from such sale in our business within a certain period of time, use the proceeds to prepay senior secured debt, or make an offer to purchase a principal amount of the Notes equal to the excess net cash proceeds at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest. Upon a change in control, we may also be required to make an offer to purchase all of the Notes at a redemption price equal to 101% of the principal amount of the Notes redeemed plus accrued and unpaid interest. We may redeem the Notes, in whole or in part, upon at least 30 days prior notice, at the redemption prices (expressed as percentages of principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on December 1 of each of the years indicated below:

Year	Percentage
2014	104.563%
2015	102.281%
2016 and thereafter	100.000%

The Notes are unsecured senior obligations of The Gymboree Corporation. The Company's 100%-owned domestic subsidiaries have fully and unconditionally guaranteed the Company's obligations under the Notes (see Note 15). The guarantees of the Notes are joint and several and will terminate upon the following circumstances: (A) the sale, exchange, disposition or transfer (by merger or otherwise) of (x) the capital stock of the guarantor providing the applicable guarantee, if after such sale, exchange, disposition or transfer such guarantor is no longer a subsidiary of The Gymboree Corporation, or (y) all or substantially all of the assets of such guarantor, (B) the release or discharge of the guarantee by such guarantor of the other indebtedness which resulted in the creation of the subsidiary guarantee by such guarantor under the Indenture, (C) the designation of such guarantor as an "unrestricted subsidiary" under the Indenture or (D) the legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, in each such case specified in clauses (A) through (D) above in accordance with the requirements therefore set forth in the Indenture.

Future minimum principal payments on long-term debt, excluding accretion of original issue discount ("OID") of $1.0 million as of May 2, 2015, are as follows (in thousands):

Fiscal years	Principal Payments
2015	$ —
2016	—
2017	6,502
2018	1,108,600
Total	$ 1,115,102

Interest Expense on Long-Term Debt and ABL

Total interest expense reported in the condensed consolidated statements of operations includes interest expense on long-term debt and borrowings under the ABL of $21.0 million and $20.4 million for the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. Amortization of deferred financing costs and accretion of OID are also included in interest expense.

Deferred Financing Costs and OID

Deferred financing costs allocated to the Term Loan and Notes are amortized over the term of the related financing agreements using the effective interest method. Deferred financing costs allocated to the ABL are amortized on a straight-line basis over 6.4 years. The weighted-average remaining amortization period is approximately 3.0 years as of May 2, 2015. Amortization of deferred financing costs is recorded in interest expense and was $1.8 million and $1.7 million during the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. Accretion of OID, which was not material for both the 13 weeks ended May 2, 2015 and May 3, 2014, is also recorded in interest expense.

7. Derivative Financial Instruments

We enter into forward foreign exchange contracts with respect to certain purchases in United States dollars ("U.S. dollars") of inventory to be sold in our retail stores in Canada. The purpose of these contracts is to protect our margins on the eventual sale of the inventory from fluctuations in the exchange rate for Canadian and U.S. dollars. The term of these forward foreign exchange contracts is generally less than one year. These contracts are treated as cash-flow hedges. Amounts reported in accumulated other comprehensive loss related to these forward foreign exchange contracts will be reclassified to COGS over a three-month period. We also enter into forward foreign exchange contracts with respect to short-term intercompany balances between U.S. and foreign entities in Canada and Australia. The purpose of these contracts is to protect us from fluctuations in the exchange rates upon the settlement of such balances. These contracts are not designated as hedges. Consequently, changes in the fair value of these contracts are included in other income.

In December 2010, we paid approximately $12.1 million to enter into interest rate caps to hedge against rising interest rates associated with the $700 million principal of our Term Loan (see Note 6) above the strike rate of the cap through December 23, 2016, the maturity date of the caps. The interest rate caps were designated on the date of execution as cash-flow hedges. The premium, and any related amounts reported in accumulated other comprehensive loss, are being amortized to interest expense through December 23, 2016, as interest payments are made on the underlying Term Loan. During the 13 weeks ended May 2, 2015 and May 3, 2014, respectively, we reclassified approximately $0.8 million and $0.5 million, respectively, from accumulated other comprehensive loss to interest expense. We estimate approximately $4.3 million will be reclassified from accumulated other comprehensive loss to interest expense within the next 12 months.

For a derivative instrument designated as a cash-flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (loss) and is subsequently recognized in earnings when the hedged exposure is recognized in earnings. Gains or losses on the derivative representing either hedge components excluded from the assessment of effectiveness or hedge ineffectiveness are recognized in earnings.

We had the following outstanding derivatives designated as cash flow hedges (U.S. dollars in thousands):

	May 2, 2015		January 31, 2015		May 3, 2014	
	Number of Instruments	Notional (USD)	Number of Instruments	Notional (USD)	Number of Instruments	Notional (USD)
Interest rate derivatives						
Purchased interest rate caps	4	$700,000	4	$700,000	4	$700,000
Foreign exchange derivatives						
Forward foreign exchange contracts	3	2,343	6	4,633	3	3,065
Total	7	$702,343	10	$704,633	7	$703,065

In addition to the cash flow hedges described above, the Company was party to one forward foreign exchange contract with a notional amount of $12.2 million that was not designated as a hedge as of May 3, 2014. The Company was not a party to any forward foreign exchange contracts that were not designated as hedges as of May 2, 2015 and January 31, 2015.

The table below presents the fair value of all of our derivative financial instruments as well as their classification on the consolidated balance sheets (in thousands) (see Note 3).

	May 2, 2015		January 31, 2015	May 3, 2014
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Assets
Other Assets				
Purchased interest rate caps	$ 9	$ —	$ 17	$ 433
Forward foreign exchange contracts	—	—	96	100
Total	$ 9	$ —	$ 113	$ 533
Accrued Liabilities				
Forward foreign exchange contracts	$ —	$ 55	$ —	$ —
Total	$ —	$ 55	$ —	$ —

The tables below present the effect of all of our derivative financial instruments on the condensed consolidated statements of operations and comprehensive loss (in thousands). No amounts were reclassified from accumulated other comprehensive loss (OCI) into earnings as a result of forecasted transactions that failed to occur or as a result of hedge ineffectiveness (see Note 11).

	13 Weeks Ended May 2, 2015				
	Gains / (Losses) Recognized in OCI on Derivative (Effective Portion)		Location of Gains (Losses) Reclassified from Accumulated OCI into Income (Effective Portion)	Gains / (Losses) Reclassified from Accumulated OCI into Income (Effective Portion)	
Interest rate caps	$	(8)	Interest expense	$	(778)
Forward foreign exchange contracts		(146)	Cost of goods sold		165
Total	$	(154)		$	(613)

	13 Weeks Ended May 3, 2014				
	Gains / (Losses) Recognized in OCI on Derivative (Effective Portion)		Location of Gains (Losses) Reclassified from Accumulated OCI into Income (Effective Portion)	Gains / (Losses) Reclassified from Accumulated OCI into Income (Effective Portion)	
Interest rate caps	$	(166)	Interest expense	$	(461)
Forward foreign exchange contracts		(51)	Cost of goods sold		222
Total	$	(217)		$	(239)

8. Share-Based Compensation

Share-based compensation expense included as a component of selling, general and administrative (SG&A) expenses was $0.7 million and $1.3 million during the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. We include an estimate of forfeitures in determining share-based compensation expense.

9. Income Taxes

As of May 2, 2015, January 31, 2015 and May 3, 2014, unrecognized tax benefits were $6.8 million, $5.6 million and $6.6 million, respectively. We believe it is reasonably possible that the total amount of unrecognized tax benefits of $6.8 million as of May 2, 2015 will decrease by as much as $0.7 million during the next twelve months due to the resolution of certain tax contingencies and lapses of applicable statutes of limitations.

As of May 2, 2015, January 31, 2015 and May 3, 2014, the total valuation allowance against deferred tax assets was $67.3 million, $58.6 million and $35.5 million, respectively. We establish a valuation allowance when it is "more likely than not" that all or a portion of deferred tax assets will not be realized. We consider all available positive and negative evidence in evaluating whether a valuation allowance is required, including prior earnings history, actual earnings over the previous 12 quarters on a cumulative basis, carryback and carryforward periods, and tax planning strategies that could potentially enhance the likelihood of realization of a deferred tax asset. We continue to have a valuation allowance against all net deferred tax assets in U.S. federal, unitary U.S. state and Australian jurisdictions, excluding indefinite-lived deferred tax assets and liabilities, and against the tax benefit on losses from our VIEs. We intend to maintain a valuation allowance until sufficient positive evidence exists to support its reversal.

10. Commitments and Contingencies

Commitments

There have been no significant changes to our contractual obligations and commercial commitments as disclosed in our Annual Report on Form 10-K as of January 31, 2015 (see Notes 6, 7, 10 and 13), other than those which occur in the normal course of business (see Note 16).

Contingencies

From time to time, we are subject to various legal actions arising in the ordinary course of our business. Many of these legal actions raise complex factual and legal issues, which are subject to uncertainties. We cannot predict with reasonable assurance the outcome of these legal actions brought against us. Accordingly, any settlements or resolutions in these legal actions may occur and affect our net income in the quarter of such settlement or resolution. However, we do not believe the outcome of any legal actions would have a material effect on our condensed consolidated financial statements taken as a whole.

11. Accumulated Other Comprehensive Loss

The following table shows the components of accumulated other comprehensive loss ("OCI"), net of tax, for the periods ended (in thousands):

	May 2, 2015	January 31, 2015	May 3, 2014
Foreign currency translation	$ (6,154)	$ (7,043)	$ 701
Accumulated changes in fair value of derivative financial instruments, net of tax benefit of $3,784, $3,982 and $3,982	(3,927)	(4,188)	(5,481)
Total accumulated other comprehensive loss	$ (10,081)	$ (11,231)	$ (4,780)

Changes in accumulated OCI balance by component were as follows as of and for the periods ended (in thousands):

	13 Weeks Ended May 2, 2015		
	Derivatives	Foreign Currency	Total Accumulated Comprehensive (Loss) Income Including Noncontrolling Interest
Beginning balance	$ (4,188)	$ (7,043)	$ (11,231)
Other comprehensive (loss) income recognized before reclassifications	(154)	956	802
Amounts reclassified from accumulated other comprehensive loss to earnings	613	—	613
Tax expense	(198)	—	(198)
Net current-period other comprehensive income	261	956	1,217
Other comprehensive income attributable to noncontrolling interest	—	(67)	(67)
Ending balance	$ (3,927)	$ (6,154)	$ (10,081)

	Year Ended January 31, 2015		
	Derivatives	Foreign Currency	Total Accumulated Comprehensive (Loss) Income Including Noncontrolling Interest
Beginning balance	$ (5,503)	$ 623	$ (4,880)
Other comprehensive loss recognized before reclassifications	(292)	(8,108)	(8,400)
Amounts reclassified from accumulated other comprehensive loss to earnings	1,607	—	1,607
Net current-period other comprehensive income (loss)	1,315	(8,108)	(6,793)
Other comprehensive loss attributable to noncontrolling interest	—	442	442
Ending balance	$ (4,188)	$ (7,043)	$ (11,231)

	13 Weeks Ended May 3, 2014		
	Derivatives	Foreign Currency	Total Accumulated Comprehensive (Loss) Income Including Noncontrolling Interest
Beginning balance	$ (5,503)	$ 623	$ (4,880)
Other comprehensive loss recognized before reclassifications	(217)	(397)	(614)
Amounts reclassified from accumulated other comprehensive loss to earnings	239	—	239
Net current-period other comprehensive income (loss)	22	(397)	(375)
Other comprehensive loss attributable to noncontrolling interest	—	475	475
Ending balance	$ (5,481)	$ 701	$ (4,780)

12. Related Party Transactions

Related Party Transactions –Excluding VIEs

We incurred approximately $0.9 million and $0.8 million in management fees and reimbursement of out-of-pocket expenses from Bain Capital Partners LLC (“Bain Capital”) during the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. As of May 2, 2015, January 31, 2015 and May 3, 2014, we had a payable balance of $1.1 million, $0.2 million and $0.1 million, respectively, to Bain Capital.

We incurred approximately $0.6 million and $0.6 million in expenses related to services purchased from LogicSource, a company owned by funds associated with Bain Capital, during the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. As of May 2, 2015, January 31, 2015 and May 3, 2014, we had a payable balance of $0.1 million, $0.3 million and $0.2 million, respectively, to LogicSource.

During the 13 weeks ended May 2, 2015 we sold inventory totaling $1.3 million to Burlington Stores, Inc. (“Burlington”), a company owned by funds associated with Bain Capital. We did not sell inventory to Burlington during the 13 weeks ended May 3, 2014. As of May 2, 2015, January 31, 2015 and May 3, 2014, we had no receivable balance from Burlington. The funds associated with Bain Capital sold their common shares of Burlington on March 31, 2015. As of April 1, 2015, Burlington was no longer a related party of the Company.

As of May 2, 2015, January 31, 2015 and May 3, 2014, we had a receivable balance of $0.2 million, $0.2 million and $0.8 million, respectively, from our indirect parent, Giraffe Holding, Inc., related to income taxes.

Related Party Transactions –VIEs

Our VIEs incurred $0.1 million and $0.1 million in management fees from Bain Capital Advisors (China) Ltd. during the 13 weeks ended May 2, 2015 and May 3, 2014, respectively. As of May 2, 2015, January 31, 2015 and May 3, 2014, our VIEs had a balance of $0.2 million, $0.1 million and $0.1 million payable to Bain Capital Advisors (China) Ltd, respectively.

As of May 2, 2015, January 31, 2015 and May 3, 2014, our VIEs had a balance of $1.1 million payable to their indirect parent, Gymboree Investment Holding GP, Ltd., related to funds used to pay operating costs of the VIEs.

As of May 2, 2015, January 31, 2015 and May 3, 2014, our VIEs had a payable balance of $0.4 million due to Gymboree Hong Kong Limited, the unconsolidated direct parent of the VIEs, related to funds used to pay operating costs of the VIEs. The Company is part of a related party group that controls Gymboree Hong Kong Limited.

13. Segment Information

We have four reportable segments: retail stores (including online stores), Gymboree Play & Music, International Retail Franchise (“Retail Franchise”), and one reportable segment related to the activities of our consolidated VIEs. These reportable segments were identified based on how our business is managed and evaluated by our chief operating decision maker, who is the Chief Executive Officer. The retail stores segment includes four operating segments (brands), which sell high-quality apparel for children: Gymboree Retail (including an online store), Gymboree Outlet, Janie and Jack (including an online store), and Crazy 8 (including an online store). These four operating segments have been aggregated into one reportable segment because these operating segments have similar historical economic characteristics and/or are expected to have similar economic characteristics and similar long-term financial performance in the future.

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Gross profit is the principal measure we consider in determining whether the economic characteristics are similar. In addition, each operating segment has similar products, production processes and type and class of customer. We believe disaggregating our operating segments would not provide material additional information. Corporate overhead (costs related to our distribution centers and shared corporate services) is included in the retail stores segment.

Summary financial data of each reportable segment were as follows as of and for the periods ended (in thousands):

	13 Weeks Ended May 2, 2015					
	Retail Stores	Gymboree Play & Music	International Retail Franchise	VIEs	Intersegment Elimination	Total
Net sales	$ 259,924	$ 4,357	$ 5,857	$ 8,611	$ (2,680)	$ 276,069
Gross Profit	$ 94,575	$ 2,774	$ 3,227	$ 6,384	$ (1,603)	$ 105,357

	13 Weeks Ended May 3, 2014					
	Retail Stores	Gymboree Play & Music	International Retail Franchise	VIEs	Intersegment Elimination	Total
Net sales	$ 257,928	$ 5,049	$ 6,167	$ 5,404	$ (2,538)	$ 272,010
Gross Profit	$ 99,292	$ 4,042	$ 3,372	$ 4,102	$ (2,450)	$ 108,358

	Total Assets					
	Retail Stores	Gymboree Play & Music	International Retail Franchise	VIEs	Intersegment Elimination	Total
May 2, 2015	$1,095,889	$ 59,916	$ 30,024	$22,865	$ (2,134)	$1,206,560
January 31, 2015	$1,078,973	$ 60,190	$ 28,886	$21,449	$ (1,555)	$1,187,943
May 3, 2014	$1,705,817	$ 60,229	$ 30,102	$21,804	$ (2,231)	$1,815,721

Interest expense, depreciation and amortization expense and capital expenditures have not been separately disclosed above as the amounts primarily relate to the retail segment. Intersegment revenues for each reportable segment were as follows for the periods ended (in thousands):

	Intersegment Revenues				
	Retail Stores	Gymboree Play & Music	International Retail Franchise	VIEs	Total
13 Weeks Ended May 2, 2015	$ —	$ 2,512	$ 168	$ —	$2,680
13 Weeks Ended May 3, 2014	$ —	$ 2,425	$ 113	$ —	$2,538

We attribute retail store revenues to individual countries based on the selling location. For Gymboree International Retail Franchise, all sales were attributed to the U.S. geographic area.

China Play & Music sales are attributable to the international geographic segment and all other Gymboree Play & Music sales are attributable to the U.S. geographic area.

Net sales of our two geographical areas, United States and international, were as follows for the periods ended (in thousands):

	13 Weeks Ended May 2, 2015	13 Weeks Ended May 3, 2014
United States	$ 258,582	$ 257,328
International	17,487	14,682
	$ 276,069	$ 272,010

Property and equipment, net, of our two geographical areas were as follows as of the periods ended (in thousands):

	May 2, 2015	January 31, 2015	May 3, 2014
United States	$ 166,121	$ 172,378	$ 193,459
International	10,279	10,053	10,017
	$ 176,400	$ 182,431	$ 203,476

14. Variable Interest Entities

Gymboree retail stores are operated in China by Gymboree China, while Gymboree Tianjin is Gymboree Play & Music's master franchisee in China. Gymboree China, Gymboree Tianjin and the Company are indirectly controlled by Gymboree Holding, Ltd. and investment funds sponsored by Bain Capital. Gymboree China and Gymboree Tianjin have been determined to be variable interest entities, and we (as well as our 100%-owned subsidiaries) are a member of a related party group that controls the VIEs and absorbs the economics of the VIEs. Based on our relationship with the VIEs, we determined we are most closely associated with the VIEs, and therefore, consolidate them as the primary beneficiary. However, as we have a 0% ownership interest in the VIEs, 100% of the results of operations of the VIEs are recorded as noncontrolling interest. The assets of the VIEs can only be used by the VIEs. The liabilities of the VIEs are comprised mainly of short-term accrued expenses, and their creditors have no recourse to our general credit or assets.

The following tables reflect the impact of the VIEs on the condensed consolidated statements of operations for the 13 weeks ended May 2, 2015 and May 3, 2014 and the condensed consolidated balance sheets as of May 2, 2015, January 31, 2015 and May 3, 2014 (in thousands):

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(In thousands)

	13 Weeks Ended May 2, 2015			
	Balance Before Consolidation of VIEs	VIEs	Eliminations	As Reported
Net sales	$ 270,138	$ 8,611	$ (2,680)	$ 276,069
Cost of goods sold, including buying and occupancy expenses	(169,562)	(2,227)	1,077	(170,712)
Selling, general and administrative expenses	(100,988)	(5,173)	1,451	(104,710)
Operating (loss) income	(412)	1,211	(152)	647
Other non operating expense	(21,157)	(10)	—	(21,167)
(Loss) income before income taxes	(21,569)	1,201	(152)	(20,520)
Income tax expense	(1,304)	(656)	—	(1,960)
Net (loss) income	(22,873)	545	(152)	(22,480)
Net income attributable to noncontrolling interest	—	(545)	—	(545)
Net loss attributable to The Gymboree Corporation	$ (22,873)	$ —	$ (152)	$ (23,025)

	13 Weeks Ended May 3, 2014			
	Balance Before Consolidation of VIEs	VIEs	Eliminations	As Reported
Net sales	$ 269,144	$ 5,404	$ (2,538)	$ 272,010
Cost of goods sold, including buying and occupancy expenses	(162,438)	(1,302)	88	(163,652)
Selling, general and administrative expenses	(98,960)	(5,793)	2,463	(102,290)
Operating income (loss)	7,746	(1,691)	13	6,068
Other non-operating expense	(20,591)	(104)	—	(20,695)
Loss before income taxes	(12,845)	(1,795)	13	(14,627)
Income tax (expense) benefit	(599)	223	—	(376)
Net loss	(13,444)	(1,572)	13	(15,003)
Net loss attributable to noncontrolling interest	—	1,572	—	1,572
Net loss attributable to The Gymboree Corporation	$ (13,444)	$ —	$ 13	$ (13,431)

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(In thousands)

	May 2, 2015			
	Balance Before Consolidation of VIEs	VIEs	Eliminations	As Reported
Cash and cash equivalents	$ 12,513	$ 9,850	$ —	$ 22,363
Other current assets	257,220	7,920	(2,134)	263,006
Total current assets	269,733	17,770	(2,134)	285,369
Non-current assets	916,096	5,095	—	921,191
Total assets	$ 1,185,829	$22,865	$ (2,134)	$1,206,560
Current liabilities	$ 244,625	$11,840	$ (1,805)	$ 254,660
Non-current liabilities	1,304,220	485	—	1,304,705
Total liabilities	1,548,845	12,325	(1,805)	1,559,365
Total stockholders' deficit	(363,016)	—	(329)	(363,345)
Noncontrolling interest	—	10,540	—	10,540
Total liabilities and stockholders' deficit	$ 1,185,829	$22,865	$ (2,134)	$1,206,560

	January 31, 2015			
	Balance Before Consolidation of VIEs	VIEs	Eliminations	As Reported
Cash and cash equivalents	$ 8,559	$ 9,961	$ —	$ 18,520
Other current assets	235,123	6,261	(1,555)	239,829
Total current assets	243,682	16,222	(1,555)	258,349
Non-current assets	924,367	5,227	—	929,594
Total assets	$ 1,168,049	$21,449	$ (1,555)	$1,187,943
Current liabilities	$ 205,674	$11,088	$ (1,373)	$ 215,389
Non-current liabilities	1,304,384	435	—	1,304,819
Total liabilities	1,510,058	11,523	(1,373)	1,520,208
Total stockholders' deficit	(342,009)	—	(182)	(342,191)
Noncontrolling interest	—	9,926	—	9,926
Total liabilities and stockholders' deficit	$ 1,168,049	$21,449	$ (1,555)	$1,187,943

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	May 3, 2014			
	Balance Before Consolidation of VIEs	VIEs	Eliminations	As Reported
Cash and cash equivalents	$ 13,073	$11,700	$ —	$ 24,773
Other current assets	225,247	5,634	(2,231)	228,650
Total current assets	238,320	17,334	(2,231)	253,423
Non-current assets	1,557,828	4,470	—	1,562,298
Total assets	$ 1,796,148	$21,804	$ (2,231)	$1,815,721
Current liabilities	$ 185,467	$ 8,131	$ (2,090)	$ 191,508
Non-current liabilities	1,388,802	354	—	1,389,156
Total liabilities	1,574,269	8,485	(2,090)	1,580,664
Total stockholders' equity	221,879	—	(141)	221,738
Noncontrolling interest	—	13,319	—	13,319
Total liabilities and stockholders' equity	$ 1,796,148	$21,804	$ (2,231)	$1,815,721

15. Condensed Guarantor Data

The Company's 100%-owned domestic subsidiaries have fully and unconditionally guaranteed the Notes, subject to the customary automatic release provisions described above (see Note 6). The following condensed consolidating financial information presents the results of operations, comprehensive income (loss), financial position and cash flows of The Gymboree Corporation and the guarantor and non-guarantor subsidiaries. The VIEs financial results are included in those of the non-guarantor subsidiaries. Intercompany transactions are eliminated.

During the first quarter of fiscal 2014, our Canadian subsidiary, which is part of the non-guarantor subsidiaries, issued common shares to The Gymboree Corporation valued at $18.5 million. No cash was exchanged since we immediately net settled $15.3 million and $3.2 million of intercompany liabilities payable to The Gymboree Corporation related to business operations and to our Advance Pricing Agreement between the United States and Canadian tax authorities, respectively. The $18.5 million is a non-cash investing and financing activity for purposes of condensed consolidating statements of cash flows.

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
FOR THE 13 WEEKS ENDED MAY 2, 2015
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net sales:					
Retail	$ 405	$ 256,083	$ 11,220	$ (5,976)	$ 261,732
Gymboree Play & Music	—	1,845	6,803	—	8,648
Retail Franchise	—	5,689	—	—	5,689
Intercompany revenue	15,325	2,981	—	(18,306)	—
Total net sales	15,730	266,598	18,023	(24,282)	276,069
Cost of goods sold, including buying and occupancy expenses	(2,157)	(165,573)	(9,935)	6,953	(170,712)
Gross profit	13,573	101,025	8,088	(17,329)	105,357
Selling, general and administrative expenses	(15,535)	(97,266)	(9,003)	17,094	(104,710)
Operating (loss) income	(1,962)	3,759	(915)	(235)	647
Interest income	—	3	16	—	19
Interest expense	(21,000)	(76)	—	—	(21,076)
Other expense, net	(8)	(76)	(26)	—	(110)
(Loss) income before income taxes	(22,970)	3,610	(925)	(235)	(20,520)
Income tax benefit (expense)	4,754	(5,745)	(969)	—	(1,960)
Equity in earnings of affiliates, net of tax	(4,809)	—	—	4,809	—
Net loss	(23,025)	(2,135)	(1,894)	4,574	(22,480)
Net income attributable to noncontrolling interest	—	—	(545)	—	(545)
Net loss attributable to The Gymboree Corporation	$ (23,025)	$ (2,135)	$ (2,439)	$ 4,574	$ (23,025)

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
FOR THE 13 WEEKS ENDED MAY 3, 2014
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net sales:					
Retail	$ 280	$ 252,597	$ 10,943	$ (4,696)	$ 259,124
Gymboree Play & Music	—	2,624	4,208	—	6,832
Retail Franchise	—	6,054	—	—	6,054
Intercompany revenue	14,247	2,811	—	(17,058)	—
Total net sales	14,527	264,086	15,151	(21,754)	272,010
Cost of goods sold, including buying and occupancy expenses	(1,252)	(158,656)	(8,506)	4,762	(163,652)
Gross profit	13,275	105,430	6,645	(16,992)	108,358
Selling, general and administrative expenses	(15,397)	(94,093)	(9,805)	17,005	(102,290)
Operating (loss) income	(2,122)	11,337	(3,160)	13	6,068
Interest income	1	44	43	(41)	47
Interest expense	(20,286)	(88)	(41)	41	(20,374)
Other income (expense), net	(294)	—	(74)	—	(368)
(Loss) income before income taxes	(22,701)	11,293	(3,232)	13	(14,627)
Income tax benefit (expense)	6,560	(6,913)	(23)	—	(376)
Equity in earnings of affiliates, net of tax	2,710	—	—	(2,710)	—
Net (loss) income	(13,431)	4,380	(3,255)	(2,697)	(15,003)
Net loss attributable to noncontrolling interest	—	—	1,572	—	1,572
Net (loss) income attributable to The Gymboree Corporation	$ (13,431)	$ 4,380	$ (1,683)	$ (2,697)	$ (13,431)

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE LOSS
FOR THE 13 WEEKS ENDED MAY 2, 2015
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net loss	$ (23,025)	$ (2,135)	$ (1,894)	$ 4,574	$ (22,480)
Other comprehensive income, net of tax:					
Foreign currency translation adjustments	889	—	950	(883)	956
Unrealized net gain (loss) on cash flow hedges, net of tax expense of $198	261	—	(311)	311	261
Total other comprehensive income, net of tax	1,150	—	639	(572)	1,217
Comprehensive loss	(21,875)	(2,135)	(1,255)	4,002	(21,263)
Comprehensive income attributable to noncontrolling interest	—	—	(612)	—	(612)
Comprehensive loss attributable to The Gymboree Corporation	$ (21,875)	$ (2,135)	$ (1,867)	$ 4,002	$ (21,875)

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE 13 WEEKS ENDED MAY 3, 2014
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net (loss) income	$ (13,431)	$ 4,380	$ (3,255)	$ (2,697)	$ (15,003)
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments	78	—	(369)	(106)	(397)
Unrealized net gain (loss) on cash flow hedges, net of tax	22	—	(274)	274	22
Total other comprehensive income (loss), net of tax	100	—	(643)	168	(375)
Comprehensive (loss) income	(13,331)	4,380	(3,898)	(2,529)	(15,378)
Comprehensive loss attributable to noncontrolling interest	—	—	2,047	—	2,047
Comprehensive (loss) income attributable to The Gymboree Corporation	$ (13,331)	$ 4,380	$ (1,851)	$ (2,529)	$ (13,331)

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(In thousands)

	May 2, 2015				
	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,564	$ 4,557	$ 16,242	$ —	$ 22,363
Accounts receivable, net of allowance	892	21,996	2,627	—	25,515
Merchandise inventories	—	201,010	8,642	(744)	208,908
Prepaid income taxes	1,860	427	472	—	2,759
Prepaid expenses	2,468	14,727	1,366	—	18,561
Deferred income taxes	—	15,992	804	(9,533)	7,263
Intercompany receivable	5,035	596,966	—	(602,001)	—
Total current assets	11,819	855,675	30,153	(612,278)	285,369
Property and equipment, net	11,965	153,567	10,868	—	176,400
Goodwill	—	362,021	12,287	—	374,308
Other intangible assets, net	—	342,662	154	—	342,816
Deferred financing costs	23,984	—	—	—	23,984
Other assets	5,393	1,254	3,856	(6,820)	3,683
Investment in subsidiaries	1,404,444	—	—	(1,404,444)	—
Total assets	$ 1,457,605	$1,715,179	$ 57,318	$(2,023,542)	$1,206,560
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY					
Current liabilities:					
Accounts payable	$ 19,712	$ 84,613	$ 1,101	$ —	$ 105,426
Accrued liabilities	32,954	62,429	11,163	123	106,669
Deferred income taxes	9,656	—	—	(9,656)	—
Line of credit borrowings	42,000	—	—	—	42,000
Current obligation under capital lease	—	565	—	—	565
Intercompany payable	597,708	—	5,037	(602,745)	—
Total current liabilities	702,030	147,607	17,301	(612,278)	254,660
Long-term liabilities:					
Long-term debt	1,114,127	—	—	—	1,114,127
Long-term obligation under capital lease	—	2,704	—	—	2,704
Lease incentives and other liabilities	4,793	48,485	4,731	—	58,009
Deferred income taxes	—	136,668	17	(6,820)	129,865
Total liabilities	1,820,950	335,464	22,049	(619,098)	1,559,365
Total stockholders' (deficit) equity	(363,345)	1,379,715	24,729	(1,404,444)	(363,345)
Noncontrolling interest	—	—	10,540	—	10,540
Total liabilities and stockholders' (deficit) equity	$ 1,457,605	$1,715,179	$ 57,318	$(2,023,542)	$1,206,560

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(In thousands)

	January 31, 2015				
	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,689	$ 3,202	$ 13,629	$ —	$ 18,520
Accounts receivable, net of allowance	938	18,339	5,971	—	25,248
Merchandise inventories	—	192,142	6,711	(516)	198,337
Prepaid income taxes	1,860	306	433	—	2,599
Prepaid expenses	3,388	2,833	600	—	6,821
Deferred income taxes	—	15,586	793	(9,555)	6,824
Intercompany receivable	3,470	608,994	720	(613,184)	—
Total current assets	11,345	841,402	28,857	(623,255)	258,349
Property and equipment, net	12,306	159,699	10,426	—	182,431
Goodwill	—	362,021	11,813	—	373,834
Other intangible assets, net	—	343,312	240	—	343,552
Deferred financing costs	25,622	—	—	—	25,622
Other assets	7,798	1,669	4,020	(9,332)	4,155
Investment in subsidiaries	1,408,447	—	—	(1,408,447)	—
Total assets	$ 1,465,518	$1,708,103	$ 55,356	$(2,041,034)	$1,187,943
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY					
Current liabilities:					
Accounts payable	$ 9,798	$ 76,557	$ 677	$ —	$ 87,032
Accrued liabilities	26,943	57,757	10,031	74	94,805
Deferred income taxes	9,504	—	125	(9,629)	—
Line of credit borrowings	33,000	—	—	—	33,000
Current obligation under capital lease	—	552	—	—	552
Intercompany payable	609,510	720	3,470	(613,700)	—
Total current liabilities	688,755	135,586	14,303	(623,255)	215,389
Long-term liabilities:					
Long-term debt	1,114,048	—	—	—	1,114,048
Long-term obligation under capital lease	—	2,850	—	—	2,850
Lease incentives and other liabilities	4,906	49,306	4,513	—	58,725
Deferred income taxes	—	138,511	17	(9,332)	129,196
Total liabilities	1,807,709	326,253	18,833	(632,587)	1,520,208
Total stockholders' (deficit) equity	(342,191)	1,381,850	26,597	(1,408,447)	(342,191)
Noncontrolling interest	—	—	9,926	—	9,926
Total liabilities and stockholders' (deficit) equity	$ 1,465,518	$1,708,103	$ 55,356	$(2,041,034)	$1,187,943

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(In thousands)

	May 3, 2014				
	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,978	$ 5,507	$ 17,288	$ —	$ 24,773
Accounts receivable, net of allowance	1,285	19,238	1,871	—	22,394
Merchandise inventories	—	164,920	5,960	(469)	170,411
Prepaid income taxes	1,936	395	655	—	2,986
Prepaid expenses	3,396	13,953	1,274	—	18,623
Deferred income taxes	378	13,255	724	(121)	14,236
Intercompany receivable	—	565,262	—	(565,262)	—
Total current assets	8,973	782,530	27,772	(565,852)	253,423
Property and equipment, net	12,526	180,663	10,287	—	203,476
Goodwill	—	721,844	36,933	—	758,777
Other intangible assets, net	—	558,320	683	—	559,003
Deferred financing costs	30,754	—	—	—	30,754
Other assets	12,677	1,961	9,908	(14,258)	10,288
Investment in subsidiaries	1,891,827	—	—	(1,891,827)	—
Total assets	$ 1,956,757	$2,245,318	$ 85,583	$(2,471,937)	$1,815,721
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 6,366	$ 65,976	$ 1,003	$ —	$ 73,345
Accrued liabilities	38,439	62,400	6,809	—	107,648
Deferred income taxes	—	—	121	(121)	—
Line of credit borrowings	10,000	—	—	—	10,000
Current obligation under capital lease	—	515	—	—	515
Intercompany payable	562,899	—	2,832	(565,731)	—
Total current liabilities	617,704	128,891	10,765	(565,852)	191,508
Long-term liabilities:					
Long-term debt	1,113,817	—	—	—	1,113,817
Long-term obligation under capital lease	—	3,269	—	—	3,269
Lease incentives and other liabilities	3,498	48,174	5,166	—	56,838
Deferred income taxes	—	229,490	—	(14,258)	215,232
Total liabilities	1,735,019	409,824	15,931	(580,110)	1,580,664
Total stockholders' equity	221,738	1,835,494	56,333	(1,891,827)	221,738
Noncontrolling interest	—	—	13,319	—	13,319
Total liabilities and stockholders' equity	$ 1,956,757	$2,245,318	$ 85,583	$(2,471,937)	$1,815,721

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE 13 WEEKS ENDED MAY 2, 2015
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash used in operating activities	$ (1,611)	$ (784)	$ (244)	$ —	$ (2,639)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(291)	(2,052)	(797)	—	(3,140)
Proceeds from sale of assets	—	—	353	—	353
Intercompany transfers	(1,565)	5,047	720	(4,202)	—
Other	—	(3)	11	—	8
Net cash (used in) provided by investing activities	(1,856)	2,992	287	(4,202)	(2,779)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany transfers	(5,658)	(720)	2,176	4,202	—
Proceeds from ABL facility	130,000	—	—	—	130,000
Payments on ABL facility	(121,000)	—	—	—	(121,000)
Payments on capital lease	—	(133)	—	—	(133)
Net cash provided by (used in) financing activities	3,342	(853)	2,176	4,202	8,867
Effect of exchange rate fluctuations on cash and cash equivalents	—	—	394	—	394
Net (decrease) increase in cash and cash equivalents	(125)	1,355	2,613	—	3,843
CASH AND CASH EQUIVALENTS:					
Beginning of Period	1,689	3,202	13,629	—	18,520
End of Period	$ 1,564	$ 4,557	$ 16,242	$ —	$ 22,363

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THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
FOR THE 13 WEEKS ENDED MAY 3, 2014
(In thousands)

	The Gymboree Corporation	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (used in) provided by operating activities	$ (32,373)	$ 21,239	$ (3,549)	$ —	$ (14,683)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(511)	(6,935)	(1,907)	—	(9,353)
Intercompany transfers	—	(13,335)	—	13,335	—
Other	—	—	(56)	—	(56)
Net cash used in investing activities	(511)	(20,270)	(1,963)	13,335	(9,409)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany transfers	9,383	—	3,952	(13,335)	—
Proceeds from ABL facility	78,000	—	—	—	78,000
Payments on ABL facility	(68,000)	—	—	—	(68,000)
Payments on capital lease	—	(121)	—	—	(121)
Net cash provided by (used in) financing activities	19,383	(121)	3,952	(13,335)	9,879
Effect of exchange rate fluctuations on cash and cash equivalents	—	—	(443)	—	(443)
Net (decrease) increase in cash and cash equivalents	(13,501)	848	(2,003)	—	(14,656)
CASH AND CASH EQUIVALENTS:					
Beginning of Period	15,479	4,659	19,291	—	39,429
End of Period	$ 1,978	$ 5,507	$ 17,288	$ —	$ 24,773

The Company and its guarantor subsidiaries participate in a cash pooling program. As part of this program, cash balances are generally swept on a daily basis between the guarantor subsidiary bank accounts and those of the Company. In addition, we pay expenses on behalf of our guarantor and non-guarantor subsidiaries on a regular basis. These types of transactions have been accounted for as intercompany transfers within investing and financing activities.

The Company's transactions include interest, tax payments and intercompany sales transactions related to administrative costs incurred by the Company, which are billed to guarantor and non-guarantor subsidiaries on a cost plus basis. All intercompany transactions are presumed to be settled in cash and therefore are included in operating activities. Non-operating cash flow changes have been classified as investing and financing activities.

16. Subsequent Events

On May 5, 2015, the Company entered into an agreement to sell and lease-back its distribution center located in Dixon, California. The Company received net proceeds of $25.9 million and entered into a 15-year lease agreement. The Company is required to use $10.9 million of the proceeds to fund capital expenditures and intends to use the remaining balance for working capital purposes.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of
The Gymboree Corporation

We have reviewed the accompanying condensed consolidated balance sheets of The Gymboree Corporation and subsidiaries (the "Company") as of May 2, 2015 and May 3, 2014, and the related condensed consolidated statements of operations, comprehensive loss and cash flows for the thirteen week periods then ended. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of The Gymboree Corporation and subsidiaries as of January 31, 2015, and the related consolidated statements of operations, comprehensive loss, stockholders' (deficit) equity, and cash flows for the fiscal year then ended (not presented herein); and in our report dated April 30, 2015, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 31, 2015 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

June 12, 2015

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This quarterly report contains forward-looking statements. You can identify forward-looking statements because they contain words such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," or "anticipate" or similar expressions. All statements we make relating to: future sales, costs and expenses and gross profit percentages; the continuation of historical trends; planned store openings and closings, including franchise partner store openings; estimated capital expenditures for fiscal 2015; our ability to operate our business under our capital and operating structure; and the sufficiency of our cash balances and cash generated from operating and financing activities for future liquidity and capital resource needs are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we had expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations ("cautionary statements") are disclosed under "Item 1A, Risk Factors," in this Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended January 31, 2015, filed with the Securities and Exchange Commission on May 1, 2015 (the "Fiscal 2014 Annual Report"). We encourage you to read these risk factors disclosures carefully. We caution investors not to place substantial reliance on the forward-looking statements contained in this quarterly report. These statements, like all statements in this quarterly report, speak only as of the date of this quarterly report (unless another date is indicated), and we undertake no obligation to update or revise the statements in light of future developments.

Overview

We are one of the largest children's apparel specialty retailers in North America, offering collections of high-quality apparel and accessories. As of May 2, 2015, we operated a total of 1,322 retail stores, as follows:

	United States	Canada	Australia	Puerto Rico	Total
Gymboree® stores	553	48	5	1	607
Gymboree Outlet stores	169	—	—	1	170
Janie and Jack® shops (including Janie and Jack outlets)	149	—	—	1	150
Crazy 8® stores (including Crazy 8 outlets)	395	—	—	—	395
	1,266	48	5	3	1,322

In addition, as of May 2, 2015, we operated online stores at www.gymboree.com, www.janieandjack.com, and www.crazy8.com. Overseas franchisees and Gymboree China operated 85 retail stores, as follows:

	Overseas Franchisees (1)	Gymboree China	Total
Gymboree® stores	56	24	80
Janie and Jack® shops	1	—	1
Crazy 8® stores	4	—	4
	61	24	85

(1) Overseas franchisees operated retail stores in the Middle East, South Korea and Latin America.

We also offer directed parent-child developmental play programs under the Gymboree Play & Music brand at 704 franchised and Company-operated centers in the United States and 41 other countries.

First Quarter 2015 Highlights

Total net sales for the first quarter of fiscal 2015 increased to $276.1 million from $272.0 million in the first quarter of fiscal 2014, an increase of $4.1 million or 1.5%. This increase was driven primarily by growth in Gymboree Tianjin and Gymboree China (collectively, the "VIEs"), as well as $1.6 million in off-price channel sales. We believe the west coast port slowdown negatively impacted net retail sales in the quarter.

Our Adjusted EBITDA decreased to $15.6 million during the 13 weeks ended May 2, 2015 from $22.0 million during the same period last year, a decrease of $6.4 million or 29.2%, primarily due to the impact of the west coast port slowdown, investments in marketing and increased incentive compensation.

The following table summarizes store openings and closures by brand and country for the 13 weeks ended May 2, 2015. Note that (i) all Janie and Jack and Crazy 8 stores are in the United States, and (ii) retail stores operated by overseas franchisees and the VIE-operated Gymboree retail stores in China are excluded.

	Store Count as of January 31, 2015	Store Openings	Store Closures	Store Count as of May 2, 2015
Gymboree US	554	—	(1)	553
Gymboree Canada	48	—	—	48
Gymboree Australia	5	—	—	5
Gymboree Puerto Rico	1	—	—	1
Total Gymboree	608	—	(1)	607
Gymboree Outlet	168	1	—	169
Gymboree Outlet Puerto Rico	1	—	—	1
Total Gymboree Outlet	169	1	—	170
Janie and Jack (including Janie and Jack outlets)	147	2	—	149
Janie and Jack Puerto Rico	—	1	—	1
Crazy 8 (including Crazy 8 outlets)	402	—	(7)	395
Total	1,326	4	(8)	1,322

We plan to open approximately 12 new stores in fiscal 2015, primarily in our Janie and Jack and Gymboree Outlet brands, and close approximately 30 to 40 stores, primarily in our Crazy 8 and Gymboree brands. We expect our international franchise partners to open approximately 15 to 20 franchise stores in fiscal 2015.

Seasonality

Our business is impacted by the general seasonal trends characteristic of the apparel and retail industries. Sales from retail operations in the past several years have been highest during the third and fourth fiscal quarters, somewhat lower during the first fiscal quarter, and lowest during the second fiscal quarter. Consequently, the results for any fiscal quarter are not necessarily indicative of results for the full year. These historical quarterly trends may not continue in the future.

Results of Operations

Condensed consolidated statements of operations data as a percentage of total net sales for each period were as follows (amounts in thousands):

	13 Weeks Ended May 2, 2015		13 Weeks Ended May 3, 2014	
	Amount	% of Total Net Sales	Amount	% of Total Net Sales
Net sales:				
Retail	$ 261,732	94.8%	$ 259,124	95.3%
Gymboree Play & Music	8,648	3.1%	6,832	2.5%
Retail Franchise	5,689	2.1%	6,054	2.2%
Total net sales	276,069	100.0%	272,010	100.0%
Cost of goods sold, including buying and occupancy expenses	(170,712)	(61.8)%	(163,652)	(60.2)%
Gross profit	105,357	38.2%	108,358	39.8%
Selling, general and administrative expenses	(104,710)	(37.9)%	(102,290)	(37.6)%
Operating income	647	0.2%	6,068	2.2%
Interest income	19	—	47	—
Interest expense	(21,076)	(7.6)%	(20,374)	(7.5)%
Other expense, net	(110)	—	(368)	(0.1)
Loss before income taxes	(20,520)	(7.4)%	(14,627)	(5.4)%
Income tax expense	(1,960)	(0.7)%	(376)	(0.1)%
Net loss	(22,480)	(8.1)%	(15,003)	(5.5)%
Net (income) loss attributable to noncontrolling interest	(545)	(0.2)%	1,572	0.6%
Net loss attributable to The Gymboree Corporation	$ (23,025)	(8.3)%	$ (13,431)	(4.9)%

13 weeks ended May 2, 2015 compared to 13 weeks ended May 3, 2014

Net Sales

Total net sales for the first quarter of fiscal 2015 increased to $276.1 million from $272.0 million in the first quarter of fiscal 2014, an increase of $4.1 million or 1.5%.

Net retail sales for the first quarter of fiscal 2015 increased to $261.7 million from $259.1 million in the first quarter of fiscal 2014, an increase of $2.6 million, or 1.0%. This increase was driven primarily by $1.6 million of off-price channel sales and growth in Gymboree China. Comparable store sales (including online sales) were flat during the first quarter of fiscal 2015 compared to the same period in the prior year. Comparable store sales (excluding online sales) increased by 2.0% during the first quarter of fiscal 2015 compared to the same period in the prior year. Online sales decreased due to lower international sales during the first quarter of fiscal 2015 compared to the same period in the prior year. Total net stores decreased to 1,322 as of May 2, 2015 from 1,337 as of May 3, 2014. Total square footage decreased to approximately 2.7 million square feet as of the first quarter of fiscal 2015 from approximately 2.8 million square feet as of the first quarter of fiscal 2014.

Gymboree Play & Music net sales for the first quarter of fiscal 2015 increased to $8.6 million from $6.8 million in the same period last year, an increase of $1.8 million or 26.6%, primarily due to growth in Gymboree Tianjin.

Retail franchise net sales for the first quarter of fiscal 2015 decreased to $5.7 million from $6.1 million in the same period last year, a decrease of $0.4 million or 6.0%, primarily due to lower sales to our franchisee in the Middle East region. As of the first quarter of fiscal 2015, our overseas franchisees operated 85 stores compared to 74 stores as of the end of the same period last year.

Gross Profit

Gross profit for the first quarter of fiscal 2015 decreased to $105.4 million from $108.4 million in the first quarter of fiscal 2014. As a percentage of net sales, gross profit for the first quarter of fiscal 2015 decreased by 160 basis points to 38.2% from 39.8% in the same period last year primarily due to the impact of the west coast port slowdown, which included late product deliveries and incremental air freight, and to a lesser extent deleveraging of buying and occupancy expenses. As we record certain distribution costs as a component of selling, general and administrative expenses (“SG&A”) and do not include such costs in cost of goods sold (“COGS”), our COGS and gross profit may not be comparable to those of other companies. Our distribution costs recorded in SG&A expenses represent primarily outbound shipping and handling expenses to our stores, and amounted to $10.4 million and $10.0 million during the first quarter of fiscal 2015 and 2014, respectively.

Selling, General and Administrative Expenses

SG&A principally consists of non-occupancy store expenses, corporate overhead, and certain distribution expenses. SG&A increased to $104.7 million for the first quarter of fiscal 2015 compared to $102.3 million in the same period last year. As a percentage of net sales, SG&A expenses increased 30 basis points to 37.9% for the first quarter of fiscal 2015 from 37.6% in the same period last year primarily due to incremental marketing expenses and an increase in incentive compensation, which is accrued ratably throughout the year based on achieving annual performance targets.

Interest Expense

Interest expense increased to $21.1 million during the first quarter of fiscal 2015 compared to $20.4 million during the first quarter of fiscal 2014. The increase of $0.7 million was primarily related to our interest rate caps and an increase in ABL borrowings.

Income Taxes

The effective tax rate for the first quarter of fiscal 2015 and 2014 was -9.6% (expense) and -2.6% (expense), respectively. The change in effective tax rates was due to differences in forecasted earnings between years and accrual of additional unrecognized tax benefits.

We consider all available positive and negative evidence in evaluating whether a valuation allowance is required, including prior earnings history, actual earnings over the previous 12 quarters on a cumulative basis, carryback and carryforward periods, and tax planning strategies that could potentially enhance the likelihood of realization of a deferred tax asset. As a result of weighing the available objective evidence as of May 2, 2015, January 31, 2015 and May 3, 2014, our valuation allowance against deferred tax assets was $67.3 million, $58.6 million and $35.5 million, respectively. The valuation allowance as of May 2, 2015 represents a valuation allowance against all net deferred tax assets in U.S. federal, unitary U.S. state and Australian jurisdictions, excluding indefinite-lived deferred tax assets and liabilities, and against the tax benefit on losses from our VIEs. We intend to maintain a valuation allowance until sufficient positive evidence exists to support its reversal.

Financial Condition

Liquidity and Capital Resources

Overview

We finance our business with existing cash, cash from operations and the funds available under our Senior Credit Facilities. We had cash and cash equivalents of $22.4 million, $18.5 million and $24.8 million as of May 2, 2015, January 31, 2015 and May 3, 2014, respectively (including amounts held by the VIEs). Cash and cash equivalents held by the VIEs, of which we are the primary beneficiary, and the results of which we have consolidated into our financial statements, were $9.9 million, $10.0 million and $11.7 million as of May 2, 2015, January 31, 2015 and May 3, 2014, respectively (see Note 14 to the condensed consolidated financial statements included elsewhere in this quarterly report). The assets of the VIEs can only be used by the VIEs. Net working capital as of May 2, 2015, January 31, 2015 and May 3, 2014 totaled $30.7 million, $43.0 million and $61.9 million, respectively (including $5.9 million, $5.1 million and $9.2 million, respectively, from our VIEs).

We and our subsidiaries, the VIEs, and our affiliates may from time to time seek to retire or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions, by tender offer or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

We believe that cash generated by operations, the remaining funds available under our Senior Credit Facilities and existing cash and cash equivalents will be sufficient to meet working capital requirements, service our debt, and finance capital expenditures over the next twelve months. However, if we face unanticipated cash needs such as the funding of a capital investment, or if our suppliers request one or more letters of credit, our existing cash and cash equivalents and available borrowings may be insufficient. In addition, we cannot assure that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Senior Credit Facilities in amounts sufficient to enable us to repay our indebtedness when due, including the Notes, or to fund other liquidity needs. We also regularly evaluate market conditions, our liquidity profile, and various financing alternatives for opportunities to enhance our capital structure. If opportunities are favorable, we may refinance our existing debt or issue additional securities.

Transactions Affecting Our Liquidity

On May 5, 2015, the Company entered into an agreement to sell and lease-back its distribution center located in Dixon, California. The Company received net proceeds of $25.9 million and entered into a 15-year lease agreement. The Company is required to use $10.9 million of the proceeds to fund capital expenditures and intends to use the remaining balance for working capital purposes.

Cash flows used in operating activities

Net cash used in operating activities during the first quarter of fiscal 2015 was $2.6 million compared to $14.7 million in the same period last year. The change in cash used in operating activities during the first quarter of fiscal 2015 was primarily due to an increase in accounts payable, merchandise inventories and timing of rent payments. The increase in merchandise inventories was primarily due to investments in inventory, as well as the impact of the west coast port slowdown.

Cash flows used in investing activities

Net cash used in investing activities during the first quarter of fiscal 2015 was $2.8 million compared to $9.4 million in the same period last year and was primarily due to capital expenditures, which decreased to $3.1 million during the first quarter of fiscal 2015 compared to $9.4 million during the first quarter of fiscal 2014 due to fewer store openings.

We estimate capital expenditures for fiscal 2015 will be approximately $25 million to $30 million. We expect the capital expenditures to be used primarily for our systems infrastructure, lease required remodels of existing stores and, to a lesser extent, new store growth.

Cash flows provided by financing activities

Net cash provided by financing activities during the first quarter of fiscal 2015 was $8.9 million compared to $9.9 million in the same period last year. This decrease was primarily due to a decrease in net borrowings from our ABL facility.

Credit Facilities

Our senior credit facilities are comprised of an $820 million Term Loan and a $225 million ABL Facility (collectively, the "Senior Credit Facilities). As of May 2, 2015, $769.1 million was outstanding under the Term Loan and $42.0 million was outstanding under the ABL. The interest rate for borrowings under the Term Loan is, at the Company's option, a base rate plus an additional marginal rate of 2.5% or the Adjusted LIBOR rate (with a 1.5% floor) plus an additional rate of 3.5%. Interest payments on the Company's Notes are made semi-annually at a rate of 9.125% of the principal amount outstanding. Amounts available under the ABL are subject to customary borrowing base limitations, and are reduced by letter of credit utilization totaling $38.1 million as of May 2, 2015. Undrawn availability under the ABL Facility, after being reduced by letter of credit utilization and outstanding borrowings, was $90.8 million as of May 2, 2015. The Term Loan allows us to request additional tranches of term loans in an aggregate amount not to exceed $200 million, subject to the satisfaction of certain conditions, provided that such amount will be subject to reduction by the amount of any additional commitments incurred under the ABL (see Note 5 to the condensed consolidated financial statements included elsewhere in this quarterly report). The ABL provides us the right to request up to $125 million of additional commitments under this facility (or, if less, the amount permitted under the Term Loan (see Note 6 to the condensed consolidated financial statements included elsewhere in this quarterly report), subject to the satisfaction of certain conditions. No incremental facilities are currently in effect. The Term Loan and ABL Facility contain covenants that, among other things, restrict our ability to incur additional indebtedness and pay dividends. The ABL Facility also contains a financial covenant that is tested when availability under the facility falls below a specified threshold. As of May 2, 2015, we were not required to test compliance with this covenant. Average borrowings for the 13 weeks ended May 2, 2015 under the ABL amounted to $54.1 million. The Company anticipates utilizing its ABL Facility throughout the course of the year to support seasonal working capital needs and expects to have borrowings outstanding at year-end.

The Term Loan requires us to make quarterly payments each equal to 0.25% of the original $820 million principal amount of the Term Loan made on the closing date plus accrued and unpaid interest thereon, with the balance due in February 2018. The Term Loan also has mandatory and voluntary pre-payment provisions, including a requirement that we prepay the Term Loan with a certain percentage of our annual excess cash flow. We calculated our excess cash flow using fiscal 2014 operating results and concluded that we are not required to make any excess cash flow payments on the Term Loan during fiscal 2015. Our next quarterly payment payable under the Term Loan is due in the first quarter of fiscal 2017.

Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates affecting the application of those policies since our Fiscal 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 1, 2015.

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") (Non-GAAP Measure)

In the table below, we present Adjusted EBITDA (which is defined as net income (loss) attributable to The Gymboree Corporation before interest expense, interest income, income taxes, and depreciation and amortization (EBITDA) adjusted for the other items described below), which is considered a non-GAAP financial measure. We present Adjusted EBITDA in this quarterly report because we consider it an important supplemental measure of performance used by management and we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the retail industry. Adjusted EBITDA is calculated in substantially the same manner as "EBITDA" under the indenture governing the Notes and "Consolidated EBITDA" under the agreement governing our Senior Credit Facilities. We believe the inclusion of supplementary adjustments applied to EBITDA in presenting Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash items and unusual or non-recurring items that we do not expect to continue in the future and to provide additional information with respect to our ability to meet our future debt service and to comply with various covenants in documents governing our indebtedness. However, Adjusted EBITDA is not a presentation made in accordance with GAAP, and our computation of Adjusted EBITDA may vary from others in the retail industry. Adjusted EBITDA should not be considered an alternative to operating income or net income (loss), as a measure of operating performance or cash flow, or as a measure of liquidity. Adjusted EBITDA has important limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. For example, Adjusted EBITDA:

- does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- excludes income tax payments that represent a reduction in cash available to us; and
- does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of ongoing operations.

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The following table provides a reconciliation of net loss attributable to The Gymboree Corporation to Adjusted EBITDA for the periods indicated (in thousands):

	13 Weeks Ended May 2, 2015	13 Weeks Ended May 3, 2014
Net loss attributable to The Gymboree Corporation	$ (23,025)	$ (13,431)
Reconciling items [(a)]:		
Interest expense	21,076	20,374
Interest income	(7)	(52)
Income tax expense	1,305	599
Depreciation and amortization [(b)]	10,295	10,786
Non-cash share-based compensation expense	720	1,276
Loss on disposal/impairment on assets	133	330
Acquisition-related adjustments [(c)]	3,234	2,944
Other [(d)]	1,866	(795)
Adjusted EBITDA	$ 15,597	$ 22,031

(a) Excludes amounts related to noncontrolling interest, which are already excluded from net loss attributable to The Gymboree Corporation.

(b) Includes the following:

Amortization of intangible assets (impacts SG&A)	$ 384	$ 384
Amortization of below and above market leases (impacts COGS)	(133)	(247)
	$ 251	$ 137

(c) Includes the following:

Additional rent expense recognized due to the elimination of deferred rent and construction allowances in purchase accounting (impacts COGS)	$ 1,886	$ 2,068
Sponsor fees, legal and accounting, as well as other costs incurred as a result of the Acquisition or refinancing (impacts SG&A)	1,348	876
	$ 3,234	$ 2,944

(d) Other is comprised of restructuring charges in the first quarter of fiscal 2015 and 2014 and a non-recurring change in reserves in the first quarter of fiscal 2014.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

We enter into forward foreign exchange contracts with respect to certain purchases in United States dollars of inventory to be sold in our retail stores in Canada. The purpose of these contracts is to protect our margins on the eventual sale of the inventory from fluctuations in the exchange rate for Canadian and U.S. dollars. The term of the forward exchange contracts is generally less than one year. Our U.S. entity also enters into forward foreign exchange contracts with respect to short-term intercompany balances between our Canadian, Australian and U.S. entities. The purpose of these contracts is to protect us from fluctuations in the exchange rate for Canadian, Australian and U.S. dollars upon the settlement of such balances.

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The table below summarizes the notional amounts and fair values of our forward foreign exchange contracts in U.S. dollars (in thousands except weighted-average rate data):

	Notional Amount	Fair Value Gain (Loss)	Weighted-Average Rate
May 2, 2015	$ 2,343	$ (55)	$ 0.82
January 31, 2015	$ 4,633	$ 96	$ 0.79
May 3, 2014	$15,275	$ 100	$ 0.91

Interest Rate Risk

We are subject to interest rate risk in connection with our long-term debt. Our principal interest rate risk relates to the Term Loan outstanding under the Senior Credit Facilities. As of May 2, 2015, we had $769.1 million outstanding under our Senior Credit Facilities, bearing interest at variable rates. The interest rate for borrowings under the Term Loan is, at our option, a base rate plus an additional marginal rate of 2.5% or the Adjusted LIBOR rate (with a 1.5% floor) plus an additional rate of 3.5%. As of May 2, 2015, the interest rate under our Term Loan was 5.0%. A 0.125% increase in the Adjusted LIBOR rate, above the 1.5% floor, would have increased annual interest expense by approximately $1.0 million, assuming $769.1 million of indebtedness thereunder was outstanding for the whole year. The Term Loan allows us to request additional tranches of term loans in an aggregate amount not to exceed $200 million, subject to the satisfaction of certain conditions, provided that such amount will be subject to reduction by the amount of any additional commitments incurred under the ABL (see Notes 5 and 6 to the condensed consolidated financial statements included elsewhere in this quarterly report). No incremental facilities are currently in effect.

In December 2010, we purchased four interest rate caps to hedge against rising interest rates associated with our senior secured term loan above the 5% strike rate of the caps through December 23, 2016, the maturity date of the caps. The notional amount of these caps is $700 million.

As of May 2, 2015, January 31, 2015 and May 3, 2014, accumulated other comprehensive loss included approximately $7.7 million, $8.2 million and $9.5 million, respectively, in unrealized losses related to the interest rate caps and forward foreign exchange contracts.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company conducted an evaluation, under the supervision and with the participation of the Company's management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives. Based on the Company's evaluation, the Principal Executive Officer and Principal Financial Officer concluded the Company's disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. In addition, the Company's Principal Executive Officer and Principal Financial Officer concluded as of the end of the period covered by this report that the Company's disclosure controls and procedures are also effective to ensure information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including the Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the Company's first quarter of fiscal 2015, there was no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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Part II—OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The Company is subject to various legal proceedings and claims arising in the ordinary course of business. Our management does not expect that the results of any of these legal proceedings, either individually or in the aggregate, would have a material effect on our financial position, results of operations or cash flows.

Item 1A. RISK FACTORS

There have been no material changes during the period covered by this Quarterly Report on Form 10-Q to the risk factors disclosed in Part I, Item 1A, of our 2014 Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable

Item 3. DEFAULTS UPON SENIOR SECURITIES

None

Item 4. MINE SAFETY DISCLOSURES

None

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS

Exhibit Number	Description
10.1	Giraffe Holding, Inc. 2010 Equity Incentive Plan.
10.2	Form of Non-statutory Stock Option Agreement under the Giraffe Holding, Inc. 2010 Equity Incentive Plan.
31.1	Certification of Mark Breitbard Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Andrew North Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Mark Breitbard Pursuant to 18 U.S.C. §1350, as Adopted Pursuant to §906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Andrew North Pursuant to 18 U.S.C. §1350, as Adopted Pursuant to §906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from The Gymboree Corporation's Quarterly Report on Form 10-Q for the quarter ended May 2, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Cash Flows, and (v) the Notes to Condensed Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GYMBOREE CORPORATION

June 12, 2015	By:	/s/ Mark Breitbard
(Date)		Mark Breitbard Chief Executive Officer (Principal Executive Officer)

Exhibit Index

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Exhibit 10.1

GIRAFFE HOLDING, INC.
2010 EQUITY INCENTIVE PLAN

1. DEFINED TERMS

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

2. PURPOSE

The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock-based and other incentive Awards.

3. ADMINISTRATION

The Administrator has discretionary authority, subject only to the express provisions of the Plan, to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures; and otherwise do all things necessary to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

4. LIMITS ON AWARDS UNDER THE PLAN

(a) Number of Shares. A maximum of 11,622,231 A Shares and 1,291,359 L Shares (*i.e.*, a maximum of 1,291,359 Units) may be delivered in satisfaction of Awards under the Plan, including ISOs. To the extent consistent with Section 422, (i) shares of Stock withheld by the Company in payment of the exercise price of the Award or in satisfaction of Award-related tax withholding requirements and shares of Stock underlying Awards that are settled in cash, expire, become unexercisable without having been exercised, or are forfeited or repurchased by the Company for cash shall not be treated as having been delivered under the Plan, and (ii) Stock issued under awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition will not reduce the number of shares available for Awards under the Plan.

(b) Type of Shares. Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among those key Employees and directors of, and consultants and advisors to, the Company and its subsidiaries who, in the opinion of the Administrator, are in a position to make a significant contribution to the success of the Company and its subsidiaries. Eligibility for ISOs is limited to employees of the Company or of a “parent corporation” or “subsidiary corporation” of the Company as those terms are defined in Section 424 of the Code. Eligibility for Stock Options other than ISOs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Stock Option to the Company or a subsidiary of the Company that would be described in the first sentence of Treas. Regs. §1.409A-1(b)(5)(iii)(E).

6. RULES APPLICABLE TO AWARDS

(a) All Awards.

(1) Award Provisions. The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant shall be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of this Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

(2) Term of Plan. No Awards may be made after December 27, 2020, but previously granted Awards may continue beyond that date in accordance with their terms.

(3) Transferability. Neither ISOs nor (except as the Administrator otherwise expressly provides) other Awards may be transferred other than by will or by the laws of descent and distribution, and during a Participant's lifetime ISOs and (except as the Administrator otherwise expressly provides) other Awards requiring exercise may be exercised only by the Participant. The transfer of any Award pursuant to this Section 6(a)(3) will be subject to applicable securities laws, the terms of the Stockholders Agreement, to the extent applicable, and such other limitations as the Administrator may impose.

(4) Vesting, *etc*. The Administrator may determine the time or times at which an Award will vest or become exercisable and the terms on which an Award requiring exercise will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

(A) Immediately upon the cessation of the Participant's Employment, each Award requiring exercise that is then held by the Participant or by the Participant's permitted transferees, if any, will cease to be exercisable and will terminate, except to the extent otherwise provided in (B), (C), (D), or (E) below, and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested will be forfeited.

(B) Subject to (C), (D), and (E) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of 60 days and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to the termination of the Participant's Employment by reason of death, to the extent then exercisable, will remain exercisable for the lesser of (i) the one year period ending with the first anniversary of the Participant's death and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(D) All Stock Options and SARs held by a Participant or the Participant's permitted transferees, if any, immediately prior to termination of the Participant's Employment by the Company due to the Participant's Disability, to the extent then exercisable, will remain exercisable for the lesser of (i) the date that is 180 days after the termination of the Participant's Employment as a result of such Disability and (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(E) All Stock Options and SARs (whether or not vested) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation if the Administrator in its sole discretion determines that such cessation of Employment has resulted from, or occurs in connection with, an act or failure to act constituting Cause (or such Participant's Employment could have been terminated for Cause (without regard to the lapsing of any required notice or cure periods in connection therewith) at the time such Participant terminated Employment).

(5) Competing Activity. The Administrator may cancel, rescind, withhold or otherwise limit or restrict any vested or unvested Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect to non-competition, non-solicitation or confidentiality.

(6) Taxes. The delivery, vesting and retention of Stock under an Award are conditioned upon full satisfaction by the Participant of all tax withholding requirements, if any, with respect to the Award. The Administrator will prescribe such rules for the withholding of taxes as it deems necessary. Each Participant agrees promptly to remit to the Company, in cash, the full amount of all taxes required to be withheld in connection with an Award unless the Administrator provides alternative means for satisfying the Company's tax withholding requirements. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements (but not in excess of the minimum withholding required by law).

(7) Dividend Equivalents, *etc*. The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Any entitlement to dividend equivalents or similar entitlements shall be established and administered either consistent with an exemption from, or in compliance with, the requirements of Section 409A. In addition, any amounts payable in respect of Restricted Stock or Restricted Stock Units may be subject to such limits or restrictions as the Administrator may impose.

(8) Rights Limited. Nothing in the Plan will be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

(9) Coordination with Other Plans. Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its subsidiaries. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or its subsidiaries may be settled in Stock (including, without limitation, Unrestricted Stock) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Section 4). For the avoidance of doubt, shares of Stock delivered under the Company's Stock Purchase Plan shall not be treated as awarded under the Plan and shall not reduce the number of shares of Stock available under the Plan.

(10) Section 409A. Each Award may contain such terms as the Administrator determines, and shall be construed and administered, such that the Award either (i) qualifies for an exemption from the requirements of Section 409A, or (ii) satisfies such requirements.

(11) Certain Requirements of Corporate Law. Awards shall be granted and administered consistent with the requirements of applicable Delaware law relating to the issuance of stock and the consideration to be received therefor, and with the applicable requirements of the stock exchanges or other trading systems on which the Stock is listed or entered for trading, in each case as determined by the Administrator.

(12) Fair Market Value. In determining the fair market value of any share of Stock under the Plan, the Administrator shall make the determination in good faith consistent with the rules of Section 422 and Section 409A to the extent applicable.

(13) Stockholders Agreement. Unless otherwise specifically provided by the Administrator, all Awards issued under the Plan and all Stock issued thereunder will be subject to the Stockholders Agreement to the extent applicable. No Award will be granted to a Participant and no Stock will be delivered to a Participant, in either case, until the Participant has executed the Stockholders Agreement.

(b) Awards Requiring Exercise.

(1) Time and Manner of Exercise. Unless the Administrator expressly provides otherwise, an Award requiring exercise by the holder will not be deemed to have been exercised until the Administrator receives a notice of exercise (in form acceptable to the Administrator), which if the Administrator so determines may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. If the Award is exercised by any person other than the Participant, the Administrator may require satisfactory evidence that the person exercising the Award has the right to do so. Unless the Administrator expressly provides otherwise, (i) only Units may be delivered in satisfaction of Stock Options, and (ii) Stock Options and SARs (to the extent vested and exercisable) shall be exercisable only with respect to whole Units, and not separately with respect to shares of Stock, or the individual classes of shares of Stock, represented in a Unit.

(2) Exercise Price. The exercise price (or the base value from which appreciation is to be measured) of each Award requiring exercise will be 100% (in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the fair market value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant. Awards, once granted, may be repriced only in accordance with the applicable requirements of the Plan, including Section 9.

(3) Payment of Exercise Price. Where the exercise of an Award is to be accompanied by payment, payment of the exercise price shall be by cash or check acceptable to the Administrator, or, if so permitted by the Administrator and if legally permissible, (i) through the delivery of unrestricted shares of Stock that have a fair market value equal to the exercise price, subject to such minimum holding period requirements, if any, as the Administrator may prescribe, (ii) at such time, if any, as the Stock is publicly traded, through a broker-assisted exercise program acceptable to the Administrator, (iii) by other means acceptable to the Administrator, or (iv) by any combination of the foregoing permissible forms of payment. No Award requiring exercise or portion thereof may be exercised unless, at the time of exercise, the fair market value of the shares of Stock subject to such Award or portion thereof exceeds the exercise price for the Award or such portion. The delivery of shares in payment of the exercise price under clause (i) above may be accomplished either by actual delivery or by constructive delivery through attestation of ownership, subject to such rules as the Administrator may prescribe.

(4) Maximum Term. Awards requiring exercise will have a maximum term not to exceed ten (10) years from the date of grant (five (5) years from the date of grant in the case of an ISO granted to a ten-percent shareholder described in Section 6(b)(2) above).

7. EFFECT OF CERTAIN TRANSACTIONS

(a) Mergers, *etc*. Except as otherwise provided in an Award, the Administrator shall, in its sole discretion, determine the effect of a Covered Transaction on Awards, which determination may include, but is not limited to, the following actions:

(1) Assumption or Substitution. If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may provide for the assumption or continuation of some or all outstanding Awards or for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(2) Cash-Out of Awards. If the Covered Transaction is one in which holders of Stock will receive upon consummation a payment (whether cash, non-cash or a combination of the foregoing), then subject to Section 7(a)(5) below the Administrator may provide for payment (a “cash-out”), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the fair market value of one share of Stock (or one Unit, as applicable) times the number of shares of Stock (or the number of Units, as applicable) subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines; *provided*, that the Administrator may not exercise its discretion under this Section 7(a)(2) with respect to an Award or portion thereof providing for “nonqualified deferred compensation” subject to Section 409A in a manner that would constitute an extension or acceleration of, or other change in, payment terms if such change would be inconsistent with the applicable requirements of Section 409A.

(3) Acceleration of Certain Awards. If the Covered Transaction (whether or not there is an acquiring or surviving entity) is one in which there is no assumption, continuation, substitution or cash-out, then subject to Section 7(a)(5) below, the Administrator may provide that each Award requiring exercise will become fully exercisable, and the delivery of any shares of Stock remaining deliverable under each outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated and such shares will be delivered, prior to the Covered Transaction, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction; *provided*, that to the extent acceleration pursuant to this Section 7(a)(3) of an Award subject to Section 409A would cause the Award to fail to satisfy the requirements of Section 409A, the Award may not be accelerated and the Administrator in lieu thereof shall take such steps as are necessary to ensure that payment of the Award is made in a medium other than Stock and on terms that as nearly as possible, but taking into account adjustments required or permitted by this Section 7, replicate the prior terms of the Award.

(4) Termination of Awards Upon Consummation of Covered Transaction. Each Award will terminate upon consummation of the Covered Transaction, other than the following: (i) Awards assumed pursuant to Section 7(a)(1) above; (ii) Awards converted pursuant to the proviso in Section 7(a)(3) above into an ongoing right to receive payment other than in Stock; and (iii) outstanding shares of Restricted Stock (which will be treated in the same manner as other shares of Stock, subject to Section 7(a)(5) below).

(5) Additional Limitations. Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or the acceleration of exercisability of an Award under Section 7(a)(3) above shall not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

(b) Changes in and Distributions With Respect to Stock.

(1) Basic Adjustment Provisions. In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC Topic 718, the Administrator shall make appropriate adjustments to the maximum number of shares specified in Section 4(a) that may be delivered under the Plan and shall also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change.

(2) Certain Other Adjustments. The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan and to preserve the value of Awards made hereunder, having due regard for the qualification of ISOs under Section 422 and the requirements of Section 409A, where applicable.

(3) Continuing Application of Plan Terms. References in the Plan to shares of Stock (or Units, as applicable) will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the Award have been satisfied or waived. If the sale of Stock has not been registered under the Securities Act, the Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act or any applicable state or foreign securities laws. The Company may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; *provided*, that except as otherwise expressly provided in the Plan the Administrator may not, without the Participant's written consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted. In furtherance of the foregoing, the Administrator may, without stockholder approval, amend any outstanding Award requiring exercise to provide an exercise price (or base value, in the case of an SAR) per share that is lower than the then-current exercise price or base value per share of such outstanding Award (but not lower than the exercise price or base value at which a new Award of the same type could be granted on the date of such amendment). The Board may also, without stockholder approval, cancel any outstanding award (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Stock, including, in the case of a Award requiring exercise, a new Award having an exercise price (or base value, in the case of an SAR) per share that is lower than the then-current exercise price or base value per share of such outstanding Award (but not lower than the exercise price or base value at which a new Award of the same type could be granted on the date of such amendment), subject to the requirements of Section 6(b)(2) above. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code), as determined by the Administrator.

10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to Award a person bonuses or other compensation in addition to Awards under the Plan.

11. MISCELLANEOUS

(a) <u>Waiver of Jury Trial</u>. By accepting an Award under the Plan, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim shall be tried before a court and not before a jury. By accepting an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers.

(b) <u>Limitation of Liability</u>. Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award; provided, that nothing in this Section 11(b) will limit the ability of the Administrator or the Company, in its discretion, to provide by separate express written agreement with a Participant for a gross-up payment or other payment in connection with any such acceleration of income or additional tax.

12. ESTABLISHMENT OF SUB-PLANS

The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as the Board deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board deems necessary or desirable. All supplements adopted by the Board will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction and the Company will not be required to provide copies of any supplement to Participants in any jurisdiction that is not affected.

13. GOVERNING LAW

Except as otherwise provided by the express terms of an Award agreement or under a sub-plan described in Section 12, the provisions of the Plan and of Awards under the Plan and all claims or disputes arising out of our based upon the Plan or any Award under the Plan or relating to the subject matter hereof or thereof will be governed by and construed in accordance with the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

EXHIBIT A

Definition of Terms

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

"A Share": Class A Common Stock in the Company, par value $0.001 per share.

"Administrator": The Board, except that the Board may delegate its authority under the Plan to a committee of the Board (or one or more members of the Board), in which case references herein to the Board will refer to such committee (or members of the Board). The Board may delegate (i) to one or more of its members such of its duties, powers and responsibilities as it may determine; (ii) to one or more officers of the Company the power to grant rights or options to the extent permitted by Section 157(c) of the Delaware General Corporation Law; and (iii) to such Employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term "Administrator" will include the person or persons so delegated to the extent of such delegation.

"Affiliate": Any corporation or other entity that would be treated as an "Affiliate" of the Company under the terms of the Stockholders Agreement.

"Award": Any or a combination of the following:

(i) Stock Options.

(ii) SARs.

(iii) Restricted Stock

(iv) Unrestricted Stock.

(v) Stock Units, including Restricted Stock Units.

(vi) Performance Awards.

(vii) Awards (other than Awards described in (i) through (vi) above) that are convertible into or otherwise based on Stock.

"Board": The Board of Directors of the Company.

"Cause": With respect to any Participant, (i) a material breach by such Participant of the Participant's duties and responsibilities, or (ii) the commission by the Participant of a felony involving moral turpitude, or (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or its subsidiaries, or (iv) a significant violation by the Participant of the code of conduct of the Company or its subsidiaries or of any statutory or common law duty of loyalty to the Company or its subsidiaries. Notwithstanding the foregoing, if a Participant is party to an employment or severance agreement with the Company or any subsidiary of the Company that contains a definition of cause, such definition will apply (in the case of such Participant) in lieu of the definition set forth in the preceding sentence.

"Code": The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

"Company": Giraffe Holding, Inc., a Delaware corporation.

"Covered Transaction": Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company's assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

"Disability": The inability of a Participant to perform his or her duties as an Employee as the result of incapacity due to physical or mental illness, if the Participant is also found to be disabled within the meaning of the Company's long-term disability plan. Notwithstanding the foregoing, in any case in which a benefit that constitutes or includes "nonqualified deferred compensation" subject to Section 409A would be payable by reason of Disability, the term "Disability" will mean a disability described in Treas. Regs. Section 1.409A-3(i)(4)(i)(A).

"Employee": Any person who is employed by the Company or by a subsidiary of the Company.

"Employment": A Participant's employment or other service relationship with the Company and its subsidiaries. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 to the Company or one of its subsidiaries. If a Participant's employment or other service relationship is with a subsidiary and that entity ceases to be a subsidiary of the Company, the Participant's Employment will be deemed to have terminated when the entity ceases to be a subsidiary of the Company unless the Participant transfers Employment to the Company or one of its remaining subsidiaries. Notwithstanding the foregoing, in construing the provisions of any Award relating to the payment of "nonqualified deferred compensation" (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms shall be construed to require a "separation from service" (as that term is defined in Section 1.409A-1(h) of the Treasury Regulations) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a "separation from service" has occurred. Any such written election shall be deemed a part of the Plan.

"ISO": A Stock Option intended to be an "incentive stock option" within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be a non-incentive Stock Option unless, as of the date of grant, it is expressly designated as an ISO.

"L Share": Class L Common Stock in the Company, par value $0.001 per share.

"Participant": A person who is granted an Award under the Plan.

"Performance Award" : An Award subject to specified criteria, other than the mere continuation of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of the Award.

"Plan": The Giraffe Holding, Inc. 2010 Equity Incentive Plan, as from time to time amended and in effect.

"Restricted Stock": Stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not satisfied.

"Restricted Stock Unit": A Stock Unit that is, or as to which the delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

"SAR": A right entitling the holder upon exercise to receive an amount (payable in cash or in shares of Stock of equivalent value) equal to the excess of the fair market value of the shares of Stock subject to the right over the base value from which appreciation under the SAR is to be measured.

"Section 409A": Section 409A of the Code.

"Section 422": Section 422 of the Code.

"Securities Act": Securities Act of 1933, as amended.

“Stock”: A Shares or L Shares.

“Stock Option”: An option entitling the holder to acquire shares of Stock upon payment of the exercise price.

“Stock Unit”: An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

“Stockholders Agreement”: The Stockholders Agreement dated as of November 23, 2010, among the Company and certain affiliates, stockholders and Participants, as amended or modified from time to time.

“Unit”: A combination of nine A Shares of the Company and one L Share of the Company.

“Unrestricted Stock”: Stock not subject to any restrictions under the terms of the Award.

CALIFORNIA SUPPLEMENT

Pursuant to Section 12 of the Plan, this supplement has been adopted for purposes of satisfying the requirements of Section 25102(o) of the California Corporations Code, to the extent applicable. This supplement may be amended by the Administrator, as necessary or desirable to comply with California law. Any Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (other than a Participant who is an "accredited investor" as that term is defined in Regulation D under the Securities Act) (a "California Participant") will be subject to the following additional limitations, terms and conditions, to the extent applicable:

1. Proportionate Adjustment of Stock Options and Exercise Price. Consistent with Section 7(b) of the Plan, all Awards granted to a California Participant shall be proportionately adjusted for both the number of securities purchasable and the exercise price of the Awards in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Company's equity securities without the receipt of consideration by the Company.

2. Minimum Exercise Period Following Termination. Unless the employment of a California Participant holding an otherwise vested Stock Option is terminated for Cause, in the event of termination of employment of such California Participant, he or she will have the right to exercise the vested Stock Option as follows: (i) for a period of at least six months from the date of termination, if termination was caused by such California Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code) and (ii) for a period of at least 30 days from the date of termination, if termination was caused other than by such Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), but in no event later than the latest date on which such California Participant could have exercised such Stock Option in the absence of a termination of employment.

3. Issuance of Awards. No Award may be granted or issued to a California Participant after the date that is 10 years from the earlier of the date the Plan was adopted by the Board or the date the Plan was approved by the Company's stockholders.

4. Additional Limitations on Timing of Awards. No Award granted to a California Participant shall become vested or exercisable unless the Plan has been approved by the Company's stockholders by the later of (1) within 12 months before or after the date the Plan was adopted by the Board or (2) prior to or within 12 months of the granting of an Award under the Plan in California.

Exhibit 10.2

Name of Optionee:	**[●]**
Number of Units of Company Common Stock (each Unit consisting of 9 A Shares and 1 L Share) subject to Option:	**[●]**
Price Per Unit of Company Common Stock:	**$[●]**
Date of Grant:	**[●]**

GIRAFFE HOLDING, INC.
2010 EQUITY INCENTIVE PLAN

THIS STOCK OPTION AND ANY SECURITIES ISSUED UPON EXERCISE OF THIS STOCK OPTION ARE SUBJECT TO RESTRICTIONS ON VOTING AND TRANSFER AND REQUIREMENTS OF SALE AND OTHER PROVISIONS AS SET FORTH IN THE STOCKHOLDERS AGREEMENT.

GIRAFFE HOLDING, INC. STRONGLY ENCOURAGES YOU TO SEEK THE ADVICE OF YOUR OWN LEGAL AND FINANCIAL ADVISORS WITH RESPECT TO YOUR STOCK OPTION AND ITS TAX CONSEQUENCES.

NON-STATUTORY STOCK OPTION AGREEMENT

This agreement (this "Agreement") evidences a stock option granted by Giraffe Holding, Inc. (the "Company") to the undersigned (the "Optionee") pursuant to and subject to the terms of the Giraffe Holding, Inc. 2010 Equity Incentive Plan (as it may be amended from time to time, the "Plan"), which is incorporated herein by reference.

1. Grant of Stock Option. The Company grants to the Optionee on the date of grant set forth above (the "Date of Grant") an option (the "Stock Option") to purchase, on the terms provided herein and in the Plan, the number of Units of the Company set forth above (the "Units") with an exercise price per Unit as set forth above, in each case subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof. Only Units may be delivered upon exercise of the Stock Option.

The Stock Option evidenced by this Agreement is a non-statutory option (that is, an option that is not to be treated as a stock option described in subsection (b) of Section 422) and is granted to the Optionee in connection with the Optionee's Employment.

2. Meaning of Certain Terms. Except as otherwise defined herein (including for the avoidance of doubt, in any Schedules attached hereto, which are incorporated herein and are a part hereof), all capitalized terms used herein have the same meaning as in the Plan. The following terms have the following meanings:

(i) "Beneficiary" means the death beneficiary named in the written designation (in form acceptable to the Administrator) most recently filed with the Administrator by the Optionee prior to the Optionee's death and not subsequently revoked, or, if there is no such designated beneficiary, the executor or administrator of the Optionee's estate. An effective beneficiary designation will be treated as having been revoked only upon receipt by the Administrator, prior to the Optionee's death, of an instrument of revocation in form acceptable to the Administrator.

(ii) "Change of Control" shall have the same meaning as in the Stockholders Agreement.

(iii) "Initial Public Offering" shall have the same meaning as in the Stockholders Agreement.

(iv) "Option Holder" means the Optionee or, if as of the relevant time the Stock Option has passed to a Beneficiary, the Beneficiary.

3. Vesting; Method of Exercise; Treatment of the Stock Option Upon Cessation of Employment.

(i) Generally. As used herein with respect to the Stock Option or any portion thereof, the term "vest" means to become exercisable and the term "vested" as applied to any portion of the Stock Option means that such portion is then exercisable, subject in each case to the terms of the Plan. Unless earlier terminated, relinquished or expired, the Stock Option will vest in accordance with the terms of Schedule A attached hereto.

(ii) Exercise of the Stock Option. No portion of the Stock Option may be exercised until such portion vests. Any vested portion of the Stock Option is exercisable only with respect to whole Units, and not separately with respect to shares of Stock, or the individual classes of shares of Stock, represented in a Unit. Each election to exercise any vested portion of the Stock Option will be subject to the terms and conditions of the Plan and shall be in writing, subject to any restrictions provided under the Plan and the Stockholders Agreement and to such additional administrative rules as the Administrator may prescribe. Each such written exercise election must be received by the Company at its principal office or by such other party as the Administrator may prescribe and be accompanied by payment in full as provided in the Plan. The exercise price may be paid (i) by cash or check acceptable to the Administrator, (ii) by such other means, if any, as may be acceptable to the Administrator, or (iii) by any combination of the foregoing permissible forms of payment. If the Stock Option is exercised by a person other than the Optionee, the Company will be under no obligation to deliver shares hereunder unless and until it is satisfied as to the authority of the Option Holder to exercise the Stock Option and compliance with applicable securities laws and the terms of the Stockholders Agreement. The latest date on which the Stock Option or any portion thereof may be exercised will be the 10th anniversary of the Date of Grant (the "Final Exercise Date") and if not exercised by such date, or earlier forfeited or otherwise terminated, the Stock Option or any remaining portion thereof will thereupon immediately terminate.

(iii) Treatment of the Stock Option Upon Cessation of Employment. If the Optionee's Employment ceases, the Stock Option, to the extent not already vested will be immediately forfeited, and any vested portion of the Stock Option that is then outstanding will be treated as follows:

(A) Subject to clauses (B), (C), (D), and (E) below, the Stock Option to the extent vested immediately prior to the cessation of the Optionee's Employment will remain exercisable until the earlier of (x) the date that is sixty (60) days following the date of such cessation of Employment and (y) the Final Exercise Date, and then, except to the extent previously exercised, will thereupon immediately terminate.

(B) Subject to clauses (D) and (E) below, if the Optionee's Employment terminates by reason of the Optionee's death, the Stock Option, to the extent it is then vested, will remain outstanding and exercisable until the earlier of (x) the first anniversary of the date of termination and (y) the Final Exercise Date, and then, except to the extent previously exercised, will thereupon immediately terminate.

(C) Subject to clauses (D) and (E) below, if the Optionee's Employment is terminated by the Company due to the Optionee's Disability, the Stock Option, to the extent it is then vested, will remain outstanding and exercisable until the earlier of (x) the date that is 180 days following the date of termination and (y) the Final Exercise Date, and then, except to the extent previously exercised, will thereupon immediately terminate.

(D) If the Optionee's Employment is terminated by the Company and its subsidiaries in connection with an act or failure to act constituting Cause (as the Administrator, in its sole discretion, may determine), or if the Optionee voluntarily terminates his or her Employment and, at the time of such termination, there exist (as the Administrator, in its sole discretion, may determine) circumstances that would have entitled the Company and its subsidiaries to terminate the Optionee's Employment for Cause, the Stock Option (whether or not vested) will immediately terminate and be forfeited upon such termination.

(E) The Administrator may cancel, rescind, withhold or otherwise limit or restrict any vested or unvested Stock Option at any time if the Optionee is not in compliance with all applicable provisions of this Agreement and the Plan, or if the Optionee breaches any agreement with the Company or its Affiliates described in Section 4(ii) of this Agreement.

4. Share Restrictions, Etc. Not later than upon the execution of this Agreement and as a condition to effectiveness of the Stock Option, the Optionee shall execute and deliver a counterpart signature page to, and become a party to, (i) the Stockholders Agreement and (ii) an Employment, Confidential Information, Invention Assignment, and Arbitration Agreement with the Company or a subsidiary of the Company, or similar agreement, in a form acceptable to the Company. If the Optionee is, as of the Date of Grant, a party to an agreement described in clause (ii) of this Section 4, the Optionee hereby acknowledges and agrees that he or she remains bound by such agreement, and that the Company is, and shall be, an affiliate of The Gymboree Corporation for purposes of such agreement. The Optionee's rights hereunder (including with respect to shares received upon exercise) are subject to the additional restrictions and other provisions contained in the Stockholders Agreement.

5. Legends, Etc. Shares of Stock issued upon exercise of the Stock Option or otherwise delivered in satisfaction of the Stock Option will bear such legends as may be required or provided for under the terms of the Stockholders Agreement.

6. Transfer of Stock Option. The Stock Option may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

7. Withholding. The Optionee expressly acknowledges and agrees that the Optionee's rights hereunder, including the right to be issued shares upon exercise, are subject to the Optionee's promptly paying, or in respect of any later requirement of withholding being liable promptly to pay at such time as such withholdings are due, to the Company in cash (or by such other means as may be acceptable to the Administrator in its discretion) all taxes required to be withheld, if any. No shares will be transferred pursuant to the exercise of the Stock Option unless and until the person exercising the Stock Option has remitted to the Company an amount in cash sufficient to satisfy any federal, state, or local requirements with respect to tax withholdings then due and has committed (and by exercising the Stock Option the Optionee shall be deemed to have committed) to pay in cash all tax withholdings required at any later time in respect of the transfer of such shares, or has made other arrangements satisfactory to the Administrator with respect to such taxes. The Optionee authorizes the Company and its subsidiaries to withhold any amounts due hereunder from any payments otherwise owed to the Optionee, but nothing in this sentence shall be construed as relieving the Optionee of any liability for satisfying his or her obligation under the preceding provisions of this Section.

8. Effect on Employment. Neither the grant of the Stock Option, nor the issuance of shares upon exercise of the Stock Option, will give the Optionee any right to be retained in the employ of the Company or any of its Affiliates, affect the right of the Company or any of its Affiliates to discharge or discipline such Optionee at any time, or affect any right of such Optionee to terminate his or her Employment at any time.

9. Governing Law. This Agreement and all claims or disputes arising out of or based upon this Agreement or relating to the subject matter hereof will be governed by and construed in accordance with the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

By acceptance of the Stock Option, the undersigned agrees hereby to become a party to, and be bound by the terms of, the Stockholders Agreement and to be subject to the terms of the Plan.

[The remainder of this page is intentionally left blank]

Executed as of the ______ day of ______, 201__.

Optionee:

____

Address: ______________________________

____

____

[Signature Page to Non-Statutory Option Agreement]

Company:

GIRAFFE HOLDING, INC.

By: ________________________________

Name:

Title:

[Signature Page to Non-Statutory Option Agreement]

Schedule A

Vesting Schedule

The Stock Option, unless earlier terminated or forfeited, shall vest (i) as to 20% of the total number of Units subject to the Stock Option on the first anniversary of the Vesting Commencement Date, and (ii) as to an additional 20% of the total number of Units subject to the Stock Option on each of the second, third, fourth and fifth anniversary of the Vesting Commencement Date; subject, in each case, to the Optionee remaining in continuous Employment through the applicable anniversary of the Vesting Commencement Date. For purposes of this Schedule A, the "Vesting Commencement Date" is ____________ .

In the event of a Change of Control, the Stock Option, unless earlier terminated or forfeited and to the extent not otherwise vested, will become fully vested immediately prior to such Change of Control; provided that, for the avoidance of doubt, in no event shall an Initial Public Offering constitute a Change of Control for purposes of this Agreement.

Exhibit 31.1

CERTIFICATION

I, Mark Breitbard, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of The Gymboree Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 12, 2015	By:	/s/ Mark Breitbard
Date		Mark Breitbard Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Andrew North, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of The Gymboree Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 12, 2015	By:	/s/ Andrew North
Date		Andrew North Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Gymboree Corporation (the "Company") on Form 10-Q for the quarterly period ended May 2, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Mark Breitbard, Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

June 12, 2015	By:	/s/ Mark Breitbard
Date		Mark Breitbard Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Gymboree Corporation (the "Company") on Form 10-Q for the quarterly period ended May 2, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Andrew North, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

June 12, 2015	By:	/s/ Andrew North
Date		Andrew North Chief Financial Officer (Principal Financial Officer)