



Gymboree Reaches Agreement with Term Loan Lenders

Company Continues to Operate Business As Usual

Restructuring Facilitated through Voluntary Chapter 11 Filing Will Reduce Debt by Over \$900 Million

Vast Majority of Trade Creditors Critical to Business Expected to be Paid in Full

Secures \$35 Million in New-Money Financing to Support Operations

San Francisco, June 11, 2017 – The Gymboree Corporation (the “Company” or “Gymboree”) today announced that it has signed a Restructuring Support Agreement (“RSA”) with a majority of its Term Loan Lenders, securing critical stakeholder support for a comprehensive financial restructuring and recapitalization of the Company that will reduce Gymboree’s debt by more than \$900 million, establish a sustainable capital structure and position the Company for long-term success.

“The steps we are taking today allow the Company to definitively address its debt and enable the management team to turn its full focus toward executing our key strategies, including our Product, Brand and Omni-channel initiatives,” said Daniel Griesemer, President and CEO of Gymboree. “The support of our lenders and their new financing commitment underscores their confidence in the Company. We have three great brands, strong operations and dedicated employees, and throughout this process, we will continue to deliver superior service to our customers and put them at the center of all we do. We expect to move through this process quickly and emerge as a stronger organization that is better positioned in today’s evolving retail landscape, with the right size store footprint and greater financial flexibility to invest in Gymboree’s long-term growth.”

To facilitate the financial restructuring and recapitalization, Gymboree today has elected to file voluntary Chapter 11 petitions (the “filing”) with the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”).

Gymboree expects to operate its overall business and the majority of its stores as usual during its financial restructuring. To this end, the Company has secured commitments for \$35 million in new-money debtor-in-possession (“DIP”) financing from a majority of its existing Term Loan Lenders and up to \$273.5 million in additional DIP financing from the existing lenders under Gymboree’s asset backed loan credit facilities which, in addition to Gymboree’s ongoing cash flow, will ensure the Company is able to continue meeting its financial obligations throughout the Chapter 11 case.

Gymboree today filed its RSA in Bankruptcy Court, along with a series of first day motions seeking authority to pay employee wages and benefits, honor customer commitments and otherwise manage its day-to-day operations as usual.

Gymboree expects to pay vendors in the normal course for all goods and services delivered on or after June 11, 2017. Payment for goods and services delivered prior to the filing will be addressed through the Chapter 11 process. It is currently expected that trade vendors that are critical to the Company’s business will be paid in full for pre-petition claims under the terms of the Plan. The Company has also asked for authority to honor the pre-petition claims of its critical foreign and other critical vendors and expects to receive court approval for these requests.

Additionally, the Company announced today that Andrew North is stepping down as CFO for personal reasons. Mr. North will remain with the Company for a period of time as a consultant. Liyuan Woo, Director at AlixPartners, has been appointed as Interim Chief Financial Officer, while the Company

searches for a replacement for Andrew North. James A. Mesterharm, Managing Director and Co-Lead Turnaround & Restructuring Services at AlixPartners, has been appointed as Chief Restructuring Officer.

“Liyuan and Jim bring significant financial and restructuring experience to Gymboree and we are pleased to have them join the team,” continued Daniel Griesemer. “On behalf of the Board, I would like to thank Andy for his leadership, hard work and dedication to Gymboree.”

Additional information regarding Gymboree’s financial restructuring is available at www.gymboreerestructuring.com. Court filings and information about the claims process are available at <https://cases.primeclerk.com/gymboree> or by calling Gymboree’s claims agent, Prime Clerk, at 844-822-9233 (or 646-486-7945 for international calls) or by sending an email to gymboreeinfo@PrimeClerk.com.

Kirkland & Ellis LLP is serving as the Company’s legal counsel, AlixPartners LLP is serving as its financial advisor, and Lazard is serving as its investment bank.

About The Gymboree Corporation

The Gymboree Corporation's specialty retail brands offer unique, high-quality products delivered with personalized customer service. As of April 29, 2017, the Company operated a total of 1,281 retail stores: 582 Gymboree® stores (532 in the United States, 49 in Canada and 1 in Puerto Rico), 172 Gymboree Outlet stores (171 in the United States and 1 in Puerto Rico), 149 Janie and Jack® shops (148 in the United States and 1 in Puerto Rico) and 378 Crazy 8® stores in the United States. The Company also operates online stores at www.gymboree.com, www.janieandjack.com, and www.crazy8.com.

Forward-Looking Statements

This press release includes forward-looking statements, including the Company’s expectations regarding the development and results of its restructuring process, its liquidity, access to capital and business operations during the pendency of the bankruptcy proceedings. These forward-looking statements generally can be identified by the use of words such as “anticipate,” “expect,” “plan,” “could,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project” and other words of similar meaning. Each forward-looking statement contained in this press release is based on assumptions and information available to the Company at the time of this press release. Forward-looking statements involve risks and uncertainty, including, but not limited to, the risk that the Company’s restructuring may not be consummated in a manner beneficial to the Company and its operations; risks and uncertainties associated with the length of time the Company will operate as a debtor-in-possession, which is not yet known; risks associated with the bankruptcy process and third-party motions in the Chapter 11 proceedings, which may hinder or delay the Company’s ability to consummate its restructuring; the ability of the Company to obtain and maintain normal terms with customers, suppliers and service providers; the Company’s ability to maintain contracts that are critical to its operations during Chapter 11 proceedings; the Company’s financial performance and results; availability of sufficient cash flow to operate the Company, including to fund capital expenditures, during the Chapter 11 proceedings; demand for its products; and the risk factors set forth in the Company’s Transition Report on Form 10-K for the 26 weeks ended July 30, 2016 as filed with the Securities and Exchange Commission on October 28, 2016 and in subsequent reports filed with the SEC. The Company’s actual results could differ materially from those expressed in, or implied by, the forward-looking statements. The Company can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if they do, what impact they will have on the Company’s results of operations and financial condition. The Company cautions investors to carefully consider the risks associated with, and not to place considerable reliance on, the forward-looking statements contained in this press release. The forward-looking statements in this press release speak only as of the date of this document, and the Company undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof except as required by law. All forward-looking statements are qualified in their entirety by this cautionary statement.

Gymboree, Janie and Jack, and Crazy 8 are registered trademarks of The Gymboree Corporation.

Contacts

Leigh Parrish / Joe Millsap
Joele Frank, Wilkinson Brimmer Katcher
(212) 355-4449 / (415) 869-3950