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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): April 22, 2016

THE GYMBOREE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-21250
(Commission
File Number)

94-2615258
(IRS Employer
Identification Number)

**500 Howard Street, San Francisco, CA
94105**
(Address of Principal Executive Office, Including Zip Code)

(415) 278-7000
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Amendment to ABL Credit Agreement

On April 22, 2016, The Gymboree Corporation (the “Company”), together with Giraffe Intermediate B, Inc. and certain subsidiaries of the Company, entered into a second amendment (the “Second Amendment”) to the Amended and Restated Credit Agreement dated as of March 30, 2012 (as amended by the First Amendment to the Amended and Restated Credit Agreement, dated as of September 24, 2015, the “Existing ABL Credit Agreement” and, as amended by the Second Amendment, the “Amended ABL Credit Agreement”) with Bank of America, N.A., as the administrative agent and collateral agent thereunder, the lenders party thereto and Pathlight Capital LLC as ABL term loan agent (the “ABL Term Loan Agent”). The Amended ABL Credit Agreement provides for a senior secured term loan (the “ABL Term Loan”) of \$50.0 million, subject to a borrowing base. Capitalized terms used below that are not defined herein are used as defined in the Amended ABL Credit Agreement.

General

Pursuant to the Second Amendment, among other things, the Existing ABL Credit Agreement has been amended as follows:

(i) The proceeds of the ABL Term Loan, which was funded on April 22, 2016, may be used to finance the acquisition of working capital assets, including the purchase of inventory and equipment, in each case in the ordinary course of business, to finance capital expenditures, to finance permitted acquisitions and for general corporate purposes, including the repurchase of the Company’s 9.125% notes due December 2018. The proceeds of the ABL Term Loan may not be used to pay dividends or to repurchase the Company’s common stock.

(ii) The ABL Term Loan will bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a 90 day LIBOR contract rate for deposits in U.S. dollars, as determined by the ABL Term Loan Agent monthly on the first day of each calendar month, plus 10.25% per annum, or, in certain circumstances, at the prime rate, plus 9.25% per annum.

(iii) The maturity date for the ABL Term Loan is the earlier of (i) the date that is 60 days prior to the earliest scheduled final maturity date of any tranche under the Term Loan Facility (or any Permitted Refinancing thereof) or the Senior Notes (or any Permitted Refinancing thereof) (unless such tranches are cumulatively equal to or less than \$25.0 million in the aggregate), and (ii) September 24, 2020. The Term Loan Facility is scheduled to mature in February 2018 and the Senior Notes are scheduled to mature in December 2018.

(iv) The covenants set forth in the Existing ABL Credit Agreement were amended to include a new availability covenant, whereby so long as any amount of the ABL Term Loan remains outstanding, the Company and its restricted subsidiaries must maintain, at all times, (i) Combined Availability (or, an amount equal to (a) the ABL Term Loan borrowing base minus the sum of (b) the aggregate principal amount outstanding under the Amended ABL Credit Agreement (including the ABL Term Loan, revolving line of credit borrowings and letter of credit utilization)) in excess of the greater of (x) \$17.5 million and (y) 10% of the ABL Term Loan borrowing base; and (ii) Availability (or, an amount equal to the lesser of (A) (I) the revolving credit ceiling (which as of the date hereof is \$225.0 million) minus (II) the aggregate principal amount outstanding under the revolving line of credit and letter of credit utilization and (B) (I) the revolving line of credit borrowing base minus (II) the aggregate principal amount outstanding under the revolving line of credit and letter of credit utilization) in excess of the greater of (x) \$17.5 million and (y) 10% of the lesser of (A) the applicable revolving line of credit borrowing base and (B) the revolving credit ceiling. So long as any amount of the ABL Term Loan remains outstanding, the Company’s minimum consolidated fixed charge coverage ratio is not tested under the Amended ABL Credit Agreement. Otherwise, all other material affirmative and negative covenants and events of default under the Existing ABL Credit Agreement remain substantially unchanged. In addition, the restrictions on amendments to the Amended ABL Credit Agreement were amended to provide the ABL Term Loan Agent and the ABL Term Loan Lenders certain consent rights relating to, among other terms and provisions, the borrowing bases, Availability and certain negative covenants.

The Revolving Credit Lenders under the Existing ABL Credit Agreement will remain as Revolving Credit Lenders under the Amended ABL Credit Agreement. The Revolving Commitments under the Amended ABL Credit Agreement will remain subject to the same pricing as under the Existing ABL Credit Agreement.

The foregoing description of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the complete text of the Second Amendment filed as Exhibit 10.1 to this Current Report on Form 8-K, as well as the complete text of the ABL Credit Agreement, which was filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 5, 2012.

Item 2.02 Results of Operations and Financial Condition.

On April 26, 2016, the Company issued an earnings release announcing its financial results for the fourth fiscal quarter and the fiscal year ended January 31, 2016. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 8.01 Other Events.

On April 26, 2016, the Company announced that it has commenced a cash tender offer for the maximum aggregate principal amount of its outstanding 9.125% Senior Unsecured Notes due 2018 (the "Notes") that can be purchased for \$40.0 million (excluding accrued interest on the Notes, which will also be paid) (the "Tender Offer"). The Tender Offer is scheduled to expire at 11:59 p.m., New York City time, on May 23, 2016, unless extended by the Company in its sole discretion. The consummation of the Tender Offer is not conditioned upon any minimum amount of Notes being tendered but is conditioned upon the satisfaction or waiver of the conditions set forth in an Offer to Purchase and related Letter of Transmittal, each dated April 26, 2016, which are being sent to holders of the Notes.

A copy of the press release announcing the Tender Offer is furnished as Exhibit 99.2 to this Report and is incorporated herein by reference. The information contained in this report on Form 8-K does not constitute an offer to purchase, the solicitation of an offer to purchase or a solicitation of tenders or consents with respect to the Notes.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>No.</u>	<u>Description</u>
10.1	Second Amendment to Amended and Restated Credit Agreement, dated April 22, 2016, among The Gymboree Corporation, Giraffe Intermediate B, Inc., the other Borrowers party thereto, the other Facility Guarantors party thereto, the Lenders party thereto, Bank of America N.A., as administrative and collateral agent, and Pathlight Capital LLC, as ABL term loan agent.
99.1	Earnings release of The Gymboree Corporation dated April 26, 2016.
99.2	Press release of The Gymboree Corporation dated April 26, 2016.

SIGNATURE

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

THE GYMBOREE CORPORATION

Date: April 26, 2016

By: /s/ ANDREW NORTH
Name: Andrew North
Title: Chief Financial Officer

EXHIBIT INDEX

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SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This **SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT**, dated as of April 22, 2016 (this "Amendment"), by and among (i) **THE GYMBOREE CORPORATION**, a Delaware corporation (the "Lead Borrower"), (ii) each other Borrower party to the Credit Agreement referred to below (together with the Lead Borrower, collectively, the "Borrowers"), (iii) **GIRAFFE INTERMEDIATE B, INC.**, a Delaware corporation ("Holdings") and the other Facility Guarantors party to the Credit Agreement referred to below (together with the Borrowers, collectively, the "Loan Parties"), (iv) the lenders party to the Credit Agreement referred to below (collectively, the "Lenders"), (v) **BANK OF AMERICA, N.A.**, in its capacity as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent") and (vi) **PATHLIGHT CAPITAL LLC**, a Delaware limited liability company, in its capacity as agent for the ABL Term Lenders (in such capacity, the "ABL Term Loan Agent"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Credit Agreement referred to below.

WHEREAS, the Borrowers, the Facility Guarantors, the Lenders, the Agents and certain other parties are party to that certain Amended and Restated Credit Agreement, dated as of March 30, 2012, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated September 24, 2015 (the "Existing Credit Agreement"). The Existing Credit Agreement, as amended by this Amendment, and as may be further amended, amended and restated, restated, supplemented, extended or otherwise modified and in effect from time to time is referred to herein as the "Credit Agreement".

WHEREAS, the Borrowers have requested, among other things, that the Agents and the Lenders agree to (a) the ABL Term Lenders making the ABL Term Loan to the Borrowers pursuant to this Amendment and (b) amend certain other provisions of the Existing Credit Agreement, in each case, subject to the terms and conditions set forth herein.

WHEREAS, the Borrowers, the Facility Guarantors, the Lenders, the ABL Term Lenders, the ABL Term Loan Agent and the Agents have agreed, on the terms and conditions set forth herein, to the ABL Term Lenders making the ABL Term Loan to the Borrowers and to amend certain other provisions of the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

§1. Amendments to the Credit Agreement. Effective as of the Second Amendment Effective Date (as defined herein):

(a) The Existing Credit Agreement (excluding the schedules and exhibits thereto, which shall remain in full force and effect, except as specifically referenced in clauses (b) through (g) of this Section 1) is hereby amended as set forth in Exhibit I attached hereto such that all of the newly inserted double underlined text (indicated textually in the same manner as the following example: double-underlined text) and any formatting changes attached hereto shall be deemed to be inserted and all stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) shall be deemed to be deleted therefrom.

(b) Schedule 1.01 (Lenders and Commitments) to the Existing Credit Agreement is hereby deleted and replaced in its entirety by the Schedule 1.01 (Lenders and Commitments) attached hereto as Annex I.

(c) Schedule 3.01 (Organization Information), Schedule 3.08(b)(i) (Owned Real Estate), Schedule 3.08(b)(ii) (Leased Real Estate), Schedule 3.12 (Subsidiaries; Equity Interests), Schedule 3.15 (Intellectual Property) to the Existing Credit Agreement are each hereby deleted and replaced in their entirety by Schedule 3.01 (Organization Information), Schedule 3.08(b)(i) (Owned Real Estate), Schedule 3.08(b)(ii) (Leased Real Estate), Schedule 3.12 (Subsidiaries; Equity Interests), Schedule 3.15 (Intellectual Property) attached hereto as Annex II.

(d) The Existing Credit Agreement is hereby amended by adding a new Exhibit A-3 (Form of Assignment and Acceptance (ABL Term Loan)) to the Credit Agreement in the form attached hereto as Annex III.

(e) Exhibit H (Form of Compliance Certificate) to the Existing Credit Agreement is hereby deleted and replaced in its entirety by Exhibit H attached hereto as Annex IV.

(f) Exhibit I (Form of Borrowing Base Certificate) to the Existing Credit Agreement is hereby deleted and replaced in its entirety by Exhibit I attached hereto as Annex V.

(g) Exhibit M (ABL Term Loan Term Sheet) to the Existing Credit Agreement is hereby deleted and replaced in its entirety by Exhibit M attached hereto as Annex VI (Form of EBITDA Certificate).

§2. Representations and Warranties. Each of the Loan Parties hereby represents and warrants to the Agents, the ABL Term Loan Agent and the Lenders as of the date hereof as follows:

(a) The execution and delivery by each Loan Party of this Amendment and all other instruments and agreements required to be executed and delivered by such Loan Party in connection with the transactions contemplated hereby or referred to herein (collectively, the "Amendment Documents"), and the performance by each of the Loan Parties of any of its obligations and agreements under the Amendment Documents, the Credit Agreement and the other Loan Documents, as amended hereby, (i) are within such Loan Party's corporate or other powers and have been duly authorized by all necessary corporate or other organizational action, and (ii) do not and will not (x) contravene the terms of any of such Person's Organization Documents, (y) conflict with or result in any breach or contravention of, or the creation of (or requirement to create) any Lien (other than Liens permitted under Section 6.01 of the Credit Agreement) under or require any payment to be made under (I) any contractual obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Restricted Subsidiaries or (II) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (z) violate any material Applicable Law; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clause (y)(I), to the extent that such conflict, breach, contravention or payment, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Each of this Amendment, the other Amendment Documents, the Credit Agreement and the other Loan Documents, as amended hereby, has been duly executed and delivered by each Loan Party that is party thereto and constitutes a legal, valid and binding obligation of each such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and by general principles of equity.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment, the other Amendment Documents, the Credit Agreement or any other Loan Documents, as amended hereby, or the consummation by the Loan Parties of the transactions among the parties contemplated hereby and thereby or referred to herein.

(d) The representations and warranties contained in the Credit Agreement and the other Loan Documents or otherwise made in writing in connection herewith or therewith are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of such date, other than representations and warranties that relate solely to an earlier date, which shall be true and correct in all material respects as of such earlier date, provided that any representation and warranty which is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects on such respective dates.

(e) On the Second Amendment Effective Date, after giving effect to this Amendment and the transaction contemplated hereby, (i) no Default or Event of Default has occurred and is continuing and (ii) no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect has occurred since January 31, 2015.

§3. Appointment of ABL Term Loan Agent. Effective as of the Second Amendment Effective Date (as herein defined), the Existing Credit Agreement is hereby amended to add Pathlight Capital LLC as ABL Term Loan Agent and, from and after such date, such Person will be bound by the terms of the Credit Agreement.

§4. Joinder of ABL Term Lenders; Acknowledgments of ABL Term Lenders.

(a) Each ABL Term Lender, by its signature below, confirms that it has agreed to become a "Lender" and an "ABL Term Lender" under, and as defined in, the Credit Agreement holding ABL Term Loans in the amount set forth opposite such ABL Term Lender's name on Schedule 1.01 attached hereto, effective on the Second Amendment Effective Date. Each ABL Term Lender (a) acknowledges that in connection with it becoming a Lender and an ABL Term Lender it has received a copy of the Credit Agreement (including all schedules and exhibits thereto), together with copies of the most recent financial statements delivered by the Lead Borrower pursuant to the Existing Credit Agreement, and such other documents and information

as it has deemed appropriate to make its own credit and legal analysis and decision to become a Lender and an ABL Term Lender; and (b) agrees that, upon it becoming a Lender and an ABL Term Lender on Second Amendment Effective Date, it will, independently and without reliance upon the Agents, the ABL Term Loan Agent, any Issuing Bank or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement. In addition, each ABL Term Lender represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Amendment and to consummate the transactions contemplated hereby and to become a Lender and an ABL Term Lender on the Second Amendment Effective Date and (ii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution and delivery of this Amendment or the performance of its obligations hereunder or as a Lender or an ABL Term Lender under the Credit Agreement as of the date hereof. Each ABL Term Lender acknowledges and agrees that, on the Second Amendment Effective Date, such ABL Term Lender shall become a Lender and an ABL Term Lender and, from and after such date such ABL Term Lender will be bound by the terms of the Credit Agreement.

(b) Each ABL Term Lender acknowledges that it has had the opportunity to request and has received such documents and information as it has deemed material or desirable or otherwise appropriate in making its evaluation and credit analysis of the Lead Borrower and the other Loan Parties and its decision to become an ABL Term Lender and make an ABL Term Loan to the Lead Borrower. Each ABL Term Lender has carefully reviewed such documents and information and, independently and without reliance upon the ABL Term Loan Agent, performed its own investigation and credit analysis of the ABL Term Loans, this Amendment and the transactions contemplated hereby and the creditworthiness of the Lead Borrower and the other Loan Parties. Each ABL Term Lender acknowledges that the ABL Term Loan Agent and its Affiliates' activities in connection with the ABL Term Loans, this Amendment and the transactions contemplated hereby are undertaken by the ABL Term Loan Agent or such Affiliates as a principal on an arm's-length basis and neither the ABL Term Loan Agent nor any of its respective Affiliates has any fiduciary, advisory or similar responsibilities in favor of such ABL Term Lender in connection with the ABL Term Loans, this Amendment or the transactions contemplated hereby or the process related thereto. Each of the ABL Term Lenders hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the ABL Term Loan Agent or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty. Notwithstanding anything to the contrary contained in this Amendment or any of the other Loan Documents, the ABL Term Loan Agent shall have no powers, rights, duties, responsibilities or liabilities with respect to this Amendment and the other Loan Documents. In connection with all aspects of each transaction contemplated hereby, each ABL Term Lender acknowledges and agrees that: (i) the ABL Term Loan Agent and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such ABL Term Lender and its Affiliates, and neither the ABL Term Loan Agent nor any of its Affiliates has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship, (ii) the ABL Term Loan Agent has not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby and such ABL Term Lender has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (iii) neither the ABL Term

Loan Agent nor any of its Affiliates bears any responsibility (or shall be liable) for the accuracy or completeness (or lack thereof) of any documents or information provided to such ABL Term Lender in connection with the ABL Term Loans, this Amendment and the transactions contemplated hereby; no representation regarding any such documents or information is made by the ABL Term Loan Agent or any of its Affiliates; neither the ABL Term Loan Agent nor any of its Affiliates has made any independent verification as to the accuracy or completeness of any such documents or information; and the ABL Term Loan Agent and its Affiliates shall have no obligation to update or supplement any such documents or information or otherwise provide additional information. In connection with the transaction contemplated hereby, including its decision to become an ABL Term Lender and to make an ABL Term Loan to the Lead Borrower, each ABL Term Lender acknowledges and agrees that it is not relying upon any representations or warranties made by the ABL Term Loan Agent or any of its Affiliates or, except as expressly set forth in this Amendment and the other Loan Documents, any other Person.

§5. Effectiveness. This Amendment shall become effective as of the date first written above (the “Second Amendment Effective Date”) upon the satisfaction of each of the following conditions precedent:

(a) **Documentation.** The Administrative Agent and the ABL Term Loan Agent shall have each received all of the following, in each case, in form and substance satisfactory to each of the Administrative Agent and the ABL Term Loan Agent:

(i) this Amendment duly executed and delivered by the Borrowers, the other Loan Parties, the Agents, the ABL Term Loan Agent, the Issuing Bank, the Revolving Credit Lenders and the ABL Term Lenders;

(ii) an ABL Term Note executed by the Borrowers in favor of each ABL Term Lender requesting an ABL Term Note;

(iii) a written opinion (addressed to the Administrative Agent, the Collateral Agent, the ABL Term Loan Agent, the Issuing Bank and the Lenders and dated the Second Amendment Effective Date) of Ropes & Gray LLP, counsel for the Loan Parties, and Holland & Knight LLP, substantially to the effect set forth in Exhibits K-1 and K-2 to the Credit Agreement, respectively;

(iv) (x) a copy of the certificate or articles of incorporation or organization (or similar organizational document), including all amendments thereto, of each Loan Party, certified, if applicable, as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing (where relevant) of each Loan Party as of a recent date from such Secretary of State or similar Governmental Authority; (y) a certificate of the Secretary or Assistant Secretary of each Loan Party dated the Second Amendment Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws or operating (or limited liability company) agreement of such Loan Party as in effect on the Second Amendment Effective Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors (or equivalent governing body) of such Loan

Party authorizing the execution, delivery and performance of the Amendment and the other documents executed in connection therewith to which such Person is a party and, in the case of the Borrowers, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation or organization (or similar organization document) of such Loan Party have not been amended since the date of the last amendment thereto or filing with respect thereto shown on the certified certificate or articles of incorporation or organization furnished pursuant to clause (x) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection with the Amendment on behalf of such Loan Party; and (z) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (y) above;

(v) the results of (x) searches of the Uniform Commercial Code filings (or equivalent filings) and (y) judgment and tax lien searches, made with respect to the Loan Parties in, with respect to searches in respect of clause (x), the states or other jurisdictions of formation of such Persons and, with respect to searches in respect of clause (y), such other locations as are satisfactory to the Administrative Agent and the ABL Term Loan Agent, together with copies of the financing statements (or, in the case of clause (y), similar or equivalent documents or filings) disclosed by such searches;

(vi) a solvency certificate, substantially in the form set forth in Exhibit J to the Credit Agreement, from the chief financial officer or other officer with equivalent duties of the Lead Borrower;

(vii) a Borrowing Base Certificate dated April 2, 2016, executed by a Financial Officer of the Lead Borrower, and the Administrative Agent and the ABL Term Loan Agent shall be satisfied that, both before and after giving effect to all borrowings to be made on the Second Amendment Effective Date, Availability (as such term is defined in the Existing Credit Agreement) shall not be less than \$74,000,000;

(viii) an amendment and reaffirmation agreement of the other Loan Documents duly executed and delivered by each party thereto; and

(ix) such other items, documents, agreements, items or actions as the Administrative Agent or the Collateral Agent or the ABL Term Loan Agent may reasonably request in order to effectuate or in connection with the transactions contemplated hereby.

(b) Payment of Fees. (i) The Administrative Agent, the ABL Term Loan Agent, the Arranger and the Lenders shall have received all applicable fees and other amounts due and payable on or prior to the Second Amendment Effective Date and (ii) all Credit Party Expenses incurred by the Agents and the ABL Term Loan Agent, including all reasonable fees and expenses of counsel thereto, to the extent invoices have been presented on or prior to the Second Amendment Effective Date shall have been reimbursed or paid.

(c) No Default. On the Second Amendment Effective Date, after giving effect to this Amendment and the transaction contemplated hereby, no Default or Event of Default shall have occurred and be continuing.

(d) No Material Adverse Effect. Since January 31, 2015, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(e) Representations and Warranties. On the Second Amendment Effective Date, after giving effect to this Amendment and the transaction contemplated hereby, the representations and warranties set forth in Section 2 of this Amendment shall be true and correct.

Without limiting the generality of the provisions of the last paragraph of Section 8.06 of the Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 5, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Second Amendment Effective Date specifying its objection thereto.

§6. Miscellaneous Provisions.

(a) Each of the Loan Parties hereby ratifies and confirms all of its Obligations to the Agents, the ABL Term Loan Agent the Issuing Bank and the Lenders under the Credit Agreement, as amended hereby, and the other Loan Documents, including, without limitation, the Revolving Credit Loans and other Credit Extensions, and each of the Loan Parties hereby affirms its absolute and unconditional promise to pay to the Lenders, the Issuing Bank, the Agents and the ABL Term Loan Agents, as applicable, the Revolving Credit Loans, other Credit Extensions, reimbursement obligations and all other amounts due or to become due and payable to the Lenders, the Issuing Bank, the Agents and the ABL Term Loan Agent, as applicable, under the Credit Agreement and the other Loan Documents, as amended hereby and it is the intent of the parties hereto that nothing contained herein shall constitute a novation or accord and satisfaction. Each of the Loan Parties hereby acknowledges and confirms that the Liens, pledges and security interests granted pursuant to the Security Documents and the other Loan Documents are and continue to be valid, enforceable and fully-perfect first priority Liens, pledges and security interests in the Collateral as security for the Obligations, in each case prior and superior in right to any other Person (subject only to (x) Permitted Encumbrances having priority under Applicable Law and (y) with respect to the Term Priority Collateral, the Intercreditor Agreement). Except as expressly amended hereby, each of the Credit Agreement and the other Loan Documents shall continue in full force and effect. This Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement, any other Loan Document or any agreement or instrument related to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Amendment. This Amendment shall constitute a Loan Document.

(b) The Loan Parties agree to pay on demand all costs and expenses, including reasonable attorneys' fees and expenses, of the Administrative Agent and the ABL Term Loan Agent incurred in connection with this Amendment and the other Loan Documents.

(c) For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of this Amendment, the Loan Parties and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Credit Extensions as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i) (notwithstanding whether or not the grandfathering rules under such Treasury Regulations Section apply with respect to a particular Credit Extension).

(d) EACH PARTY HERETO HEREBY AGREES THAT THE PROVISIONS OF SECTION 9.14 AND SECTION 9.15 OF THE CREDIT AGREEMENT SHALL APPLY TO THIS AMENDMENT.

(e) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopier or by electronic .pdf copy of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The Administrative Agent may also require that any such documents and signatures delivered by telecopier be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by telecopier.

(f) The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment as of the date first set forth above.

THE GYMBOREE CORPORATION, as Lead Borrower and
as a Borrower

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

BORROWERS (cont.):

GYMBOREE MANUFACTURING, INC., as a Borrower

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

GYMBOREE OPERATIONS, INC., as a Borrower

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

GYMBOREE PLAY PROGRAMS, INC., as a Borrower

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

GYMBOREE RETAIL STORES, INC., as a Borrower

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

BORROWERS (cont.):

GYM-CARD, LLC, as a Borrower

By: /s/ Andrew B. North
Name: Andrew North
Title: Chief Financial Officer

GYM-MARK, INC., as a Borrower

By: /s/ Andrew B. North
Name: Andrew North
Title: Chief Financial Officer

S.C.C. WHOLESALE, INC., as a Borrower

By: /s/ Andrew B. North
Name: Andrew North
Title: Chief Financial Officer

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

FACILITY GUARANTORS:

GIRAFFE INTERMEDIATE B, INC., as a Facility Guarantor

By: /s/ Andrew B. North

Name: Andrew North

Title: Chief Financial Officer

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

BANK OF AMERICA, N.A., as Administrative Agent,
Collateral Agent and Issuing Bank

By: /s/ Roger G. Malouf

Name: Roger G. Malouf

Title: Director

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

PATHLIGHT CAPITAL LLC, as ABL Term Loan Agent

By: /s/ Katie Hendricks

Name: Katie Hendricks

Title: Director

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

LENDERS:

BANK OF AMERICA, N.A., as Swingline Lender and as a
Revolving Credit Lender

By: /s/ Roger G. Malouf

Name: Roger G. Malouf

Title: Director

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

REVOLVING CREDIT LENDERS (cont.):

SUNTRUST BANK, as a Revolving Credit Lender

By: /s/ Virginia S. Singletary

Name: Virginia S. Singletary

Title: VP

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

REVOLVING CREDIT LENDERS (cont.):

TD BANK, N.A., as a Revolving Credit Lender

By: /s/ Antimo Barbieri

Name: Antimo Barbieri

Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

REVOLVING CREDIT LENDERS (cont.):

SIEMANS FINANCIAL SERVICES INC.,
as a Revolving Credit Lender

By: /s/ Sharon Prusakowski
Name: Sharon Prusakowski
Title: VP

SIEMANS FINANCIAL SERVICES INC.,
as a Revolving Credit Lender

By: /s/ Maria Levy
Name: Maria Levy
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

REVOLVING CREDIT LENDERS (cont.):

U.S. BANK NATIONAL ASSOCIATION, as a Revolving
Credit Lender

By: /s/ Thomas P. Chidester
Name: Thomas P. Chidester
Title: Vice President

[SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

ABL TERM LENDERS:

PATHLIGHT CAPITAL LLC,
as an ABL Term Lender

By: /s/ Katie Hendricks
Name: Katie Hendricks
Title: Director

[GYMBOREE - SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

EXHIBIT I

Amendments to Existing Credit Agreement

Please see attached.

ANNEX I

Schedule 1.01 to Amended Credit Agreement

Please see attached.

Schedule 1.01
Lenders and Commitments

<u>Lender</u>	<u>FILO Commitment</u>	<u>Tranche A Commitment</u>	<u>Total Commitment</u>	<u>ABL Term Loan</u>	<u>FILO Commitment Percentage</u>	<u>Tranche A Commitment Percentage</u>	<u>Total Commitment Percentage</u>	<u>ABL Term Loan Percentage</u>
Bank of America, N.A.	\$ 6,000,000	\$ 74,000,000	\$ 80,000,000	\$ 0	100.000000000%	33.789954338%	35.555555556%	0.000000000%
SunTrust Bank	\$ 0	\$ 47,500,000	\$ 47,500,000	\$ 0	0.000000000%	21.689497717%	21.111111111%	0.000000000%
U.S. Bank National Association	\$ 0	\$ 47,500,000	\$ 47,500,000	\$ 0	0.000000000%	21.689497717%	21.111111111%	0.000000000%
Siemens Financial Services Inc.	\$ 0	\$ 30,000,000	\$ 30,000,000	\$ 0	0.000000000%	13.698630137%	13.333333333%	0.000000000%
TD Bank, N.A.	\$ 0	\$ 20,000,000	\$ 20,000,000	\$ 0	0.000000000%	9.132420091%	8.888888889%	0.000000000%
Pathlight Capital LLC	\$ 0	\$ 0	\$ 0	\$ 50,000,000	0.000000000%	0.000000000%	0.000000000%	100.000000000%
Total	\$6,000,000	\$219,000,000	\$225,000,000	\$50,000,000	100.000000000%	100.000000000%	100.000000000%	100.000000000%

ANNEX II

**Schedule 3.01 (Organization Information), Schedule 3.08(b)(i) (Owned Real Estate),
Schedule 3.08(b)(ii) (Leased Real Estate), Schedule 3.12 (Subsidiaries; Equity Interests)
and Schedule 3.15 (Intellectual Property) to Amended Credit Agreement**

Please see attached.

ANNEX III

Exhibit A-3 (Form of Assignment and Acceptance (ABL Term Loan)) to the Credit Agreement

Please see attached.

ANNEX IV

Exhibit H (Form of Compliance Certificate) to the Credit Agreement

Please see attached.

ANNEX V

Exhibit I (Form of Borrowing Base Certificate) to the Credit Agreement

Please see attached.

ANNEX VI

Exhibit M (Form of EBITDA Certificate) to the Credit Agreement

Please see attached.

**FOR IMMEDIATE RELEASE:****Investor Relations contact:**

Tel: 415-278-7933

investor_relations@gymboree.com**Media Relations contact:**

Tel: 415-278-7493

media_relations@gymboree.com

Gymboree Reports Fourth Quarter and Fiscal Year 2015 Sales and Adjusted EBITDA Results
Fourth Quarter Comparable Sales Increased 5%
Fourth Quarter Adjusted EBITDA Increased \$15.3M to \$47.6M

San Francisco, Calif., April 26, 2016 – The Gymboree Corporation (the “Company”) today reported consolidated financial results for its fourth quarter and fiscal year ended January 30, 2016.

Fourth Quarter Fiscal 2015 Highlights Include:

- Comparable sales (including online sales) increased 5% from the fourth quarter of fiscal 2014.
- Adjusted EBITDA increased \$15.3 million from the fourth quarter of fiscal 2014 to \$47.6 million.

“We are very pleased with the progress we have made in the fourth quarter, particularly with our Gymboree brand, and we are encouraged as we enter Fiscal 2016,” said Mark Breitbard, Chief Executive Officer. “Our key initiatives are gaining traction, and customers are responding positively to our Spring product lines across all brands.”

Fourth Quarter Results (13 weeks ended January 30, 2016 versus 13 weeks ended January 31, 2015)

- Net sales were \$392.4 million, compared to \$375.6 million in the fourth quarter of fiscal 2014, an increase of 4%.
- Comparable sales (including online sales) increased 5% compared to the fourth quarter of fiscal 2014.
- Comparable sales increases by brand for the fourth quarter of fiscal 2015 compared to the fourth quarter of fiscal 2014 and comparable sales increases by brand for the fourth quarter of fiscal 2014 compared to the fourth quarter of fiscal 2013 were as follows:

<u>Comparable Sales</u>	<u>Q4 2015</u>	<u>Q4 2014</u>
Gymboree	+6%	+5%
Janie and Jack	+11%	+8%
Crazy 8	+1%	+4%

- Gross profit was \$157.4 million, or 40.1% of net sales, compared to \$137.9 million, or 36.7% of net sales, for the fourth quarter of fiscal 2014.
- Adjusted gross profit was \$159.1 million, or 40.6% of net sales, compared to \$139.7 million, or 37.2% of net sales, for the fourth quarter of fiscal 2014.

- SG&A expense was \$127.6 million, or 32.5% of net sales, compared to \$125.2 million, or 33.3% of net sales, in the fourth quarter of fiscal 2014.
- Adjusted SG&A expense was \$124.8 million, or 31.8% of net sales, compared to \$123.1 million, or 32.8% of net sales, in the fourth quarter of fiscal 2014.
- Adjusted EBITDA, defined as net income (loss) attributable to The Gymboree Corporation before interest, income taxes, and depreciation and amortization, adjusted for other items as described below, was \$47.6 million, compared to \$32.3 million for the fourth quarter of fiscal 2014.
- Net income attributable to The Gymboree Corporation for the quarter was \$49.4 million, including a gain on extinguishment of debt of \$41.5 million, compared to a net loss of \$7.4 million in the fourth quarter of fiscal 2014.

Fiscal Year 2015 Results (52 weeks ended January 30, 2016 versus 52 weeks ended January 31, 2015)

- Net sales were \$1.25 billion, compared to \$1.23 billion in fiscal 2014.
- Comparable sales (including online sales) increased 1% compared to fiscal 2014.
- Comparable sales by brand for fiscal 2015 compared to fiscal 2014 and comparable store sales by brand for fiscal 2014 compared to fiscal 2013 were as follows:

<u>Comparable Sales</u>	<u>FY 2015</u>	<u>FY 2014</u>
Gymboree	0%	-4%
Janie and Jack	+8%	+5%
Crazy 8	+2%	-3%

- Net cash provided by operating activities was \$29.1 million, compared to net cash used in operating activities of \$21.8 million during fiscal 2014.
- Gross profit was \$486.2 million, or 39.0% of net sales, compared to \$468.5 million, or 38.1% of net sales, for fiscal 2014.
- Adjusted gross profit was \$493.0 million, or 39.5% of net sales, compared to \$475.8 million, or 38.7% of net sales for fiscal 2014.
- SG&A expense was \$444.2 million, or 35.6% of net sales, compared to \$448.4 million, or 36.5% of net sales in fiscal 2014. SG&A expense in fiscal 2015 and 2014 included asset impairment charges of \$1.3 million and \$6.0 million, respectively, related to underperforming stores.
- Adjusted SG&A expense was \$432.4 million, or 34.7% of net sales, compared to \$441.2 million, or 35.9% of net sales, for fiscal 2014.

-
- Adjusted EBITDA was \$102.5 million, compared to \$93.7 million for fiscal 2014.
 - Net loss attributable to The Gymboree Corporation was \$10.2 million, compared to \$574.1 million for fiscal 2014. The Company recorded a gain on extinguishment of debt of \$41.5 million in the fourth quarter of fiscal 2015 and a \$591.4 million non-cash goodwill and intangible asset impairment charge in the third quarter of fiscal 2014.

Adjusted EBITDA, Adjusted gross profit and Adjusted SG&A expense are not financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). For a description of Adjusted EBITDA, Adjusted gross profit and Adjusted SG&A expense and a reconciliation of these measures to GAAP measures, see “Non-GAAP Financial Measures” below and Exhibit D of this press release.

Balance Sheet and Other Highlights

- During the fourth quarter of fiscal 2015 and the first quarter of fiscal 2016, the Company repurchased \$135.4 million aggregate principal amount of its 9.125% senior notes due 2018 (the “Notes”) in open market and individually negotiated transactions for approximately \$41.5 million, capturing \$93.9 million of discount. The Company funded these repurchases with the proceeds from borrowings under its asset-backed revolving credit facility. As a result of these transactions, the Company reduced its annual interest expense by approximately \$11 million.
- On April 22, 2016, the Company entered into a second amendment to its amended and restated credit agreement dated as of March 30, 2012 with Bank of America, N.A., as the administrative agent and collateral agent thereunder, the lenders party thereto and Pathlight Capital LLC as ABL term loan agent (the “Amended ABL Credit Agreement”). The Amended ABL Credit Agreement provides for a senior secured term loan of \$50.0 million, subject to a borrowing base (the “ABL Term Loan”). The Company may use the proceeds of the ABL Term Loan for general corporate purchases, including to fund the Company’s announced tender offer for the Notes.
- As of the date of this press release, there was \$210.6 million principal amount of the Notes outstanding and there were \$48 million in borrowings outstanding under the asset-backed revolving credit facility (after a repayment of \$10 million with the proceeds of the ABL Loan) and approximately \$87.9 million of undrawn availability under this facility after deducting letters of credit and outstanding borrowings.
- During fiscal 2015 and through the first quarter of fiscal 2016, the Company has been actively engaged in various initiatives to improve its capital structure. The Company has announced the following initiatives from this period:
 - Completed the sale-leaseback of its distribution center in Dixon, California, in the second quarter of fiscal 2015, resulting in gross proceeds to the Company of \$26.8 million.
 - Amended the Company’s ABL facility in the third quarter of fiscal 2015 to (1) extend the maturity date from March 2017 to the earlier of (A) September 2020 or (B) a date that is 60 days before the maturity of the term loan in February 2018 and (2) provide for up to \$75 million in additional terms loans.

-
- Repurchased \$135.4 million in aggregate principal amount of the Notes since the beginning of the fourth quarter of Fiscal 2015 with the proceeds from borrowings under the Company's asset-backed revolving credit facility.
 - On April 22, 2016, the Company closed on a new \$50 million ABL Term Loan, which the Company plans to utilize to fund the Company's announced tender offer for the Notes and for general corporate purposes.
 - On April 26, 2016, the Company announced a cash tender offer (the "Tender Offer") to purchase up to \$40,000,000 in aggregate principal amount of its outstanding Notes, excluding accrued interest. The Tender Offer is subject to a number of conditions and, if consummated, is expected to be financed with the proceeds from the ABL Term Loan.

The Company is continuing to actively pursue various other financing alternatives, including refinancing and/or repurchasing its existing debt, divestitures of certain of its assets and/or lines of business, as well as other opportunities to improve its capital structure. If opportunities are favorable, the Company may consummate one or more of these initiatives and the amounts involved and related financial statement impact may be material.

- As of the end of fiscal 2015, there were \$19 million in borrowings outstanding under the Company's asset-backed revolving credit facility and \$125.5 million of undrawn availability under this facility after deducting letters of credit and outstanding borrowings.
- As of the end of fiscal 2015, there was \$769.1 million in principal outstanding under the Company's \$820 million senior secured term loan.
- Capital expenditures were \$21.4 million during fiscal 2015 compared to \$32.0 million in fiscal 2014.
- Inventory balances at the end of fiscal 2015 were \$206.6 million, compared to \$198.3 million at the end of fiscal 2014. On a per square foot basis, inventory cost increased 4% year over year and inventory units increased by a mid-single digit percentage year over year.

Fiscal 2016 Business Outlook

The Company's fiscal 2016 outlook is based on current economic environment trends, as well as management expectations for the remainder of the year.

First Quarter

The Company anticipates Adjusted EBITDA for the first quarter of fiscal 2016 to be in the range of \$22 million to \$25 million. This expectation reflects a comparable retail sales increase of low

to mid-single digits for the quarter. The prior year quarter Adjusted EBITDA of \$15.6 million was impacted by the port slowdown, which negatively impacted Adjusted EBITDA by approximately \$6 million.

Full Year

For the full year, the Company expects Adjusted EBITDA to be in the range of \$120 million to \$135 million. Based on this guidance, the Company expects to have sufficient liquidity during fiscal 2016 to service its debt and invest in the business to drive long-term growth.

Stores

During fiscal 2016, the Company plans to open approximately 6 new stores and expects to close approximately 20 to 30 stores, primarily in its Crazy 8 and Gymboree brands.

Capital Expenditures

During fiscal 2016, the Company anticipates spending approximately \$30 million to \$35 million for capital expenditures. The Company expects to finance its capital expenditures for fiscal 2016 through a combination of cash generated by operations, the remaining funds available under its asset-backed loan facility, senior secured term loan, ABL Term Loan and cash on hand.

Non-GAAP Financial Measures

The Company defines "Adjusted EBITDA" as net income (loss) attributable to The Gymboree Corporation before interest, income taxes, and depreciation and amortization ("EBITDA"), adjusted for other items including gain on extinguishment of debt, non-cash share-based compensation, loss on disposal/impairment of assets and sponsor management fees and expenses, as well as the impact of purchase accounting adjustments resulting from the Acquisition and certain other items that we do not believe are representative of our ongoing operations. Adjusted SG&A and Adjusted Gross Profit are defined by the Company as the relevant GAAP measure, excluding the impact of purchase accounting adjustments resulting from the Acquisition. The Company is likely to exclude these items from these non-GAAP measures in the future and may also exclude other similar items, the effect of which is uncertain but may be significant in amount. The determination of the amounts that are excluded from non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts.

Adjusted EBITDA is a non-GAAP measure but is considered an important supplemental measure of the Company's performance and is believed to be used frequently by securities analysts, investors and other interested parties in the evaluation of similar retail companies. Adjusted EBITDA is not a presentation made in accordance with GAAP and the Company's computation of Adjusted EBITDA may vary from others in the industry. Adjusted EBITDA should not be considered an alternative to operating income or net income, 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 the Company's results as reported under GAAP. Adjusted SG&A and Adjusted Gross Profit are also non-GAAP measures. See Exhibit D for a reconciliation of Adjusted EBITDA to net income (loss) attributable to The Gymboree Corporation and for a reconciliation of Adjusted SG&A and Adjusted Gross Profit to the relevant GAAP measure.

The live broadcast of the discussion of fourth quarter and fiscal 2015 financial results and fiscal 2016 business outlook will be available to interested parties at 2:00 p.m. PT (5:00 p.m. ET) on Tuesday, April 26, 2016. To listen to the live broadcast over the internet, please log on to www.gymboree.com, click on "Company Information" at the bottom of the page; go to "Investor & Media" and then "Conference Calls & Webcasts." A replay of the call will be available two hours after the broadcast through midnight PT, Tuesday, May 10, 2016, at 855-859-2056, passcode 61956075.

About The Gymboree Corporation

The Gymboree Corporation's specialty retail brands offer unique, high-quality products delivered with personalized customer service. As of January 30, 2016, the Company operated a total of 1,306 retail stores: 595 Gymboree® stores (546 in the United States, 48 in Canada and 1 in Puerto Rico), 175 Gymboree Outlet stores (174 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 387 Crazy 8® stores in the United States. The Company also operates online stores at www.gymboree.com, www.janieandjack.com and www.crazy8.com, and offers directed parent-child developmental play programs at 727 franchised and Company-operated Gymboree Play & Music® centers in the United States and 43 other countries.

Forward-Looking Statements

The foregoing financial information for the fourth quarter of fiscal 2015 and fiscal year 2015 are unaudited and subject to quarter-end and year-end adjustments. This press release includes forward-looking statements, including statements relating to The Gymboree Corporation's anticipated future financial performance, especially those set forth under the heading "Fiscal 2016 Business Outlook," the Company's expectation that it has the right initiatives and strategies in place to achieve its goals in 2016, the Company's planned use of proceeds from the ABL Term Loan and that if opportunities are favorable that it may consummate one or more of the initiatives to improve its capital structure. 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 subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. The Company presently considers the following risks and uncertainties to be important factors that could cause actual results to differ materially from the Company's expectations: the ongoing volatility in the commodities markets, uncertainties relating to high levels of consumer debt and general economic conditions, volatility in the financial markets, potential data breaches of the Company's or the Company's vendors' or suppliers' computer networks, the Company's ability to anticipate and timely respond to changes in trends, consumer preferences and customer reactions to new merchandise (particularly given the Company's need to build up inventory significantly in advance of potential product sales), competitive market conditions, including promotional activities of the Company and its competitors, success in meeting the Company's delivery targets, gross margin achievement, the Company's ability to

appropriately manage inventory, effects of future embargos from countries used to source product, the Company's ability to attract and retain key personnel and other qualified team members, the Company's ability to identify and capitalize on wholesale opportunities and expand and upgrade its online business, the success of its marketing campaigns, particularly TV advertising, the limited data available in the future upon which to base its expectations for stabilizing sales trends, and other factors, including those discussed under "Risk Factors" in "Item 1A. Risk Factors" of the Company's 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 and subsequent filings. 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 Company's announced tender offer for the Notes is subject to a number of conditions and may not be consummated on the terms or the timeline the Company expects or at all, and the Company retains broad discretion to use the proceeds of the ABL Term Loan for other purposes. In addition, the Company cannot be sure that the initiatives it is continuing to actively pursue to improve its capital structure will be available to it on acceptable terms or at all. The forward-looking statements in this press release speak only as of the date of this document, and the Company undertakes no obligation to update or revise any of these statements.

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

EXHIBIT A

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

	13 Weeks Ended		52 Weeks Ended	
	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
Net sales:				
Retail	\$ 376,230	\$ 361,711	\$ 1,184,606	\$ 1,178,476
Gymboree Play & Music	10,976	9,013	41,212	30,908
Retail Franchise	5,170	4,884	21,533	19,356
Total net sales	392,376	375,608	1,247,351	1,228,740
Cost of goods sold, including buying and occupancy expenses	(234,931)	(237,703)	(761,108)	(760,192)
Gross profit	157,445	137,905	486,243	468,548
Selling, general and administrative expenses	(127,607)	(125,247)	(444,249)	(448,356)
Goodwill and intangible asset impairment	—	—	—	(591,396)
Operating income (loss)	29,838	12,658	41,994	(571,204)
Interest income	34	88	114	245
Interest expense	(21,377)	(20,781)	(85,990)	(82,378)
Gain on extinguishment of debt	41,522	—	41,522	—
Other expense, net	(554)	(73)	(692)	(594)
Income (Loss) before income taxes	49,463	(8,108)	(3,052)	(653,931)
Income tax (expense) benefit	(701)	(1,753)	(5,712)	73,820
Net income (loss)	48,762	(9,861)	(8,764)	(580,111)
Net loss (income) attributable to noncontrolling interest	677	2,415	(1,412)	6,006
Net income (loss) attributable to The Gymboree Corporation	\$ 49,439	\$ (7,446)	\$ (10,176)	\$ (574,105)

EXHIBIT B

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	January 30, 2016	January 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,164	\$ 18,520
Accounts receivable	26,696	25,248
Merchandise inventories	206,642	198,337
Prepaid income taxes	2,196	2,599
Prepaid expenses	6,757	6,821
Deferred income taxes	—	6,824
Total current assets	<u>260,455</u>	<u>258,349</u>
Property and equipment, net	158,478	182,431
Goodwill	372,737	373,834
Other intangible assets, net	341,011	343,552
Deferred financing costs	19,019	25,622
Other assets	5,044	4,155
Total assets	<u>\$1,156,744</u>	<u>\$1,187,943</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 109,193	\$ 87,032
Accrued and other current liabilities	102,254	94,805
Line of credit borrowings	19,000	33,000
Current obligation under capital lease	605	552
Total current liabilities	<u>231,052</u>	<u>215,389</u>
Long-term liabilities:		
Long-term debt	1,055,945	1,114,048
Long-term sale-leaseback financing liability	26,407	—
Long-term obligation under capital lease	2,245	2,850
Lease incentives and other liabilities	49,664	53,677
Unrecognized tax benefits	5,075	5,048
Deferred income taxes	124,244	129,196
Total liabilities	<u>1,494,632</u>	<u>1,520,208</u>
Stockholders' deficit	(337,888)	(332,265)
Total liabilities and stockholders' deficit	<u>\$1,156,744</u>	<u>\$1,187,943</u>

EXHIBIT C

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

	52 Weeks Ended	
	January 30, 2016	January 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (8,764)	\$ (580,111)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Gain on extinguishment of debt	(41,522)	—
Goodwill and intangible asset impairment	—	591,396
Depreciation and amortization	41,355	44,422
Amortization of deferred financing costs and accretion of original issue discount	7,922	7,138
Interest rate cap contracts - adjustment to market	3,861	2,062
Loss on disposal/impairment of assets	3,627	9,010
Deferred income taxes	(910)	(78,466)
Share-based compensation expense	3,367	4,624
Other	—	34
Change in assets and liabilities:		
Accounts receivable	33	(3,928)
Merchandise inventories	(9,275)	(23,472)
Prepaid income taxes	401	(682)
Prepaid expenses and other assets	104	18,466
Accounts payable	22,237	(14,902)
Accrued and other current liabilities	8,717	(2,065)
Lease incentives and other liabilities	(2,013)	4,716
Net cash provided by (used in) operating activities	<u>29,140</u>	<u>(21,758)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(21,413)	(31,992)
Increase in restricted cash	(10,863)	—
Decrease in restricted cash	10,863	—
Increase in related party loan receivable	(1,741)	—
Proceeds from sale of assets	353	—
Other	201	50
Net cash used in investing activities	<u>(22,600)</u>	<u>(31,942)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from ABL facility	470,000	447,000
Payments on ABL facility	(484,000)	(414,000)
Repurchase of notes	(15,325)	—
Proceeds from sale-leaseback financing liability	26,750	—
Payments on capital lease and sale-leaseback financing liability	(686)	(503)
Payments for deferred financing costs	(2,574)	—
Dividend payment to parent	(11)	(153)
Capital contribution received by noncontrolling interest	—	992
Net cash (used in) provided by financing activities	<u>(5,846)</u>	<u>33,336</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(1,050)	(545)
Net decrease in cash and cash equivalents	(356)	(20,909)
CASH AND CASH EQUIVALENTS:		
Beginning of period	18,520	39,429
End of period	<u>\$ 18,164</u>	<u>\$ 18,520</u>

EXHIBIT D

THE GYMBOREE CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(In thousands)
(Unaudited)

ADJUSTED EBITDA:

The Company defines “Adjusted EBITDA” as net income (loss) attributable to The Gymboree Corporation before interest expense, interest income, income tax expense/benefit, and depreciation and amortization (“EBITDA”) adjusted for other items, including gain on extinguishment of debt, non-cash share-based compensation, loss on disposal/impairment of assets, and sponsor management fees and expenses, as well as the impact of purchase accounting adjustments resulting from the acquisition of the Company by investment funds sponsored by Bain Capital Partners, LLC (the “Acquisition”).

Adjusted EBITDA is not a performance measure under U.S. generally accepted accounting principles (“GAAP”), but is considered an important supplemental measure of the Company’s performance and is believed to be used frequently by securities analysts, investors and other interested parties in the evaluation of similar retail companies. Adjusted EBITDA is not a presentation made in accordance with GAAP and the Company’s computation of Adjusted EBITDA may vary from others in the industry. Adjusted EBITDA should not be considered an alternative to operating income or net income, 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 the Company’s results as reported under GAAP.

The table below provides a reconciliation of net income (loss) attributable to The Gymboree Corporation to Adjusted EBITDA:

	13 Weeks Ended		52 Weeks Ended	
	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
Net income (loss) attributable to The Gymboree Corporation	\$ 49,439	\$ (7,446)	\$ (10,176)	\$ (574,105)
Reconciling items (a):				
Interest expense	21,377	20,781	85,990	82,378
Interest income	(11)	(10)	(34)	(90)
Income tax expense (benefit)	204	979	3,073	(75,654)
Depreciation and amortization (b)	10,250	10,476	40,264	42,757
Non-cash share-based compensation expense	702	1,235	3,367	4,624
Loss on disposal/impairment on assets	2,834	2,416	3,708	8,457
Gain on extinguishment of debt	(41,522)	—	(41,522)	—
Goodwill and intangible asset impairment	—	—	—	591,396
Acquisition-related adjustments (c)	3,417	3,327	11,981	12,005
Other (d)	888	513	5,826	1,882
Adjusted EBITDA	\$ 47,578	\$ 32,271	\$ 102,477	\$ 93,650

(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)	\$ 383	\$ 383	\$ 1,534	\$ 1,534
Amortization of below and above market leases (impacts COGS)	(199)	(234)	(745)	(958)
	<u>\$ 184</u>	<u>\$ 149</u>	<u>\$ 789</u>	<u>\$ 576</u>

(c) Includes the following:

Additional rent expense recognized due to the elimination of deferred rent and construction allowances in purchase accounting (impacts COGS)	\$ 1,871	\$ 2,052	\$ 7,517	\$ 8,241
Sponsor fees, legal and accounting, as well as other costs incurred as a result of the Acquisition or refinancing (impacts SG&A)	1,546	1,275	4,464	3,764
	<u>\$ 3,417</u>	<u>\$ 3,327</u>	<u>\$ 11,981</u>	<u>\$ 12,005</u>

(d) Other is comprised of restructuring charges and non-recurring changes in reserves.

OTHER NON-GAAP FINANCIAL MEASURES:

	13 Weeks Ended		52 Weeks Ended	
	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
Gross profit as reported	\$ 157,445	\$ 137,905	\$ 486,243	\$ 468,548
Acquisition-related adjustments	1,672	1,818	6,772	7,283
Adjusted gross profit excluding Acquisition-related adjustments (non-GAAP measure)	\$ 159,117	\$ 139,723	\$ 493,015	\$ 475,831

	13 Weeks Ended		52 Weeks Ended	
	January 30, 2016	January 31, 2015	January 30, 2016	January 31, 2015
SG&A as reported	\$ (127,607)	\$ (125,247)	\$ (444,249)	\$ (448,356)
Acquisition-related adjustments	1,929	1,658	5,998	5,298

Other adjustments	<u>888</u>	<u>513</u>	<u>5,826</u>	<u>1,882</u>
	<u>2,817</u>	<u>2,171</u>	<u>11,824</u>	<u>7,180</u>
Adjusted SG&A excluding Acquisition-related and other adjustments (non-GAAP measure)	<u>\$ (124,790)</u>	<u>\$ (123,076)</u>	<u>\$ (432,425)</u>	<u>\$ (441,176)</u>

EXHIBIT E

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

	For the 13 Weeks Ended January 30, 2016			
	Balance Before Consolidation of VIEs	VIEs*	Eliminations	As Reported
Net sales	\$ 383,582	\$ 11,084	\$ (2,290)	\$ 392,376
Cost of goods sold, including buying and occupancy expenses	(232,391)	(3,038)	498	(234,931)
Gross profit	151,191	8,046	(1,792)	157,445
Selling, general and administrative expenses	(121,603)	(7,829)	1,825	(127,607)
Operating income	29,588	217	33	29,838
Other non-operating income (expense)	20,022	(397)	—	19,625
Income (loss) before income taxes	49,610	(180)	33	49,463
Income tax expense	(204)	(497)	—	(701)
Net income (loss)	49,406	(677)	33	48,762
Net loss attributable to noncontrolling interest	—	677	—	677
Net income attributable to The Gymboree Corporation	<u>\$ 49,406</u>	<u>\$ —</u>	<u>\$ 33</u>	<u>\$ 49,439</u>

	For the 13 Weeks Ended January 31, 2015			
	Balance Before Consolidation of VIEs	VIEs*	Eliminations	As Reported
Net sales	\$ 368,882	\$ 8,649	\$ (1,923)	\$ 375,608
Cost of goods sold, including buying and occupancy expenses	(235,330)	(2,769)	396	(237,703)
Gross profit	133,552	5,880	(1,527)	137,905
Selling, general and administrative expenses	(119,199)	(7,546)	1,498	(125,247)
Operating income (loss)	14,353	(1,666)	(29)	12,658
Other non operating (expense) income	(20,791)	25	—	(20,766)
Loss before income taxes	(6,438)	(1,641)	(29)	(8,108)
Income tax expense	(979)	(774)	—	(1,753)
Net loss	(7,417)	(2,415)	(29)	(9,861)
Net loss attributable to noncontrolling interest	—	2,415	—	2,415
Net loss attributable to The Gymboree Corporation	<u>\$ (7,417)</u>	<u>\$ —</u>	<u>\$ (29)</u>	<u>\$ (7,446)</u>

	For the 52 Weeks Ended January 30, 2016			
	Balance Before Consolidation of VIEs	VIEs*	Eliminations	As Reported
Net sales	\$ 1,216,510	\$ 40,693	\$ (9,852)	\$ 1,247,351
Cost of goods sold, including buying and occupancy expenses	(752,909)	(11,183)	2,984	(761,108)
Gross profit	463,601	29,510	(6,868)	486,243
Selling, general and administrative expenses	(425,933)	(25,119)	6,803	(444,249)
Operating income	37,668	4,391	(65)	41,994
Other non-operating expense	(44,706)	(340)	—	(45,046)
(Loss) income before income taxes	(7,038)	4,051	(65)	(3,052)
Income tax expense	(3,073)	(2,639)	—	(5,712)
Net (loss) income	(10,111)	1,412	(65)	(8,764)
Net income attributable to noncontrolling interest	—	(1,412)	—	(1,412)
Net loss attributable to The Gymboree Corporation	<u>\$ (10,111)</u>	<u>\$ —</u>	<u>\$ (65)</u>	<u>\$ (10,176)</u>

	For the 52 Weeks Ended January 31, 2015			
	Balance Before Consolidation of VIEs	VIEs*	Eliminations	As Reported
Net sales	\$ 1,209,676	\$ 26,354	\$ (7,290)	\$ 1,228,740
Cost of goods sold, including buying and occupancy expenses	(753,756)	(7,643)	1,207	(760,192)
Gross profit	455,920	18,711	(6,083)	468,548
Selling, general and administrative expenses	(1,022,894)	(22,902)	6,044	(1,039,752)
Operating loss	(566,974)	(4,191)	(39)	(571,204)
Other non operating (expense) income	(82,746)	19	—	(82,727)
Loss before income taxes	(649,720)	(4,172)	(39)	(653,931)
Income tax benefit (expense)	75,654	(1,834)	—	73,820
Net loss	(574,066)	(6,006)	(39)	(580,111)
Net loss attributable to noncontrolling interest	—	6,006	—	6,006
Net loss attributable to The Gymboree Corporation	<u>\$ (574,066)</u>	<u>\$ —</u>	<u>\$ (39)</u>	<u>\$ (574,105)</u>

EXHIBIT E (continued)

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(In thousands)
(Unaudited)

	January 30, 2016			
	Balance Before		Eliminations	As Reported
	Consolidation of VIEs	VIEs*		
Current assets	\$ 241,043	\$20,845	\$ (1,433)	\$ 260,455
Non-current assets	891,339	4,950	—	896,289
Total assets	\$ 1,132,382	\$25,795	\$ (1,433)	\$1,156,744
Current liabilities	\$ 217,596	\$14,618	\$ (1,162)	\$ 231,052
Non-current liabilities	1,263,117	463	—	1,263,580
Total liabilities	1,480,713	15,081	(1,162)	1,494,632
Total stockholders' deficit	(348,331)	—	(271)	(348,602)
Noncontrolling interest	—	10,714	—	10,714
Total liabilities and stockholders' deficit	\$ 1,132,382	\$25,795	\$ (1,433)	\$1,156,744
	January 31, 2015			
	Balance Before		Eliminations	As Reported
	Consolidation of VIEs	VIEs*		
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

* The Variable Interest Entities ("VIEs") include the results of Gymboree (China) Commercial and Trading Co. Ltd. and Gymboree (Tianjin) Educational Information Consultation Co. Ltd. While the Company does not control these two entities, they have been determined to be variable interest entities and their results have been consolidated by the Company.

EXHIBIT F**THE GYMBOREE CORPORATION
RETAIL SALES BY BRAND
(In thousands)
(Unaudited)**

	<u>Gymboree</u>	<u>Janie and Jack</u>	<u>Crazy 8</u>	<u>Total Before VIE</u>	<u>VIE</u>	<u>Total</u>
13 weeks ended January 30, 2016	\$244,237	\$ 44,444	\$ 85,431	\$ 374,112	\$2,118	\$ 376,230
13 weeks ended January 31, 2015	\$232,993	\$ 40,102	\$ 86,644	\$ 359,739	\$1,972	\$ 361,711
52 weeks ended January 30, 2016	\$752,627	\$ 145,695	\$278,871	\$1,177,193	\$7,413	\$1,184,606
52 weeks ended January 31, 2015	\$764,145	\$ 133,246	\$275,235	\$1,172,626	\$5,850	\$1,178,476

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media_relations@gymboree.com**The Gymboree Corporation Announces \$40 Million Cash Tender Offer for its Outstanding 9.125% Senior Unsecured Notes Due 2018**

San Francisco, Calif., April 26, 2016 – The Gymboree Corporation (the “Company”) announced today the commencement of a cash tender offer (the “Tender Offer”) to purchase the maximum aggregate principal amount of its outstanding 9.125% senior unsecured notes due 2018 (the “Notes,” CUSIP No. 403777AB1) that it can purchase for \$40,000,000, excluding accrued interest (the “Maximum Payment Amount”). The Tender Offer is scheduled to expire at 11:59 p.m., New York City time, on May 23, 2016, unless extended by the Company in its sole discretion (such date and time, as they may be extended, the “Expiration Time”). Holders of Notes that validly tender (and do not validly withdraw) their Notes prior to 5:00 p.m., New York City time, on May 9, 2016, unless extended by the Company in its sole discretion (such date and time, as they may be extended, the “Early Tender Time”), will be eligible to receive the Total Consideration (as set forth below) if their Notes are accepted for purchase.

The “Total Consideration” payable for the Notes will be equal to the “Clearing Price” that is determined pursuant to a “modified Dutch Auction.” The “Tender Offer Consideration,” payable for Notes validly tendered and accepted for purchase after the Early Tender Time but before the Expiration Time, will be equal to the Total Consideration less the Early Tender Premium of \$30.00 per \$1,000 principal amount of Notes. Any holder of Notes who elects to participate in the Tender Offer prior to the Early Tender Time must specify the minimum Total Consideration it would be willing to receive in exchange for each \$1,000 principal amount of Notes such holder chooses to tender, including the Early Tender Premium (a holder’s “Bid Price”). The Bid Price that each holder specifies for each \$1,000 principal amount of Notes must be specified in increments of \$2.50, and may not be greater than \$400.00 per \$1,000 principal amount of Notes (the “Maximum Price,” and the range between \$340.00 per \$1,000 principal amount of Notes (the “Minimum Price”) and the Maximum Price, the “Accepted Bid Price Range”). Tenders of Notes at Bid Prices greater than the Maximum Price will not be accepted and will not be used for purposes of calculating the Clearing Price. Each holder tendering Notes prior to the Early Tender Time who tenders Notes without specifying a Bid Price or at Bid Prices less than the Minimum Price will be deemed to have specified the Minimum Price as their Bid Price. A holder may tender different portions of the principal amount of their Notes at different Bid Prices; however, a holder may not (i) tender the same Notes at more than one Bid Price or (ii) specify a Bid Price for an aggregate principal amount of Notes in excess of the aggregate principal amount of Notes tendered by such holder. If any holder tenders after the Early Tender Time but prior to the Expiration Time, such holder’s Bid Price shall be disregarded and not used for purposes of calculating the Clearing Price. The Clearing Price will be the lowest single price for all tenders of Notes prior to the Early Tender Time such that, for all tenders of such Notes prior to the Early Tender Time whose Bid Price is less than or equal to this lowest single price, the Company will be able to spend the Maximum Payment Amount. In the event that the purchase of all Notes validly tendered (and not validly withdrawn) prior to the Early Tender Time would result in the Company spending less than the Maximum Payment Amount, the Clearing Price will be the highest Bid Price within the Accepted Bid Price Range with respect to any Notes validly tendered (and not validly withdrawn). All holders whose Notes are accepted in the Tender Offer will receive the Total Consideration (subject to reduction by the amount of the Early Tender Premium in the case of Notes that are tendered following the Early Tender Time but prior to the Expiration Time) even if they are tendered at a Bid Price that was less than the Clearing Price.

The Company will announce the Total Consideration and the Tender Offer Consideration by no later than 9:00 a.m., New York City time, or as soon as practical thereafter, on the first business day after the Early Tender Time, by issuing a press release to a nationally recognized news service or using such other means of announcement it deems appropriate.

The following table summarizes the material pricing terms for each \$1,000 aggregate principal amount of Notes.

<u>Title of Security</u>	<u>Aggregate Outstanding Principal Amount(1)</u>	<u>Total Consideration (Accepted Bid Price Range)(2)(3)(4)</u>	<u>Early Tender Premium(2)</u>
<u>The Gymboree Corporation's 9.125% Senior Unsecured Notes due 2018</u>	\$210,600,000	\$340.00 to \$400.00	\$30.00

(1) As of the date hereof.

(2) Per \$1,000 principal amount of Notes tendered and accepted for purchase prior to the Early Tender Time.

(3) Includes the Early Tender Premium.

(4) Plus accrued and unpaid interest from the last interest payment date to, but not including, the applicable settlement date.

If the purchase of all Notes validly tendered (and not validly withdrawn) with a Bid Price less than or equal to the Clearing Price would cause the Company to spend more than the Maximum Payment Amount, then the Tender Offer will be oversubscribed and the Company will accept for purchase such tendered Notes as follows (in each case to the extent such acceptance would not result in a payment in respect of the Tender Offer in excess of the Maximum Payment Amount): first, it will accept for purchase all Notes validly tendered (and not validly withdrawn) prior to the Early Tender Time with a Bid Price less than the Clearing Price; second, it will accept for purchase all Notes validly tendered (and not validly withdrawn) prior to the Early Tender Time with a Bid Price equal to the Clearing Price on a prorated basis; and third, it will accept for purchase all Notes validly tendered (and not validly withdrawn) after the Early Tender Time on a prorated basis. All Notes not accepted as a result of prorating and all tenders of Notes with a Bid Price in excess of the Clearing Price will be rejected from the Tender Offer.

The Tender Offer contemplates an early settlement option, so that holders whose Notes are validly tendered prior to the Early Tender Time and accepted for purchase would receive payment on an initial settlement date, provided that the conditions to the Tender Offer have been satisfied or waived. Tenders of Notes may be validly withdrawn until the Withdrawal Deadline (as defined below). Holders whose Notes are validly tendered and accepted for purchase after the Early Tender Time and prior to the Expiration Time will be eligible to receive payment of the Tender Offer Consideration on the final settlement date, which is expected to be on or around May 24, 2016.

Tendered Notes may be withdrawn in accordance with the terms of the Tender Offer prior to 5:00 p.m., New York City time, on May 9, 2016, unless extended (the "Withdrawal Deadline"), but not afterwards, unless required by law. Any extension or termination of the Tender Offer

will be followed as promptly as practicable by a public announcement thereof. The Company may (i) extend or otherwise amend the Early Tender Time or the Expiration Time or (ii) modify the Maximum Payment Amount or Accepted Bid Price Range, in each case without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights of holders.

The Tender Offer is subject to the satisfaction or waiver of certain conditions set forth in the Offer to Purchase, but is not conditioned on a minimum amount of Notes tendered.

The Tender Offer is being made solely pursuant to, and on the terms and conditions contained in, the Offer to Purchase dated April 26, 2016 (the “Offer to Purchase”), copies of which may be obtained from D.F. King & Co., Inc., the Tender Agent and Information Agent for the Tender Offer, by calling (800) 461-9313 (US toll-free) or by emailing gymboree@dfking.com.

The Company has retained Goldman, Sachs & Co. as the dealer manager for the Tender Offer. Questions regarding the terms of the Tender Offer may be directed to the Liability Management Group of Goldman, Sachs & Co. by calling (800) 828-3182 (US toll-free) or (212) 357-0422 (collect).

None of the Company, its board of directors (or any committee thereof), the dealer manager, the Tender Agent, the Information Agent, the trustee under the indenture governing the Notes or their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their Notes in the Tender Offer.

This announcement is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of tenders with respect to any securities. The Tender Offer is being made solely by the Offer to Purchase. The Tender Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, “blue sky” or other laws of such jurisdiction.

The Gymboree Corporation was organized in October 1979 as a California corporation and re-incorporated as a Delaware corporation in June 1992. It is one of the largest children’s apparel specialty retailers in North America, offering collections of high-quality apparel and accessories under the Gymboree®, Janie and Jack® and Crazy 8® brands. Its brands operate in retail store locations, including outlets, online and franchise channels, and are in multiple geographies in the global retail marketplace. It also offers directed parent-child developmental play programs at franchised and Company-operated Gymboree Play & Music® centers in multiple geographies. Gymboree retail stores are operated in China by Gymboree (China) Commercial and Trading Co. Ltd. (“Gymboree China”), while Gymboree (Tianjin) Educational Information Consultation Co. Ltd. (“Gymboree Tianjin”) is Gymboree Play & Music’s master franchisee in China. Gymboree China and Gymboree Tianjin are indirectly controlled by Gymboree Holding, Ltd. and investment funds sponsored by Bain Capital Private Equity, LP. Gymboree China and Gymboree Tianjin have been determined to be variable interest entities (collectively, the “VIEs”), and the Company is a member of a related party group that controls the VIEs and absorbs the economics of the VIEs. However, the Company has no ownership interest in the VIEs.

Cautionary Statements:

Various statements in this release, including our ability to consummate the Tender Offer on the anticipated terms, or at all, are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from expected results. We may decide not to, or be unable to, consummate the Tender Offer on the terms described herein or at all. Accordingly, investors should not rely on forward-looking statements as a prediction of actual future results. Applicable risks and uncertainties include, among others, those identified under “Item 1A, Risk Factors” in our Annual Report on Form 10-K for the year ended January 31, 2015, filed with the Securities and Exchange Commission (the “SEC”) on May 1, 2015, in the other documents we file or furnish with the SEC from time to time under “Risk Factors” and elsewhere. We encourage you to carefully read these disclosures and the disclosures in any document we file or furnish with the SEC after the date of this release and prior to the consummation or termination of the Tender Offer. All statements in this press release speak only as of the date hereof, and we undertake no obligation to update or revise such statements in light of future developments, except as required by law.