
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): June 6, 2012

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

(I.R.S. Employer
Identification No.)

**500 Howard Street, San Francisco, CA
94105**

(Address of Principal Executive Offices, 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 2.02 Results of Operations and Financial Condition.

On June 6, 2012, The Gymboree Corporation issued an earnings release announcing its financial results for the first fiscal quarter ended April 28, 2012. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>No.</u> | <u>Description</u> |
|------------|---|
| 99.1 | Earnings release of The Gymboree Corporation issued dated June 6, 2012. |

SIGNATURE

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

THE GYMBOREE CORPORATION

By: /s/ LYNDA G. GUSTAFSON

Name: Lynda G. Gustafson

Title: Vice President and Corporate Controller

Date: June 6, 2012

EXHIBIT INDEX

No. Description

99.1 Earnings release of The Gymboree Corporation dated June 6, 2012.



FOR IMMEDIATE RELEASE:

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The Gymboree Corporation Reports First Fiscal Quarter 2012 Results

San Francisco, Calif., June 6, 2012 – The Gymboree Corporation (the “Company”) today reported consolidated financial results for the first fiscal quarter ended April 28, 2012.

For the first quarter of the fiscal year ending February 2, 2013 (“fiscal 2012”), net sales were \$297.8 million, an increase of 10.2% compared to \$270.3 million in net sales for the first fiscal quarter of the prior year. Comparable store sales for the quarter increased 1% versus the first quarter of the fiscal year ended January 28, 2012 (“fiscal 2011”).

Gross profit for the first quarter of fiscal 2012 was \$121.8 million, or 40.9% of net sales, compared to \$110.9 million, or 41.0% of net sales, for the first quarter of fiscal 2011. Excluding purchase accounting adjustments of \$3.0 million and \$14.1 million for the first quarter of fiscal 2012 and the first quarter of fiscal 2011, respectively, relating to the November 2010 acquisition of the Company by Giraffe Holding, Inc., an entity controlled by investment funds sponsored by Bain Capital Partners, LLC (the “Acquisition”), gross profit was \$124.8 million, or 41.9% of net sales, and \$125.0 million, or 46.2% of net sales, for the first quarter of fiscal 2012 and the first quarter of fiscal 2011, respectively (see Exhibit D).

SG&A expense for the first quarter of fiscal 2012 was \$91.7 million, or 30.8% of net sales, compared to \$84.6 million, or 31.3% of net sales, in the first quarter of the prior year. Results for the first quarter of fiscal 2012 and fiscal 2011 include \$5.2 million and \$6.1 million, respectively, of additional costs resulting from the Acquisition, including the effect of purchase accounting adjustments. Excluding these charges, SG&A expense for the first quarter of fiscal 2012 and fiscal 2011 was \$86.5 million, or 29.1% of net sales, and \$78.5 million, or 29.0% of net sales, respectively, which represents an increase of 10 basis points over fiscal 2011 (see Exhibit D).

Net income for the first quarter of fiscal 2012 was \$4.2 million compared to a net loss of \$10.4 million for the same period last year. The significant increase in net income primarily resulted from higher debt extinguishment expense and higher Acquisition-related costs incurred during the prior fiscal year.

Net income attributable to The Gymboree Corporation before interest (income) expense, income tax benefit and depreciation and amortization, adjusted for other items ("Adjusted EBITDA"), for the first quarter of fiscal 2012 decreased 14.4% to \$50.8 million compared to \$59.3 million for the first quarter of the prior year. Adjusted EBITDA is not a performance measure under GAAP. See "Non-GAAP Financial Measures" below. A reconciliation of net income/(loss) attributable to The Gymboree Corporation to Adjusted EBITDA presented herein is included in Exhibit D of this press release.

Balance Sheet Highlights

Effective March 2012, the Company's \$225 million asset-backed loan ("ABL") facility was refinanced to take advantage of favorable rates and to extend the maturity date. There were no borrowings outstanding under the ABL as of the end of the first fiscal quarter and approximately \$172.5 million of undrawn availability.

Cash at the end of the first fiscal quarter 2012 increased to \$88.3 million from \$48.2 million at the end of the first fiscal quarter 2011.

Capital expenditures for the first quarter of fiscal 2012 were \$8.6 million with the majority of the cash used to fund the opening of 24 new stores during the quarter.

Inventory balances at the end of the first fiscal quarter of 2012 were \$185.7 million compared to \$163.7 million at the end of the first fiscal quarter of 2011. Inventory cost on a per square foot basis was up 5%, while inventory units on a per square foot basis were down in the low single-digits.

Fiscal 2012 Business Outlook

Sales Expectations

The Company anticipates comparable store sales growth to be down in the low to mid-single digits for the second fiscal quarter of 2012 and flat to up in the low-single digits for the full year fiscal 2012.

Adjusted EBITDA

The Company expects Adjusted EBITDA for fiscal 2012 to increase modestly over fiscal 2011. The Company also anticipates generating sufficient cash flow to service its debt and fund its growth in fiscal 2012.

New Stores

During fiscal 2012, the Company plans to open 105 new stores, including 80 Crazy 8 stores.

Capital Expenditures

During fiscal 2012, the Company anticipates spending \$45 million for capital expenditures.

Non-GAAP Financial Measures

The Company defines "Adjusted EBITDA" as net income (loss) attributable to The Gymboree Corporation before interest (income) expense, income tax expense (benefit), and depreciation and amortization ("EBITDA") adjusted for other items, including loss 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.

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. See Exhibit D for a reconciliation of Adjusted EBITDA to net income (loss).

Management Presentation

The live broadcast of the discussion of first fiscal quarter 2012 financial results will be available to interested parties at 1:00 p.m. PT (4:00 p.m. ET) on Wednesday, June 6, 2012. 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 and Media Relations" and then "Conference Calls & Webcasts." A replay of the call will be available two hours after the broadcast through midnight PT, Tuesday, June 12, 2012, at 855-859-2056, passcode 80621956.

About The Gymboree Corporation

The Gymboree Corporation's specialty retail brands offer unique, high-quality products delivered with personalized customer service. As of April 28, 2012, the Company operated a total of 1,166 retail stores: 631 Gymboree® stores (586 in the United States, 41 in Canada, 1 in Puerto Rico and 3 in Australia), 154 Gymboree Outlet stores, 125 Janie and Jack® shops and 256 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 716 franchised and Company-operated Gymboree Play & Music® centers in the United States and 39 other countries.

Forward-Looking Statements

The foregoing financial information for the first fiscal quarter ended April 28, 2012 is unaudited and subject to quarter-end and year-end adjustments. The foregoing paragraphs contain forward-looking statements relating to The Gymboree Corporation's anticipated future financial performance, such as those relating to its comparable store sales growth, Adjusted EBITDA, cash flows and new store openings in fiscal 2012. Actual results could vary materially as a result of a number of factors, including the ongoing volatility in the commodities market for cotton, uncertainties relating to high levels of unemployment and consumer debt, volatility in the financial markets, general economic conditions, the Company's ability to anticipate and timely respond to changes in trends and consumer preferences and customer reactions to new merchandise, service levels and new concepts, competitive market conditions, success in meeting the Company's delivery targets, the Company's promotional activity, 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, 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 28, 2012, filed with the Securities and Exchange Commission on April 26, 2012. The forward-looking statements contained in this press release reflect the Company's expectations as of the date hereof, and the inclusion of a projection or forward-looking statement in this press release should not be regarded as a representation by the Company that its plans or objectives will be achieved. The Company undertakes no obligation to update the information provided herein.

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

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EXHIBIT A

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | <u>13 Weeks Ended</u> <u>April 28, 2012</u> | <u>13 Weeks Ended</u> <u>April 30, 2011</u> |
|---|--|--|
| | (\$ in thousands) | |
| Net sales: | | |
| Retail | \$ 288,116 | \$ 265,882 |
| Gymboree Play & Music | 5,792 | 2,925 |
| Retail Franchise | 3,843 | 1,449 |
| Total net sales | <u>297,751</u> | <u>270,256</u> |
| Cost of goods sold, including buying and occupancy expenses | (175,927) | (159,396) |
| Gross profit | <u>121,824</u> | <u>110,860</u> |
| Selling, general and administrative expenses | (91,739) | (84,566) |
| Operating income | <u>30,085</u> | <u>26,294</u> |
| Interest income | 59 | 53 |
| Interest expense | (21,658) | (24,003) |
| Loss on extinguishment of debt | (1,237) | (19,563) |
| Other (expense) income, net | (66) | 30 |
| Income (loss) before income taxes | <u>7,183</u> | <u>(17,189)</u> |
| Income tax (expense) benefit | (3,013) | 6,749 |
| Net income (loss) | <u>4,170</u> | <u>(10,440)</u> |
| Net loss attributable to noncontrolling interest | 826 | - |
| Net income (loss) attributable to The Gymboree Corporation | <u>\$ 4,996</u> | <u>\$ (10,440)</u> |

EXHIBIT B

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | 2012 | 2012 | 2011 |
|---|---------------------|---------------------|---------------------|
| | (\$ in thousands) | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 88,268 | \$ 77,910 | \$ 48,153 |
| Accounts receivable | 25,264 | 27,277 | 16,527 |
| Merchandise inventories | 185,691 | 210,212 | 163,666 |
| Prepaid income taxes | 3,220 | 3,736 | 16,549 |
| Prepaid expenses and deferred income taxes | 34,373 | 41,647 | 40,858 |
| Total current assets | <u>336,816</u> | <u>360,782</u> | <u>285,753</u> |
| Property and Equipment, net | 202,419 | 202,152 | 210,588 |
| Goodwill | 899,097 | 899,097 | 927,397 |
| Other Intangible Assets | 594,574 | 599,195 | 613,396 |
| Deferred Financing Costs | 46,220 | 47,915 | 52,840 |
| Other Assets | 5,504 | 4,646 | 13,059 |
| Total Assets | <u>\$ 2,084,630</u> | <u>\$ 2,113,787</u> | <u>\$ 2,103,033</u> |
| Current Liabilities | | | |
| Accounts payable | \$ 48,954 | \$ 79,027 | \$ 36,201 |
| Accrued liabilities | 91,772 | 94,178 | 80,275 |
| Current portion of long-term debt | 15,648 | 17,698 | 8,200 |
| Total current liabilities | <u>156,374</u> | <u>190,903</u> | <u>124,676</u> |
| Long-Term Liabilities | | | |
| Long-term debt | 1,192,241 | 1,192,171 | 1,207,613 |
| Deferred income taxes | 242,244 | 245,495 | 251,077 |
| Lease incentives and other deferred liabilities | 39,254 | 36,579 | 29,621 |
| Total Liabilities | <u>1,630,113</u> | <u>1,665,148</u> | <u>1,612,987</u> |
| Stockholders' Equity | <u>454,517</u> | <u>448,639</u> | <u>490,046</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 2,084,630</u> | <u>\$ 2,113,787</u> | <u>\$ 2,103,033</u> |

EXHIBIT C

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

| | 13 Weeks Ended April 28, 2012 | 13 Weeks Ended April 30, 2011 |
|--|----------------------------------|----------------------------------|
| (\$ in thousands) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 4,170 | \$ (10,440) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Write-off of deferred financing costs and original issue discount | 1,237 | 15,860 |
| Depreciation and amortization | 14,248 | 14,245 |
| Amortization of deferred financing costs and accretion of original issue discount | 1,802 | 1,702 |
| Loss on disposal/impairment of assets | 62 | 768 |
| Provision (benefit) for deferred income taxes | 2,098 | (6,952) |
| Interest rate cap contracts - adjustment to market | 53 | - |
| Share-based compensation expense | 1,407 | 1,402 |
| Other non-cash expense | 786 | - |
| Change in assets and liabilities: | | |
| Accounts receivable | (380) | (2,853) |
| Merchandise inventories | 24,046 | 20,764 |
| Prepaid expenses and other assets | 1,902 | (244) |
| Income tax payable/prepaid income taxes | 525 | (398) |
| Accounts payable | (30,078) | (18,302) |
| Accrued liabilities | (5,378) | (861) |
| Lease incentives and other deferred liabilities | 3,476 | 4,267 |
| Net cash provided by operating activities | <u>19,976</u> | <u>18,958</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (8,625) | (7,891) |
| Acquisition of business, net of cash acquired | - | (1,352) |
| Other | (176) | (61) |
| Net cash used in investing activities | <u>(8,801)</u> | <u>(9,304)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from Term Loan | - | 820,000 |
| Payments on Term Loan | (2,050) | (822,050) |
| Proceeds from ABL facility | - | 20,656 |
| Payments on ABL facility | - | (20,656) |
| Deferred financing costs | (1,274) | (6,529) |
| Capital contribution | 2,400 | 14,865 |
| Net cash (used in) provided by financing activities | <u>(924)</u> | <u>6,286</u> |
| Effect of exchange rate fluctuations on cash | <u>107</u> | <u>89</u> |
| Net increase in cash and cash equivalents | 10,358 | 16,029 |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of period | 77,910 | 32,124 |
| End of period | <u>\$ 88,268</u> | <u>\$ 48,153</u> |

EXHIBIT D

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

ADJUSTED EBITDA:

The Company defines "Adjusted EBITDA" as net income (loss) attributable to The Gymboree Corporation before interest income/expense, income taxes, and depreciation and amortization ("EBITDA") adjusted for other items, including loss 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 Bain Capital Partners, LLC.

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.

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

| | <u>13 Weeks Ended</u> <u>April 28, 2012</u> | <u>13 Weeks Ended</u> <u>April 30, 2011</u> |
|---|--|--|
| Net income (loss) attributable to The Gymboree Corporation | \$ 4,996 | \$ (10,440) |
| Reconciling items (a): | | |
| Interest expense | 21,658 | 24,003 |
| Interest income | (48) | (53) |
| Income tax expense (benefit) | 2,954 | (6,749) |
| Depreciation and amortization (b) | 14,162 | 14,245 |
| Non-cash share-based compensation expense | 1,407 | 1,402 |
| Loss on disposal/impairment on assets | 62 | 768 |
| Loss on extinguishment of debt | 1,237 | 19,563 |
| Acquisition-related adjustments (c) | 4,398 | 16,606 |
| Adjusted EBITDA | <u>\$ 50,826</u> | <u>\$ 59,345</u> |

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

(b) Includes the following (in thousands):

| | | |
|--|-----------------|-----------------|
| Amortization of intangible assets (impacts SG&A) | \$ 4,340 | \$ 4,144 |
| Amortization of below and above market leases (impacts COGS) | (548) | (513) |
| | <u>\$ 3,792</u> | <u>\$ 3,631</u> |

(c) Includes the following (in thousands):

| | | |
|---|-----------------|------------------|
| Adjustment to cost of goods sold from an increase in the net book value of inventory as a result of purchase accounting (impacts COGS) | \$ - | \$ 10,731 |
| Additional rent expense recognized due to the elimination of deferred rent and construction allowances in purchase accounting (impacts COGS) | 2,324 | 2,422 |
| Legal, accounting and sponsor fees, as well as other costs incurred as a result of the Merger (impacts SG&A) | 872 | 1,966 |
| Decrease in net sales due to the elimination of deferred revenue related to the Company's co-branded credit card program in purchase accounting (impacts net sales) | 1,202 | 1,487 |
| | <u>\$ 4,398</u> | <u>\$ 16,606</u> |

OTHER NON-GAAP FINANCIAL MEASURES:

| | <u>as a % of Total Net Sales</u> | | | |
|---|--|--|--|--|
| | <u>13 Weeks Ended</u> <u>April 28, 2012</u> | <u>13 Weeks Ended</u> <u>April 30, 2011</u> | <u>13 Weeks Ended</u> <u>April 28, 2012</u> | <u>13 Weeks Ended</u> <u>April 30, 2011</u> |
| | (\$ in thousands) | | | |
| Gross profit as reported | \$ 121,824 | \$ 110,860 | 40.9% | 41.0% |
| Acquisition-related adjustments | 2,978 | 14,127 | 1.0% | 5.2% |
| Gross profit excluding acquisition related adjustments (non-GAAP measure) | <u>\$ 124,802</u> | <u>\$ 124,987</u> | <u>41.9%</u> | <u>46.2%</u> |

| | | | as a % of Total Net Sales | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 13 Weeks Ended April 28, 2012 | 13 Weeks Ended April 30, 2011 | 13 Weeks Ended April 28, 2012 | 13 Weeks Ended April 30, 2011 |
| | (\$ in thousands) | | | |
| SG&A as reported | \$ (91,739) | \$ (84,566) | -30.8% | -31.3% |
| Acquisition-related adjustments | 5,212 | 6,110 | 1.8% | 2.3% |
| SG&A excluding acquisition related adjustments (non-GAAP measure) | \$ (86,527) | \$ (78,456) | -29.1% | -29.0% |

EXHIBIT E

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

13 Weeks Ended April 28, 2012

| | Balance Before Consolidation of VIEs | Joint Venture* | Eliminations | As Reported |
|---|--|----------------|-----------------|-----------------|
| | (in thousands) | | | |
| Net sales | \$ 297,931 | \$ 2,143 | \$ (2,323) | \$ 297,751 |
| Cost of goods sold, including buying and occupancy expenses | (176,049) | (242) | 364 | (175,927) |
| Gross profit | 121,882 | 1,901 | (1,959) | 121,824 |
| Selling, general and administrative expenses | (90,894) | (2,655) | 1,810 | (91,739) |
| Operating income | 30,988 | (754) | (149) | 30,085 |
| Interest income | 48 | 11 | - | 59 |
| Interest expense | (21,658) | - | - | (21,658) |
| Loss on extinguishment of debt | (1,237) | - | - | (1,237) |
| Other (expense) income, net | (42) | (24) | - | (66) |
| Income (loss) before income taxes | 8,099 | (767) | (149) | 7,183 |
| Income tax expense | (2,954) | (59) | - | (3,013) |
| Net income (loss) | 5,145 | (826) | (149) | 4,170 |
| Net loss attributable to noncontrolling interest | - | 826 | - | 826 |
| Net income (loss) attributable to The Gymboree Corporation | <u>\$ 5,145</u> | <u>\$ -</u> | <u>\$ (149)</u> | <u>\$ 4,996</u> |

THE GYMBOREE CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS
(Unaudited)

| | Balance Before Consolidation of VIEs | Joint Venture* | Eliminations | As Reported |
|---|--|------------------|-------------------|---------------------|
| | (in thousands) | | | |
| Current assets | \$ 327,746 | \$ 11,536 | \$ (2,466) | \$ 336,816 |
| Non-current assets | 1,746,957 | 857 | - | 1,747,814 |
| Total assets | <u>\$ 2,074,703</u> | <u>\$ 12,393</u> | <u>\$ (2,466)</u> | <u>\$ 2,084,630</u> |
| Current liabilities | \$ 149,593 | \$ 9,098 | \$ (2,317) | \$ 156,374 |
| Non-current liabilities | 1,473,680 | 59 | - | 1,473,739 |
| Total liabilities | <u>\$ 1,623,273</u> | <u>\$ 9,157</u> | <u>\$ (2,317)</u> | <u>\$ 1,630,113</u> |
| Total stockholders' equity | 451,430 | - | (149) | 451,281 |
| Noncontrolling interest | - | 3,236 | - | 3,236 |
| Total liabilities and stockholders' equity | <u>\$ 2,074,703</u> | <u>\$ 12,393</u> | <u>\$ (2,466)</u> | <u>\$ 2,084,630</u> |

| | Balance Before Consolidation of VIEs | Joint Venture* | Eliminations | As Reported |
|---|--|-----------------|-----------------|---------------------|
| | (in thousands) | | | |
| Current assets | \$ 355,073 | \$ 6,692 | \$ (983) | \$ 360,782 |
| Non-current assets | 1,752,303 | 702 | - | 1,753,005 |
| Total assets | <u>\$ 2,107,376</u> | <u>\$ 7,394</u> | <u>\$ (983)</u> | <u>\$ 2,113,787</u> |
| Current liabilities | \$ 187,812 | \$ 4,074 | \$ (983) | \$ 190,903 |
| Non-current liabilities | 1,474,189 | 56 | - | 1,474,245 |
| Total liabilities | <u>\$ 1,662,001</u> | <u>\$ 4,130</u> | <u>\$ (983)</u> | <u>\$ 1,665,148</u> |
| Total stockholders' equity | 445,375 | - | - | 445,375 |
| Noncontrolling interest | - | 3,264 | - | 3,264 |
| Total liabilities and stockholders' equity | <u>\$ 2,107,376</u> | <u>\$ 7,394</u> | <u>\$ (983)</u> | <u>\$ 2,113,787</u> |

* The joint venture includes 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.
