

# The GYMBOREE® Corporation

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## The Gymboree Corporation Reports First Quarter of Fiscal 2016 Results

San Francisco, Calif., June 13, 2016 – The Gymboree Corporation (the “Company”) today reported consolidated financial results for the fiscal quarter ended April 30, 2016.

### First Quarter Fiscal 2016 Highlights Include:

- Comparable sales (including online sales) increased 4% during the first quarter of fiscal 2016.
- Adjusted EBITDA increased \$8.9 million from the first quarter of fiscal 2015 to \$24.5 million.
- Net income attributable to The Gymboree Corporation for the quarter was \$32.8 million, including a gain on extinguishment of debt of \$48.8 million, compared to a net loss of \$23.0 million for the first quarter of fiscal 2015.
- The Company reaffirms full year guidance.

### First Quarter Results (13 weeks ended April 30, 2016 versus 13 weeks ended May 2, 2015)

- Net sales were \$285.0 million, compared to \$276.1 million in the first quarter of fiscal 2015.
- Comparable sales (including online stores) increased 4% compared to the first quarter of fiscal 2015.
- Comparable sales increases by brand for the first quarter of fiscal 2016 compared to the first quarter of fiscal 2015 and for the first quarter of fiscal 2015 compared to the first quarter of fiscal 2014 were as follows:

| <b>Comparable Sales</b> | <b>Q1 2016</b> | <b>Q1 2015</b> |
|-------------------------|----------------|----------------|
| Gymboree                | +6%            | -2%            |
| Janie and Jack          | +5%            | +5%            |
| Crazy 8                 | -2%            | +4%            |

- Gross profit was \$116.5 million, or 40.9% of net sales, compared to \$105.4 million, or 38.2% of net sales, for the first quarter of fiscal 2015.
- Adjusted Gross Profit was \$118.0 million, or 41.4% of net sales, compared to \$107.1 million, or 38.8% of net sales, for the first quarter of fiscal 2015.
- SG&A expense was \$114.0 million, or 40% of net sales, compared to \$104.7 million, or 37.9% of net sales, in the first quarter of fiscal 2015. The \$9.3 million increase in SG&A expense was primarily driven by a \$5.7 million loss incurred as a result of terminating a contract with a third party fulfillment center for [www.gymboree.com](http://www.gymboree.com).
- Adjusted SG&A Expense was \$105.4 million, or 37% of net sales, compared to \$101.1 million, or 36.6% of net sales, in the first quarter of fiscal 2015.
- 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 \$24.5 million compared to \$15.6 million for the first quarter of fiscal 2015. 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.
- Net income attributable to The Gymboree Corporation for the quarter was \$32.8 million, including a gain on extinguishment of debt of \$48.8 million, compared to a net loss of \$23.0 million for the first quarter of fiscal 2015.

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 descriptions of Adjusted EBITDA, Adjusted Gross Profit and Adjusted SG&A Expense and a reconciliation of these measures to the relevant GAAP measures, see “Non-GAAP Financial Measures” below and Exhibit D of this press release.

### **Balance Sheet and Other Highlights**

- During the 13 weeks ended April 30, 2016, the Company repurchased \$77 million aggregate principal amount of its senior notes for \$26.2 million through privately negotiated transactions.
- As of the end of the first quarter of fiscal 2016, there were \$43 million in borrowings outstanding under the Company’s asset-backed revolving credit facility (after being reduced by \$10 million from the proceeds of the ABL Term Loan) and approximately \$90.7 million of undrawn availability after being reduced by letters of credit of \$30.8 million and \$50 million of the ABL Term Loan.
- On May 24, 2016, the Company announced the results of its tender offer in which it repurchased \$39.6 million aggregate principal amount of its senior notes for \$20.6 million. The Company funded these repurchases, as well as the \$10 million pay down of the Company’s asset-backed revolving credit facility noted above, with the proceeds from borrowings under the ABL Term Loan. Following the tender offer, there was \$171 million principal amount of senior notes outstanding.
- Capital expenditures were \$3.6 million during the first quarter of fiscal 2016.
- Inventory balances at the end of the first quarter of fiscal 2016 were \$198.6 million, compared to \$208.9 million at the end of the first quarter of fiscal 2015. On a per square foot basis, inventory cost was down 4% over the first quarter of fiscal 2015. Inventory units were down mid-single digits.

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.

### **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.

#### *Second Quarter*

The Company anticipates Adjusted EBITDA for the second quarter of fiscal 2016 to be in the range of \$13 million to \$17 million. The prior year quarter Adjusted EBITDA of \$11.1 million was impacted by the port slowdown, which negatively impacted Adjusted EBITDA by approximately \$5 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 management does not believe are reflective of the Company's ongoing operations. The Company is likely to exclude these items from Adjusted EBITDA in the future and may also exclude other similar items, the effect of which is uncertain but may be significant in amount. The Company defines "Adjusted Gross Profit" as gross profit adjusted for the impact of purchase accounting adjustments resulting from the

Acquisition. The Company defines “Adjusted SG&A Expense” as SG&A expense adjusted for the impact of purchase accounting adjustments resulting from the Acquisition and certain other non-recurring items. 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 by management to be 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 Gross Profit and Adjusted SG&A Expense are also non-GAAP measures that are considered by management to be important supplemental measures of the Company’s performance as management believes the items excluded are not reflective of the Company’s ongoing operations. See Exhibit D for reconciliations of Adjusted EBITDA to net income (loss) attributable to The Gymboree Corporation, Adjusted Gross Profit to gross profit and Adjusted SG&A Expense to SG&A expense.

The live broadcast of the discussion of first quarter fiscal 2016 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 Monday, June 13, 2016. To listen to the live broadcast over the internet, please log on to [www.gymboree.com](http://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, Monday, June 27, 2016, at 855-859-2056, passcode 61959098.

## **About The Gymboree Corporation**

The Gymboree Corporation’s specialty retail brands offer unique, high-quality products delivered with personalized customer service. As of April 30, 2016, the Company operated a total of 1,303 retail stores: 592 Gymboree® stores (543 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](http://www.gymboree.com), [www.janieandjack.com](http://www.janieandjack.com) and [www.crazy8.com](http://www.crazy8.com), and offers directed parent-child developmental play programs at 732 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 first quarter of fiscal 2016 is 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”. 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, 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’s 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 limited data available upon which to base its expectations for 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 30, 2016, filed with the Securities and Exchange Commission on April 28, 2016. The Company cautions investors to carefully consider the risks associated with, and not to place considerable reliance on, the forward-looking statements contained in this press release. The forward-looking statements in this press release speak only as of the date of this document, and the Company undertakes no obligation to update or revise any of these statements.*

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**  
(In thousands)  
(Unaudited)

|   | <b>13 Weeks Ended</b> |                    |
|---|-----------------------|--------------------|
|   | <b>April 30, 2016</b> | <b>May 2, 2015</b> |
| <b>Net sales:</b>   |                       |                    |
| Retail  | \$ 271,276            | \$ 261,732         |
| Gymboree Play & Music   | 10,094                | 8,648              |
| Retail Franchise  | 3,671                 | 5,689              |
| <b>Total net sales</b>  | <b>285,041</b>        | <b>276,069</b>     |
| Cost of goods sold, including buying and occupancy expenses       | (168,585)             | (170,712)          |
| <b>Gross profit</b>   | <b>116,456</b>        | <b>105,357</b>     |
| Selling, general and administrative expenses                      | (114,032)             | (104,710)          |
| <b>Operating income</b>   | <b>2,424</b>          | <b>647</b>         |
| Interest income   | 105                   | 19                 |
| Interest expense  | (19,807)              | (21,076)           |
| Gain on extinguishment of debt                                    | 48,804                | -                  |
| Other income (expense), net                                       | 112                   | (110)              |
| <b>Income (loss) before income taxes</b>                          | <b>31,638</b>         | <b>(20,520)</b>    |
| Income tax expense  | (697)                 | (1,960)            |
| <b>Net income (loss)</b>  | <b>30,941</b>         | <b>(22,480)</b>    |
| Net loss (income) attributable to noncontrolling interest         | 1,905                 | (545)              |
| <b>Net income (loss) attributable to The Gymboree Corporation</b> | <b>\$ 32,846</b>      | <b>\$ (23,025)</b> |

## EXHIBIT B

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

|  | April 30,<br>2016   | January 30,<br>2016 | May 2,<br>2015      |
|--|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                                      |                     |                     |                     |
| Current assets:                                    |                     |                     |                     |
| Cash and cash equivalents                          | \$ 62,168           | \$ 18,164           | \$ 22,363           |
| Accounts receivable                                | 20,833              | 26,696              | 25,515              |
| Merchandise inventories                            | 198,618             | 206,642             | 208,908             |
| Prepaid income taxes                               | 2,493               | 2,196               | 2,759               |
| Prepaid expenses                                   | 5,862               | 6,757               | 18,561              |
| Deferred income taxes                              | -                   | -                   | 7,263               |
| <b>Total current assets</b>                        | <u>289,974</u>      | <u>260,455</u>      | <u>285,369</u>      |
| Property and equipment, net                        | 150,940             | 158,478             | 176,400             |
| Goodwill   | 373,845             | 372,737             | 374,308             |
| Other intangible assets, net                       | 340,510             | 341,011             | 342,816             |
| Other assets                                       | 7,331               | 7,795               | 6,089               |
| <b>Total assets</b>                                | <u>\$ 1,162,600</u> | <u>\$ 1,140,476</u> | <u>\$ 1,184,982</u> |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>       |                     |                     |                     |
| Current liabilities:                               |                     |                     |                     |
| Accounts payable                                   | \$ 94,162           | \$ 109,193          | \$ 105,426          |
| Accrued and other current liabilities              | 121,598             | 102,254             | 106,669             |
| Line of credit borrowings                          | 43,000              | 19,000              | 42,000              |
| Current portion of ABL term loan                   | 2,500               | -                   | -                   |
| Current obligation under capital lease             | -                   | 605                 | 565                 |
| <b>Total current liabilities</b>                   | <u>261,260</u>      | <u>231,052</u>      | <u>254,660</u>      |
| Long-term liabilities:                             |                     |                     |                     |
| Long-term debt, net                                | 1,010,709           | 1,040,506           | 1,092,549           |
| Long-term sale-leaseback financing liability, net  | 25,545              | 25,578              | -                   |
| Long-term obligation under capital lease           | -                   | 2,245               | 2,704               |
| Lease incentives and other liabilities             | 45,593              | 49,664              | 52,858              |
| Unrecognized tax benefits                          | 5,111               | 5,075               | 5,151               |
| Deferred income taxes                              | 123,567             | 124,244             | 129,865             |
| <b>Total liabilities</b>                           | <u>1,471,785</u>    | <u>1,478,364</u>    | <u>1,537,787</u>    |
| Stockholders' deficit                              | <u>(309,185)</u>    | <u>(337,888)</u>    | <u>(352,805)</u>    |
| <b>Total liabilities and stockholders' deficit</b> | <u>\$ 1,162,600</u> | <u>\$ 1,140,476</u> | <u>\$ 1,184,982</u> |

## EXHIBIT C

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

|  | 13 Weeks Ended   |                  |
|--|------------------|------------------|
|  | April 30, 2016   | May 2, 2015      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                  |                  |
| Net income (loss)  | \$ 30,941        | \$ (22,480)      |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                  |                  |
| Gain on extinguishment of debt   | (48,804)         | -                |
| Depreciation and amortization  | 10,151           | 10,700           |
| Amortization of deferred financing costs and accretion of original issue discount                  | 1,890            | 1,886            |
| Interest rate cap contracts - adjustment to market   | 1,183            | 778              |
| Loss (gain) on disposal/impairment of assets   | 648              | (539)            |
| Gain on write-off of assets and liabilities due to contract termination <sup>(a)</sup>             | (2,561)          | -                |
| Deferred income taxes  | (613)            | 264              |
| Share-based compensation expense   | 622              | 720              |
| Other  | 345              | (198)            |
| Change in assets and liabilities:  |                  |                  |
| Accounts receivable  | 4,242            | (168)            |
| Merchandise inventories  | 7,805            | (10,958)         |
| Prepaid income taxes   | (296)            | (154)            |
| Prepaid expenses and other assets  | 628              | (11,739)         |
| Accounts payable   | (15,067)         | 18,375           |
| Accrued and other current liabilities  | 12,096           | 11,350           |
| Lease incentives and other liabilities   | (958)            | (476)            |
| Net cash provided by (used in) operating activities  | <u>2,252</u>     | <u>(2,639)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                  |                  |
| Capital expenditures   | (3,591)          | (3,140)          |
| Proceeds from sale of assets   | -                | 353              |
| Receipt of related party loan receivable   | 1,741            | -                |
| Other  | 1                | 8                |
| Net cash used in investing activities  | <u>(1,849)</u>   | <u>(2,779)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                  |                  |
| Proceeds from ABL facility   | 152,000          | 130,000          |
| Payments on ABL facility   | (128,000)        | (121,000)        |
| Proceeds from ABL term loan  | 50,000           | -                |
| Payments for deferred financing costs  | (3,804)          | -                |
| Repurchase of notes  | (26,198)         | -                |
| Payments on capital lease and sale-leaseback financing liability                                   | (47)             | (133)            |
| Dividend payment by VIE to its parent  | (512)            | -                |
| Net cash provided by financing activities  | <u>43,439</u>    | <u>8,867</u>     |
| Effect of exchange rate fluctuations on cash and cash equivalents                                  | <u>162</u>       | <u>394</u>       |
| Net increase in cash and cash equivalents  | 44,004           | 3,843            |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                  |                  |
| Beginning of period  | 18,164           | 18,520           |
| End of period  | <u>\$ 62,168</u> | <u>\$ 22,363</u> |

<sup>(a)</sup> Incurred as a result of termination of a contract with a third party fulfilment center for [www.gymboree.com](http://www.gymboree.com).



## 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 Private Equity, LP (formerly 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   |                  |
|---|------------------|------------------|
|   | April 30, 2016   | May 2, 2015      |
| <b>Net income (loss) attributable to The Gymboree Corporation</b> | \$ 32,846        | \$ (23,025)      |
| Reconciling items (a):  |                  |                  |
| Interest expense  | 19,807           | 21,076           |
| Interest income   | (3)              | (7)              |
| Income tax (benefit) expense                                      | (320)            | 1,305            |
| Depreciation and amortization (b)                                 | 9,983            | 10,295           |
| Non-cash share-based compensation expense                         | 622              | 720              |
| Loss on disposal/impairment on assets                             | 370              | 133              |
| Loss on contract termination (c)                                  | 5,689            | -                |
| Gain on extinguishment of debt                                    | (48,804)         | -                |
| Acquisition-related adjustments (d)                               | 3,542            | 3,234            |
| Other (e)   | 762              | 1,866            |
| <b>Adjusted EBITDA</b>  | <b>\$ 24,494</b> | <b>\$ 15,597</b> |

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

<sup>(b)</sup> Includes the following:

|  |               |               |
|--|---------------|---------------|
| Amortization of intangible assets (impacts SG&A)             | \$ 384        | \$ 384        |
| Amortization of below and above market leases (impacts COGS) | (239)         | (133)         |
|  | <u>\$ 145</u> | <u>\$ 251</u> |

<sup>(c)</sup> Incurred as a result of termination of a contract with a third party fulfillment center for www.gymboree.com.

<sup>(d)</sup> Includes the following:

|  |                 |                 |
|--|-----------------|-----------------|
| Additional rent expense recognized due to the elimination of deferred rent and construction allowances in purchase accounting (impacts COGS) | \$ 1,784        | \$ 1,886        |
| Sponsor fees, legal and accounting, as well as other costs incurred as a result of the Acquisition or refinancing (impacts SG&A)             | 1,758           | 1,348           |
|  | <u>\$ 3,542</u> | <u>\$ 3,234</u> |

<sup>(e)</sup> Other is comprised of restructuring and non-recurring charges.

**OTHER NON-GAAP FINANCIAL MEASURES**

|  | 13 Weeks Ended    |                   |
|--|-------------------|-------------------|
|  | April 30, 2016    | May 2, 2015       |
| Gross profit as reported   | \$ 116,456        | \$ 105,357        |
| Acquisition-related adjustments  | 1,546             | 1,753             |
| Adjusted gross profit excluding Acquisition-related adjustments (non-GAAP measure) | <u>\$ 118,002</u> | <u>\$ 107,110</u> |

|  | 13 Weeks Ended      |                     |
|--|---------------------|---------------------|
|  | April 30, 2016      | May 2, 2015         |
| SG&A as reported   | \$ (114,032)        | \$ (104,710)        |
| Acquisition-related adjustments  | 2,142               | 1,732               |
| Loss on termination of a contract with a third party fulfillment center for www.gymboree.com | 5,689               | -                   |
| Other adjustments  | 762                 | 1,866               |
| Adjusted SG&A excluding Acquisition-related and other adjustments (non-GAAP measure)         | <u>\$ (105,439)</u> | <u>\$ (101,112)</u> |

## EXHIBIT E

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

For the 13 Weeks Ended April 30, 2016

|   | Balance Before<br>Consolidation<br>of VIEs | VIEs*       | Eliminations   | As Reported      |
|---|--|-------------|----------------|------------------|
| <b>Net sales</b>  | \$ 277,431                                 | \$ 10,347   | \$ (2,737)     | \$ 285,041       |
| Cost of goods sold, including buying and occupancy expenses | (164,574)                                  | (5,023)     | 1,012          | (168,585)        |
| <b>Gross profit</b>   | 112,857                                    | 5,324       | (1,725)        | 116,456          |
| Selling, general and administrative expenses                | (109,145)                                  | (6,546)     | 1,659          | (114,032)        |
| <b>Operating income (loss)</b>                              | 3,712                                      | (1,222)     | (66)           | 2,424            |
| Other non-operating income                                  | 28,880                                     | 334         | -              | 29,214           |
| <b>Income (loss) before income taxes</b>                    | 32,592                                     | (888)       | (66)           | 31,638           |
| Income tax benefit (expense)                                | 320  | (1,017)     | -              | (697)            |
| <b>Net income (loss)</b>                                    | 32,912                                     | (1,905)     | (66)           | 30,941           |
| Net loss attributable to noncontrolling interest            | -  | 1,905       | -              | 1,905            |
| <b>Net income attributable to The Gymboree Corporation</b>  | <u>\$ 32,912</u>                           | <u>\$ -</u> | <u>\$ (66)</u> | <u>\$ 32,846</u> |

For the 13 Weeks Ended May 2, 2015

|   | Balance Before<br>Consolidation<br>of VIEs | VIEs*       | Eliminations    | As Reported        |
|---|--|-------------|-----------------|--------------------|
| <b>Net sales</b>  | \$ 270,138                                 | \$ 8,611    | \$ (2,680)      | \$ 276,069         |
| Cost of goods sold, including buying and occupancy expenses | (169,562)                                  | (2,227)     | 1,077           | (170,712)          |
| <b>Gross profit</b>   | 100,576                                    | 6,384       | (1,603)         | 105,357            |
| Selling, general and administrative expenses                | (100,988)                                  | (5,173)     | 1,451           | (104,710)          |
| <b>Operating (loss) income</b>                              | (412)                                      | 1,211       | (152)           | 647                |
| Other non operating expense                                 | (21,157)                                   | (10)        | -               | (21,167)           |
| <b>(Loss) income before income taxes</b>                    | (21,569)                                   | 1,201       | (152)           | (20,520)           |
| Income tax expense  | (1,304)                                    | (656)       | -               | (1,960)            |
| <b>Net (loss) income</b>                                    | (22,873)                                   | 545         | (152)           | (22,480)           |
| Net income attributable to noncontrolling interest          | -  | (545)       | -               | (545)              |
| <b>Net loss attributable to The Gymboree Corporation</b>    | <u>\$ (22,873)</u>                         | <u>\$ -</u> | <u>\$ (152)</u> | <u>\$ (23,025)</u> |

## EXHIBIT E (continued)

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

|  | April 30, 2016                          |                  |                   |                     |
|--|---|------------------|-------------------|---------------------|
|  | Balance Before<br>Consolidation of VIEs | VIEs*            | Eliminations      | As Reported         |
| Current assets                                     | \$ 270,190                              | \$ 22,339        | \$ (2,555)        | \$ 289,974          |
| Non-current assets                                 | 868,671                                 | 3,955            | -                 | 872,626             |
| <b>Total assets</b>                                | <u>\$ 1,138,861</u>                     | <u>\$ 26,294</u> | <u>\$ (2,555)</u> | <u>\$ 1,162,600</u> |
| Current liabilities                                | \$ 241,347                              | \$ 22,135        | \$ (2,222)        | \$ 261,260          |
| Non-current liabilities                            | 1,210,214                               | 311              | -                 | 1,210,525           |
| <b>Total liabilities</b>                           | <u>1,451,561</u>                        | <u>22,446</u>    | <u>(2,222)</u>    | <u>1,471,785</u>    |
| Total stockholders' deficit                        | (312,700)                               | -                | (333)             | (313,033)           |
| Noncontrolling interest                            | -                                       | 3,848            | -                 | 3,848               |
| <b>Total liabilities and stockholders' deficit</b> | <u>\$ 1,138,861</u>                     | <u>\$ 26,294</u> | <u>\$ (2,555)</u> | <u>\$ 1,162,600</u> |
|  | January 30, 2016                        |                  |                   |                     |
|  | Balance Before<br>Consolidation of VIEs | VIEs*            | Eliminations      | As Reported         |
| Current assets                                     | \$ 241,043                              | \$ 20,845        | \$ (1,433)        | \$ 260,455          |
| Non-current assets                                 | 875,071                                 | 4,950            | -                 | 880,021             |
| <b>Total assets</b>                                | <u>\$ 1,116,114</u>                     | <u>\$ 25,795</u> | <u>\$ (1,433)</u> | <u>\$ 1,140,476</u> |
| Current liabilities                                | \$ 217,596                              | \$ 14,618        | \$ (1,162)        | \$ 231,052          |
| Non-current liabilities                            | 1,246,849                               | 463              | -                 | 1,247,312           |
| <b>Total liabilities</b>                           | <u>1,464,445</u>                        | <u>15,081</u>    | <u>(1,162)</u>    | <u>1,478,364</u>    |
| Total stockholders' deficit                        | (348,331)                               | -                | (271)             | (348,602)           |
| Noncontrolling interest                            | -                                       | 10,714           | -                 | 10,714              |
| <b>Total liabilities and stockholders' deficit</b> | <u>\$ 1,116,114</u>                     | <u>\$ 25,795</u> | <u>\$ (1,433)</u> | <u>\$ 1,140,476</u> |
|  | May 2, 2015                             |                  |                   |                     |
|  | Balance Before<br>Consolidation of VIEs | VIEs*            | Eliminations      | As Reported         |
| Current assets                                     | \$ 269,733                              | \$ 17,770        | \$ (2,134)        | \$ 285,369          |
| Non-current assets                                 | 894,518                                 | 5,095            | -                 | 899,613             |
| <b>Total assets</b>                                | <u>\$ 1,164,251</u>                     | <u>\$ 22,865</u> | <u>\$ (2,134)</u> | <u>\$ 1,184,982</u> |
| Current liabilities                                | \$ 244,625                              | \$ 11,840        | \$ (1,805)        | \$ 254,660          |
| Non-current liabilities                            | 1,282,642                               | 485              | -                 | 1,283,127           |
| <b>Total liabilities</b>                           | <u>1,527,267</u>                        | <u>12,325</u>    | <u>(1,805)</u>    | <u>1,537,787</u>    |
| Total stockholders' deficit                        | (363,016)                               | -                | (329)             | (363,345)           |
| Noncontrolling interest                            | -                                       | 10,540           | -                 | 10,540              |
| <b>Total liabilities and stockholders' deficit</b> | <u>\$ 1,164,251</u>                     | <u>\$ 22,865</u> | <u>\$ (2,134)</u> | <u>\$ 1,184,982</u> |

\* 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<br/>Before VIE</u> | <u>VIE</u> | <u>Total</u> |
|-------------------------------|-----------------|-----------------------|----------------|-----------------------------|------------|--------------|
| 13 weeks ended April 30, 2016 | \$ 170,070      | \$ 34,985             | \$ 64,014      | \$ 269,069                  | \$ 2,207   | \$ 271,276   |
| 13 weeks ended May 2, 2015    | \$ 160,121      | \$ 33,573             | \$ 66,230      | \$ 259,924                  | \$ 1,808   | \$ 261,732   |