

**Gymboree Group Files Voluntary Chapter 11 Petitions in U.S.  
and Intends to Seek Protection under BIA in Canada**

*Gymboree®, Janie and Jack® and Crazy 8® Stores and Websites are Open  
and Continuing to Serve Customers*

*Receives Commitment for \$30 Million in New Money Financing to Support Operations*

**SAN FRANCISCO, January 16, 2019** – Gymboree Group, Inc. (the “Company” or “Gymboree Group”), today announced that the Company and its U.S. subsidiaries have voluntarily filed for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of Virginia. In addition, the Company’s Canadian subsidiary, Gymboree, Inc., intends to seek protection in proceedings pursuant to the Bankruptcy and Insolvency Act of Canada (“BIA”) in the Ontario Superior Court of Justice (Commercial List). Gymboree Group intends to use these proceedings to facilitate an orderly wind-down of all of its Gymboree® and Crazy 8® store locations and operations, while continuing to pursue a going-concern sale of its Janie and Jack® business and a sale of the intellectual property and online platform for Gymboree®.

The Company has entered into an asset purchase agreement with Special Situations Investing Group, Inc. (“SSIG”), an affiliate of Goldman Sachs & Co. LLC, pursuant to which SSIG will serve as the stalking-horse bidder in a court-supervised sale process for Janie and Jack®. Gymboree Group expects to conduct an auction pursuant to Section 363 of the U.S. Bankruptcy Code no later than February 25, 2019, pursuant to bid procedures to be approved by the Court. Pursuant to the asset purchase agreement, SSIG has agreed to acquire the Janie and Jack® business and the intellectual property and online platform for Gymboree®. The asset purchase agreement sets the floor for the auction, which is designed to achieve the highest or otherwise best offer, subject to approval by the Bankruptcy Court.

Shaz Kahng, appointed in November 2018 as Gymboree Group CEO, said, “The Company has worked diligently in recent months to explore options for Gymboree Group and its brands, and we are saddened and highly disappointed that we must move ahead with a wind-down of the Gymboree and Crazy 8 businesses. At the same time, we are focused on using this process to preserve the Janie and Jack business – a strong brand that is poised to grow – by pursuing a sale of the business as a going concern. As we move ahead, we are working to minimize the impact on our employees, customers, vendors and other stakeholders.”

Ms. Kahng continued, “We have tremendous appreciation for the hard work of our dedicated employees and their commitment to Gymboree Group and our customers. We are also incredibly grateful for the many years of support by our vendors. And, finally, we thank the customers of the Gymboree, Janie and Jack and Crazy 8 brands for their loyalty – our teams have been proud to serve you since Gymboree was first started as a provider of mom-and-baby classes in 1976.”

Gymboree®, Janie and Jack® and Crazy 8® stores and online platforms are currently open and continuing to serve customers. The Company will provide an update on plans for its Janie and Jack® stores as the court-supervised sale process progresses. Gymboree Group will provide more details about the plans for its Gymboree® and Crazy 8® going out of business sales in the near term.

Gymboree Group has received a commitment for a debtor in possession financing, which consists of \$30 million in new money loans to be provided by SSIG and Goldman Sachs Specialty Lending Holdings, Inc. and a “roll up” of all of Gymboree’s obligations under the prepetition Term Loan Credit Agreement in an amount not less than \$89 million. If approved by the court, the financing package is expected to support the Company’s operations during these proceedings.

Gymboree Group has filed a number of customary motions with the U.S. Bankruptcy Court seeking authorization to support its operations during the process, including authority to continue payment of employee wages and maintain healthcare benefits and certain other relief customary in these

circumstances. The Company has sought authorization from the Court to continue to honor customer gift cards for 30 days. Gymboree Group has discontinued its GymBucks and Gymboree Rewards programs effective immediately.

Additional information regarding Gymboree Group's Chapter 11 filing is available at [www.GymboreeGroupRestructuring.com](http://www.GymboreeGroupRestructuring.com). Court filings and information about the claims process are available at <https://cases.primeclerk.com/gym> or by calling the Company's claims agent, Prime Clerk, at (929) 272-0801 (or toll-free at (844) 399-4163 for international calls), or by sending an email to [gyminfo@primeclerk.com](mailto:gyminfo@primeclerk.com).

Additional information regarding the Canadian proceedings of Gymboree, Inc. under the BIA will be available on the website of KPMG Inc., as Proposal Trustee: [home.kpmg/ca/gymboree](http://home.kpmg/ca/gymboree), or by calling (416) 777-3520 or (833) 467-5379, or by sending an email to [gymboree@kpmg.ca](mailto:gymboree@kpmg.ca)

Gymboree Play & Music®, a separate entity, is not included in the court proceedings.

Milbank, Tweed, Hadley & McCloy LLP is serving as the Company's legal counsel, Berkeley Research Group is serving as its restructuring advisor, and Stifel, Nicolaus & Co., Inc. and Miller Buckfire & Co., LLC are serving as its financial advisor. Norton Rose Fulbright Canada LLP is counsel to Gymboree Canada. KPMG Inc. is acting as Proposal Trustee and is represented by Osler, Hoskin & Harcourt LLP.

### **About Gymboree Group**

Gymboree Group, Inc. is a portfolio of children's brands operating specialty retail stores with high-quality clothing and accessories for children. The Company currently operates 380 Gymboree® stores in the United States and Canada. Gymboree Group's family of brands includes Gymboree®, Janie and Jack® and Crazy 8®, with hundreds of retail stores across the United States, Canada and Puerto Rico as well as 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).

### **Forward Looking Statements**

This press release contains or may contain forward-looking statements, including statements relating to Gymboree Group's strategic initiatives. Forward-looking statements typically are identified by use of terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," or "anticipate" or similar expressions, although some forward-looking statements are expressed differently. These forward-looking statements are subject to significant risks, uncertainties, contingencies and other factors that may change at any time, and, therefore, Gymboree Group's actual results may differ materially from those expressed in any forward-looking statement. Factors that could cause such differences include, but are not limited to: risks related to retail businesses generally; deterioration of general economic conditions; consumer spending patterns, debt levels, and the availability and cost of consumer credit; additional competition from existing and new competitors or changes in the competitive environment; weather conditions that could negatively impact sales; the ability to attract and retain qualified management; the dependence upon relationships with vendors; operational disruptions; unsuccessful marketing initiatives; and changes in, or the failure to successfully implement, key strategies. Readers should not place undue reliance on these forward-looking statements, which speak only as of the date they were made. Gymboree Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, and such forward-looking statements speak only as of the date of this press release.

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