

Gap Inc.

GPS Services
Two Folsom Street
San Francisco, CA 94105-1205

Friday, September 28, 2007

Kelly A. Ayotte, Esq.
Attorney General
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301
(603) 271-3658

VIA FEDEX

We are writing to inform you about a recent data security incident involving the personal information of New Hampshire residents.

As described in the attached letter to potentially affected individuals, on September 19, 2007, Gap Inc. learned that two (2) laptop computers were stolen from the office of an experienced third party vendor that manages job applicant data for Gap Inc. One of these laptops contained the names and Social Security numbers of applicants who applied for store positions with Gap Inc.'s Old Navy, Gap, Banana Republic and Outlet Stores between July 2006 and June 2007. The laptop was password protected but the data was not encrypted. The fact that this data was not encrypted is contrary to our agreement with the vendor.

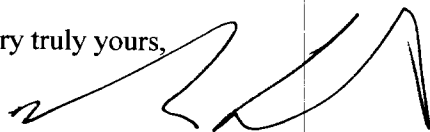
Gap Inc. has no reason to believe the data contained on the laptop was the target of the theft or that the personal information has been accessed or used improperly.

Shortly after discovering that the laptop was missing, the vendor notified law enforcement authorities and an investigation of the theft is currently underway. We are cooperating with law enforcement and will continue to do so as long as the investigation is on-going. In addition, our vendor has taken immediate steps towards implementing additional security measures at its offices.

Through our internal investigation following this incident, we have determined that the laptop included personal information regarding approximately 2,200 individuals residing in New Hampshire. We are currently in the process of notifying these individuals. We are also in the process of notifying the following credit reporting agencies: Equifax, Trans Union and Experian.

Please contact me at 415-427-4151 if you have questions.

Very truly yours,



Mark Epstein
Corporate Counsel
Gap Inc.

Attachment

Gap Inc.

September 28, 2007

Dear Applicant,

I'm writing to you about a recent incident concerning some personal information you provided to us when you applied for employment with Gap Inc.— including our Old Navy, Gap and Banana Republic brands— between July 2006 and June 2007.

On September 19, 2007, we learned that two laptop computers were stolen from the office of an experienced, third party vendor that helps Gap Inc. manage job applicant data. Unfortunately, one of the laptops contained personal information you provided to us, including your name and Social Security number.

I know that this news is unsettling and Gap Inc. deeply regrets this incident occurred.

You can be assured that we take our obligation to protect the data security of personal information very seriously. The fact that your information was not encrypted is contrary to our agreement with this vendor and against everything we stand for as a company.

We and the vendor are cooperating with law enforcement authorities on this matter and an investigation is underway. In addition, the vendor has adopted additional security measures at its offices. We're also reviewing the facts and circumstances that led to this incident closely, and will take appropriate steps to help prevent something like this from happening again.

At this time, we have no reason to believe the data contained on the computer was the target of the theft or that the personal information has been accessed or used improperly.

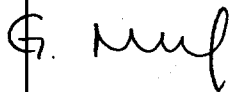
Nonetheless, to help you safeguard your personal information, we've made arrangements to offer you 12 months of credit monitoring with fraud assistance—at no cost to you. On the back of this letter, you'll find a description of the credit monitoring product and registration information. In addition, you'll find some recommendations on other options available to help protect you against identity theft or other fraudulent misuse of your personal information. I encourage you to learn more about these issues and how you can protect yourself.

We're eager to help answer your questions and to explain how to activate the credit monitoring. You can contact us right now by:

- Calling the special, toll-free Gap Inc. Security Assistance Helpline at **1-866-237-4007**. A representative will be available to assist you seven days a week, 24 hours per day.
- Visiting a special Web site: www.gapsecurityassistance.com. We will update this Web site with any new information.

Thank you for your understanding as we work through this situation. Again, if you have questions, please contact us.

Sincerely,



Glenn Murphy
Chairman and CEO, Gap Inc.

Please turn over

Gap Inc. Credit Monitoring Offer

We have partnered with ConsumerInfo.com, Inc., an Experian company, to offer you one year of their Triple Advantage Credit Monitoring at no cost to you. This online membership provides you with:

- Automatic, daily monitoring of all three credit bureaus.
- Fraud resolution specialists and fraud victim assistance.
- \$25,000 identity theft insurance with zero deductible provided by Virginia Surety Company, Inc.*
- E-mail alert delivery (online subscribers only).

*Due to New York state law restrictions, insurance coverage cannot be offered to residents of New York.

This offer is available to you until January 31, 2008. If you are interested in this offer, please make sure to activate your membership by then. You may choose to cancel it at any time. To enroll online, please visit <http://partner.consumerinfo.com/gapinc> and enter your activation code: xxxxxx. If you do not have Internet access, call 1-888-276-0529 to register for Credit Manager. This paper-based membership provides daily monitoring of your Experian credit file and other valuable features.

Experian operators are available to help register you between 6:00 a.m. to 6:00 p.m. Pacific Time Monday through Friday, and 8:00 a.m. to 5:00 p.m. Pacific Time Saturday and Sunday.

Additional Precautions You Can Take

Here are some additional steps you can take to protect yourself against identity theft or other fraudulent misuse of your personal information:

- Look out for any unusual activity or suspicious items on your credit card statements.
- Consider contacting your credit card issuers and financial institutions to inform them of what happened.
- Promptly report incidents of suspected identity theft or fraud to local law enforcement, your financial institutions and to one of the three nationwide consumer reporting agencies to have it removed from your credit file.
- Note that people falsely identifying themselves as Gap Inc. representatives could contact you and offer "assistance." Do not release personal information in response to contacts of this nature.
- You may periodically obtain credit reports from each of the three nationwide credit bureaus listed below to have information relating to fraudulent transactions removed. Under federal law, you are entitled to one free copy of your credit report every twelve months from each of the three credit bureaus. You may obtain a free copy of your credit report by going on the Internet to www.AnnualCreditReport.com or by calling 1-877-FACTACT (1-877-322-8228). If you would rather write, a request form is available on www.AnnualCreditReport.com. You may want to obtain copies of your credit reports to ensure the accuracy of the report information.

- The three major credit bureaus are:

Equifax	Experian	TransUnion
1-888-766-0008	1-888-397-3742	1-800-680-7289
www.equifax.com	www.experian.com	www.transunion.com

- To further protect yourself, you may contact the fraud departments of the three major credit bureaus. They will discuss your options with you. You have the right to ask that the three credit bureaus place a "fraud alert" in your file. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. It also may delay your ability to obtain credit. You may place a fraud alert in your file by calling just one of the three credit bureaus. As soon as that agency processes your fraud alert, it will notify the other two credit bureaus, which then must also place fraud alerts in your file.

Identity theft is a growing concern. To learn more and to report incidents of identity theft, you can contact these federal government resources: www.consumer.gov/idtheft, or www.ftc.gov/credit, or call 1-877-IDTHEFT (1-877-438-4338).

If at any time you have questions you may contact us at 1-866-237-4007.