

**North Carolina Security Breach Reporting Form
Pursuant to the Identity Theft Protection Act of 2005**

Name of Business Owning or Licensing Information Affected by the Breach:

Gap, Inc.

Address: 2 Folsom St

San Francisco, CA 94105

Telephone: 415-427-4151

Fax: 415-427-6983

Email: Mark-Epstein@Gap.Com

PLEASE SUBMIT FORM TO:

Consumer Protection Division

NC Attorney General's Office

9001 Mail Service Center

Raleigh, NC 27699-9001

Telephone: (919) 716-6000

Toll Free in NC: (877) 566-7226

FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: 10/22/07

Date the Security Breach was discovered: 9/17/07

Estimated number of affected individuals: 800,000

Estimated number of NC residents affected: 24,000

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b)): Please Contact the above to discuss

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: A laptop Computer containing personally identifiable information was stolen from the office of a 3rd party vendor

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. If so, please describe the security measures protecting the information: The laptop was password protected

Describe any measures taken to prevent a similar Security Breach from occurring in the future: Vendor has represented that they have reviewed all security procedures to avoid similar incidents

Date affected NC residents were/will be notified: 9/28/07

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c):

If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(c), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified?

(pursuant to N.C.G.S. § 75-65(e))

Please attach copy of the notice if in written form or a copy of any scripted notice if in telephonic form.

- written notice
- electronic notice (email)
- telephone notice
- substitute notice

Signature:  Date: 10/22/07

Contact Person, Title: Mark Epstein; Senior Corporate Counsel

Address:

(if different from above)

Telephone: 415-427-4151 Fax: Email:

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