

GAP INC. ANNOUNCES PRESIDENT OF GAP JAPAN K.K.

John Ermatinger To Join Company in August

SAN FRANCISCO AND TOKYO – July 13, 2006 – Gap Inc. (NYSE: GPS) today announced that John Ermatinger has been named President of Gap Japan K.K., effective August, 2006. He will also become Representative Director of Gap Japan K.K. after governance requirements are met.

In this role, Ermatinger will be responsible for Gap Inc.'s Japan operations, which includes Gap and Banana Republic stores. He will be based in Tokyo and will report to Gap Inc. CEO and President Paul Pressler.

Ermatinger brings more than 30 years of industry experience, most recently at Nike International LTD as general manager of Asia Pacific Apparel. In this position, he oversaw apparel for Australia, New Zealand, Southeast Asia, India, Hong Kong, Taiwan, China, Korea and Japan. Prior to Nike, he spent 26 years at Levi Strauss & Co. As president of Levi Strauss The Americas, he oversaw Levi's portfolio of brands in the U.S., Canada, Mexico and South America.

"John's deep international experience and specifically his work with well-known brands in the Asian markets make him a great fit for leading our business in Japan," said Gap Inc. president and CEO Paul Pressler. "As we pursue our growth strategies, this appointment reinforces Gap Inc.'s commitment to the Japanese market."

"Having worked in the industry for a long time, I have admired Gap Inc.'s heritage and its extraordinary portfolio of brands," said Mr. Ermatinger. "I welcome the opportunity to further develop the Gap and Banana Republic brands for the Japanese market and some of the world's most discerning consumers."

Gap Inc. is expanding its presence in Japan. The company opened its first Gap stores in Tokyo in 1995 and now has more than 100 Gap and Banana Republic stores across the country. In 2005, the company opened its first Banana Republic stores outside of North America in leading Tokyo shopping districts.

About Gap Inc. and Gap Japan K.K.

Gap Inc. is a leading international specialty retailer offering clothing, accessories and personal care products for men, women, children and babies under the Gap, Banana Republic, Old Navy and Forth & Towne brand names. Fiscal 2005 sales were \$16.0 billion. Gap Inc. operates about 3,000 stores in the United States, the United Kingdom, Canada, France and Japan. For more information, please visit gapinc.com.

Gap Japan K.K. was established in 1995 and currently operates 95 Gap and 8 Banana Republic stores in Japan.

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