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In accordance with  
Regulation 32 of the  
Overseas Companies  
Regulations 2009

**OS AA01**

Statement of details of parent law and other  
information for an overseas company



Companies House

☒ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law

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with accounting requirements

SATURDAY



A07 29/12/2012 #158  
COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of overseas company ①	GAP (NETHERLANDS) B V							
	(FC024161)							
UK establishment number	B	R	6	7	8	1		

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

Legislation ② DUTCH CIVIL CODE

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

### A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

③ Please insert the name of the  
appropriate accounting organisation  
or body

Name of organisation or body ③ PART 9 OF BOOK 2 OF THE DUTCH CIVIL CODE

### A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company

A4

**Audited accounts**

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	① Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ①	PART 9 OF BOOK 2 OF THE DUTCH CIVIL CODE	


A5

**Unaudited accounts**

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes.	
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**Part 3**

**Signature**

I am signing this form on behalf of the overseas company		
Signature	For and on behalf of TMF CORPORATE ADMINISTRATION SERVICES LIMITED  Authorised Signatory	X
This form may be signed by Director, Secretary, Permanent representative		

# OS AA01

Statement of details of parent law and other information for an overseas company



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Contact name Lucy Quirke

Company name TMF Corporate Administration

Services Limited

Address 6 St Andrew Street

Post town London

County/Region

Postcode E C 4 A 3 A E

Country

DX

Telephone 020 7832 8916



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Registered in Netherlands No 33 271 584

**Gap (Netherlands) B.V.**

Annual Report

Year ended 28 January 2012

## **Contents**

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## Directors' Report

The directors present the annual report including the audited financial statements for the year ended 28 January 2012. Comparative figures are for the period ended 29 January 2011.

### ACTIVITIES

The Company's principal activity is the sale of fine casual clothing.

Gap (Netherlands) B V ("the Company") has a trademark licence agreement with Gap (ITM) Inc. and is entitled to sell Gap brand merchandise through a commissionaire agent in the United Kingdom, a distribution agreement in France and merchandise purchase agreements with Gap Stores (Ireland) Limited in Ireland and Gap (Italy) Srl in Italy.

The Company is ultimately wholly-owned by The Gap, Inc. and was incorporated on 26 June 1995.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Total UK retail sales were £311.5m (2011: £335.5m), down 7% and 10% on total sales and comparable sales against 2011, respectively. This was driven by a 6% decrease in traffic and a 4% decrease in average unit retail price. Transactions with group companies resulted in additional net sales of £64.4m (2011: £51.7m) being recorded within the profit and loss account (note 5(i)).

At the operating margin level, a loss of £17.9m was incurred versus a £18.2m profit in the prior year. The decrease is attributable to the reduction in sales coupled with extraordinary increases in cotton prices which severely impacted gross margin.

The number of store locations in Europe which sell merchandise on behalf of the Company increased from 178 as at 29 January 2011 to 193 as at 28 January 2012.

As part of a larger European legal entity restructuring project, the board is considering changing the trading relationships of the Company with other European group company's during the year ending 2 February 2013.

The Company's business is sensitive to a number of factors that influence the levels of consumer spending, including political and economic conditions such as the recessionary environment, the levels of disposable consumer income, consumer debt, interest rates and consumer confidence. Declines in consumer spending on apparel could have a material adverse effect on the Company's operating results.

The principal risk facing the business is the ability to gauge the fashion tastes of customers and to provide merchandise that satisfies customer demand in a timely manner. It is the directors' intention to continue to collaborate with affiliates to deliver the right product and store experience, retaining and developing the best talent in the industry, and examining the organisation structure to ensure that it will effectively support the business and meet customer needs. Opportunities will continue to be sought to maximise profitability and market share in the European casual apparel market.

### PERSONNEL

There are no employees of the Company as of 28 January 2012 (2011: nil).

### DIVIDENDS

The directors do not recommend the payment of a dividend (2011: £nil).

### GOING CONCERN

The directors have ascertained that The Gap, Inc. intends and has the ability to continue its financial support to the Company (either directly or through another Gap company) for a period of 12 months from signing the statutory accounts. As at 28 January 2012, the ultimate parent company, The Gap, Inc., had \$1,885m in cash and cash equivalents. Additionally, the Company has no third party debt. The directors believe the group is well placed to manage business risks successfully despite the current uncertain economic outlook and will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## RESEARCH AND DEVELOPMENT

The Company does not engage in research and development

## FACTORS WITH SIGNIFICANT EFFECT ON SALES AND LIQUIDITY

The Company does not anticipate any significant change in liquidity

## INVESTMENTS

The Company does not anticipate any significant changes in investments

## FINANCING

The Company is mainly financed through group companies and shareholders' equity. Effective 4 February 2007, a Revolving Note Agreement was also executed between GPS (Great Britain) Limited as the lender and Gap (Netherlands) B V as the borrower effective 4 February 2007, in respect of an aggregate principal amount not to exceed £75,000,000. At 28 January 2012, £33,045,684 (2011: £5,973,349) was drawn down by Gap (Netherlands) B V.

## FINANCIAL RISK MANAGEMENT

The Gap, Inc.'s Treasury Department seeks to reduce financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to establish policies to ensure cash assets are invested safely. It operates within policies and procedures approved by The Gap, Inc. Board, which include strict controls on the use of financial instruments in managing the Company's risk. The Company does not undertake any trading activity in financial instruments.

### Exchange rate risk

The Company's activities expose it to exchange rate risk. The Company's risk management policy is to use forward contracts to hedge its market risk exposure associated with foreign currency exchange rate fluctuations on merchandise purchases. Gains and losses on the currency forward contracts are recognised as part of cost of goods sold.

### Liquidity risk

The Company's activities expose it to liquidity risk. The Company does not use derivative financial instruments for speculative purposes. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses short term inter-company financing and equity injections which are made available from group companies.

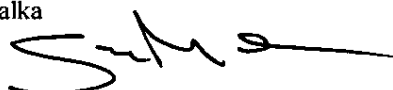
## AUDITOR

A resolution for the reappointment of Deloitte Accountants B V as auditor of the Company is to be proposed at the forthcoming Annual General Meeting of Shareholders.

Approved by the directors

Sam Matalka

Director



Date

13/12/12

## Balance sheet

At 28 January 2012

(After proposed appropriation of net result)

	Note	28/01/2012 GBP	29/01/2011 GBP
<b>Current assets</b>			
Inventory	3(a)	42,284,331	42,154,877
<b>Receivables</b>			
Group companies		1,618,726	2,669,696
Group relief receivable		4,644,057	-
Prepayments and accrued income		79,490	144,518
Other debtors		-	3,360
		6,342,273	2,817,574
Cash	5(a)	2,259,654	1,579,961
<b>Total current assets</b>		50,886,258	46,552,412
<b>Current liabilities</b>			
Trade creditors		(18,887,764)	(23,363,817)
Group companies	5(g)	(45,780,409)	(22,885,791)
Other creditors		(3,196,944)	(3,555,172)
Accrued liabilities		(1,507,979)	(1,565,246)
		(69,373,096)	(51,370,026)
<b>Current assets less current liabilities</b>		(18,486,838)	(4,817,614)
<b>Net liabilities</b>		(18,486,838)	(4,817,614)
<b>Shareholders' deficit</b>			
Share capital issued	5(c)	32,357	33,034
Share premium		240,334,997	240,334,997
Currency translation adjustment on share capital	5(d)	(3,558)	(4,235)
Accumulated deficit		(258,850,634)	(245,181,410)
<b>Total shareholders' deficit</b>	5(b)	(18,486,838)	(4,817,614)



**Profit and loss account**  
*For the year ended 28 January 2012*

	<i>Note</i>	<b>2012 GBP</b>	<b>2012 GBP</b>	<b>2011 GBP</b>	<b>2011 GBP</b>
Net sales	5(f)		375,814,820		387,232,738
Cost of goods sold			(202,171,589)		(170,571,168)
<b>Gross margin</b>			<u>173,643,231</u>		<u>216,661,570</u>
<b>Selling, general and administrative expenses</b>					
Selling expenses		(167,224,790)		(167,331,132)	
General and administrative expenses		<u>(24,361,941)</u>		<u>(31,142,877)</u>	
			<u>(191,586,731)</u>		<u>(198,474,009)</u>
<b>Operating (loss)/profit</b>			<u>(17,943,500)</u>		<u>18,187,561</u>
<b>Financial income/(expense)</b>					
Interest income		2,458		2,154	
Interest expense		(1)		(2,048)	
Interest expense paid to group companies	5(g)	(569,445)		(486,860)	
Foreign exchange results		<u>197,207</u>		<u>20,954</u>	
			<u>(369,781)</u>		<u>(465,800)</u>
<b>Net (loss)/profit for the financial year before tax</b>			<u>(18,313,281)</u>		<u>17,721,761</u>
Taxation	5(h)		4,644,057		(5,206,823)
<b>Net (loss)/profit for the financial year after tax</b>			<u>(13,669,224)</u>		<u>12,514,938</u>

## Notes to the accounts

### 1 General

Gap (Netherlands) B V ("the Company"), is incorporated with limited liability, having its statutory seat in Amsterdam, the Netherlands and its offices in London, United Kingdom. As at 28 January 2012, the Company was a 100% subsidiary of Gap (RHC) B V, a company incorporated in Amsterdam, the Netherlands. The ultimate parent company is The Gap, Inc., a company incorporated in Delaware, United States of America. The accounts of the Company are included in the consolidated financial statements of The Gap, Inc.

The Gap, Inc. and its subsidiaries are international speciality retailers who operate stores selling casual apparel, shoes and other accessories for men, women and children under a variety of brand names.

The Company has a trademark licence agreement with Gap (ITM) Inc., a wholly-owned subsidiary of The Gap, Inc. and is entitled to sell Gap brand merchandise through a commissionaire agent, distribution agreements or merchandise purchase agreements in various European countries. The Company purchases merchandise from unrelated manufacturers.

The Company was incorporated in the Netherlands on 26 June 1995 and commenced trading on 2 June 1996.

The accounts of the Company are prepared according to the stipulations in chapter 9 Book 2 of the Netherlands Civil Code and presented in sterling in order to give a more meaningful insight into the Company's operations.

The ultimate parent company prepares a consolidated cash flow statement. The directors have taken advantage of the exemption in Dutch Accounting Standard RJ360 104 and have not prepared a cash flow statement. The ultimate parent company GAP Inc. prepares a consolidated cash flow statement which is included in the consolidated annual report of GAP Inc. The annual report of GAP Inc. is available at their website.

The directors have ascertained that The Gap, Inc. intends and has the ability to continue its financial support to the Company (either directly or through another Gap company) for a period of 12 months from signing the statutory accounts. Accordingly the financial statements have been prepared on the going concern basis.

### 2 Accounting principles

#### (a) General

Assets and liabilities are shown at the amounts for which they were acquired or incurred, unless stated otherwise. Income and expenses are accounted for on an accrual basis. Income is only recognised when realised. Losses and risks originating before the end of the financial year are taken into account if they have become known before preparation of the accounts.

#### (b) Transactions with related parties

In the ordinary course of business the company enters into transactions with related parties. All transactions have been carried out at arm's length basis. The statutory directors did not receive remuneration for their services delivered to the Company.

#### (c) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling, the functional and reporting currency, at the exchange rate ruling on the balance sheet date. Foreign currency transactions have been reflected in sterling at the exchange rates in effect at the time of the transactions. Resulting foreign currency gains and losses are shown separately in the profit and loss account.

#### (d) Share capital

Issued and paid-up share capital, which is denominated in euros (EUR), is translated into sterling at the exchange rate ruling on the balance sheet date, resulting exchange gains and losses are included in the currency translation adjustment as part of shareholders' equity.

## Notes (continued)

### 3 Principles for valuation of assets and liabilities

#### (a) Inventories

Merchandise is stated at the lower of cost and net realisable value on a weighted average cost basis. Inventories consist of finished goods only. As at 28 January 2012, the Company has written down merchandise by £178,590 (2011 £77,536) to reflect realisable value. This resulted in a charge to the profit and loss account of £101,054 during the year.

#### (b) Receivables

Receivables will mature within one year from the balance sheet date.

### 4 Principles for determination of financial results

#### (a) Net sales

Net sales represent income derived from the sale of merchandise during the year, net of value added taxes, royalties, discounts and commissions.

#### (b) Corporate income tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current tax rate is the tax rate of the United Kingdom because the Company is a tax resident of the United Kingdom and not of the Netherlands.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

### 5 Notes to specific items of the balance sheet and profit and loss account

#### (a) Cash

Cash represents cash and bank balances. There are no restrictions on cash and bank balances.

#### (b) Shareholder's deficit

Movement in shareholder's deficit is as follows:

	Share capital issued	Share premium	Accumulated deficit	Cumulative translation adjustment	Total
	GBP	GBP	GBP	GBP	GBP
Balance as at 30 January 2010	33,395	240,334,997	(257,696,348)	(4,596)	(17,332,552)
Translation adjustment	(361)	-	-	361	-
Net profit for the year	-	-	12,514,938	-	12,514,938
Balance as at 29 January 2011	33,034	240,334,997	(245,181,410)	(4,235)	(4,817,614)
Translation adjustment	(677)	-	-	677	-
Net loss for the year	-	-	(13,669,224)	-	(13,669,224)
Balance as at 28 January 2012	32,357	240,334,997	(258,850,634)	(3,558)	(18,486,838)

**Notes (continued)**

**5 Notes to specific items of the balance sheet and profit and loss account (continued)**

**(c) Share capital**

Authorised share capital amounts to EUR 192,500 and is divided into 1,000 Class A common shares and 925 Class B common shares with a nominal value of EUR 100 each. The paid-up Class A share capital amounts to EUR 20,000 and the paid up Class B share capital amounts to EUR 18,500.

	Share premium Class A GBP	Share premium Class B GBP
Balance as at 29 January 2011	65,000,000	175,334,997
<b>Balance as at 28 January 2012</b>	<b>65,000,000</b>	<b>175,334,997</b>

	Authorised Share capital (A and B) No.	Issued Class A No.	Issued Class B No.
Balance as at 29 January 2011	1,925	200	185
<b>Balance as at 28 January 2012</b>	<b>1,925</b>	<b>200</b>	<b>185</b>

Share capital is translated into sterling at the 28 January 2012 exchange rate of EUR 1 GBP 0.8404 (2011 EUR 1 GBP 0.8580).

**(d) Currency translation adjustment**

The currency translation adjustment records exchange differences arising from the translation of share capital denominated in euros into sterling.

**(e) Financial instruments**

The Company's risk management policy is to use forward contracts to hedge its market risk exposure associated with foreign currency exchange rate fluctuations on merchandise purchases. Gains and losses on the currency forward contracts are recognised as part of cost of goods sold. As at 28 January 2012, the fair market value gain of those contracts is £1,779,150. The estimated fair values are provided by the financial institutions for which the Company entered into the contracts. As at 28 January 2012, the Company has forward exchange contracts to sell £110,276,959 (2011 £194,153,404.45) to the value of \$175,995,141 (2011 \$301,440,000), maturing within 12 months following the year end. Further, the Company had forward exchange contracts to buy £742,436.43 and sell \$1,200,000.

**Notes (continued)**

**5 Notes to specific items of the balance sheet and profit and loss account (continued)**

**(f) Net sales**

Net sales were generated within Europe and are net of commission payments to commissionaire agents and a long term intangible charge. Net sales also include inter-company sales under distribution and merchandise purchase agreements within Europe. Net sales excluding intercompany sales derive from the United Kingdom and are destined for the United Kingdom.

**(g) Interest expense paid to group companies**

Effective 4 February 2007, a Revolving Note Agreement was set up between GPS (Great Britain) Limited as the lender and Gap (Netherlands) B V as the borrower in respect of an aggregate principal amount not to exceed £75,000,000. At 28 January 2012, £33,045,684 (2011: £5,973,349) was drawn down and is included within amounts owed to group companies. The interest rate is adjusted monthly based on the corresponding 1 month LIBOR plus 100bps.

**(h) (i) Tax on profit/(loss) on ordinary activities**

	2012 GBP	2011 GBP
<i>Current tax</i>		
UK corporation tax credit/(charge) for the period	4,780,953	(1,093,566)
Adjustments in respect of previous periods	(136,896)	-
	<u>4,644,057</u>	<u>(1,093,566)</u>
Tax credit/(charge) on profit on ordinary activities		
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	(3,764,547)
Adjustments in respect of previous periods	-	(209,282)
Changes in tax rates	-	(139,428)
	<u>4,644,057</u>	<u>(5,206,823)</u>

**(ii) Factors affecting the tax credit / (charge) for the current period**

	2012 GBP	2011 GBP
<b>Current tax reconciliation</b>		
(Loss) / profit on ordinary activities before tax	(18,313,281)	17,721,761
Current tax at 26.32% (2011: 28%)	4,820,056	(4,962,093)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(39,103)	(35,448)
Adjustments in respect of prior periods	(136,896)	-
Utilisation of brought forward tax losses	-	3,903,974
	<u>4,644,057</u>	<u>(1,093,566)</u>

The Finance Act 2011 was substantively enacted on 5 July 2011, effectively reducing the corporation tax rate to 25% from 1 April 2012. Any deferred assets or liabilities released or settled after 1 April will reverse at 25%. Therefore we have prepared the provision on this basis and calculated the rate of deferred tax to be 25%.

**Notes (continued)**

**5 Notes to specific items of the balance sheet and profit and loss account (continued)**

A number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The Company has no unprovided deferred tax as of 28 January 2012 (2011: no un-provided deferred tax).

**(i) Transactions with The Gap, Inc. and subsidiaries**

The profit and loss account includes the following arm's length transactions with The Gap, Inc. and subsidiaries:

	<b>2012 GBP</b>	<b>2011 GBP</b>
<b>Net sales</b>		
Commission expense	3,183,626	1,725,845
Long term intangible charge	2,048,479	2,227,675
Sale of goods through distribution and merchandise purchase agreements	(69,584,683)	(55,679,406)
	<u>(64,352,578)</u>	<u>(51,725,886)</u>
<b>Operating expenses</b>		
Selling expenses (retainer)	167,224,790	167,331,135
The Gap, Inc. management fee & The Gap Inc. marketing allocation	5,546,349	5,907,559
GPS (Great Britain) Limited Distribution Centre and Head Office charges	15,394,368	19,478,397
	<u>188,165,507</u>	<u>192,717,091</u>

On 31 January 1999, the Company entered into a Cost Sharing Agreement and a Marketing Intangibles Licence Agreement with The Gap, Inc. and Gap (ITM) Inc. to obtain certain rights to use and commercially utilise the marks and marketing intellectual property in connection with the sale of Gap brand products and the provision of Gap brand services in specified territories in Europe. The agreements require the Company to make payments for these rights over the term of the agreements based on a predetermined formula. Expenses relating to these agreements are reflected in the above mentioned inter-company transactions.

**(j) Payroll expenses and employees**

The Company did not employ any employees during the current and prior year. The directors did not receive any remuneration in respect of services to the Company during the current and prior year. Reference is made to paragraph "Transactions with related parties".

**Notes** *(continued)*

**(k) Fees statutory auditor**

The amounts that have been charged to the company for the audit of the financial statements by the audit firm to which the statutory auditor Deloitte Accountants B V , Rotterdam relates and that are required to be disclosed ex article 2 382a of the Netherlands Civil Code, amount to £13,600 (2011 £13,500)

**6 Signing of the accounts**

The Board of Management



Nicola Groom



Lisa Mertens



Sam Matalka

Date

13/12/12

## **Other information**

### **(1) Independent auditor's report**

Reference is made to the independent auditor's report as included hereafter

### **(2) Appropriation of result for the financial year 2010/2011**

According to Article 14 of the Articles of Association, the net result is at the disposal of the General Meeting of Shareholders with due observance of any possible obligation to maintain statutory reserves. The result of prior year has been allocated to accumulated deficit following a decision by the General Meeting of Shareholders.

### **(3) Proposed appropriation of result for the financial year 2011/2012**

Management proposes to add the net loss of £13,669,224 to the accumulated deficit. The proposal of the appropriation of the net result has been reflected in these financial statements.

### **(4) Post balance sheet events**

As part of a European legal entity restructuring project, Gap (RHC) BV and its 100% subsidiary Gap International BV were merged on 9 December 2011. Gap (RHC) BV made an additional capital investment in Gap (UK Holdings) Ltd on 29 January 2012 by way of a transfer to Gap (UK Holdings) Ltd of the entire issued share capital of Gap (France) SAS, Gap Stores (Ireland) Limited, Gap (Netherlands) BV, and Gap Europe Holdings BV, all wholly owned subsidiaries of Gap (RHC) BV, as a voluntary additional contribution to the Company's net assets. Effective 29 January 2012, the immediate parent company became Gap (UK Holdings) Ltd.

There are no events that have occurred since 28 January 2012 which would make the present financial position substantially different from that shown by the balance sheet at that date or would require adjustment to or disclosure in these financial statements.

### **(5) Branch**

The Company is registered in the United Kingdom as a branch.



## **Independent auditor's report**

To the shareholder of GAP (Netherlands) B V

### **Report on the financial statements**

We have audited the accompanying financial statements for the year ended January 28, 2012 of GAP (Netherlands) B V, Amsterdam, which comprise the balance sheet as per January 28, 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Directors' Report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of GAP (Netherlands) B V as per January 28, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

### **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' Report to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2 392 sub 1 at b-h has been annexed Further we report that the Directors' Report, to the extent we can assess, is consistent with the financial statements as required by Section 2 391 sub 4 of the Dutch Civil Code

Rotterdam , December 13, 2012

Deloitte Accountants B V

was signed  
J Penon

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December 13, 2012  
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If prior to the General Meeting circumstances arise that require a modification to the annual report, please note that under Section 2:362 sub 6 and Section 2:392 sub 1g of the Dutch Civil Code such modifications should be made prior to the General Meeting. In this situation, of course, we withdraw our permission granted above.

The annual report needs to be filed with the Trade Register of the Chamber of Commerce in Amsterdam no later than 8 days after adoption by the General Meeting and prior to February 28, 2013. To prevent the abuse of signatures we recommend to have one copy of the documents signed by management and by the supervisory board for your files and to file a version without handwritten signatures with the Chamber of Commerce. The date of adoption by the General Meeting must be recorded on the documents that are published with the Trade Register of the Chamber of Commerce.

Please note that it's legally required to file the annual report with the Trade Register of the Chamber of Commerce and non-compliance is an offence punishable by law. In certain situations by not complying with the publication requirements could even lead to personal liability for management and for the supervisory board.

## **Reliability and continuity of financial information systems**

Article 2:393 sub 4 of the Netherlands Civil Code requires that an auditor reports on his findings in respect of the reliability and continuity of the financial information systems.

Our audit procedures are planned and executed in order to opine on the financial statements and not to express an opinion on the reliability and continuity of the financial information systems either as a whole or in part. We confirm that our financial statement audit for the year ended January 28, 2012 did not result in any findings that we believe should be brought to your attention.

Sincerely,

Deloitte Accountants B.V.



J. Penon

Enclosure(s): Annual accounts 2011/2012, signed for identification  
Auditor's report signed  
Auditor's report 'was signed' (for publication purposes) (6 copies)