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**The Gap, Inc.**  
**GPS - \$30.00 – NYSE**

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**Recommendation: Cover Short****1<sup>st</sup> Short recommendation: July 11, 2014 @ \$40.80****Close out Short: September 29, 2015 @ \$30.00****Profit: \$10.80 +26.5% 14 months****Reasons For Closing out Short Sale Recommendation**

We have a 26.5% profit on our short recommendation in 14 months. We recommend closing out the entire position. Our original price target was \$30, which it has now reached.

In our original report, we went short TCS, closed it out with a 31% profit in 3 months, we went long COST, closed it out with a 32% profit in 7 months, and we went short GPS, closing it out with a 26.5% profit in 14 months.

From Our original report:

GPS \$40.80:

- June same store sales down 2% after rising 7% a year earlier.
- Total sales up only 1% year over year versus up 7% a year earlier.
- Old Navy Global doing better, up 7% but down from up 13% a year earlier.
- Banana Republic Global same store sales down 7% versus up 5% a year earlier.
- Results clearly slowing but stock up from \$39 YTD
- Price target \$30.