

Edgar Filing: GAP INC - Form 424B3

GAP INC  
Form 424B3  
June 20, 2002

Filed pursuant to Rule 424(b) (3)  
File No. 333-87442

PROSPECTUS SUPPLEMENT NO. 1  
(To Prospectus dated June 5, 2002)

\$1,380,000,000

Gap Inc.

5.75% Senior Convertible Notes due 2009 and  
85,607,940 Shares of Common Stock Issuable  
upon Conversion of the Notes

This prospectus supplement supplements the prospectus dated June 5, 2002 of The Gap, Inc. relating to the sale from time to time by certain of our security holders (including their transferors, donees, pledgees or successors) of up to \$1,380,000,000 aggregate principal amount at maturity of our 5.75% Senior Convertible Notes due 2009 and the shares of common stock issuable upon conversion of the notes. You should read this prospectus supplement in conjunction with the prospectus, and this prospectus supplement is qualified by reference to the prospectus, except to the extent that the information in this prospectus supplement supersedes the information contained in the prospectus.

Investing in the notes or the common stock into which the notes are convertible involves risks. See "Risk Factors" beginning on page 5 of the accompanying prospectus.

Neither the Securities and Exchange Commission, any state securities commission nor any other U.S. regulatory authority, has approved or disapproved the securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The table of selling security holders contained in the prospectus is hereby amended to delete the entities who are named below as selling security holders:

Name	Aggregate principal amount at maturity of notes that may be sold by this prospectus	Percentage of notice outstanding	Number of sha common stock may be sold this prospe
Alta Partners Holdings LDC	\$18,500,000	1.34%	1,147,643
DaimlerChrysler Corp Emp. #1 Pension Plan dtd 4/1/89	2,820,000	*	174,938
Durango Investments	3,000,000	*	186,104
Fidelity Advisor Series I: Fidelity Advisor			

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Equity Value Fund	100,000	*	6,203
Fidelity Financial Trust: Fidelity Equity			
Income II Fund	36,670,000	2.66%	2,274,814
Fidelity Management Trust Company on behalf of accounts managed by it	4,950,000	*	307,072
F.R. Conv. Sev. Fn.	110,000	*	6,824
Franklin and Marshall College	155,000	*	9,615
Goldman Sachs and Company	9,970,000	*	618,486
KBC Financial Products (Cayman Island) Limited	22,000,000	1.59%	1,364,764
Lyxor Master Fund c/o Forest Investment Mngt. L.L.C.	1,120,000	*	69,479
Marathon Global Convertible Master Fund	17,000,000	1.23%	1,054,591
MLQA Convertible Securities Arbitrage, LTD	5,000,000	*	310,174
RBC Capital Services Inc. c/o Forest Investment Mngt. L.L.C.	150,000	*	9,305
State Street Bank Custodian for GE Pension Trust	1,275,000	*	79,094
Syngenta AG	175,000	*	10,856
TQA Master Fund, Ltd.	18,800,000	1.36%	1,166,253
Travelers: Travelers Equity Income	690,000	*	42,804
All other holders of notes or future transferees, pledgees, donees, assignees or successors of any such holders (3) (4)	201,536,000	14.60%	12,502,233

The table of selling security holders contained in the prospectus is hereby amended to add the entities who are named below as selling security holders:

Name	Aggregate principal amount of maturity notes that may be sold by this prospectus	Percentage of notes outstanding	Number of s Number of sha common stock may be sold prospect
Alta Partners Holdings LDC	\$23,500,000	1.70%	1,457,816
City of Shreveport Post Employees Retirement System	110,000	*	6,824
DaimlerChrysler Corp Emp. #1 Pension Plan dtd 4/1/89	5,155,000	*	319,789
Durango Investments	4,500,000	*	279,156
Fidelity Advisor Series I: Fidelity Advisor Equity Value Fund	140,000	*	8,685
Fidelity Financial Trust: Fidelity Equity Income II Fund	48,330,000	3.50%	2,998,139
Fidelity Management Trust Company on behalf of accounts managed by it	6,180,000	*	383,375
F.R. Conv. Sev. Fn.	160,000	*	9,926
Franklin and Marshall College	285,000	*	17,680
Goldman Sachs and Company	11,172,000	*	693,052
KBC Financial Products (Cayman Island) Limited	56,625,000	4.10%	3,512,717
Lehman Brothers Special Financing Inc.	40,000,000	2.90%	2,481,390
Lord Abbett Affiliated Fund	15,000,000	1.09%	930,521
Lyxor Master Fund c/o Forest Investment Mngt. L.L.C.	2,463,000	*	152,792
Marathon Global Convertible Master Fund	19,000,000	1.38%	1,178,660
MLQA Convertible Securities Arbitrage, LTD	7,500,000	*	465,261
MSD TCB, L.P.	11,600,000	*	719,603
Pioneer Equity Income Fund	800,000	*	49,628

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Pioneer Equity Income VCT Portfolio	200,000	*	12,407
RBC Capital Services Inc. c/o Forest Investment Mngt. L.L.C.	220,000	*	13,648
San Diego County Employees Retirement Association	1,250,000	*	77,543
State Street Bank Custodian for GE Pension Trust	2,355,000	*	146,092
Syngenta AG	255,000	*	15,819
TQA Master Fund. Ltd.	25,800,000	1.87%	1,600,496
Travelers: Travelers Equity Income	910,000	*	56,452
Zazove Hedged Convertible Fund L.P.	1,250,000	*	77,543
Zazove Income Fund L.P.	1,250,000	*	77,543
Zurich Institutional Benchmarks Master Fund Ltd. c/o Zazove Associates LLC	1,250,000	*	77,543

To our knowledge, none of the selling security holders listed in the table as amended above has, or within the past three years has had, any material relationship with us or our affiliates, except that Banc of America Securities LLC, Bank of America NA (an affiliate of Banc of America Securities LLC), Citicorp USA, Inc. (an affiliate of Salomon Smith Barney Inc.), Deutsche Banc Alex. Brown (an affiliate of Deutsche Bank Securities Inc.), Goldman, Sachs & Co., HSBC Securities (USA) Inc. (an affiliate of HSBC Trustee Zola Managed Trust), JP Morgan Securities, and Salomon Smith Barney Inc. have acted as underwriters or agents in private placements and public offerings of our debt in the past or lenders under our existing or prior credit facilities, and have provided other financial advisory services to us.

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The date of this prospectus supplement is June 20, 2002