Funnell Colin Form 4 September 06, 2012

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person *_Funnell Colin			2. Issuer Name and Ticker or Trading Symbol GAP INC [GPS]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)		
			(Month/Day/Year)	Director 10% Owner		
2 FOLSOM STREET (Street)			09/06/2012	X Officer (give title Other (specify below)		
				EVP Global Supply Chain		
			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check Applicable Line)		
			Filed(Month/Day/Year)			
SAN FRANC	SISCO, CA	94105		_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tabl	e I - Non-E	Perivative S	Securi	ities Acqu	ired, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securitin(A) or Dis (Instr. 3, 4)	posed	of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	09/06/2012		Code V M	Amount 7,500	(D)	Price \$ 21.79	(Instr. 3 and 4) 9,250.3017	D	
Common Stock	09/06/2012		M	9,000	A	\$ 11.77	18,250.3017	D	
Common Stock	09/06/2012		S	16,500	D	\$ 36	1,750.3017	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securitie (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amour or Number of Shares
Non-Qualified Stock Option (Right to Buy)	\$ 21.79	09/06/2012		M	7,500	<u>(1)</u>	03/14/2021	Common Stock	7,50
Non-Qualified Stock Option (Right to Buy)	\$ 11.77	09/06/2012		M	9,000	<u>(1)</u>	03/16/2019	Common Stock	9,00

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Funnell Colin

2 FOLSOM STREET EVP Global Supply Chain SAN FRANCISCO, CA 94105

Signatures

Marie Ma, Power of

Attorney 09/06/2012

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The options under this grant become exercisable in four equal annual installments beginning one year from date of grant. Date of grant is 10 years prior to expiration date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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