



For Immediate Release

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Gap Inc. Direct Chooses Kiva's Game-Changing Order Fulfillment System to Support Growing E-Commerce Channel

“Traditional high-speed sortation is going out of fashion”

Woburn, MA – January 12, 2009 – Kiva Systems (www.kivasystems.com), a developer of breakthrough robotic material handling solutions that increase distribution center productivity, today announced that Gap Inc. Direct has chosen to install the Kiva Mobile Fulfillment System (MFS) to support its growing e-commerce business.

“We are constantly looking for ways to improve the quality and efficiency of our fulfillment processes,” said Toby Lenk, president of Gap Inc. Direct. “Implementing this new technology offers important benefits as we scale our business for growth. It allows us to expand capacity in line with demand, reduce costs, and frees our distribution staff to focus on accuracy and productivity.”

Until recently, material handling processes in the apparel industry relied on sorter systems. Sorter technology was invented to increase order-picking efficiency through large batches and waves, but has undesirable side-effects including increased end-to-end merchandise touches, increased process complexity, and longer order cycle-time. Sorters have very high capital cost, and require long design and integration periods before they can be fully ramped. Finally, sorter systems create serious bottlenecks when they fail, and often require a staff of specialized technicians for scheduled maintenance and unplanned repairs.

The Kiva MFS represents a compelling alternative to traditional tilt-tray and cross-belt sorters. Kiva's innovative approach to order fulfillment uses hundreds of mobile robotic drive units that bring inventory directly to workers, allowing easy and efficient access to all inventory items at all times. Elimination of operator walking and waiting enables worker productivity that is two to four times higher than with sorters and other ‘bolted down’ automation systems. The Kiva MFS implements a parallel processing material handling approach. What's more, because all the system components are mobile and

modular, a distribution center equipped with Kiva has unprecedented flexibility when adding new merchandise types or expanding throughput—without disrupting ongoing operations.

Gap Inc. Direct, the e-commerce division of Gap Inc., sells clothing, shoes, handbags and accessories from Gap, Old Navy, Banana Republic and Piperlime. Over the past three years, Gap Inc. Direct has overhauled its technology platform, launched Piperlime, an online fashion shoe and handbag destination, unveiled Universality, which offers customers an easy way to cross-shop all four brands with one check out experience, and added Athleta to its roster of brands. Sales for Gap Inc. Direct have grown from \$595 million in 2005 to \$903 million in 2007.

“Gap Inc. Direct is an e-commerce innovator that is constantly exploring new possibilities for efficiencies in fulfillment technology. They chose Kiva because we offer that breakthrough technology,” said Mick Mountz, founder and CEO of Kiva Systems. “Traditional high-speed sortation systems are simply going out of fashion.”

About Kiva Systems

Kiva Systems, Inc. uses game-changing automation technology for distribution centers that helps companies simplify operations and reduce costs, while increasing strategic flexibility. Using autonomous mobile robots and sophisticated control software, the Kiva Mobile Fulfillment System enables extremely fast cycle times with improved labor productivity, from reserve storage replenishment, to picking, to packing, and to shipping—all without conveyor. The result is a building that is quick and low-cost to set up, inexpensive to operate and easy to change. For more information on Kiva Systems and its solutions, please visit www.kivasystems.com.

About Gap Inc.

Gap Inc. is a leading global specialty retailer offering clothing, accessories and personal care products for men, women, children and babies under the Gap, Banana Republic, Old Navy, Piperlime and Athleta brand names. Fiscal 2007 sales were \$15.8 billion. Gap Inc. operates more than 3,100 stores in the United States, the United Kingdom, Canada, France, Japan and Ireland. In addition, Gap Inc. is expanding its international presence with franchise agreements in Asia, Europe, Latin America and the Middle East. For more information, please visit gapinc.com.