

Shanahan Lauri M  
Form 4  
March 18, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Shanahan Lauri M

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)

GAP INC., 2 FOLSOM STREET

3. Date of Earliest Transaction (Month/Day/Year)  
03/14/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP, Chief Legal&Admin Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

SAN FRANCISCO, CA 94105

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/14/2008		M		2,200	A	\$ 14.27
					4,940.28		D
Common Stock	03/14/2008		S		2,200	D	\$ 20.29
					2,740.28		D
Common Stock	03/18/2008		M		11,300	A	\$ 14.27
					14,040.28		D
Common Stock	03/18/2008		M		50,000	A	\$ 17.84
					64,040.28		D
Common Stock	03/18/2008		S		22,620	D	\$ 19.98
					41,420.28		D

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Common Stock	03/18/2008	S	200	D	\$ 19.985	41,220.28	D
Common Stock	03/18/2008	S	1,980	D	\$ 19.99	39,240.28	D
Common Stock	03/18/2008	S	600	D	\$ 20	38,640.28	D
Common Stock	03/18/2008	S	3,168	D	\$ 20.01	35,472.28	D
Common Stock	03/18/2008	S	4,332	D	\$ 20.02	31,140.28	D
Common Stock	03/18/2008	S	2,900	D	\$ 20.03	28,240.28	D
Common Stock	03/18/2008	S	500	D	\$ 20.04	27,740.28	D
Common Stock	03/18/2008	S	100	D	\$ 20.28	27,640.28	D
Common Stock	03/18/2008	S	14,300	D	\$ 20.29	13,340.28	D
Common Stock	03/18/2008	S	700	D	\$ 20.295	12,640.28	D
Common Stock	03/18/2008	S	7,400	D	\$ 20.3	5,240.28	D
Common Stock	03/18/2008	S	2,500	D	\$ 20.305	2,740.28	D

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

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(9-02)

**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 of 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 of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A)	(D)	

Stock Option (Right to Buy)	\$ 14.27	03/14/2008	M	2,200	<u>(1)</u>	10/19/2011	Common Stock	2,200
Stock Option (Right to Buy)	\$ 14.27	03/18/2008	M	11,300	<u>(1)</u>	10/19/2011	Common Stock	11,300
Stock Option (Right to Buy)	\$ 17.84	03/18/2008	M	50,000	<u>(2)</u>	03/13/2016	Common Stock	50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shanahan Lauri M GAP INC. 2 FOLSOM STREET SAN FRANCISCO, CA 94105			EVP, Chief Legal & Admin Officer	

## Signatures

/s/ Ingrid Freire, Power of Attorney 03/18/2008

\_\_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) These options are fully vested and exercisable.
- (2) 50,000 options vested in 2 equal annual installments beginning on March 13, 2007. The remaining 100,000 options vest in 2 equal annual installments beginning on March 13, 2009.

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.