

JANUARY-DECEMBER 2006

FULL YEAR, JANUARY-DECEMBER

- ★ Estimated brand sales increased by 11 percent to MSEK 6,200.
- ★ Revenues, excluding service income, increased by 11 percent to MSEK 917.8 (824.1). Total revenues amounted to MSEK 1,295.6 (1,083.9), an increase of 20 percent.
- ★ Operating profit amounted to MSEK 242.3 (200.2), an increase of 21 percent.
- ★ Net profit for the period increased by 35 percent to MSEK 162.6 (120.1).
- ★ Earnings per share amounted to SEK 10.16 (7.50).
- ★ Return on capital employed amounted to 34 percent (27).
- ★ The Board of Directors has decided to recommend the Annual General Meeting a dividend to shareholders of SEK 5.50 per share for the fiscal year 2006.

FOURTH QUARTER, OCTOBER-DECEMBER

- ★ Estimated brand sales increased by 11 percent to MSEK 1,100.
- ★ Revenues, excluding service income, increased by 6 percent to MSEK 199.7 (187.7). Total revenues amounted to MSEK 277.4 (224.7), an increase of 23 percent.
- ★ Operating profit increased to MSEK 24.7 (6.8).
- ★ Net profit for the period amounted to MSEK 14.9 (-3.5).
- ★ Earnings per share amounted to SEK 0.93 (-0.22).



ARTHUR ENGEL, CEO, AND HENRIK FREDIN, CFO, WILL PRESENT THE REPORT AT A TELEPHONE CONFERENCE ON THURSDAY, 22 FEBRUARY AT 3.00 PM CET. TO PARTICIPATE IN THE TELEPHONE CONFERENCE PLEASE CALL +46 8 506 269 30. PARTICIPANTS FROM THE UK, PLEASE CALL +44 020 710 863 03. PARTICIPANTS FROM THE US, PLEASE CALL +1 866 676 58 63. THE PRESENTATION WILL BE AVAILABLE ON WWW.GANT.COM. GANT ALSO INVITES THE FINANCIAL COMMUNITY AND MEDIA TO A BREAKFAST MEETING IN THE GANT STORE AT BIBLIOTEKSGATAN IN STOCKHOLM AT 8.00 AM CET ON FRIDAY 23 FEBRUARY, 2007. TO PARTICIPATE IN THE MEETING PLEASE CONTACT LOUISE DE VERDIER, INFORMATION MANAGER.

CEO COMMENTS

We have experienced a successful year with increased profitability and a strong development in the core of our business – our collections.

We have a stronger position than ever in our mature markets and foresee continued good growth in Gant’s five primary markets. Furthermore, Gant signed new master franchisees and was launched in several new markets in 2006, primarily in Asia which further proves the strength of the brand and the business model. During the year, we opened nearly 40 new Gant Stores around the world, strengthening the Gant brand even further.

We have taken a number of important steps during the year. The Gant share was listed at the Stockholm Stock Exchange, we launched our largest marketing campaign ever, featuring Robert F. Kennedy Jr and Waterkeeper Alliance and we introduced Gant Girls, thereby achieving a complete product range within our Kids concept.

In 2007, we will continue to strengthen our collections, the opening of new Gant stores will continue at, at least the same rate as in 2006 and we will continue to build our brand, among other things through the close co-operation with Jean-Michel Cousteau and his organisation Ocean Futures Society.

GROUP SUMMARY KEY FIGURES

	3 months		Fiscal year	
	2006	2005	2006	2005
Brand sales (MSEK)	1,100	1,000	6,200	5,600
Total revenues (MSEK)	277.4	224.7	1,295.6	1,083.9
Operating profit (MSEK)	24.7	6.8	242.3	200.2
Operating margin	9%	3%	19%	18%
Net profit (MSEK)	14.9	-3.5	162.6	120.1
Net margin	5%	-2%	13%	11%
Equity ratio			23%	10%
Return on capital employed			34%	27%
Earnings per share before dilution (SEK)	0.93	-0.22	10.16	7.50
Earnings per share after dilution (SEK)	0.89	n/a	9.75	7.22
Number of Gant stores (end of period)	273	235	273	235
of which directly owned	17	18	17	18

For Definitions, see page 10.

SIGNIFICANT EVENTS DURING

THE FOURTH QUARTER

BRAND SALES AND GANT STORES

Brand sales, the estimated total sales, based on reported wholesale sales, of Gant products at retail level, excluding value added tax, amounted to MSEK 1,100 for the fourth quarter, an increase of 11 percent compared to the same quarter previous year. During the year 2006, estimated brand sales amounted to MSEK 6,200 (5,600), an increase of 11 percent.

During the quarter, a net of 14 (13) Gant Stores were opened, bringing the total to 273 (235) Gant stores in 45 countries at the end of the year, of which 17 (18) Gant stores were directly owned by Gant. During 2006, a net of 38 (47) Gant stores were opened.

MARKETS

In February 2007, Gant signed contracts with a new master franchisee to sell Gant in Israel. Gant will be launched during fall 2007 with the opening of a Gant store in Tel Aviv.

France is one of Gant’s five strategic key markets, with a large growth potential. Due to the fact that the existing master franchisee on the French market has not been able to realise this market potential and as there is a fundamental difference over strategy and investment in retail, the Board of Gant has taken the decision to terminate the master franchise agreement in France. Notice has been given in accor-

dance with the contract in December 2006, with effect at the latest 31st December 2010, or earlier if the master franchisee does not reach agreed sales targets or if an agreement for early termination for other reasons is reached between the parties. Gant will have a new master franchisee for the French market upon termination of the present master franchise agreement.

During the fourth quarter, the agreement with the master franchisee for Panama, with operations in a number of smaller markets in the region, was terminated with immediate effect due to a serious breach of agreement. The Gant stores in the regions will be supplied by Gant US while potential new master franchisees are being evaluated with the aim to further strengthen Gant’s position in the region.

MARKETING

For the spring 2007 campaign, Gant has joined forces with Jean-Michel Cousteau and his Ocean Futures Society, continuing the “Our commitments reflect our passions” theme. Jean-Michel Cousteau together with his two children, Celine and Fabien Cousteau, have devoted their lives to educating and inspiring environmental awareness of the marine world. A press conference in Cannes in February was attended by more than 100 journalists and the launch has received large international interest.

REVENUES

FOURTH QUARTER, OCTOBER–DECEMBER
Total revenues amounted to MSEK 277.4 (224.7), an increase of 23 percent. Excluding service income, revenues totaled MSEK 199.7 (187.7), an increase of 6 percent. Foreign currency effects had a negative impact of MSEK 15.2 on total revenues for the fourth quarter.

During the fourth quarter, total royalty income increased by 25 percent to MSEK 40.3 (32.2).

Royalty income from master franchisees increased by 18 percent and totaled MSEK 33.7 (28.6). Royalty income from Man reached MSEK 24.8 (22.9), an increase of 8 percent. Woman contributed by MSEK 5.7 (4.0) in royalty income, an increase of 42 percent. Royalty income from Kids amounted to MSEK 2.0 (0.9). Gant Home AB generated royalty income of MSEK 1.2 (0.8) for the fourth quarter.

Royalty income from licensees totaled MSEK 2.7 (2.4). Other income related to the royalty segment increased from MSEK 1.2 to 3.9 for the fourth quarter.

The retail and wholesale segment increased sales by 3 percent to MSEK 159.4 (155.4) during the fourth quarter.

Retail sales totaled MSEK 83.2 (86.4), a decrease of 4 percent. Sales in UK were weaker during the quarter, but the fall season in total was positive. Like-for-like sales were flat during the quarter. The Gant store in Soho, New York, closed during the quarter.

Wholesale sales in Sweden, UK and USA amounted to MSEK 75.0 (66.3), an increase of 13 percent.

Service income for the fourth quarter totaled MSEK 77.8 (37.0). The main part of the service income is generated by co-ordinated purchases by Gant and amounted to MSEK 64.2 (29.0). Service income from marketing and IT services provided to Gant’s master franchisees and licensees totaled MSEK 13.5 (8.0) for the fourth quarter.

FULL YEAR, JANUARY–DECEMBER
Total revenues increased by 20 percent to MSEK 1,295.6 (1,083.9). Excluding service income, revenues increased by 11 percent to MSEK 917.8 (824.1). Foreign currency effects had a negative impact on total revenues of MSEK 5.2.

Total royalty income increased by 19 percent to MSEK 236.5 (198.9) for the year.

Royalty income from master franchisees totaled MSEK 207.8 (180.1), an increase of 15 percent. The new markets had the largest increase in percentage while the largest contribution in absolute terms came from established markets. Royalty income for Man increased by 10 percent and amounted to MSEK 152.5 (138.0). Royalty income for Woman increased by 32 percent, from MSEK 29.9 to 39.4. Gant Woman’s share of the total royalty income increased from 15 percent to 17 percent. Kids royalty income reached MSEK 11.3 (9.1).

REVENUES

MSEK	3 months			Fiscal year		
	2006	2005	Change	2006	2005	Change
Royalties						
Master franchise income	33.7	28.6	+18%	207.8	180.1	+15%
<i>Man</i>	24.8	22.9	+8%	152.5	138.0	+10%
<i>Woman</i>	5.7	4.0	+42%	39.4	29.9	+32%
<i>Kids</i>	2.0	0.9	+127%	11.3	9.1	+25%
<i>Home</i>	1.2	0.8	+52%	4.7	3.2	+48%
Licensing income	2.7	2.4	+10%	18.3	14.6	+25%
Other income	3.9	1.2	+230%	10.4	4.2	+147%
	40.3	32.2	+25%	236.5	198.9	+19%
Retail and wholesale						
Retail sales	83.2	86.4	-4%	263.0	254.2	+3%
Wholesale sales	75.0	66.3	+13%	412.0	363.6	+13%
Other income	1.2	2.8	-57%	6.3	7.4	-15%
	159.4	155.4	+3%	681.3	625.2	+9%
Total revenues excluding service income	199.7	187.7	+6%	917.8	824.1	+11%
Service income	77.8	37.0	+110%	377.8	259.8	+45%
Total revenues	277.4	224.7	+23%	1,295.6	1,083.9	+20%



Royalty generated by Gant Home AB amounted to MSEK 4.7 (3.2).

Royalty income from licensees reached MSEK 18.3 (14.6) for the year. Footwear surpassed eyewear and was 2006 Gant's biggest contributor of licensing income. Other income related to the royalty segment increased from MSEK 4.2 to MSEK 10.4, mainly due to sale of store merchandising material by Gant Home AB.

During the period, revenues from the retail and wholesale segment increased by 9 percent, from MSEK 625.2 to MSEK 681.3.

Retail sales in the three subsidiaries in Sweden, UK and the US increased by 3 percent to MSEK 263.0 (254.2). Like-for-like sales increased by 5 percent. Sweden experienced a stable increase in sales with slightly weaker sales during the fall. The store in Soho closed during the year. UK showed encouraging progress. The number of directly operated stores totaled 17 (18) at the end of the year.

Wholesale sales in Sweden, UK and the US increased by 13 percent, from MSEK 363.6 to MSEK 412.0. This includes a non-recurring revenue of MSEK 9 referring to a special custom-made order.

Service income amounted to MSEK 377.8 (259.8), an increase of 45 percent. The main part of the service income is generated by coordinated purchases by Gant and totaled MSEK 324.0 (223.1). Service income from marketing and IT services provided to Gant's master franchisees and licensees amounted to MSEK 53.8 (36.6).

OPERATING PROFIT

FOURTH QUARTER, OCTOBER–DECEMBER

The operating profit for the fourth quarter amounted to MSEK 24.7 (6.8). Foreign currency effects had a positive effect of MSEK 0.3 in the quarter.

The royalty segment showed an operating result of MSEK 2.5 (–8.9), the improvement explained by increased royalty income and the fact that IPO costs amounting to MSEK 5 were expensed during the fourth quarter 2005.

The operating profit for the retail and wholesale segment reached MSEK 20.3 (16.9) for the fourth quarter.

Operating profit for the service segment totaled MSEK 2.0 (–1.2) for the fourth quarter.

FULL YEAR, JANUARY–DECEMBER

During the year, operating profit increased by 21 percent to MSEK 242,3 (200,2), IPO costs of MSEK 3 were expensed in the first quarter 2006. The total IPO costs amounts to MSEK 8, of which MSEK 5 were expensed in the fourth quarter 2005. Foreign currency effects had a positive effect of MSEK 0.8 during the period.

For the royalty segment, the operating profit totaled MSEK 155.0 (125.6), an increase of 23 percent, mainly driven by increased royalty income from both licensees and master franchisees. Segment costs increased by 10 percent, mainly explained by costs for the IPO and costs associated with activities as a public company and costs for Gant Girls, launched in the stores during the fall. The operating margin for the

OPERATING PROFIT AND MARGIN

MSEK	3 months Oct.–Dec.		Fiscal year Jan.–Dec.		Change
	2006	2005	2006	2005	
Operating profit					
Royalties	2.5	–8.9	155.0	125.6	+23%
Retail and wholesale	20.3	16.9	77.2	69.6	+11%
Services	2.0	–1.2	10.2	4.9	+108%
Total operating profit	24.7	6.8	242.3	200.2	+21%
Operating margin ¹					
Royalties	6%	–28%	66%	63%	
Retail and wholesale	13%	11%	11%	11%	
Services	3%	–3%	3%	2%	
Total operating margin	9%	3%	19%	18%	

¹ Operating margin defined as operating profit divided by external sales.





royalty segment for the year reached 66 percent (63 percent).

The operating profit for the retail and wholesale segment amounted to MSEK 77.2 (69.6), an increase of 11 percent. The subsidiaries in both UK and the US moved to new offices with showrooms during the end of 2005, leading to increased rental costs 2006.

Operating profit for the service segment totaled MSEK 10.2 (4.9) for the year.

NET PROFIT

The net profit for the fourth quarter amounted to MSEK 14.9 (-3.5). For the year, net profit amounted to MSEK 162.6 (120.1), an increase of 35 percent. The financial net for the year amounted to MSEK -14.8 (-33.2). Tax for same

period amounted to MSEK 64.9 (46.9), implying a tax rate of 29 percent.

SEASONAL VARIATIONS

Gant's business is highly seasonal. In general, it can be said that the first and third quarters are the best quarters profit wise, while the second quarter shows the lowest profits. Wholesale sales follow a pattern in which the first and third quarters are dominant. Royalties from master franchisees are based on the master franchisees' wholesale sales and thus follow the same pattern as own wholesale sales. Royalties from licensees show less variations between quarters. Retail sales do not show great variation between the first three quarters. The fourth quarter, however, generates more sales than the

other three. Service income follows the same seasonal pattern as wholesale sales, since service income is based on the underlying goods purchases. Costs are relatively evenly distributed over the year.

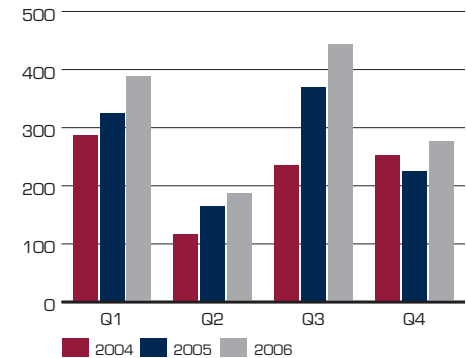
CASH FLOW

The operating cash flow for the year amounted to MSEK 191.4 (124.5), an increase by 54 percent. The increase is mainly explained by improved result and lower level of investments.

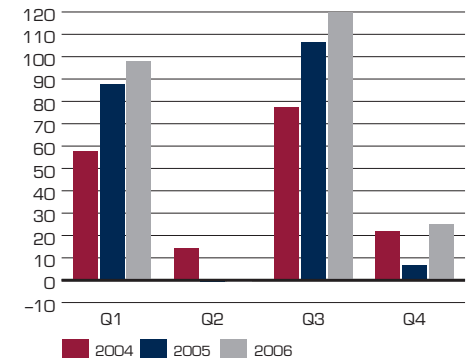
FINANCIAL POSITION

Gant's net debt totaled MSEK 353.7 (540.8) at year end. Cash and cash equivalents amounted to MSEK 53.6 (104.2). Interest-bearing debt amounted to MSEK 407.3 (645.0), of which

SEASONAL VARIATIONS IN TOTAL REVENUES (MSEK)



SEASONAL VARIATIONS IN OPERATING PROFIT (MSEK)



MSEK 2.3 (0) refers to utilized credit facilities. The total credit facilities as of December 31, 2006 amounted to MSEK 275.0 (102.0). Of the interest-bearing debt, MSEK 40,0 falls due within the next 12 months.

INVESTMENTS

Gant's investments mainly consist of openings of directly operated stores, refurbishing of existing stores and investments in show rooms. In 2006, investments totaled MSEK 7.0 (34.7), which consists largely of capital for maintenance projects.

PERSONNEL

The average number of employees in the Group totaled 262 (260). Of the 262 employees, 54 percent (54) were women.

PARENT COMPANY

During 2006, revenues totaled MSEK 9.3 (8.9) and consists solely of sales to companies within the Group. Result after financial items amounted to MSEK 235.0 (-35.2) for the year. The result for 2006 includes a dividend from a company within the Group of MSEK 260. Cash and cash equivalents as per December 31, 2006 amounted to MSEK 27.9 (94.2) and the utilized credit facility totaled MSEK 2.3 (0). No investments were made during the year.

DIVIDEND

The Board of Directors has decided to recommend the Annual General Meeting a dividend to shareholders of SEK 5.50 per share for the fiscal year 2006.

ANNUAL MEETING AND ANNUAL REPORT

The Annual Meeting will be held on 10 May, 2007 at 1 pm CET in the Company's premises at Augustenadalsvägen 47 in Nacka Strand. Notice to attend will be published at the latest on 12 April, 2007.

Gant's Annual Report will be published at the latest on 3 April on www.gant.com

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. Accounting principles are to be found in the latest Annual report.

Nacka Strand, February 22, 2007

Gant Company AB
The Board of Directors

This report is a translation of the original Swedish Interim Report.



INCOME STATEMENT

MSEK	3 months		Fiscal year	
	2006	2005	2006	2005
> Revenues				
Net sales	274.5	222.2	1,287.8	1,078.0
Other income	2.9	2.5	7.8	5.9
Total revenues	277.4	224.7	1,295.6	1,083.9
> Operating expenses				
Cost of goods sold	-118.7	-83.1	-580.3	-456.5
Other external expenses	-94.4	-97.4	-339.8	-303.1
Personnel costs	-33.6	-32.4	-113.5	-104.9
Depreciation and amortization of tangible and intangible assets	-6.0	-5.0	-19.7	-19.2
Operating profit	24.7	6.8	242.3	200.2
> Financial income and expense				
Financial income	-2.8	0.6	4.8	4.9
Financial expense	-2.3	-10.7	-19.6	-38.1
Pretax profit	19.7	-3.2	227.5	167.0
Tax	-4.8	-0.3	-64.9	-46.9
Net profit	14.9	-3.5	162.6	120.1
Attributable to:				
Equity holders of the company	15.0	-3.5	162.4	120.1
Minority interest	-0.1	-0.1	0.2	-
Earnings per share before dilution (SEK)	0.93	-0.22	10.16	7.50
Earnings per share after dilution (SEK)	0.89		9.75	7.22
Number of share outstanding on the closing date (thousands)	16,011	16,011	16,011	16,011
Average number of shares outstanding before dilution (thousands)	16,011	16,011	16,011	16,011
Average number of shares outstanding after dilution (thousands)	16,683		16,663	16,640

CASH FLOW STATEMENT

MSEK	Fiscal year	
	2006	2005
Profit before tax	227.5	167.0
Adjustments for items not included in cash flow	13.1	26.1
Tax paid	-52.0	-39.7
Cash flow from operations before changes in working capital	188.7	153.4
Changes in working capital	9.8	5.8
Cash flow from operations	198.5	159.2
Cash flow from investments	-7.0	-34.7
Operating cash flow	191.4	124.5
Cash flow from financing activities	-237.0	-105.0
Cash flow for the period	-45.5	19.5
Opening cash balance	104.2	81.7
Decrease/increase in cash	-45.5	19.5
Exchange rate differences in cash	-5.0	3.0
Closing cash balance	53.6	104.2

STATEMENT OF CHANGES IN EQUITY

MSEK	Fiscal year	
	2006	2005
Equity at the beginning of the period	121.5	-12.0
Net income recognised directly in equity	-2.3	2.2
Net profit	162.6	120.1
Currency translation differences	-4.7	8.0
Other	4.0	3.2
Equity at the end of the period	281.1	121.5

BALANCE SHEET

MSEK	December 31	
	2006	2005
ASSETS		
> Fixed assets		
Leasehold rights	3.6	6.1
Goodwill	19.8	20.0
Brand	732.5	732.5
Equipment	44.6	56.0
Other fixed assets	7.6	8.7
Total fixed assets	808.1	823.4
> Current assets		
Inventories	161.4	160.0
Accounts receivable	44.6	50.1
Other current receivables	135.8	115.6
Cash and cash equivalents	53.6	104.2
Total current assets	395.5	429.9
TOTAL ASSETS	1,203.6	1,253.3
EQUITY AND LIABILITIES		
> Equity	281.1	121.5
> Long-term liabilities		
Interest-bearing liabilities	365.0	605.0
Non interest-bearing liabilities	209.0	211.8
Total long-term liabilities	574.0	816.8
> Short-term liabilities		
Interest-bearing liabilities	42.3	40.0
Non interest-bearing liabilities	306.2	275.1
Total short-term liabilities	348.5	315.1
TOTAL EQUITY AND LIABILITIES	1,203.6	1,253.3

SEGMENT REPORTING

MSEK	3 months Oct.-Dec.		Fiscal year Jan.-Dec.	
	2006	2005	2006	2005
> Revenues				
Royalties				
External sales	40.3	32.2	236.5	198.9
Internal sales	14.1	13.9	72.8	66.8
Retail and wholesale				
External sales	159.4	155.4	681.3	625.2
Internal sales	10.8	15.6	35.9	33.0
Services				
External sales	77.8	37.0	377.8	259.8
Internal sales	6.8	9.2	61.9	50.8
Eliminations	-31.6	-38.8	-170.6	-150.7
Total revenues	277.4	224.7	1,295.6	1,083.9
> Operating profit				
Royalties	2.5	-8.9	155.0	125.6
Retail and wholesale	20.3	16.9	77.2	69.6
Services	2.0	-1.2	10.2	4.9
Total operating profit	24.7	6.8	242.3	200.2
> Operating margin ¹				
Royalties	6%	-28%	66%	63%
Retail and wholesale	13%	11%	11%	11%
Services	3%	-3%	3%	2%
Total operating profit	9%	3%	19%	18%

¹ Operating margin defined as operating profit divided by external sales.

QUARTERLY DATA

INCOME STATEMENT

	2006				2005			
	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.
MSEK								
> Revenues								
Net sales	388.0	184.1	441.3	274.5	322.7	162.5	370.5	222.2
Other income	0.4	3.0	1.5	2.9	1.6	2.3	-0.5	2.5
Total revenues	388.4	187.1	442.7	277.4	324.3	164.8	370.0	224.7
> Operating expenses								
Cost of goods sold	-177.6	-79.1	-204.9	-118.7	-145.5	-67.6	-160.3	-83.1
Other external expenses	-82.1	-77.0	-86.3	-94.4	-64.0	-68.2	-73.6	-97.4
Personnel costs	-26.4	-26.9	-26.6	-33.6	-23.1	-25.4	-24.0	-32.4
Depreciation and amortization of tangible and intangible assets	-4.5	-4.7	-4.6	-6.0	-4.2	-4.4	-5.6	-5.0
Operating profit	97.9	-0.6	120.3	24.7	87.5	-0.7	106.5	6.8
> Financial income and expense								
Financial income	1.8	2.0	3.7	-2.8	-0.3	2.9	1.8	0.6
Financial expense	-7.9	-5.0	-4.4	-2.3	-9.0	-8.1	-10.4	-10.7
Pretax profit	91.8	-3.6	119.7	19.7	78.2	-5.9	97.9	-3.2
Tax	-26.4	1.0	-34.7	-4.8	-22.0	1.8	-26.4	-0.3
Net profit	65.4	-2.5	84.9	14.9	56.2	-4.1	71.5	-3.5
REVENUES								
> Royalties								
Master franchise income	70.5	22.5	81.1	33.7	59.9	20.9	70.8	28.6
Man	52.0	16.4	59.3	24.8	45.1	15.7	54.3	22.9
Woman	13.7	3.8	16.1	5.7	10.4	3.4	12.1	4.0
Kids	3.5	1.0	4.8	2.0	3.5	1.1	3.5	0.9
Home	1.3	1.2	1.0	1.2	0.8	0.6	0.9	0.8
Licensing income	5.4	3.3	6.9	2.7	4.9	3.0	4.3	2.4
Other income	2.6	1.4	2.5	3.9	1.6	0.4	1.1	1.2
	78.5	27.2	90.5	40.3	66.3	24.2	76.2	32.2
> Retail and wholesale								
Retail sales	55.6	61.3	63.0	83.2	50.2	58.5	59.0	86.4
Wholesale sales	123.4	55.7	157.9	75.0	111.3	38.5	147.5	66.3
Other income	0.9	2.8	1.3	1.1	0.6	2.3	1.7	2.8
	179.8	119.8	222.3	159.2	162.2	99.3	208.2	155.4
Service income	130.0	40.1	129.9	77.8	95.9	41.3	85.6	37.0
Total revenues	388.4	187.1	442.7	277.4	324.3	164.8	370.0	224.7

SEGMENT REPORTING

	2006				2005			
	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.
MSEK								
> Revenues								
Royalties								
External sales	78.5	27.2	90.5	40.3	66.3	24.2	76.2	32.2
Internal sales	22.8	9.6	26.2	14.1	19.4	9.2	24.3	13.9
Retail and wholesale								
External sales	179.9	119.8	222.3	159.4	162.2	99.3	208.2	155.4
Internal sales	8.6	8.4	8.1	10.8	4.8	6.1	6.4	15.6
Services								
External sales	130.0	40.1	129.9	77.8	95.9	41.3	85.6	37.0
Internal sales	22.1	5.5	27.5	6.8	15.1	9.8	16.7	9.2
Eliminations	-53.5	-23.6	-61.9	-31.6	-39.3	-25.1	-47.5	-38.8
Total revenues	388.4	187.1	442.7	277.4	324.3	164.8	370.0	224.7
> Operating profit								
Royalties	66.9	2.7	82.9	2.5	59.1	3.2	72.2	-8.9
Retail and wholesale	25.4	-1.0	32.6	20.3	23.1	-1.5	31.1	16.9
Services	5.6	-2.3	4.9	2.0	5.3	-2.4	3.2	-1.2
Total operating profit	97.9	-0.6	120.3	24.7	87.5	-0.7	106.5	6.8
> Operating margin ¹								
Royalties	85%	10%	92%	6%	89%	13%	95%	-28%
Retail and wholesale	14%	-1%	15%	13%	14%	-1%	15%	11%
Services	4%	-6%	4%	3%	5%	-6%	4%	-3%
Total operating profit	25%	0%	27%	9%	27%	0%	29%	3%

¹ Operating margin defined as operating profit divided by external sales.

DEFINITIONS

**BRAND SALES**

Brand sales is the estimated total sales to end-consumers of Gant's lifestyle products, excluding VAT and based on reported wholesale sales, that is, all products sold under the Gant brand.

CAPITAL EMPLOYED

Interest-bearing debt plus equity.

EARNINGS PER SHARE

Net profit for the period divided by the average number of shares, outstanding during the period.

EARNINGS PER SHARE AFTER FULL DILUTION

Profit after full tax divided by number of shares at close of period and outstanding warrants, adjusted for possible dilution effect.

EQUITY RATIO

Equity expressed as a percentage of total assets.

GANT STORE

Directly owned or franchise operated Gant store.

Directly owned Gant store – Gant store operated by Master franchisees incorporated within the Gant Group.

Franchise-operated Gant store – Gant store operated by a Master franchisee or sub-franchisee outside of the Group.

LICENSEE

Companies that manufacture, market and sell the product groups footwear, fragrance, watches, eyewear and home furnishings, under the Gant brand.

MASTER FRANCHISEE

A franchisee which, through an agreement with Gant, is entitled to operate its own Gant stores, enter into an agreement with sub-franchisees with the approval of Gant and conduct wholesale operations in a defined geographical area.

NET DEBT

Interest-bearing liabilities less liquid funds (cash and cash equivalents).

NET MARGIN

Net result as a percentage of total revenues.

NUMBER OF EMPLOYEES

Total numbers of hours worked, divided by normal working hours in each country.

OPERATING MARGIN (EBIT MARGIN)

Operating profit as a percentage of total revenues.

RETURN ON CAPITAL EMPLOYED

Profit after financial items plus financial expenses as a percentage of average capital employed.

FINANCIAL CALENDAR AND ADDITIONAL INFORMATION

Calendar:

May 3, 2007 Interim report, January–March 2007
May 10, 2007 Annual General Meeting 1.00 pm, Nacka Strand
August 8, 2007 Interim report, January–June 2007
October 24, 2007 Interim report, January–September 2007

Gant intends to disclose the estimated order value of the company's two main collections, following the completed sales to master franchisees. This means that in September, Gant will announce the estimated order value for the forthcoming spring collection and in March the comparable order value for the forthcoming fall collection.

The reports can be read on and obtained from Gant's website: www.gant.com under the heading "Investor Relations." This section includes archived financial reports and press releases, and it is also possible to monitor the price trend of the Gant share with an update every 15 minutes.

Gant will not print and distribute its financial reports. Printed copies can be ordered from the website or directly from the Company at the following address:
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tel: +46 8 506 760 00, fax: +46 8 506 760 01 or
e-mail: info@gant.com

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OPERATIONS

Gant is a Swedish company marketing and developing an international lifestyle brand with roots on the American East Coast. The company designs, markets and sells lifestyle products in the form of men's, women's and children's apparel, positioned in the higher quality and price segment.

The products are sold through company owned and independent master franchise holders. In addition, the

product groups footwear, fragrance, watches, eyewear and home furnishings are designed and marketed via licensees.

Gant's business model allows the company to retain full control over brand positioning and marketing, design and purchasing, while enabling expansion with limited capital requirements, business and inventory risks. This is achieved by granting the marketing and selling rights of Gant's lifestyle products to master franchisees in dif-

ferent geographical areas. The principal rule is that master franchisees purchase goods directly from the suppliers and that master franchisees pay Gant a royalty fee and pay the greater part of the marketing of the Gant brand.

Gant conducts master franchise operations in Sweden, the UK and the US through its own wholesale and retail business and receives the margins and carries the risks attributable to these forms of distribution.

GANT®

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