

JANUARY-JUNE 2007

SIX MONTHS, JANUARY-JUNE

- ★ Estimated brand sales amounted to MSEK 3,200 (2,800), an increase of 16 percent.
- ★ Total revenues amounted to MSEK 613.2 (575.5), an increase of 7 percent. Excluding service income, revenues increased by 8 percent to MSEK 437.2 (405.3).
- ★ Royalty income increased by 17 percent to MSEK 123.3 (105.7) at improved margins.
- ★ Operating profit increased by 21 percent to MSEK 117.9 (97.2).
- ★ Net profit for the period increased by 23 percent to MSEK 77.5 (62.8).
- ★ Earnings per share amounted to SEK 4.73 (3.92).

- ★ The 300th Gant store opened in Hong Kong in August. During 2007, approximately 60 (38) Gant stores are expected to open.

SECOND QUARTER, APRIL-JUNE

- ★ Estimated brand sales amounted to MSEK 900 (700), an increase of 25 percent.
- ★ Total revenues increased by 3 percent to MSEK 192.4 (187.1). Excluding service income, revenues amounted to MSEK 148.4 (146.9), an increase of 1 percent.
- ★ Operating profit amounted to MSEK 6.1 (-0.6).
- ★ Net profit amounted to MSEK 0.7 (-2.5).
- ★ Earnings per share amounted to SEK 0.04 (-0.16).



ARTHUR ENGEL, CEO, AND HENRIK FREDIN, CFO, WILL PRESENT THE REPORT AT A TELEPHONE CONFERENCE ON WEDNESDAY, 8 AUGUST 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 (0)207 108 6303. PARTICIPANTS FROM THE US; PLEASE CALL +1 866 676 5869. THE PRESENTATION WILL BE AVAILABLE ON WWW.GANT.COM.

GROUP SUMMARY KEY FIGURES

	3 months April–June		6 months January–June		Rolling 12 months July–June 2006/2007	Fiscal year January–December 2006
	2007	2006	2007	2006		
Brand sales (MSEK)	900	700	3,200	2,800	6,600	6,200
Total revenues (MSEK)	192.4	187.1	613.2	575.5	1,333.4	1,295.6
Operating profit (MSEK)	6.1	-0.6	117.9	97.2	263.0	242.3
Operating margin	3%	0%	19%	17%	20%	19%
Net profit (MSEK)	0.7	-2.5	77.5	62.8	177.3	162.6
Net margin	0%	-1%	13%	11%	13%	13%
Equity ratio	25%	14%	25%	14%		23%
Return on capital employed						34%
Earnings per share before dilution (SEK)	0.04	-0.16	4.73	3.92	11.07	10.16
Earnings per share after dilution (SEK)	0.04	-0.15	4.65	3.77	10.62	9.75
Number of Gant stores (end of period)	298	244	298	244	298	273
of which directly operated	15	18	15	18	15	17

For Definitions, see page 11.



SIGNIFICANT EVENTS DURING THE SECOND QUARTER

BRAND SALES AND GANT STORES

Brand sales, the estimated total sales of Gant products at retail level, excluding value added tax and based on reported wholesale sales, amounted to MSEK 900 for the second quarter, an increase of 25 percent. During the first half year, brand sales totaled MSEK 3,200 (2,800), an increase of 16 percent.

In April, a 600 square meter flagship store in Madrid opened. The store enables Gant to present the men's, women's, kids and home collections according to the three collection concepts – GNH, Rugger and Elliot Gant. During the second quarter, the seventh Gant store in Shanghai opened. It is the first Gant store in Shanghai and operates in 240 square meters.

During the quarter, a net of 17 (7) Gant Stores were opened, bringing the total to 298 (244) Gant stores in 47 countries at the end of the quarter, of which 15 (18) Gant stores were directly operated by Gant. Gant's flagship store on Fifth Avenue in New York, USA is under reconstruction and will be inaugurated in September. During 2007, approximately 60 (38) Gant stores are expected to open, of which two directly operated.

MARKETING

Gant continues with the theme "Our commitments reflect our passions" and has for the fall/winter 2007 campaign joined forces with the National Geographic photographer Mattias Klum. Through the cooperation, Gant supports the Worldwide Fund for Nature, WWF.

ESTIMATED ORDER VALUES

During the quarter, the sale of the Holiday collection was completed, generating revenues in the fourth quarter. Gant's estimated order value for the holiday collection 2007 amounted to MSEK 105 at wholesale level. This represents a decrease of 6 percent compared with an order value of MSEK 111 for the corresponding collection a year earlier.

Sales volumes for Holiday show regularly larger fluctuations than the main collections spring/summer and fall/winter as the Holiday collection has a smaller share of base products than the two main collections. The Holiday collection stands for less than 4 percent of Gant's total order value. As previously communicated, the estimated order value for the fall/winter collection 2007 increased by 14 percent.

REVENUES

SECOND QUARTER, APRIL–JUNE

Total revenues amounted to MSEK 192.4 (187.1), an increase of 3 percent. Excluding service income, revenues totaled MSEK 148.4 (146.9), an increase of 1 percent. Revenues for the second quarter were negatively effected by the fact that the number of directly operated stores was lower than last year. Foreign currency effects had a negative impact of MSEK 2.7 on total revenues for the second quarter.

During the second quarter, total royalty income increased by 27 percent to MSEK 34.5 (27.2).

Royalty income from master franchisees increased by 29 percent and totaled MSEK

29.0 (22.5). Royalty income from Man reached MSEK 19.7 (16.4), an increase of 20 percent. Woman increased by 66 percent to MSEK 6.4 (3.8) and Kids amounted to MSEK 2.1 (1.0). Gant Home AB generated royalty income of MSEK 0.7 (1.2) for the second quarter.

Royalty income from licensees totaled MSEK 3.6 (3.3). Other income related to the royalty segment amounted to MSEK 1.9 (1.4) for the second quarter, mainly due to sale of merchandising material by Gant Home AB.

Sales for the retail and wholesale segment decreased by 5 percent to MSEK 113.9 (119.8) during the second quarter.

Retail sales totaled MSEK 58.3 (61.2), a decrease of 5 percent. This is mainly explained by the fact that the number of directly operated stores has decreased from 18 to 15 compared to the same period the previous year, as three unprofitable stores in the US were closed. Furthermore, the flagship store on Fifth Avenue in New York has temporarily closed for renovation. The enlarged store will reopen in September with a totally new state of the art design incorporating all the collection concepts of Gant. Like for like, sales remained unchanged compared with the second quarter last year.

Wholesale sales in Sweden, UK and USA amounted to MSEK 52.2 (55.7), a decrease of 6 percent. As communicated in the interim report for the first six months 2006, sales for the second quarter 2006 included a non-recurring revenue of MSEK 9 referring to a special custom-made order. Adjusting for this, wholesale sales increased by 12 percent.

Service income for the second quarter totaled MSEK 44.0 (40.1), an increase of 10 percent. The main part of the service income is generated by co-ordinated purchases by Gant and totaled MSEK 34.5 (31.6). Service income from marketing and IT services provided to Gant's master franchisees and licensees amounted to MSEK 9.5 (8.5).

SIX MONTHS, JANUARY-JUNE

Total revenues increased by 7 percent to MSEK 613.2 (575.5) Excluding service income, revenues increased by 8 percent to MSEK 437.2 (405.3). Foreign currency effects had a negative impact on total revenues of MSEK 16.0, of which MSEK 13.9 refers to service income.

Fundamental to Gant's business model is royalty income which increased by 17 percent to MSEK 123.3 (105.7) for the first six months, which is also reflected by the increase in brand sales.

Royalty income from master franchisees totaled MSEK 109.9 (93.0), an increase of 18 percent. Royalty income for Man increased by 14 percent and amounted to MSEK 77.9 (68.4). Woman increased by 27 percent, from MSEK 17.6 to 22.3 and Kids reached MSEK 7.1 (4.5). Royalty generated by Gant Home AB amounted to MSEK 2.5 (2.5).

Royalty income from licensees reached MSEK 9.7 (8.7) for the first six months. Other income related to the royalty segment amounted to MSEK 3.7 (4.0).

During the period, revenues from the retail and wholesale segment increased by 5 percent, from MSEK 299.6 to 314.0.

REVENUES

MSEK	3 months April-June			6 months January-June			Rolling 12 months 2006/2007	Fiscal year January- December 2006
	2007	2006	Change	2007	2006	Change		
Royalty								
Master franchise income	29.0	22.5	+29%	109.9	93.0	+18%	224.7	207.8
<i>Man</i>	19.7	16.4	+20%	77.9	68.4	+14%	162.0	152.5
<i>Woman</i>	6.4	3.8	+66%	22.3	17.6	+27%	44.1	39.4
<i>Kids</i>	2.1	1.0	+102%	7.1	4.5	+56%	13.8	11.3
Home	0.7	1.2	-37%	2.5	2.5	+2%	4.7	4.7
Licensing income	3.6	3.3	+10%	9.7	8.7	+12%	19.3	18.3
Other income	1.9	1.4	+10%	3.7	4.0	-7%	10.1	10.4
	34.5	27.2	+27%	123.3	105.7	+17%	254.1	236.5
Retail and wholesale								
Retail sales	58.3	61.3	-5%	115.0	116.8	-2%	261.2	263.0
Wholesale sales	52.2	55.7	-6%	193.0	179.1	+8%	425.9	412.0
Other income	3.4	2.8	+21%	6.0	3.7	+60%	8.5	6.3
	113.9	119.8	-5%	314.0	299.6	+5%	695.6	681.3
Total revenues excluding service income	148.4	146.9	+1%	437.2	405.3	+8%	949.7	917.8
Service income	44.0	40.1	+10%	176.0	170.2	+3%	383.7	377.8
Total revenues	192.4	187.1	+3%	613.2	575.5	+7%	1,333.4	1,295.6



Retail sales in the three subsidiaries in Sweden, UK and the US decreased by 2 percent to MSEK 115.0 (116.8). During the last year, three unprofitable directly operated stores in the US were closed and the number of directly operated stores thus totalled 15 (18) at the end of the period. In addition to this, the flagship store on Fifth Avenue in New York has temporarily closed for renovation. Like for like, sales increased by 2 percent.

Wholesale sales in Sweden, UK and the US increased by 8 percent, from MSEK 179.1 to 193.0. Adjusted for the non-recurring revenue mentioned above, wholesale sales increased by 13 percent for the first six months.

Service income amounted to MSEK 176.0 (170.2), an increase of 3 percent. As mentioned above, foreign currency effects had a negative impact of MSEK 13.9 on service income. The main part of the service income is generated by co-ordinated purchases by Gant and totaled MSEK 156.0 (144.0). Service income from marketing and IT services provided to Gant's master franchisees and licensees amounted to MSEK 20.0 (26.2).

OPERATING PROFIT

SECOND QUARTER, APRIL-JUNE

The operating profit for the second quarter amounted to MSEK 6.1 (−0.6). Foreign currency effects had a positive effect of MSEK 0.4 in the quarter.

The royalty segment showed an operating profit of MSEK 5.6 (2.7).

The operating profit for the retail and wholesale segment reached MSEK 1.1 (−1.0) for the second quarter. Timing of marketing expenses had a positive effect of MSEK 4 for the second quarter compared with the corresponding quarter last year. The corresponding negative effect for the second half of 2007 is estimated at MSEK 4.

Operating profit for the service segment totaled MSEK −0.5 (−2.3) for the second quarter.

SIX MONTHS, JANUARY-JUNE

The operating profit for the first six months amounted to MSEK 117.9 (97.2), an increase of 21 percent. Foreign currency effects had a positive effect of MSEK 0.7 for the period.

The royalty segment showed an operating profit of MSEK 82.2 (69.6), an increase of 18 percent, mainly due to increased royalties from master franchisees. The growth in royalties from master franchisees follows the same pattern as for previous periods. The mature markets are still the biggest group, accounting for 49 percent of royalties from master franchisees. Royalties from these increased by 10 percent in the period. The larger markets stood for the biggest increase in absolute terms and increased royalties by 20 percent. The larger markets stood for 44 percent of royalties from master franchisees. The largest percentage increase, 41 percent, was achieved by the new markets, accounting for 7 percent of the royalties from master franchisees.

The operating profit for the retail and wholesale segment amounted to MSEK 32.9 (24.4), an increase of 36 percent.

OPERATING PROFIT AND MARGIN

MSEK	3 months April-June		6 months January-June		Change	Fiscal year 2006
	2007	2006	2007	2006		
Operating profit						
Royalty	5.6	2.7	82.2	69.6	+18%	155.0
Retail and wholesale	1.1	−1.0	32.9	24.4	+35%	77.2
Services	−0.5	−2.3	2.7	3.3	−17%	10.2
Total operating profit	6.1	−0.6	117.9	97.2	+21%	242.3
Operating margin ¹						
Royalty	16%	10%	67%	66%		66%
Retail and wholesale	1%	−1%	10%	8%		11%
Services	−1%	−6%	2%	2%		3%
Total operating margin	3%	0%	19%	17%		19%

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





Operating profit for the service segment totaled MSEK 2.7 (3.3) for the first six months.

NET PROFIT

The net profit for the second quarter amounted to MSEK 0.7 (–2.5). For the first six months, net profit amounted to MSEK 77.5 (62.8), an increase of 23 percent. The financial net for the first six months amounted to MSEK –8.8 (–9.1). Tax for the same period amounted to MSEK 31.6 (25.4), implying a tax rate of 29 percent.

CASH FLOW

The operating cash flow for the first six months amounted to MSEK 46.4 (68.0). The decrease is explained by a temporary increase in working

capital due to timing of prepayments regarding coordinated purchases and increased investments due to the refurbishment of the flagship store on Fifth Avenue in New York. For the rolling 12 month period July 2006 to June 2007, the operating cash flow amounted to MSEK 169.8.

FINANCIAL POSITION

Gant's net debt totalled MSEK 372.7 (472.1) at quarter end. Cash and cash equivalents amounted to MSEK 29.3 (168.8). Interest-bearing debt amounted to MSEK 402.0 (640.9), of which MSEK 17.0 (15.9) refers to utilized credit facilities. The total credit facilities as of June 30, 2007 amounted to MSEK 277.5

(101.4). Of the interest-bearing debt, MSEK 40,0 falls due within the next 12 months.

INVESTMENTS

Gant's investments mainly consist of store openings, refurbishing of existing stores and investments in show rooms. January to June, investments totaled MSEK 10.6 (4.1) and consist mainly of investments in the flagship store on Fifth Avenue in New York, USA.

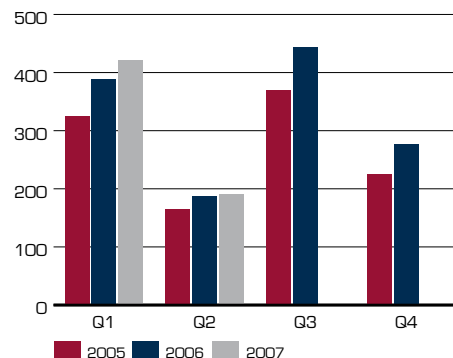
PERSONNEL

The average number of employees in the Group totaled 264 (273). Of the 264 employees, 58 percent (56) were women.

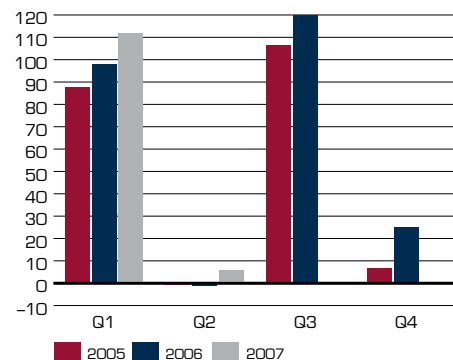
PARENT COMPANY

Total revenues in the parent company for the second quarter 2007 amounted to MSEK 2.3 (2.3) and consists solely of sales to companies within the Group. January to June, revenues totaled MSEK 4.5 (4.7). Result after financial items amounted to MSEK –10.4 (–9.3) for the second quarter and MSEK –20,5 (–15,8) for the first six months. Cash and cash equivalents as per June 30, 2007 amounted to MSEK 18.0 (161.6) and the utilized credit facility totaled MSEK 1.9 (0.0). No investments were made during the period.

SEASONAL VARIATIONS IN TOTAL REVENUES (MSEK)



SEASONAL VARIATIONS IN OPERATING PROFIT (MSEK)



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 in terms of volume. 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.

IFRS TRANSITION

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.

RISK AND UNCERTAINTY FACTORS

For a description of risk and uncertainty factors, please see the Annual Report.

Nacka Strand, August 8, 2007

The interim report gives a true and fair view of the parent company's and Group's business, position and result and describes material risks and uncertainties which confront the parent company and the companies within the Group.

Lennart Björk
Chairman of the Board

Mair Barnes
Member of the Board

Jean Cailliau
Member of the Board

Sven-Åke Henningsson
Member of the Board

Charlotte Strömberg
Member of the Board

Arthur Engel
President

This interim report has not been audited by the Company's auditors.

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

INCOME STATEMENT - THE GROUP

MSEK	3 months April-June 2007 2006		6 months January-June 2007 2006		Rolling 12 months July-June 2006/2007	Fiscal year January-December 2006
> Revenues						
Net sales	189.8	184.1	608.4	572.0	1,324.2	1,287.8
Other income	2.6	3.0	4.9	3.4	9.2	7.8
Total revenues	192.4	187.1	613.2	575.5	1,333.4	1,295.8
> Operating expenses						
Cost of goods sold	-76.4	-79.1	-276.6	-256.7	-600.2	-580.3
Other external expenses	-78.3	-77.0	-154.7	-159.0	-335.4	-339.8
Personnel costs	-27.6	-26.9	-55.0	-53.2	-115.2	-113.5
Depreciation and amortization of tangible and intangible assets	-4.0	-4.7	-9.1	-9.2	-19.6	-19.7
Operating profit	6.1	-0.6	117.9	97.2	263.0	242.3
> Financial income and expense						
Financial income	0.9	2.0	2.3	3.8	3.2	4.8
Financial expense	-6.1	-5.0	-11.1	-12.9	-17.7	-19.6
Pretax profit	0.9	-3.6	109.1	88.2	248.5	227.5
Tax	-0.2	1.0	-31.6	-25.4	-71.2	-64.9
Net profit	0.7	-2.5	77.5	62.8	177.3	162.6
Attributable to:						
Equity holders of the company	0.7	-2.6	77.3	62.6	177.0	162.4
Minority interest	0.0	0.0	0.2	0.2	0.3	0.2
Earnings per share before dilution (SEK)	0.04	-0.16	4.73	3.92	10.82	10.16
Earnings per share after dilution (SEK)	0.04	-0.15	4.65	3.77	10.65	9.75
Number of share outstanding on the closing date (thousands)	16,770	16,011	16,770	16,011	16,011	16,011
Average number of shares outstanding before dilution (thousands)	16,390	16,011	16,390	16,011	16,011	16,011
Average number of shares outstanding after dilution (thousands)	16,658	16,674	16,654	16,656	16,631	16,663

CASH FLOW STATEMENT - THE GROUP

MSEK	6 months January-June 2007 2006		Fiscal year January-December 2006
Profit before tax	109.1	88.2	227.5
Adjustments for items not included in cash flow	9.9	5.7	13.1
Tax paid	-25.7	-27.6	-52.0
Cash flow from operations before changes in working capital	93.4	66.3	188.7
Changes in working capital	-36.4	5.8	9.8
Cash flow from operations	56.9	72.1	198.5
Cash flow from investments	-10.6	-4.1	-7.0
Operating cash flow	46.4	68.0	191.4
Cash flow from financing activities *	-71.3	-2.5	-237.0
Cash flow for the period	-24.9	65.5	-45.5
Opening cash balance	53.6	104.2	104.2
Decrease/increase in cash	-24.9	65.5	-45.5
Exchange rate differences in cash	0.6	-0.8	-5.0
Closing cash balance	29.3	168.9	53.8
* Cash flow from financing activities			
New share issue (option program)	18.3	-	-
Premiums (option program)	6.1	-	-
Dividend	-94.4	-	-
Amortization	-	-	-240.0
Other	-1.3	-2.5	3.0
	-71.3	-2.5	-237.0

BALANCE SHEET - THE GROUP

MSEK	June 30		December 31
	2007	2006	2006
ASSETS			
> Fixed assets			
Leasehold rights	2.9	4.7	3.6
Goodwill	19.9	19.3	19.8
Brand	732.5	732.5	732.5
Equipment	48.6	51.4	44.6
Other fixed assets	2.0	3.5	7.6
Total fixed assets	805.9	811.4	808.1
> Current assets			
Inventories	143.6	139.1	161.4
Accounts receivable	50.5	51.1	44.6
Other current receivables	135.0	109.0	135.8
Cash and cash equivalents	29.3	168.9	53.6
Total current assets	358.4	468.1	395.5
TOTAL ASSETS	1,164.3	1,279.6	1,203.6
EQUITY AND LIABILITIES			
> Equity	288.7	179.9	281.1
> Long-term liabilities			
Interest-bearing liabilities	362.0	600.9	365.0
Non interest-bearing liabilities	207.4	205.3	209.0
Total long-term liabilities	569.4	806.2	574.0
> Short-term liabilities			
Interest-bearing liabilities	40.0	40.0	42.3
Non interest-bearing liabilities	266.3	253.4	306.2
Total short-term liabilities	306.3	293.4	348.5
TOTAL EQUITY AND LIABILITIES	1,164.3	1,279.6	1,203.6

STATEMENT OF CHANGES IN EQUITY - THE GROUP

MSEK	6 months January-June 2007 2006		Fiscal year January-December 2006
Equity at the beginning of the period	281.1	121.5	121.5
Net income recognised directly in equity	0.5	-1.4	-2.3
Net profit	77.5	62.8	162.6
Currency translation differences	0.3	-2.8	-4.7
New share issue (option program)	18.3	-	-
Premiums (option program)	6.1	-	-
Dividend	-94.4	-	-
Other	-0.6	-0.2	4.0
Equity at the end of the period	288.7	179.9	281.1

INCOME STATEMENT - PARENT COMPANY

MSEK	3 months		6 months		Rolling 12 months	Fiscal year
	April-June	2006	January-June	2006	July-June	January-December
	2007	2006	2007	2006	2006/2007	2006
Total revenues	2.3	2.3	4.5	4.7	9.2	9.3
Operating expenses	-6.2	-9.0	-11.4	-13.8	-23.9	-26.3
Operating profit	-3.9	-6.7	-6.9	-9.2	-14.7	-17.0
Result from financial investments	-6.5	-2.6	-13.6	-6.6	245.1	252.1
Profit after financial items	-10.4	-9.3	-20.5	-15.8	230.4	235.0
Tax	0.0	0.0	0.0	0.0	7.0	7.0
Net profit for the period	-10.4	-9.3	-20.5	-15.8	237.3	242.0

BALANCE SHEET - PARENT COMPANY

MSEK	June 30		December 31
	2007	2006	2006
Fixed Assets	1,009.7	746.3	1,079.6
Current Assets	21.9	166.3	31.6
TOTAL ASSETS	1,031.5	912.6	1,111.2
TOTAL EQUITY	263.9	46.8	352.0
Long-term liabilities	478.6	601.0	435.0
Current liabilities	289.0	264.8	323.9
TOTAL LIABILITIES	767.6	865.9	758.9
TOTAL EQUITY AND LIABILITIES	1,031.5	912.6	1,111.2

SEGMENT REPORTING - THE GROUP

MSEK	3 months		6 months		Fiscal year
	April-June	2006	January-June	2006	January-December
	2007	2006	2007	2006	2006
Revenues					
Royalties					
External sales	34.5	27.2	123.3	105.7	236.5
Internal sales	11.2	9.6	33.1	32.4	72.8
Retail and wholesale					
External sales	113.9	119.8	314.0	299.6	681.3
Internal sales	12.5	8.4	17.3	17.0	35.9
Services					
External sales	44.0	40.1	176.0	170.2	377.8
Internal sales	12.9	5.5	31.1	27.6	61.9
Eliminations	-36.6	-23.6	-81.5	-77.1	-170.5
Total revenues	192.4	187.1	613.2	575.5	1,295.5
Operating profit					
Royalties	5.6	2.7	82.2	69.6	155.0
Retail and wholesale	1.1	-1.0	32.9	24.4	77.2
Services	-0.5	-2.3	2.7	3.3	10.2
Total operating profit	6.1	-0.6	117.9	97.2	242.3
Operating margin¹					
Royalties	16%	10%	67%	66%	66%
Retail and wholesale	1%	-1%	10%	8%	14%
Services	-1%	-6%	2%	2%	3%
Total operating profit	3%	0%	19%	17%	19%

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

QUARTERLY DATA

INCOME STATEMENT

	2007		2006			
	Q1 Jan.– March	Q2 April– June	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.
MSEK						
> Revenues						
Net sales	418.6	189.8	388.0	184.1	441.3	274.5
Other income	2.3	2.6	0.4	3.0	1.5	2.9
Total revenues	420.8	192.4	388.4	187.1	442.7	277.4
> Operating expenses						
Cost of goods sold	–201.4	–76.4	–177.6	–79.1	–204.9	–118.7
Other external expenses	–75.1	–78.3	–82.1	–77.0	–86.3	–94.4
Personnel costs	–27.4	–27.6	–26.4	–26.9	–26.6	–33.6
Depreciation and amortization of tangible and intangible assets	–5.1	–4.0	–4.5	–4.7	–4.6	–6.0
Operating profit	111.8	6.1	97.9	–0.6	120.3	24.7
> Financial income and expense						
Financial income	1.4	0.9	1.8	2.0	3.7	–2.8
Financial expense	–4.8	–6.1	–7.9	–5.0	–4.4	–2.3
Pretax profit	108.4	0.9	91.8	–3.6	119.7	19.7
Tax	–31.5	–0.2	–26.4	1.0	–34.7	–4.8
Net profit	76.9	0.7	65.4	–2.5	84.9	14.9
REVENUES						
> Royalties						
Master franchise income	80.9	29.0	70.5	22.5	81.1	33.7
Man	58.2	19.7	52.0	16.4	59.3	24.8
Woman	16.0	6.4	13.7	3.8	16.1	5.7
Kids	5.0	2.1	3.5	1.0	4.8	2.0
Home	1.8	0.7	1.3	1.2	1.0	1.2
Licensing income	6.1	3.6	5.4	3.3	6.9	2.7
Other income	1.8	1.9	2.6	1.4	2.5	3.9
	88.8	34.5	78.5	27.2	90.5	40.3
> Retail and wholesale						
Retail sales	56.7	58.3	55.6	61.3	63.0	83.2
Wholesale sales	140.8	52.2	123.4	55.7	157.9	75.0
Other income	2.6	3.4	0.9	2.8	1.3	1.1
	200.1	113.9	179.9	119.8	222.3	159.2
Service income	132.0	44.0	130.0	40.1	129.9	77.8
Total revenues	420.8	192.4	388.4	187.1	442.7	277.4

SEGMENT REPORTING

	2007		2006			
	Q1 Jan.– March	Q2 April– June	Q1 Jan.– March	Q2 April– June	Q3 July– Sept.	Q4 Oct.– Dec.
MSEK						
> Revenues						
Royalties						
External sales	88.8	34.5	78.5	27.2	90.5	40.3
Internal sales	21.9	11.2	22.8	9.6	26.2	14.1
Retail and wholesale						
External sales	200.1	113.9	179.9	119.8	222.3	159.4
Internal sales	4.8	12.5	8.6	8.4	8.1	10.8
Services						
External sales	132.0	44.0	130.0	40.1	129.9	77.8
Internal sales	18.2	12.9	22.1	5.5	27.5	6.8
Eliminations	–44.9	–36.6	–53.5	–23.6	–61.9	–31.6
Total revenues	420.8	192.4	388.4	187.1	442.7	277.4
> Operating profit						
Royalties	76.6	5.6	66.9	2.7	82.9	2.5
Retail and wholesale	31.9	1.1	25.4	–1.0	32.6	20.3
Services	3.3	–0.5	5.6	–2.3	4.9	2.0
Total operating profit	111.8	6.1	97.9	–0.6	120.3	24.7
> Operating margin ¹						
Royalties	86%	16%	85%	10%	92%	6%
Retail and wholesale	16%	1%	14%	–1%	15%	13%
Services	2%	–1%	4%	–6%	4%	3%
Total operating profit	27%	3%	25%	0%	27%	9%

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 whole-sale 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.

ROYALTY

Remuneration, in the main, is based on the sales of the Master franchisees' and licensees' wholesale sales and, where appropriate, based on retail sales converted to wholesale prices.

SERVICE INCOME

Service income mainly pertain to reselling of products from the Far East that are intended for certain Master franchisees in the EU. To enhance the efficiency of goods purchases from the Far East, Gant purchases these products for immediate resale to its EU based Master franchisees. In addition, Gant coordinates marketing activities, control orders and production quantities and provides certain other IT services centrally. Compensation for these services are invoiced to the Master franchisees.

FINANCIAL CALENDAR AND ADDITIONAL INFORMATION

Calendar:

October 24, 2007 Interim report, January–September 2007
March 4, 2008 Year-end report, January–December 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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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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