

JANUARY-DECEMBER 2007

TWELVE MONTHS, JANUARY-DECEMBER

- ★ Total Revenues amounted to MSEK 1,378.1 (1,295.6), an increase of 6 percent.
- ★ Operating profit increased by 17 percent to MSEK 284.0 (242.3).
- ★ Net profit for the year increased by 21 percent to MSEK 197.3 (162.6).
- ★ Earnings per share before dilution amounted to SEK 12.00 (10.13)

FOURTH QUARTER, OCTOBER-DECEMBER

- ★ Total revenues increased by 1 percent to MSEK 279.3 (277.4).
- ★ Operating profit amounted to MSEK 28.4 (24.7), an increase of 15 percent.
- ★ Net profit for the period amounted to MSEK 22.8 (14.9).
- ★ Earnings per share before dilution amounted to SEK 1.35 (0.92).





GROUP SUMMARY KEY FIGURES

	3 months Oct.–Dec.		Fiscal year Jan.–Dec.	
	2007	2006	2007	2006
Total revenues (MSEK)	279.3	277.4	1,378.1	1,295.6
Operating profit (MSEK)	28.4	24.7	284.0	242.3
Operating margin [%]	10.2	8.9	20.6	18.7
Net profit (MSEK)	22.8	14.9	197.3	162.6
Net margin [%]	8.2	5.4	14.3	12.6
Earnings per share before dilution (SEK)	1.35	0.92	12.00	10.13
Earnings per share after dilution (SEK)	1.35	0.88	11.76	9.72

For Definitions, see page 6.

SIGNIFICANT EVENTS

PERSONNEL

Dirk-Jan Stoppelenburg has been appointed CEO of Gant Company AB with effect from July 1, 2008. He has extensive experience in global companies and is currently Managing Director of Tetra Pak Benelux.

PUBLIC OFFER FROM MAUS FRÈRES

The company Maus Frères S.A. presented, through the wholly owned subsidiary Procastor S. A., December 11, 2007 a public offer for all shares in Gant Company AB. On January 4, 2008, the Board of Directors submitted its recommendation regarding the public offer from Maus Frères. It also presented new financial targets for the period 2008–2015 where EBIT shall amount to at least MSEK 450 in 2010 and increasing at an average annual rate of at least 15 percent in the following five-year period. On January 30, 2008, Maus Frères raised its offer. An agreement was reached and on January 31, 2008, Procastor S.A. increased its ownership in Gant to 95.6 percent.

NOMINATION COMMITTEE

On January 25, 2008, Gant's nomination committee announced that Mr Ramsay Brufer, who is representing Alecta, will leave the nomination committee. Mr Brufer will not be replaced.

EXTRAORDINARY GENERAL MEETING

At the request of Maus Frères S.A. an Extraordinary General Meeting was held February 29,

2008, to elect new board members. The Extraordinary General Meeting elected Didier Maus and Guy Latourrette as new members of the Board.

DELISTING

Gant Company AB will be delisted from OMX Nordic Exchange in Stockholm on March 21, 2008. The last day of trade in the Gant share will be March 20, 2008.

REVENUES

FOURTH QUARTER, OCTOBER–DECEMBER
Total revenues increased by 1 percent and amounted to MSEK 279.3 (277.4).

Total royalty income increased by 1 percent during the fourth quarter, and amounted to MSEK 40.9 (40.3).

The retail and wholesale segment increased sales by 2 percent to MSEK 162.5 (159.4) during the fourth quarter.

Service income amounted to MSEK 76.0 (77.8), a reduction of 2 percent.

FULL YEAR, JANUARY–DECEMBER

Total revenues increased by 6 percent to MSEK 1,378.1 (1,295.6).

Total royalty income increased by 12 percent to MSEK 265.6 (236.5) for the year.

The retail and wholesale segment increased revenues by 5 percent, from MSEK 681.3 to 715.1.

Service income increased by 5 percent and amounted to MSEK 397.4 (377.8).

OPERATING PROFIT

FOURTH QUARTER, OCTOBER–DECEMBER
For the fourth quarter, operating profit totaled MSEK 28.4 (24.7), an increase of 15 percent.

The royalty segment showed an operating profit of MSEK 7.2 (2.5).

The operating profit for the retail and wholesale segment reached MSEK 20.1 (20.3) for the fourth quarter.

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

FULL YEAR, JANUARY–DECEMBER

The operating profit for the year amounted to MSEK 284.0 (242.3), an increase of 17 percent.

The royalty segment showed an operating profit of MSEK 182.3 (155.0), an increase of 18 percent.

The operating profit for the retail and wholesale segment amounted to MSEK 92.1 (77.2), an increase of 19 percent.

Operating profit for the service segment totaled MSEK 9.6 (10.2) for the year.

NET PROFIT

Net profit for the fourth quarter amounted to MSEK 22.8 (14.9). For the year, net profit amounted to MSEK 197.3 (162.6), an increase of 21 percent. The financial net for the year amounted to MSEK –8.4 (–14.8). Tax for the same period amounted to MSEK 78.3 (64.9), implying a tax rate of 28.4 (28.5) percent.

CASH FLOW

The operating cash flow for the year amounted

to MSEK 185.6 (191.4). The reason for the decrease being the investment due to the renovation of the flagship store on Fifth Avenue in New York, USA.

FINANCIAL POSITION

Gant's net debt totaled MSEK 228.8 (353.7) at year end. Cash and cash equivalents amounted to MSEK 136.2 (53.6). Interest-bearing debt amounted to MSEK 365.0 (407.3), of which MSEK 0 (2.3) refers to utilized credit facilities. The total credit facilities as of December 31, 2007 amounted to MSEK 271.1 (282.0). 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. For the year, investments totaled MSEK 32.3 (7.0) 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 274 (276), of which 56 percent (57) were women.

PARENT COMPANY

Total revenues in the parent company for the fourth quarter 2007 amounted to MSEK 2.3 (2.3) and consist solely of sales to companies within the Group. January to December, revenues totaled MSEK 9.0 (9.3). Result after

financial items amounted to MSEK 2.7 (259.6) for the fourth quarter and MSEK –23.5 (235.0) for the year. Cash and cash equivalents as per December 31, 2007 amounted to MSEK 96.5 (27.9) and the utilized credit facility totaled MSEK 0 (2.3). No investments were made during the year.

DIVIDEND

The Board of Directors recommends that no dividend shall be submitted for the fiscal year 2007.

ANNUAL MEETING AND

ANNUAL REPORT

The Annual Meeting will be held on June 4, 2008 at 9 am CET in the Company's premises

at Augustendalsvägen 47 in Nacka Strand. Notice to attend will be published at the latest on May 7, 2008.

Gant's Annual Report will be made available for shareholders in Gant Company AB at the latest on May 7, 2008.

ACCOUNTING PRINCIPLES

This year-end 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 29, 2008

This report is a translation of the original Swedish year-end report.

The year-end 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

Guy Latourrette
Member of the Board

Didier Maus
Member of the Board

Charlotte Strömberg
Member of the Board

Henrik Fredin
Acting CEO

INCOME STATEMENT

MSEK	3 months Oct.–Dec.		Fiscal year Jan.–Dec.	
	2007	2006	2007	2006
> Revenues				
Net sales	277.1	274.5	1,369.6	1,287.8
Other income	2.2	2.9	8.5	7.8
Total revenues	279.3	277.4	1,378.1	1,295.6
> Operating expenses				
Cost of goods sold	-122.5	-118.7	-623.0	-580.3
Other external expenses	-87.4	-94.4	-331.7	-339.8
Personnel costs	-36.8	-33.6	-117.9	-113.5
Depreciation and amortization of tangible and intangible assets	-4.3	-6.0	-21.6	-19.7
Operating profit	28.4	24.7	284.0	242.3
> Financial income and expense				
Financial income	10.2	-2.8	13.4	7.2
Financial expense	-8.9	-2.3	-21.8	-22.0
Pretax profit	29.7	19.7	275.6	227.5
Tax	-6.9	-4.8	-78.3	-64.9
Net profit	22.8	14.9	197.3	162.6
Attributable to:				
Equity holders of the company	22.6	14.8	196.7	162.2
Minority interest	0.1	0.1	0.6	0.4
Earnings per share before dilution (SEK)	1.35	0.92	12.00	10.13
Earnings per share after dilution (SEK)	1.35	0.88	11.76	9.72
Number of share outstanding on the closing date (thousands)	16 769 500	16 011 000	16 769 500	16 011 000
Average number of shares outstanding before dilution (thousands)	16 769 500	16 011 000	16 390 250	16 011 000
Average number of shares outstanding after dilution (thousands)	16 769 500	16 682 518	16 727 765	16 663 030

CASH FLOW STATEMENT

MSEK	Fiscal year Jan.–Dec.	
	2007	2006
Profit before tax	275.6	227.5
Adjustments for items not included in cash flow	26.1	13.1
Tax paid	-39.7	-52.0
Cash flow from operations before changes in working capital	214.8	188.7
Changes in working capital	3.1	9.8
Cash flow from operations	217.9	198.5
Cash flow from investments	-32.3	-7.0
Operating cash flow	185.6	191.4
Cash flow from financing activities	-101.1	-237.0
Cash flow for the period	84.5	-45.5
Opening cash balance	53.6	104.2
Decrease/increase in cash	84.5	-45.5
Exchange rate differences in cash	-1.9	-5.0
Closing cash balance	136.2	53.6

STATEMENT OF CHANGES IN EQUITY

MSEK	Fiscal year Jan.–Dec.	
	2007	2006
Equity at the beginning of the period	281.1	121.5
Net income recognised directly in equity	-8.1	-2.3
Net profit	197.3	162.6
Currency translation differences	-5.3	-4.7
New share issue (option program)	18.3	0.0
Premiums (option program)	6.0	0.0
Dividend	-92.4	0.0
Other	0.2	4.0
Equity at the end of the period	397.1	281.1

BALANCE SHEET

MSEK	December 31	
	2007	2006
ASSETS		
> Fixed assets		
Leasehold rights	1.7	3.6
Goodwill	19.3	19.8
Brand	732.5	732.5
Equipment	55.7	44.6
Other fixed assets	1.3	2.2
Total fixed assets	810.5	802.7
> Current assets		
Inventories	184.7	161.4
Accounts receivable	55.8	44.6
Other current receivables	148.3	135.8
Cash and cash equivalents	136.2	53.6
Total current assets	525.1	395.5
TOTAL ASSETS	1,335.6	1,198.1
EQUITY AND LIABILITIES		
> Equity	397.1	281.1
> Long-term liabilities		
Interest-bearing liabilities	325.0	367.3
Non interest-bearing liabilities	199.8	203.5
Total long-term liabilities	524.8	570.8
> Short-term liabilities		
Interest-bearing liabilities	40.0	40.0
Non interest-bearing liabilities	373.8	306.2
Total short-term liabilities	413.8	346.2
TOTAL EQUITY AND LIABILITIES	1,335.6	1,198.1

SEGMENT REPORTING

MSEK	3 months Oct.-Dec.		Fiscal year Jan.-Dec.	
	2007	2006	2007	2006
> Revenues				
Royalties				
External sales	40.9	40.3	265.6	236.5
Internal sales	13.8	14.1	74.0	72.8
Retail and wholesale				
External sales	162.4	159.4	715.1	681.3
Internal sales	9.6	10.8	33.9	35.9
Services				
External sales	76.0	77.8	397.4	377.8
Internal sales	14.2	6.8	67.4	61.9
Eliminations	-37.6	-31.6	-175.3	-170.6
Total revenues	279.3	277.4	1,378.1	1,295.6
> Operating profit				
Royalties	7.2	2.5	182.3	155.0
Retail and wholesale	20.1	20.3	92.1	77.2
Services	1.2	2.0	9.6	10.2
Total operating profit	28.4	24.7	284.0	242.3
> Operating margin ¹				
Royalties	17%	6%	69%	66%
Retail and wholesale	12%	13%	13%	11%
Services	2%	3%	2%	3%
Total operating profit	10%	9%	21%	19%

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

DEFINITIONS



EARNINGS PER SHARE

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

EARNINGS PER SHARE AFTER DILUTION

Net profit divided by number of shares at close of period and outstanding warrants, adjusted for possible dilution effect.

LICENSEE

Companies that manufacture, market and sell the product groups footwear, fragrance, watches and eyewear 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 profit 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.

ROYALTY

Remuneration which, as a main rule, 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 qualities and provides certain other IT services centrally. Compensation for these services are invoiced to the Master franchisees.

ADDITIONAL INFORMATION

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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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