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**Press release**

**7 January 2008**

## **Comments on the statement by the Board of Directors of Gant**

*To the shareholders in Gant Company AB (publ) ("Gant")*

- **Maus Frères is now the largest shareholder in Gant, and will keep the shares acquired irrespective of the outcome of the Offer.**
- **At SEK 310 per share the Offer fully values Gant, equating to a P/E ratio of 27x based on net income for the last reported 12 months and a premium of 31% to the pre-bid price.**
- **The statement from the Board of Directors of Gant provides no adequate supporting analysis to justify its recommendation.**
- **Maus Frères concurs with the Gant Board of Directors' warning to shareholders regarding the adverse consequences of future limited liquidity in the share.**
- **In this press release Maus Frères clarifies a number of inaccurate comments regarding its future strategic intentions towards Gant, among them the use of franchisees.**

After analysing the statement by the Board of Directors of Gant on 4 January 2008 regarding Maus Frères S.A.'s ("Maus Frères") cash offer (the "Offer") through its wholly owned subsidiary Procastor S.A. ("Procastor") announced on 11 December 2007, we would like to state the following:

- Maus Frères notes that the Board of Directors of Gant has recommended shareholders not to accept the Offer, but has not provided adequate supporting analysis to substantiate its recommendation.
  - The Board of Directors of Gant has announced targets for EBIT in 2010 and for growth in the years 2011 to 2015, but has not commented on the likely out-turn for 2007 or as to forecasts or targets for 2008 and 2009, the periods for which independent market estimates are available. Shareholders have not therefore been provided with any *credible* new information by the Board of Directors of Gant from which they can conclude that the pre-bid value of the Gant share (SEK 236.50 on 10 December 2007) incorrectly valued the stand-alone prospects for Gant.

- The bid of SEK 310 per Gant share represents among the highest P/E ratios ever paid in the industry (27x on a last reported 12 months basis as of 30 September 2007), and a substantial premium to traded comparable companies (a valuation premium on key multiples of over 40 % to a group of top tier comparable companies<sup>1</sup>). The Offer represents a premium of 31 % over the closing Gant share price on 10 December 2007, the last trading day before the announcement of the Offer. Based on the volume-weighted average price of the Gant share during the period 30 October to 10 December 2007, i.e. the 30 trading days before the announcement of the Offer, the premium is 30 %.
- Based on the above, and in the absence of any credible new information regarding Gant's future which had not been disclosed publicly by the date of announcement of the Offer, Maus Frères cannot agree with the view that the Offer is not a full and fair one to the shareholders of Gant.
- Maus Frères confirms to the shareholders in Gant that the 23.7 % of the Gant shares it has already bought from major shareholders are not subject to the outcome of the Offer, and will be retained as a long term investment irrespective of the outcome of the Offer.
- Maus Frères concurs with the warning from the Board of Directors of Gant: *“shareholders’ attention is also drawn to the fact that an acquisition by Procastor of a large block of shares through the Offer, or in the market, could reduce the liquidity in the market for Gant shares, which could have a negative effect on its price going forward”*.
- After the expiration of the offer period Maus Frères may not be in a position to make a renewed offer for Gant at a future time. Further, if it does so, Maus Frères makes no undertaking to set any such future offer at, or anywhere close to, the current Offer of SEK 310 per share.
- Maus Frères disputes the statement by the Board of Directors of Gant that Maus Frères has not provided sufficient information as to the consequences for Gant of becoming a part of the Maus Frères group. It is not Maus Frères' intention that Gant will be *“integrated with a larger textile group”*, rather that Gant will be held as a separate company and brand with its own distinct Swedish identity, headquartered in Stockholm. This is how Maus Frères has worked with previous acquisitions such as Lacoste and Aigle. Maus Frères has stated that it does not intend to undertake any restructuring or cost-cutting exercise, and also confirmed on the date of the announcement of the Offer that it will retain Gant's management team.
- Contrary to what is stated in the statement from the Board of Directors of Gant, Maus Frères has a long standing tradition of successful partnership with franchisees, for example in Greece since 1963, in Spain since 1962, in Italy since 1976, and in Denmark since 1974.
- Gant's franchise model has served Gant well in the markets in which Gant operates today. However, Maus Frères is convinced that the only way to penetrate the largest markets successfully - e.g. the USA and Japan - is through significant direct investment, and the ability to take a long term view of profitability; as Maus Frères has demonstrated with Lacoste.
- Based on its own experience, Maus Frères also believes that the franchise model may face severe problems in some of the larger emerging markets.

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<sup>1</sup> Source: JCF consensus forecasts.

- Maus Frères continues to believe that the Offer places a very attractive valuation on Gant. Maus Frères believes that it is uniquely well placed to build on the success of Gant's founding owners and management and to develop Gant as a truly global brand.

### **Background and reasons for the Offer**

On 11 December 2007, Maus Frères announced a cash offer of SEK 310 per Gant share to the shareholders in Gant through its wholly owned subsidiary Procastor. The acceptance period expires on 11 January 2008.

Maus Frères' strategy is aimed to develop the Gant operations and the Gant brand further as a business with its own distinctive identity and spirit. Under Maus Frères' ownership, the Gant brand would benefit from significant financial support to further strengthen global marketing of the brand and to speed up Gant's geographical expansion, mainly in the US and Japan. Maus Frères' experience of building the Lacoste brand shows the need for substantial investments in marketing and the establishment of world class distribution channels.

Procastor S.A.

*The Board of Directors*

Maus Frères S.A.

*The Board of Directors*

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