

## *Interim Report for New Wave Group AB (publ)*

Q1 | JANUARY–MARCH 2007



### *Continued strong profit growth.*

#### **THE PERIOD 1 JANUARI – 31 MARCH 2007 COMPARED TO THE PRECEDING YEAR.**

- Sales increased by 1 % to SEK 760 (755) M.
- The result after net finance improved by SEK 14.7 M to SEK 11.8 (-2.9) M.
- The result after tax improved by SEK 10.8 M to SEK 8.7 (-2.1) M and profit per share improved to SEK 0.13 (-0.04).
- Acquired units burdened the results after net financial items by SEK 9.4 M.

#### **ACQUISITION AFTER PERIOD'S END**

- On 13 April an agreement was made on the acquisition of Cutter & Buck Inc, a leading actor on the market for exclusive golfing clothes and sportswear in the USA.

#### **VIEW ON 2007**

- For 2007 sales and results are expected to increase and exceed the preceding year's.

## SALES

Sales increased by 1 % to 760 (755) M during January – March. The currency exchange rate has burdened sales by SEK 12 M as the Swedish krona has appreciated in relation to the same period during 2006. The mild winter has continued to affect clothes sales within profiling and retailing negatively.

## PROFIT

The results after net finance improved by SEK 14.7 M to SEK 11.8 (-2.9) M. The results after tax improved by SEK 10.8 M to SEK 8.7 (-2.1) M and profit per share improved to SEK 0.13 (-0.04). New establishment burdened the results with SEK 9.4 M.

The gross margin increased to 47.5 (46.0) %. The long-term gross margin goal has increased to 50 (45) %.

New Wave's external costs as part of sales decreased and amounted to 24.9 (26.5) %. The personnel costs increased and amounted to 17.6 (17.1) % of sales.

Depreciation increased by SEK 8.6 M to SEK 40.1 (31.5) M.

Net financial items amounted to SEK -14.9 (-12.8) M. The increase is due to increase of net debt and increased interest rates. The Group's policy is to have a short duration, which has a swift effect on the costs when the interest rate changes.

The tax-rate for New Wave was 26.3 (27.6) %.

The operating margin was 3.5 (1.3) % and return on capital employed was 4.0 (0.1) %. The acquisition of the Orrefors Kosta Boda group has contributed to higher sales, but will burden the Group's margin until they reach the same profitability as the rest of the Group. The goal for the Orrefors Kosta Boda group is to reach an operating profit of 10 % in 2010 at the latest.

## REPORT OF THE CORPORATE SEGMENTS

The Profiling Business Area and The Retailing Business Area are primary segments. The channel of distribution is the basis, not the product or geographic market. Many products are common for both segments, with common stock and assets. This makes the division of depreciations and net financial items hard. Therefore, New Wave has chosen to present the results for both business areas on EBITDA-level (Earning Before Interest, Tax and Depreciation), the operating results adjusted for depreciations.

### THE PROFILING BUSINESS AREA

The Profiling Business Area's sales increased by 4 % to SEK 474 (456) M. Profit on EBITDA-level increased by SEK 25.0 M to SEK 40.0 (15.0) M.

### THE RETAILING BUSINESS AREA

The Retailing Business Area's sales decreased by 4 % to SEK 287 (299) M. Profit on EBITDA-level decreased by SEK 6,9 M to SEK -2,6 (4,3) M.

## PURCHASE

New Wave has purchase offices in Bangladesh, Vietnam and China with approximately 130 employees. The Shanghai office has been strengthened with more competence when it comes to textile, give-aways and workwear. A lot of resources have been spent on

strengthening the competence and systems for follow-ups of quality and environmental issues, when it comes to both products and suppliers. The Bangladesh office has also been strengthened.

Since 2005 the number of suppliers has decreased from 750 to approximately 400. The goal is 350. Fewer suppliers increase our strength in the purchasing market and make it easier for us to control and affect suppliers. New Wave is a member of the European organization BSCI and has started classifying the suppliers.

## GEOGRAPHICAL DISTRIBUTION

See the table below for sales in the different markets.

In spite of New Wave's market domination in the Nordic countries, the growth continues. With a market share of more than 35 % within the Corporate Profiling business area we count on future growth in the rest of Europe where the market shares are small today.

New Wave Italy presents continued strong profitability, which is proof of the concept's success all over Europe.

The service level is now corrected in Spain after the week autumn 2006 and the new management is currently working hard to get the clients' confidence back.

The profile companies in England/Wales will merge this spring and the stock in London will move to Wales with much lower rent. Despite the move the clients will receive the same service level.

The growth in the USA was 6 % in SEK, but 15 % in USD. New Wave's current operations in the USA include Orrefors Kosta Boda and Sagaform via owned subsidiaries and Craft via a distributor.

## ACQUISITIONS

No acquisitions that affect the numbers from 2006 have been made.

## CUTTER & BUCK

New Wave has on 13 April made an agreement to acquire Cutter & Buck Inc., a leading supplier of exclusive golf- and sportswear in the USA. The fusion of both companies will give Cutter & Buck Inc. a much bigger product range for the American market and New Wave Group AB an exclusive trademark within golf- and sportswear to distribute in Europe.

According to the agreement, unanimously approved by both companies' boards, the shareholders of Cutter & Buck Inc. will receive USD 14.38 per share in Cutter & Buck Inc.

SEK M	JAN - MAR	Part of	JAN - MAR	SEK M	CHANGE
	2007	turnover	2006		%
Sweden	293	39%	288	5	2
Benelux	89	12%	87	2	2
Norway	57	8%	57	0	0
Germany	55	7%	56	-1	-2
Finland	43	6%	41	2	5
Italy	42	6%	42	0	0
USA	36	5%	34	2	6
Denmark	28	4%	29	-1	-3
Switzerland	22	3%	22	0	0
England	22	3%	26	-4	-15
Spain	21	3%	21	0	0
France	20	3%	20	0	0
Other	32	4%	32	0	0
Total	760	100%	755	5	1

Buck Inc., a total of USD 156.5 M. New Wave Group will make cash payment.

Only a small part of Cutter & Buck's sales take place outside of the USA, which gives important distribution synergies thanks to New Wave's wide distribution network in Europe, as well as Cutter & Buck's wide distribution network in the USA. Purchasing and product development synergies are also expected.

The realization of the acquisition has terms of usual character, including the approval of Cutter & Buck Inc.'s shareholders and the receiving of dictated permissions and approval from relevant authorities in the USA. Cutter & Buck's results will be consolidated into New Wave Group AB's income statement as soon as the transfer has been made at the end of May 2007. The acquisition is expected to have a positive effect on New Wave Group's results as early as this year.

Cutter & Buck Inc. develops, designs and markets exclusive golf- and sportswear with the trademarks "Cutter & Buck", "ANNIKA" and "CBUK". The company primarily sells its products to the golf and sports retailing area, corporate profiling suppliers as well as international distributors and license-holders. The company also sells to consumers that make mail and e-mail orders from the owned subsidiary Cutter & Buck Inc. Direct LLC. Cutter & Buck Inc.'s products are characterized by distinct and comfortable design, high quality and many details, and the company works closely with Annika Sörenstam through the trademark ANNIKA.

Cutter & Buck Inc. has approximately 380 employees and during the last fiscal year (1 May 2005 – 30 April 2006) its turnover was USD 131 M with a profit before tax of USD 9.8 M. Cutter & Buck Inc.'s shareholders equity amounted to USD 70.3 M as per 31 January 2007. Approximately 60 % of Cutter & Buck's turnover represents what New Wave classifies as corporate profiling. For more information on Cutter & Buck Inc., please visit the website [www.cutterbuck.com](http://www.cutterbuck.com).

## NEW ESTABLISHMENTS

New Wave has launched and started several new establishments and most of these mean adding more of the existing trademarks and product assortments to already existing New Wave companies. It normally takes between 12 – 24 Months before an establishment is profitable, depending on the market and organization.

Several of the Group's brands within promowear, workwear and gifts are established in existing New Wave companies in Europe. New Wave has a high rate of es-

tablishment with several new start-ups during the last years. The goal is to implement most concepts where New Wave is established to achieve wide coverage and big market shares.

Outside Europe, a joint venture in Russia, in which New Wave holds 51 % of the shares and the management holds 49 %, and a wholly owned company in China have been established. New Wave in Russia is a small establishment in promowear that is supplied with goods from Sweden. In China, Orrefors Kosta Boda has opened three small flagship stores in Shanghai, with a very positive start. Except glass, New Wave sells promowear in China.

An assortment of textiles is launched under the trademark Kosta Linnewäveri autumn 2006. An assortment of metal products for kitchen and presents will be launched under the trademark Orrefors Jernverk autumn 2007. Both concepts are under development and the cost for this is taken on a running basis.

One more outlet of approximately 11.000 m<sup>2</sup> will be built in Kosta and mainly be let to external companies with attractive brands.

### CAPITAL TIED UP

During the period, capital tied up in goods has increased by SEK 124 M to SEK 1 643 (1 519) M. The corresponding increase was SEK 139 M for the preceding year. During the first quarter the stock is increased for deliveries during the second quarter. Customer loans decreased by SEK 82 M to SEK 663 (745) M.

### INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operation amounted to SEK -63 (-9) M before investments and SEK -110 (-30) M after investments. New Wave's cash-affecting net investments amounted to SEK -47 (-20) M during January – March 2007. Net debt increased by SEK 88 M and amounted to SEK 1 404 (1 316) M. New Wave's credit limits were approximately SEK 2 400 M as of 31 March 2007.

### PERSONNEL AND ORGANISATION

The number of employees as of 31 March 2007 amounted to 2 169 (1 981) persons, of which 40 % were female and 60 % were male. A total of 808 persons were employed within production units. The production owned by New Wave belongs to Orrefors Kosta Boda, Seger, Dahetra and Toppoint.

### SUBSCRIPTION OPTIONS IN NEW WAVE GROUP AB (PUBL)

New Wave has one outstanding programme for subscription options. It expires in June 2008 and consists of 1 500 000 options with an exercise price of SEK 73.10. The options were subscribed in June 2005 with a price of SEK 9.00.

### VIEWS ON THE FISCAL YEAR 2006

Continued focus on improving the profitability in new establishments, integrate the acquired companies and concentrate the buying. For 2007 the sales and results are expected to increase for the 17<sup>th</sup> year in a row. The tax rate for 2007 is expected to be the same as for the first quarter.

### THE PARENT COMPANY

Sales amounted to SEK 26 (23) M. Profit after financial items amounted to SEK -2,7 (1,0) M. Net borrowings

amounted to SEK 878 M, of which SEK 665 M refer to subsidiaries. Net investments amounted to SEK -2 (13) M.

### FEMALE ADVISORY BOARD

The purpose with the board is partly that it should work as an advisory body to New Wave Group regarding women's view on the group's trademarks, products, image, stores and strategies, etc, partly to increase New Wave Group's female network for future recruitments of female managers, which in the long run creates a higher degree of equality of opportunity between women and men among the group's managers. The members of New Wave Group Female Advisory Board are Isabella Jansson, Ingegerd Hadenius, Emma-Helena Nilsson, Ulrica Messing, Barbro McAusland and Pernilla Wiberg.

### ACCOUNTING PRINCIPLES

This interim report has been prepared according to IAS 34 interim report and the annual report law as well as according to the Swedish Financial Accounting Standards Council's standards RR 32 regarding the parent company. Applied accounting principles are in accordance with the annual report for 2005.

### ANNUAL GENERAL MEETING

The annual general meeting will be held on 11 May 2007 at 1 pm at New Wave Group's head office in Gothenburg. The Annual Report will be available for shareholders on 27 April at New Wave Group's head office.

### NOMINATION COMMITTEE

The nomination committee for election of the board to the annual shareholders meeting consists of the following members:

- Håkan Thylén, chairman of the board and convener.
- Torsten Jansson, CEO and major shareholder.
- Britt Reigo, represents Swedbank Robur Fonder.

The nomination committee suggests reelection of Torsten Jansson, Hans Johansson and Maria Andark as members of the board and reelection of Mats Årjes and Peter Nilsson. Håkan Thylén has declined reelection. Torsten Jansson is suggested as a working chairman of the board.

Mats Årjes, born in 1967, is the president of SkiStar AB and a board member in Bilia AB. Peter Nilsson, born in 1962, is chairman of the board in Duni AB and a member of the board in JH Tidbecks AB.

### NEW PRESIDENT AND CEO

Torsten Jansson has decided to resign as president and CEO at the annual shareholders meeting on 11 May 2007. Torsten Jansson will stay within New Wave Group's management and concentrate on important acquisitions and new establishments. He will therefore be a working chairman of the board.

New Wave Group's vice president Göran Härstedt has been chosen as the new president and CEO, starting on 11 May 2007. Göran Härstedt has been vice president for New Wave Group since 2001. Before that Göran Härstedt was a lawyer and partner in Wistrand Advokatbyrå.

The change is a natural result of a process, in which Göran Härstedt more and more has become responsible for the everyday management of New Wave Group. With

the new organization, Torsten Jansson will be able to focus on strategy and growth projects within the Group.

### GROUP MANAGEMENT

Except the change of CEO and board (see above) the Group Management has been strengthened with three new positions:

Jens Petersson, CEO in Craft of Scandinavia AB, has been appointed to Retail Manager.

Bas Lensen, CEO in Lensen Group (Toppoint) has been appointed to Middle Europe Manager – Profiling.

Jens and Bas will successively come into possession during 2007.

Anna Ljungdahl, has been appointed as Business Development Manager. She has been recruited from SEB Företagsinvest.

After these changes the Group Management represents by:

Torsten Jansson, CEO (chairman of the board from 11<sup>th</sup> May 2007)

Göran Härstedt, Deputy CEO (CEO from 11<sup>th</sup> May 2007)

Krister Magnusson, CFO

Joakim Holmberg, CBO

Michael Ellmark, CIO

Anna Ljungdahl, Business Development Manager

Tomas Jansson, North European Manager– Profiling

Jens Petersson, Retail Manager

Bas Lensen, Mid European Manager– Profiling

Mario Bianchi, South European Manager– Profiling

### CALENDAR

- 11 May 2007  
Annual shareholders meeting
- 13 July 2007  
Interim report for Q2
- 26 October 2007  
Interim report for Q3

Gothenburg 23 April 2007

New Wave Group AB (publ)

Torsten Jansson

President and CEO

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## Income Statements

SEK M	3 months		12 months	
	JAN-MARCH	JAN-MARCH	JAN-DEC	JAN-DEC
	2007	2006	2006	2005
Net sales	760.4	755.3	3 530.5	3 059.0
Goods for resale	-399.5	-407.7	-1 839.6	-1 638.7
<b>Gross profit</b>	<b>360.9</b>	<b>347.6</b>	<b>1 690.9</b>	<b>1 420.3</b>
Operating income*	2.3	1.8	23.1	25.8
Other external expenses	-189.7	-199.9	-793.4	-653.9
Personnel costs	-134.1	-129.4	-522.2	-461.5
Depreciation of tangible and intangible fixed assets	-10.7	-9.4	-40.1	-31.5
Other expenses	-2.0	-0.8	-13.6	-3.5
Shares in associated companies	-	0.0	0.1	-0.1
<b>Operating profit</b>	<b>26.7</b>	<b>9.9</b>	<b>344.8</b>	<b>295.6</b>
Interest income	1.4	2.0	9.4	6.9
Interest costs	-16.3	-14.8	-64.0	-48.5
<b>Net financial items</b>	<b>-14.9</b>	<b>-12.8</b>	<b>-54.6</b>	<b>-41.6</b>
<b>Profit after financial items</b>	<b>11.8</b>	<b>-2.9</b>	<b>290.2</b>	<b>254.0</b>
Tax on the profit for the period	-3.1	0.8	-63.1	-47.3
<b>Profit/loss for the period</b>	<b>8.7</b>	<b>-2.1</b>	<b>227.1</b>	<b>206.7</b>
<b>Related to:</b>				
Shareholders parent company	8.6	-2.8	225.7	203.0
Minority share of net profit	0.1	0.7	1.4	3.7
	<b>8.7</b>	<b>-2.1</b>	<b>227.1</b>	<b>206.7</b>
<b>Profit per share</b>				
Profit per share before dilution	0.13	-0.04	3.47	3.22
Profit per share after dilution	0.13	-0.04	3.46	3.17
Weighted number of shares before dilution	66 343 543	64 517 778	65 430 660	64 210 410
Weighted number of shares after dilution	66 404 915	66 003 728	65 681 234	65 306 999

\* Rate of exchange profit and capital gain

## Quarterly Income Statements

SEK M	2007					2006				2005			
	Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	760.4	755.3	896.7	799.6	1078.9	516.5	738.6	774.2	1 029.7	468.8	595.8	525.3	712.3
Goods for resale	-399.5	-407.7	-468.8	-424.0	-539.1	-288.6	-395.5	-413.6	-541.0	-256.7	-317.8	-298.0	-374.0
Gross profit	360.9	347.6	427.9	375.6	539.8	227.9	343.1	360.6	488.7	212.1	278.0	227.3	338.3
Gross profit %	47.5	46.0	47.7	47.0	50.0	44.1	46.5	46.6	47.5	45.2	46.7	43.3	47.5
Other income	2.3	1.8	5.5	5.7	10.1	2.6	1.9	9.4	11.9	3.1	4.1	5.6	7.2
External costs	-189.7	-199.9	-184.4	-186.2	-222.9	-122.0	-145.8	-172.0	-214.1	-105.5	-105.0	-106.2	-123.7
Personnel costs	-134.1	-129.4	-132.3	-116.8	-143.7	-99.8	-110.5	-115.4	-135.8	-78.8	-85.0	-81.4	-95.9
Depreciations	-10.7	-9.4	-9.3	-10.2	-11.2	-7.4	-8.5	-10.0	-5.6	-7.5	-8.0	-7.8	-6.4
Other costs	-2.0	-0.8	-3.7	-5.3	-3.8	-1.3	1.3	-2.6	-0.9	0.0	0.0	-2.7	0.2
Shares of the results of participant companies	-	-	-	-0.1	0.2	-	-	-	-0.1	-	-	-	0.2
<b>Operating profit/loss</b>	<b>26.7</b>	<b>9.9</b>	<b>103.7</b>	<b>62.7</b>	<b>168.5</b>	<b>0.0</b>	<b>81.5</b>	<b>70.0</b>	<b>144.1</b>	<b>23.4</b>	<b>84.1</b>	<b>34.8</b>	<b>119.9</b>
Interest income	1.4	2.0	4.2	1.7	1.5	5.2	0.9	0.3	0.5	0.7	0.0	1.6	1.2
Interest expenses	-16.3	-14.8	-18.8	-16.5	-13.9	-13.7	-7.9	-13.9	-13.0	-6.5	-8.2	-7.8	-9.1
<b>Result after financial items</b>	<b>11.8</b>	<b>-2.9</b>	<b>89.1</b>	<b>47.9</b>	<b>156.1</b>	<b>-8.5</b>	<b>74.5</b>	<b>56.4</b>	<b>131.6</b>	<b>17.6</b>	<b>75.9</b>	<b>28.6</b>	<b>112.0</b>
Tax	-3.1	0.8	-23.4	-10.7	-29.8	1.3	-18.1	-12.0	-18.5	-4.3	-18.4	-6.9	-31.8
<b>Profit/loss for the period</b>	<b>8.7</b>	<b>-2.1</b>	<b>65.7</b>	<b>37.2</b>	<b>126.3</b>	<b>-7.2</b>	<b>56.4</b>	<b>44.4</b>	<b>113.1</b>	<b>13.3</b>	<b>57.5</b>	<b>21.7</b>	<b>80.2</b>
<b>Profit per share</b>													
Profit per share before dilution	0.13	-0.04	1.02	0.56	1.90	-0.11	0.88	0.69	1.75	0.22	0.93	0.35	1.30
Profit per share after dilution	0.13	-0.04	0.99	0.55	1.90	-0.11	0.88	0.68	1.72	0.22	0.92	0.35	1.30
Weighted number of shares before dilution	66 343 543	64 517 776	64 517 776	66 343 543	66 343 543	63 665 348	63 903 044	64 005 499	64 517 776	59 160 848	61 772 986	61 447 142	61 722 986
Weighted number of shares after dilution	66 404 915	66 003 728	66 040 365	67 719 546	66 553 928	64 102 822	64 001 750	65 075 196	65 843 709	60 123 100	62 276 636	62 575 992	61 838 990

## Balance Sheets

SEK M	31-mar 2007	31-mar 2006	31-dec 2006	31-dec 2005
<b>ASSETS</b>				
Intangible fixed assets	136.0	142.6	140.1	138.3
Goodwill	375.6	380.1	375.6	371.8
Fixed assets	372.0	322.6	345.0	319.9
Other long-term receivables	106.5	94.4	105.8	95.8
<b>Total fixed assets</b>	<b>990.1</b>	<b>939.7</b>	<b>966.5</b>	<b>925.8</b>
Stock	1 643.1	1 605.7	1 519.3	1 466.8
Accounts receivable	663.3	643.1	745.2	708.5
Other short-term receivables	158.3	138.3	134.3	147.5
Liquid funds	120.3	104.6	114.2	133.8
<b>Total current assets</b>	<b>2 585.0</b>	<b>2 491.7</b>	<b>2 513.0</b>	<b>2 456.6</b>
<b>TOTAL ASSETS</b>	<b>3 575.1</b>	<b>3 431.4</b>	<b>3 479.5</b>	<b>3 382.4</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	<b>1 340.0</b>	<b>1 137.3</b>	<b>1 310.7</b>	<b>1 144.0</b>
Long term loans	1 498.1	1 570.6	1 373.5	1 540.3
Other long term liabilities	111.5	104.7	109.6	104.4
<b>Total long term liabilities</b>	<b>1 609.6</b>	<b>1 675.3</b>	<b>1 483.1</b>	<b>1 644.7</b>
Short term loans	25.7	53.9	57.1	82.2
Other liabilities	599.8	564.9	628.6	511.5
<b>Total short term liabilities</b>	<b>625.5</b>	<b>618.8</b>	<b>685.7</b>	<b>593.7</b>
<b>Total liabilities</b>	<b>2 235.1</b>	<b>2 294.1</b>	<b>2 168.8</b>	<b>2 238.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3 575.1</b>	<b>3 431.4</b>	<b>3 479.5</b>	<b>3 382.4</b>
<b>Changes in equity</b>				
Opening balance	1 310.7	1 144.0	1 144.0	910.6
New accounting principle	17.6	-5.1	-53.7	23.9
Adjusted opening balance	0.2	1.6	-3.0	-3.6
Translation difference	2.8	-1.1	0.9	-2.9
Profit/loss related to the shareholderaktieägare	8.6	-2.8	225.7	203.0
Profit/loss related to the minority	0.1	0.7	1.4	3.7
Dividends	-	-	-58.1	-47.5
New issue	-	-	53.5	44.0
Option premiums	-	-	-	12.8
	<b>1 340.0</b>	<b>1 137.3</b>	<b>1 310.7</b>	<b>1 144.0</b>

## Cash Flow Analysis

SEK M	1 jan - 31 mar 2007	1 jan - 31 mar 2006	1 jan - 31 dec 2006	1 jan - 31 dec 2005
<b>Current operation</b>				
Profit/loss before financial items	26.7	9.9	344.8	295.6
Items not included in cash flow	8.7	8.7	41.8	17.9
Gained interest	1.4	2.0	9.4	6.9
Paid interest	-16.3	-14.9	-63.9	-48.5
Paid income	-39.9	-24.2	-32.4	-53.7
<b>Cash flow from current operations before changes in working capital</b>	<b>-19.4</b>	<b>-18.5</b>	<b>299.7</b>	<b>218.2</b>
<b>Cash flow from changes in working capital</b>				
Increase of stock	-123.8	-138.5	-48.7	-244.7
Increase/decrease of current receivables	58.5	68.1	-27.0	-90.1
Increase/decrease of accounts payables	21.2	79.5	57.3	19.2
<b>Cash flow from operation</b>	<b>-63.5</b>	<b>-9.4</b>	<b>281.3</b>	<b>-97.4</b>
<b>Investments</b>				
Investment of material assets	-40.2	-11.2	-41.9	-79.6
Sales of material assets	0	0	3.1	0.4
Investment of immaterial assets	-6.6	-9.5	3.3	-8.9
Subsidiary acquisitions*	0	0	-6.4	-88.3
Investment of financial assets	0	0	-7.4	-45.0
Sales of financial assets	0	0.4	0.0	1.2
<b>Cash flow from investments</b>	<b>-46.8</b>	<b>-20.3</b>	<b>-49.3</b>	<b>-220.2</b>
<b>Cash flow after investments</b>	<b>-110.3</b>	<b>-29.7</b>	<b>232.0</b>	<b>-317.6</b>
<b>Financial payments</b>				
New issue	0	0	53.5	44.0
Increase of loans	114.4	0	-	365.2
Decrease of loans	0	-0.2	-241.8	-
Paid dividend to the parent company's shareholders	0	0	-58.1	-47.5
<b>Cash flow from financial activity</b>	<b>114.4</b>	<b>-0.2</b>	<b>-246.4</b>	<b>361.7</b>
<b>Cash flow of the year</b>	<b>4.1</b>	<b>-29.9</b>	<b>-14.4</b>	<b>44.1</b>
Opening cash balance	114.2	133.8	133.8	84.1
Currency translation difference in cash	2.0	0.7	-5.2	5.6
<b>Ending cash balance</b>	<b>120.3</b>	<b>104.6</b>	<b>114.2</b>	<b>133.8</b>

\*The item includes:

Goodwill	-	-	-4.9	-46.1
Brands	-	-	-	-112.0
Working capital	-	-	-6.2	-192.2
Fixed assets	-	-	-0.1	-87.7
Transferred loans	-	-	4.8	361.8
Paid with non-cash issue	-	-	-	-12.1
Effect on the cash flow	0.0	0.0	-6.4	-88.3

## Financial highlights

	JAN - MAR 2007	JAN - MAR 2006	JAN - DEC 2006	JAN - DEC 2005
Sales growth %	0.7	46.3	15.4	32.9
Number of employees	2 169	1 981	2 207	2 032
Gross profit margin %	47.5	46.0	47.9	46.4
Operating margin before depreciation %	4.9	2.6	10.9	10.7
Operating margin %	3.5	1.3	9.8	9.7
Profit margin %	1.6	-0.4	8.2	8.3
Netto margin %	1.1	-0.3	6.4	6.8
Return on shareholders' equity %	2.7	-0.1	18.7	20.3
Return on capital employed %	4.0	0.1	12.9	13.0
Equity ratio %	37.5	33.1	37.7	33.8
Net dept - Equity ratio %	104.8	133.6	100.4	130.1
Net liabilities SEK M	1 403.5	1 519.9	1 316.4	1 488.7
Interest cover ratio times	1.7	0.8	5.5	6.2
Rate of capital turnover times	0.9	0.1	1.0	1.2
Rate of stock turnover times	1.0	1.1	1.2	1.5
Cash flow before investments SEK M	-63.5	-9.4	281.3	-97.4
Net investments SEK M	46.8	20.3	49.3	220.2
Cash flow after investments SEK M	-110.3	-29.7	232.0	-317.6
Shareholders' equity per share SEK K	20.20	17.73	20.03	17.82
Shareh. equity per share after dilution SEK Kr	20.18	17.33	19.96	17.38
Share 31 december SEK Kr	-	-	77.25	88.00
Share price SEK	-	-	1.00	0.90
P/E-ratio	-	-	22.26	27.33
P/S-ratio	-	-	1.43	1.85
Rate/Shareholders' equity	-	-	3.86	4.94

## Definitions

### RETURN ON SHAREHOLDERS' EQUITY

Profit/loss after full tax as a percentage of the average shareholders' equity.

### RETURN ON CAPITAL EMPLOYED

Profit/loss after net financial items plus financial costs in percent of capital employed in average.

### GROSS MARGIN

Sales for the period, less product costs, as a percentage of sales.

### RATE OF CAPITAL TURNOVER

Sales divided by the average Balance Sheet total.

### OPERATING MARGIN

Operating profit/loss after depreciation as a percentage of sales.

### NET DEBT/EQUITY RATIO

Interest-bearing liabilities, less interest bearing assets, as a percentage of shareholders' equity.

### CAPITAL EMPLOYED

Balance Sheet total reduced by interest-free liabilities and interest-free provisions.

### PROFIT MARGIN

Profit/loss after financial items as a percentage of sales.

### NET MARGIN

Net result as a percentage of sales.



## ***New Wave's share***

The share capital in New Wave amounted to SEK 199 030 629 distributed among a total of 66 343 543 shares, each with a quota value of SEK 3.00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to ten votes and each Series B share is entitled to one vote. New Wave's Series B shares have since December 11, 1997, been listed at the Stockholm Stock Exchange and are now listed on the Mid Cap list. A trading lot amounts to 100 shares.

### **DIVIDEND**

The Board's aim is that the dividend will account for at least 30 % of the Group's profit after taxes over a trade cycle.

### **SHAREHOLDERS**

The number of shareholders amounted to 12 393 (9 169) on Masch 31st. Institutional investors accounted for 39 % of the capital and 10 % of the votes. At the same time, the ten largest shareholders held 61 % of the capital and 88 % of the votes. Non-Swedish shareholders accounted for 8 % of the capital and 3 % of the votes.

#### **NEW WAVE'S TEN MAJOR SHAREHOLDERS 2007-03-31**

<b>SHAREHOLDER</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF VOTES</b>	<b>CAPITAL %</b>	<b>VOTES %</b>
Torsten Jansson	21 668 405	208 037 525	32.7%	80.6%
Robur	5 409 955	5 409 955	8.2%	2.1%
Danske Fonder	1 907 100	1 907 100	2.9%	0.7%
Fjärde AP-Fonden	3 963 300	3 963 300	6.0%	1.5%
AMF Pension	1 427 600	1 427 600	2.2%	0.6%
OKOBank OY	1 698 600	1 698 600	2.6%	0.7%
Lannebo fonder	1 432 320	1 432 320	2.2%	0.6%
Svenskt Näringsliv	1 200 000	1 200 000	1.8%	0.5%
AFA Sjukförsäkrings AB	1 119 600	1 119 600	1.7%	0.4%
Domani AB	903 960	903 960	1.4%	0.4%
	<b>40 730 840</b>	<b>227 099 960</b>	<b>61.4%</b>	<b>88.0%</b>

#### **SHAREHOLDER DISTRIBUTION IN NEW WAVE 2007-03-31**

	<b>NUMBER OF SHARES</b>	<b>NUMBER OF VOTES</b>	<b>CAPITAL %</b>	<b>VOTES %</b>
Sweden	59 976 737	248 415 857	90.4%	96.3%
Outside Sweden, excl.USA	6 015 675	7 815 675	9.1%	3.0%
USA	351 131	351 131	0.5%	0.1%
<b>Total</b>	<b>66 343 543</b>	<b>258 022 663</b>	<b>100.0%</b>	<b>99.4%</b>

## *New Wave in brief*

New Wave is a growing company that focuses on delivering promowear, gifts and workwear to companies, as well as clothes, shoes, gifts and textiles to consumers through retailers. This is done through the establishment, acquisition and development of brands within the areas mentioned above.

New Wave serves two separate business areas, firstly the market for corporate identity products through independent retailers, secondly the consumer market through gifts, sports and shoe retailers. By operating in both these market segments, New Wave can spread its risks favourably. Economies of scale are also achieved since large parts of the product range are common for both business areas.

The competitiveness of New Wave lies mainly within design, purchasing and marketing of our own brands. The products are manufactured mainly in Asia and to a lesser degree in Europe. The Group's most well known brands are Orrefors, Kosta Boda, Craft, Sagaform, Seger, Grizzly, DAD Sportswear, Hurricane, New Wave, Clique, James Harvest Sportswear, Printer Active Wear, Toppoint, Mac One, Jingham, Jobman and Pax, as well as Umbro, Nordica, and Rollerblade under licence.

New Wave has from the start shown substantial growth with good margins.



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