

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

Q2 | JANUARY–JUNE 2007



### *Continued strong growth in profit.*

#### **THE PERIOD JANUARY 1 – JUNE 30 2007 COMPARED TO PRECEDING YEAR.**

- Sales increased by 5 % to MSEK 1 738 (1 652).
- The result after finance net improved by MSEK 26.1 to MSEK 112.3 (86.2).
- The result after tax improved by MSEK 19.1 to MSEK 82.7 (63.6) and profit per share improved to SEK 1,25 (0,99).

#### **THE PERIOD APRIL 1 – 30 JUNE 30 2007 COMPARED TO PRECEDING YEAR**

- Sales increased by 9% to MSEK 978 (897).
- Organic growth, i.e. excluding Cutter & Buck, amounted to 2%.
- The result after finance net improved by MSEK 11.4 to MSEK 110.5 (89.1).
- The result after tax improved by MSEK 8.7 to MSEK 74.0 (65.7) and profit per share improved to SEK 1,12 (1,02).

#### **SIGNIFICANT EVENTS**

- The acquisition of Cutter & Buck is consolidated as per June 8 2007 and contributed with MSEK 60 in sales and MSEK 6.7 in result after finance net. Beside the distribution and product synergies, cost synergies are expected with some MUSD 10 in 2008 and an additional MUSD 5 in 2009.

#### **POST BALANCE SHEET EVENTS**

- A three year partnership contract with Coop Forum has been signed.
- 51% of the shares in Textet Poland Sp. z o. o. have been acquired for TEUR 186 per July 1. The company had a turnover of some MEUR 2.4 in 2006. New Wave has an option to acquire the remaining 49%.

#### **VIEWS ON 2007**

- The sales and results for 2007 are expected to increase and exceed the preceding year.

## SALES

For the period January – June the sales increased by 5 % to MSEK 1 738 (1 652). The currency exchange rate had a negative effect on sales by MSEK 19 since the Swedish crown has appreciated in relation to the same period last year. Cutter & Buck has contributed with MSEK 60. The low sales growth in comparison to preceding year is mainly related to lower sales within the trading business and preceding year's successful sales during the World Championships in soccer in Germany. Trading orders are sales with private labels, ie where the customer purchases goods directly from Asia marked with its own brand. Within the profile business segment, the customers are purchasing order by order, which means that a depreciation of the USD will affect the end consumer. This price depreciation leads to lower sales despite slightly higher margins.

For the period April – June, the sales improved by 9% to MSEK 978 (897). Organic growth amounted to 2%, ie excluding the newly acquired Cutter & Buck, which contributed with MSEK 60.

## PROFIT

For the period January – June, the results after finance net improved by MSEK 26.1 to MSEK 112.3 (86.2). The results after tax improved by MSEK 19.1 to MSEK 82.7 (63.6) and profit per share improved to SEK 1,25 (0,99). Cutter & Buck contributed with MSEK 6.7 after finance net.

The gross margin improved compared to preceding year to 47.8 (46.9) %. Beside an improved purchasing efficiency, the gross margin has improved due to less trading orders.

Other income increases to MSEK 20.9, of which MSEK 12.5 relates to sale of property.

The groups external costs as part of sales decreased and amounted to 22.7 (23.3) %. Personnel costs as part of sales increased and amounted to 16.4 (15.8) %.

Depreciation increased by MSEK 2.1 to MSEK 20.8 (18.7).

Net financial items amounted to MSEK -34.3 (-27.4). The increase is due to increased interest rates and higher net debt which relates to the acquisition of Cutter & Buck. 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 Group was 26.4 (26.2) %.

The operating margin was 8.4 (6.9) % and return on capital employed was 12.7 (11,2) %.

## 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 the geographical market. Many products are common for both segments, with common stock and assets. This makes the split of depreciation and finance net difficult. Therefore, New Wave has chosen to present the results for both business areas on EBITDA-level (Earning Before Interest, Tax and Depreciation), the operating result adjusted for depreciations.

## THE PROFILING BUSINESS AREA

For the period January – June, the sales increased by 6 % to MSEK 1 106 (1 040) and profit on EBITDA-level increased by MSEK 28.7 to MSEK 159.0 (130.3). For the period April – June, the sales increased by 3% to MSEK 632 (584) and profit on EBITDA-level increased by MSEK 3.7 to MSEK 119.0 (115.3).

## THE RETAILING BUSINESS AREA

For the period January – June, the sales increased by 3 % to MSEK 632 (612) and profit on EBITDA-level increased by MSEK 6.4 to MSEK 8.4 (2.0). For the period April – June, the sales increased by 10% to MSEK 346 (313) and profit on EBITDA-level increased by MSEK 13.4 to MSEK 11.0 (-2.4).

## 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 competence and systems for following up 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 and the goal is to reach 350. By having fewer suppliers, New Wave will increase its strength in the purchasing market and make it easier to control and affect the suppliers.

## GEOGRAPHICAL DISTRIBUTION

The growth for each market is presented in the table below. To be in conformity with how the organization is operating, we have changed it from being presented per country to be per region.

New Wave's strong market position in the Nordic countries remains. Within the Corporate Profiling business area the expected future growth will mainly come from the rest of Europe where New Wave's market shares are small. This period of weak development is mainly related to the preceding year's exceptional high numbers due to the successful sales during the World Championships in football in Germany and lower sales within the trading business.

The sales in USA amounted to MSEK 131 (65) and the increase is mainly due to New Waves acquisition of Cutter & Buck. Other businesses in USA increased their turnover with some 9% in local currency. These businesses are Orrefors Kosta Boda and Sagaform through it's own subsidiaries and Craft through a distributor.

The increase in other markets is mainly related to Russia and China.

## ACQUISITION

### *Cutter & Buck*

New Wave acquired on June 8 Cutter & Buck Inc., a company listed on NASDAQ, and is a leading supplier of exclusive golf- and sportswear in the USA. The total purchase price of MUSD 156.5 was financed through a loan.

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 wholly 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.

The merger of the 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. 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. Initially, New Waves product line Clique and New Wave (profiling business area), will be introduced to the USA market during spring 2008. Corresponding introduction will be done with the Cutter & Buck brand; it will be introduced to the European market through New Waves distribution channels during spring 2008. The establishments will be done through separate sales forces, but significant market synergies will be obtained through existing distribution channels both in Europe and in USA. Significant synergies are also expected within purchasing and product development where the purchases will be integrated with New Waves purchasing offices in Asia. Crafts unique competence within technical material will be used to develop Cutter & Bucks functional products, for example the introduction of rain wear in functional fabrics for golf.

The cost synergies are expected to be some MUSD 10 in 2008, and are expected to increase with another MUSD 5 during 2009. The synergies identified are mainly;

- Lower costs due to not being a listed company on NASDAQ
- Lower purchasing costs due to integration with New Wave's purchasing offices
- Lower administration

The above introductions will demand an increase in stock both in USA and Europe. This increase will be seen at the end of 2007, beginning 2008. A higher activity in marketing is also expected during this period.

The acquisition is financed through a loan in SEK, which will give a higher interest cost of some MSEK 40 on an annual basis and on current interest rate levels.

Cutter & Buck Inc. has approximately 380 employees and during the last fiscal year (May 1 2005 – April 30 2006) its turnover was MUSD 131 with a net profit of MUSD 6.3. Cutter & Buck is consolidated as from June 8 and has contributed with MSEK 60 in sales and MSEK 6.7 after finance net. The acquisition is expected to have a positive affect on New Wave groups result during current financial year. If the acquisition was done January 1, the proforma sales and result after finance net would have been higher with MSEK 450 and MSEK 6.8 respectively.

For more information on assortment and historical numbers for Cutter & Buck Inc., please visit [www.cutterbuck.com](http://www.cutterbuck.com).

**PRELIMINARY ACQUISITION ANALYSIS:**

	MUSD	MSEK
Purchase price	156.5	1 082.3
Acquisition costs	0.5	3.1
<b>Total purchase price</b>	<b>157.0</b>	<b>1 085.4</b>
Acquired assets	98.7	682.5
Goodwill	58.3	402.9

Acquired assets. net	Booked value	Real value	Acquired assets
MSEK	Cutter & Buck	adjusted	net (real value)
Cash	171.5		171.5
Accounts receivable	170.8		170.8
Stock	220.6		220.6
Other assets	88.5		88.5
Debts	-160.4		-160.4
Trademark		251.0	251.0
Customer relations		15.0	15.0
Deduction for deferred tax		-74.5	-74.5
Acquired assets. net	491.0	266.0	682.5
Goodwill			402.9
Total purchase price			1 085.4

	Total	Deferred tax	Net	Econ. life	Amort/year
Goodwill	402.9	0.0	402.9	-	-
Trademark	251.0	70.3	180.7	-	-
Customer relations	15.0	4.2	10.8	20.0	0.7

The acquisition analysis has been done in accordance with the purchase accounting method. The acquisition analysis is preliminary due to an ongoing dispute but also that the management, consisting of six people, has a change of control clause in their employment contract. This will give them the right to compensation in case of change of duties in connection with ownership change. The maximum risk is estimated to MUSD 2 which may increase the goodwill. In the acquisition analysis, intangible assets that meet the requirements of IFRS 3 and IAS 38 shall be separated from the goodwill. The analysis has identified trade mark and customer relationship to a total amount of MUSD 38.5. The assessment is that the trademark has an indefinite useful life and the customer relationship will be amortized over 20 years. The reported amounts regarding trademark and goodwill will be tested on an annual basis or more often if there is an indication that the value has decreased.

**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 establishments 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 major 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. Besides glass, New Wave also sells promowear in China.

An assortment of textiles is launched under the trademark Kosta Linnwärfveri and an assortment of metal products for kitchen and presents is launched under the trademark Orrefors Jernverk. 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> has been built in Kosta with an opening ceremony June 30 2007. During the first days after opening, it received a very positive acceptance, which has spread to the other outlets in Kosta. Most of the space has been let to external compa-

nies with attractive brands. A new hotel with some 110 beds will be built in joint venture with the municipality and is expected to be ready during the winter 2008/09.

**POST BALANCE SHEET EVENTS**

New Wave Group has signed a three year supplier- and partnership agreement with Coop for men, women and children's wear. The agreement gives major opportunity to increased sales for New Wave Group. New Wave will start delivering clothes to Coop Forum during the beginning of 2008 and it will contain a full assortment of men, woman and children's wear (8-15 years).

In the partnership New Wave is responsible for the assortment, distribution and the design of the clothing department. Coop Forum will be responsible for the daily operations and the sales in the supermarket. The cooperation is expected to give substantial volumes already during 2008.

New Wave has acquired 51% of the shares in Textet Poland Sp. z o.o. for TEUR 186. The company had a turnover of some MEUR 2.4 in 2006. New Wave has an option to acquire the remaining 49%.

**CAPITAL TIED UP**

During the period, capital tied up in goods has increased by MSEK 324 to MSEK 1 843 (1 519) of which MSEK 226 is related to Cutter & Buck. The corresponding increase in preceding year was MSEK 126. Accounts receivable increased by MSEK 80 to MSEK 825 (745) of which MSEK 122 is related to Cutter & Buck.

**INVESTMENTS, FINANCING AND LIQUIDITY**

The Group's cash flow from operation amounted to MSEK -106 (52) and after investments MSEK -1 201 (12). New Wave's cash-affecting net investments during January – June 2007 amounted to MSEK -1 095 (-39). Net debt increased by MSEK -1 067 and amounted to MSEK 2 383 (1 316). New Wave Group's credit limits were approximately MSEK 3 300 as of June 30 2007.

**PERSONNEL AND ORGANISATION**

The number of employees as of June 30, 2007 was 2 247 (2 197), of which 44 % were female and 56 % were male. A total of 978 employees were employed within production units. The production owned by New Wave belongs to Orrefors Kosta Boda, Seger, Dahetra, Toppoint and Cutter & Buck (embroidery).

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

New Wave has two outstanding program for subscription options. One 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 premium of SEK 9.00 per option.

In July 2007 a new option program was introduced which consists 2 000 000 options and will expire in June 2010. The exercise price is set to SEK 102,50 and the options were subscribed with a premium of SEK 7,00 per option.

**VIEWS ON THE FISCAL YEAR 2007**

The focus is on improving profitability in new establishments, concentrate the buying and integrate the acquired companies; among them Cutter & Buck. 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 half year.

**THE PARENT COMPANY**

Sales amounted to MSEK 43 (23). Profit after financial items amounted to MSEK -3.1 (1,0). Net borrowings amounted to MSEK 1 900, of which MSEK 528 refer to subsidiaries. Net investments amounted to MSEK -1 085 (-54).

**ACCOUNTING PRINCIPLES**

This 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 2006. The report has not been audited by external auditors.

**NEW CFO**

Krister Magnusson has decided to resign as CFO and Lars Jönsson, who today works as administrative manager at New Wave Group, will take up this position. Lars has previously held the position as CFO for Global Refund Group.

**CALENDAR**

- October 26, 2007  
Interim report for Q3
- February 20, 2008  
Year end report 2007
- April 21, 2008  
Interim report for Q1
- May 16, 2008  
Annual Shareholders Meeting 2008

Gothenburg August 9, 2007

New Wave Group AB (publ)  
Board of Directors

## Income Statements

SEK M	6 months	6 months	12 months	12 months
	JAN-JUNE 2007	JAN-JUNE 2006	JAN-DEC 2006	JAN-DEC 2005
Net sales	1 737.9	1 652.0	3 530.5	3 059.0
Goods for resale	-907.8	-876.5	-1 839.6	-1 638.7
<b>Gross profit</b>	<b>830.1</b>	<b>775.5</b>	<b>1 690.9</b>	<b>1 420.3</b>
Operating income*	20.9	7.3	23.1	25.8
Other external expenses	-394.4	-384.3	-793.4	-653.9
Personnel costs	-284.3	-261.7	-522.2	-461.5
Depreciation of tangible and intangible fixed assets	-20.8	-18.7	-40.1	-31.5
Other expenses	-4.9	-4.5	-13.6	-3.5
Shares in associated companies/resultat	0	0	0.1	-0.1
<b>Operating profit</b>	<b>146.6</b>	<b>113.6</b>	<b>344.8</b>	<b>295.6</b>
Interest income	3.4	6.2	9.4	6.9
Interest costs	-37.7	-33.6	-64.0	-48.5
<b>Net financial items</b>	<b>-34.3</b>	<b>-27.4</b>	<b>-54.6</b>	<b>-41.6</b>
Profit after financial items	112.3	86.2	290.2	254.0
Tax on the profit for the period	-29.6	-22.6	-63.1	-47.3
<b>Profit/loss for the period</b>	<b>82.7</b>	<b>63.6</b>	<b>227.1</b>	<b>206.7</b>
<b>Related to:</b>				
Shareholders parent company	81.7	63.4	225.7	203.0
Minority share of net profit	1.0	0.2	1.4	3.7
	<b>82.7</b>	<b>63.6</b>	<b>227.1</b>	<b>206.7</b>
<b>Profit per share</b>				
Profit per share before dilution	1.25	0.99	3.47	3.22
Profit per share after dilution	1.24	0.96	3.46	3.17
Weighted number of shares before dilution	66 343 543	64 517 776	65 430 660	64 210 410
Weighted number of shares after dilution	66 474 968	65 854 929	65 681 234	65 306 999

\* Rate of exchange profit and capital gain

## Quarterly Income Statements

SEK M	2007		2006				2005				2004			
	Quarter	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	760.4	977.5	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	-508.3	-407.7	-468.8	-424.0	-539.1	-288.6	-395.5	-413.6	-541.0	-256.7	-317.8	-298.0	-374.0
<b>Gross profit</b>	<b>360.9</b>	<b>469.2</b>	<b>347.6</b>	<b>427.9</b>	<b>375.6</b>	<b>539.8</b>	<b>227.9</b>	<b>343.1</b>	<b>360.6</b>	<b>488.7</b>	<b>212.1</b>	<b>278.0</b>	<b>227.3</b>	<b>338.3</b>
<b>Gross profit %</b>	<b>47.5</b>	<b>48.0</b>	<b>46.0</b>	<b>47.7</b>	<b>47.0</b>	<b>50.0</b>	<b>44.1</b>	<b>46.5</b>	<b>46.6</b>	<b>47.5</b>	<b>45.2</b>	<b>46.7</b>	<b>43.3</b>	<b>47.5</b>
Other income	2.3	18.6	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	-204.7	-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	-150.2	-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	-10.1	-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	-2.9	-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>119.9</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	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	-21.4	-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>100.5</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	-26.5	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>74.0</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	1.12	-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	1.11	-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	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	66 549 703	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	30 June 2007	30 June 2006	31 Dec 2006	31 Dec 2005
<b>ASSETS</b>				
Intangible fixed assets	424.3	141.6	140.1	138.3
Goodwill	776.6	377.6	375.6	371.8
Fixed assets	430.4	326.8	345.0	319.9
Other long-term receivables	144.4	100.0	105.8	95.8
<b>Total fixed assets</b>	<b>1 775.7</b>	<b>946.0</b>	<b>966.5</b>	<b>925.8</b>
Stock	1 842.9	1 592.9	1 519.3	1 466.8
Accounts receivable	825.3	678.4	745.2	708.5
Other short-term receivables	177.1	193.0	134.3	147.5
Liquid funds	163.4	112.2	114.2	133.8
<b>Total current assets</b>	<b>3 008.7</b>	<b>2 576.5</b>	<b>2 513.0</b>	<b>2 456.6</b>
<b>TOTAL ASSETS</b>	<b>4 784.4</b>	<b>3 522.5</b>	<b>3 479.5</b>	<b>3 382.4</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	<b>1 338.3</b>	<b>1 174.1</b>	<b>1 310.7</b>	<b>1 144.0</b>
Long term loans	2 531.3	1 582.5	1 373.5	1 540.3
Other long term liabilities	193.3	104.1	109.6	104.4
<b>Total long term liabilities</b>	<b>2 724.6</b>	<b>1 686.6</b>	<b>1 483.1</b>	<b>1 644.7</b>
Short term loans	15.4	46.2	57.1	82.2
Other liabilities	706.1	615.6	628.6	511.5
<b>Total short term liabilities</b>	<b>721.5</b>	<b>661.8</b>	<b>685.7</b>	<b>593.7</b>
<b>Total liabilities</b>	<b>3 446.1</b>	<b>2 348.4</b>	<b>2 168.8</b>	<b>2 238.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4 784.4</b>	<b>3 522.5</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
Translation difference	7.4	-18.6	-53.7	23.9
Cash flow hedges	-0.3	-1.0	-3.0	-3.6
Equity change in minority	4.1	2.7	0.9	-2.9
Profit/loss related to the shareholders	81.7	63.4	225.7	203.0
Profit/loss related to the minority interest	1.0	0.2	1.4	3.7
Dividend	-66.3	-58.1	-58.1	-47.5
New issue	-	-	53.5	44.0
New issue in progress	-	41.5	-	-
Option premiums	-	-	-	12.8
	<b>1 338.3</b>	<b>1 174.1</b>	<b>1 310.7</b>	<b>1 144.0</b>

## Cash Flow Analysis

SEK Mkr

	1 Jan - 30 Jun 2007	1 Jan - 30 Jun 2006	1 Jan - 31 Dec 2006	1 Jan - 31 Dec 2005
<b>Current operation</b>				
Profit/loss before financial items	146.6	113.6	344.8	295.6
Items not included in cash flow	6.5	21.0	41.8	17.9
Gained interest	3.4	6.2	9.4	6.9
Paid interest	-37.7	-33.6	-63.9	-48.5
Paid income	-55.3	-37.0	-32.4	-53.7
<b>Cash flow from current operations before changes in working capital</b>	<b>63.5</b>	<b>70.2</b>	<b>299.7</b>	<b>218.2</b>
<b>Cash flow from changes in working capital</b>				
Increase of stock	-103.0	-122.3	-48.7	-244.7
Increase/decrease of current receivables	-30.0	-4.4	-27.0	-90.1
Increase/decrease of accounts payables	-36.6	108.6	57.3	19.2
<b>Cash flow from operation</b>	<b>-106.1</b>	<b>52.1</b>	<b>281.3</b>	<b>-97.4</b>
<b>Investments</b>				
Investment of material assets	-40.7	-25.5	-41.9	-79.6
Sales of material assets	31.2	0	3.1	0.4
Investment of immaterial assets	0	-4.4	3.3	-8.9
Subsidiary acquisitions*	-1 085.4	-2	-6.4	-88.3
Investment of financial assets	0	-7	-7.4	-45.0
Sales of financial assets	0	0	0	1.2
<b>Cash flow from investments</b>	<b>-1 094.9</b>	<b>-39.4</b>	<b>-49.3</b>	<b>-220.2</b>
Cash flow after investments	-1 201.0	12.7	232.0	-317.6
<b>Finansieringsverksamheten</b>				
New issue	0	0	53.5	44.0
New issue in progress	0	41.5	-	-
Increase of loans	1 314.8	0	0	365.2
Decrease of loans	0	-15.4	-241.8	-
Paid dividend to the parent company's shareholders	-66.3	-58.1	-58.1	-47.5
<b>Cash flow from financial activity</b>	<b>1 248.5</b>	<b>-32.0</b>	<b>-246.4</b>	<b>361.7</b>
<b>Cash flow of the year</b>	<b>47.5</b>	<b>-19.3</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	1.7	-2.3	-5.2	5.6
<b>Ending cash balance</b>	<b>163.4</b>	<b>112.2</b>	<b>114.2</b>	<b>133.8</b>
*The item includes:				
Goodwill	-402.9	-0.7	-4.9	-46.1
Brands	-251.0	-	-	-112.0
Customer relations	-15.0	-	-	-
Working capital	-203.2	-6.2	-6.2	-192.2
Fixed assets	-41.8	-0.1	-0.1	-87.7
Transferred loans	-171.5	4.8	4.8	361.8
Paid with non-cash issue	-	-	-	-12.1
<b>Effect on the cash flow</b>	<b>-1 085.4</b>	<b>-2.2</b>	<b>-6.4</b>	<b>-88.3</b>

## Financial highlights

	JAN - JUN 2007	JAN - JUN 2006	JAN - DEC 2006	JAN - DEC 2005
Sales growth %	5.2	31.6	15.4	32.9
Number of employees	2 247	2 197	2 207	2 032
Gross profit margin %	47.8	46.9	47.9	46.4
Operating margin before depreciation %	9.6	14.5	10.9	10.7
Operating margin %	8.4	6.7	9.8	9.7
Profit margin %	6.5	5.2	8.2	8.3
Netto margin %	4.8	3.8	6.4	6.8
Return on shareholders' equity %	12.7	11.2	18.7	20.3
Return on capital employed %	9.2	8.6	12.9	13.0
Equity ratio %	28.0	33.3	37.7	33.8
Net dept - Equity ratio %	178.1	129.2	100.4	130.1
Net liabilities SEK M	2 383.4	1 516.5	1 316.4	1 488.7
Interest cover ratio times	4.0	3.6	5.5	6.2
Rate of capital turnover times	0.9	1.0	1.0	1.2
Rate of stock turnover times	1.2	1.2	1.2	1.5
Cash flow before investments SEK M	-106.1	52.1	281.3	-97.4
Net investments SEK M	-1 094.9	39.4	49.3	220.2
Cash flow after investments SEK M	-1 201.0	12.7	232.0	-317.6
Shareholders' equity per share SEK	20.17	18.20	20.03	17.82
Shareh. equity per share after dilution SEK	20.13	17.83	19.96	17.38
Share 31 december SEK SEK	-	-	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.

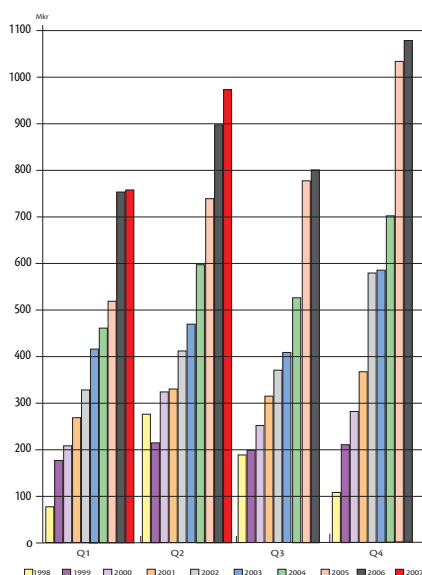
### NET MARGIN

Net result as a percentage of sales.

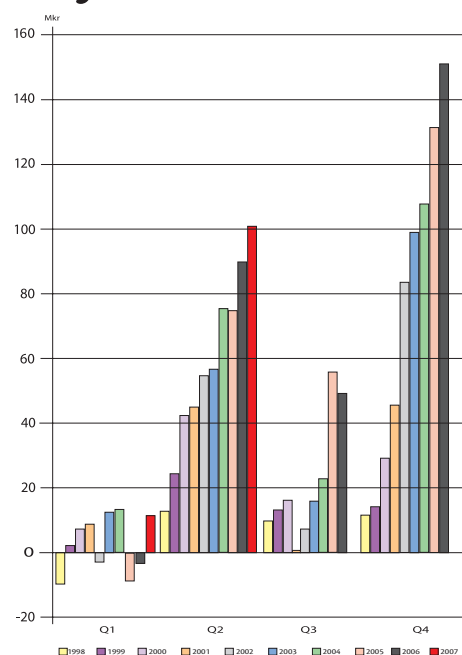
## Sales per area

	JAN - JUN 2007	Part of turnover	JAN - JUN 2006	Part of turnover	CHANGE SEK M	%
Nordic countries	951	55%	953	58%	-3	0
Mid-Europe	391	22%	386	23%	5	1
Southern Europe	190	11%	194	12%	-4	-2
USA	131	8%	65	4%	66	102
Other countries	76	4%	54	3%	22	41
Total	1 738	100%	1 652	100%	86	5

## Sales



## Profit



## 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 12 242 (12 072) on June 30th. Institutional investors accounted for 45% of the capital and 10% of the votes. At the same time, the ten largest shareholders held 63% of the capital and 89% of the votes. Non-Swedish shareholders accounted for 9% of the capital and 3% of the votes.

#### NEW WAVE'S TEN MAJOR SHAREHOLDERS 2007-06-30

SHAREHOLDER	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Torsten Jansson	21 455 905	207 825 025	32.3%	81.0%
Robur	5 449 684	5 449 684	8.2%	2.1%
Fjärde AP-Fonden	3 951 500	3 951 500	6.0%	1.5%
Danske Fonder	2 002 300	2 002 300	3.0%	0.8%
AFA Försäkringar	1 992 000	1 992 000	3.0%	0.8%
OKOBank OY	1 698 600	1 698 600	2.6%	0.7%
AMF Pension	1 427 600	1 427 600	2.2%	0.6%
Lannebo Fonder	1 241 600	1 241 600	1.9%	0.5%
Andra AP-Fonden	1 239 675	1 239 675	1.9%	0.5%
Svenskt Näringsliv	1 200 000	1 200 000	1.8%	0.5%

**41 658 864      228 027 984      62.8%      88.9%**

#### SHAREHOLDER DISTRIBUTION IN NEW WAVE 2007-06-30

	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Sweden	60 224 159	248 663 279	90.8%	96.9%
Outside Sweden excluding USA	5 644 812	7 444 812	8.5%	2.9%
USA	474 572	474 572	0.7%	0.2%

**Total      66 343 543      256 582 663      100.0%      100.0%**

## *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, Cutter & Buck, 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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