

## *Year End Report for New Wave Group AB (publ)*

**Q4** | JANUARY–DECEMBER 2006



*Arja Pärson, several times world champion in Åre 2007, shows the collection she helped design for Seger.*

### ***Fine profit growth as well as good cash-flow.***

#### **FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2006**

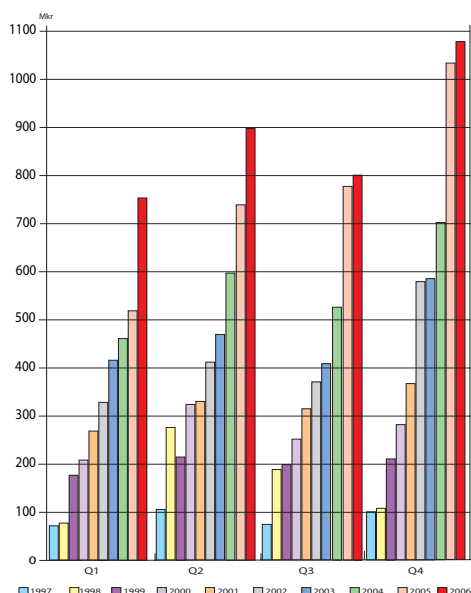
- Sales increased by 15 % to SEK 3 531 (3 059) M.
- Thereof, acquired units contributed by SEK 245 M. This gives an organic growth of 7 %.
- The result after net finance improved by SEK 36.2 M to SEK 290.2 (254.0) M.
- The result after tax improved by SEK 20.4 to SEK 227.1 (206.7) M and profit per share improved to SEK 3.47 (3.22).
- Acquired units burdened the results after net financial items to the second quarter inclusive with SEK 21.3 M. The rest of the year has not been affected by acquired units.
- Cash flow from operation was SEK 281 (-97) M and after investments SEK 232 (-318) M.

#### **FOURTH QUARTER 2006**

- Sales increased by 5 % to SEK 1 079 (1 030) M. Calculated in local currencies the increase was 8 %.
- Profit after net financial items increased by SEK 24.5 M to SEK 156.1 (131.) M.

#### **DIVIDEND AND VIEW ON 2007**

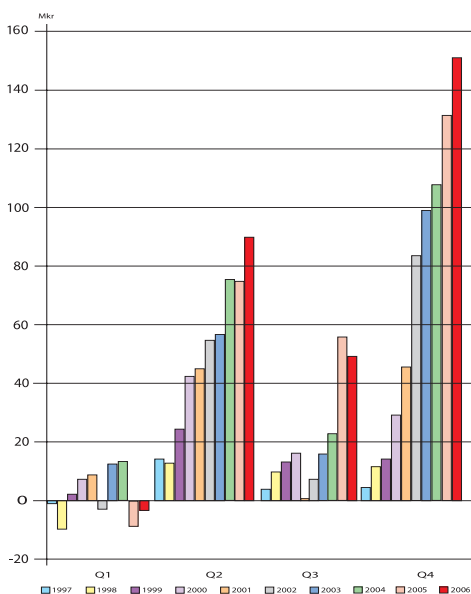
- The Board proposes to increase the dividend to SEK 1.00 (0.90) per share, which gives a total dividend of SEK 66.3 M.
- For 2007 sales and results are expected to increase for the 17<sup>th</sup> year in a row.
- Long-term gross profit goal is increased to 50 (40) %.



## SALES

Sales increased by 15 % to SEK 3 531 (3 059) M during January – December, of which acquired units contributed with SEK 245 M. This gives an organic growth of 7 %. The currency exchange rate has burdened sales by SEK 21 M as the Swedish krona has appreciated in relation to 2005.

Fourth quarter sales increased by 5 % to SEK 1 079 (1 030) M. The mild autumn/winter has had a negative impact on sales of textile both within profile and retail. The currency exchange rate has had a negative effect of SEK 29 M. That gives an organic growth of 8 % in local currencies.



## PROFIT

The results after net finance improved by SEK 36.2 M to SEK 290.2 (254.0) M. The results after tax improved by 20.4 to SEK 227.1 (206.7) M and profit per share improved to SEK 3.47 (3.22). Acquired units burdened the results with SEK 21.3 M and the cost for new establishments amounted to SEK 41.0 M. The cost for new establishments also includes the new activities around Orrefors Kosta Boda. The acquired units are the Intraco group that is consolidated from July 2005 and the Orrefors Kosta Boda group that is consolidated from June 2005, meaning that July - December was not effected by acquisitions.

Fourth quarter profit increased before tax by SEK 24.5 M to SEK 156.1 (131.6) M. The cost for establishments amounted to SEK 7.4 M.

The gross margin increased to 47.9 (46.4) % for January – December and to 50.0 (47.5) % for the fourth quarter.

New Wave's external costs as part of sales increased and amounted to 22.5 (21.4) % of sales. The personnel costs decreased and amounted to 14.8 (15.1) % of sales.

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

Net financial items amounted to SEK -54.6 (-41.6) M for the period. 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 21.7 % for the period and 19.1 % for the quarter.

The operating margin was 9.8 (9.7) % and return on capital employed was 12.9 (13.0) %. 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.

## THE CORPORATE SEGMENTS

### The Profiling Business Area

The Profiling Business Area's sales increased by 9 % to SEK 2 146 (1 976) M. Profit on EBITDA-level increased by SEK 40.8 M to SEK 287.9 (247.1) M. Sales in the fourth quarter increased by 3 % to SEK 662 (641) M and the profit by SEK 16.1 M to SEK 115.3 (99.2) M.

### The Retailing Business Area

The Retailing Business Area's sales increased by 28 % to SEK 1 385 (1 083) M. Profit on EBITDA-level increased by SEK 17.0 M to SEK 97.0 (80.0) M. Sales in the fourth quarter increased by 7 % to SEK 417 (389) M and the profit by SEK 13.9 M to SEK 64.4 (50.5) M.

## PURCHASE

New Wave has purchase offices in Bangladesh, Vietnam and China. A lot of resources are currently spent on strengthening the purchase organization.

## GEOGRAPHICAL DISTRIBUTION

See the table below for sales in the different markets.

### SALES PER COUNTRY

SEK M	Part of turnover		JAN - DEC 2005		CHANGE	
	JAN - DEC 2006		SEK M		SEK M	%
Sweden	1 388	39%	1 188	200	17	
Benelux	369	10%	336	33	10	
Norway	296	8%	257	39	15	
Germany	246	7%	223	23	10	
Italy	210	6%	181	29	16	
Finland	207	6%	192	15	8	
USA	167	5%	116	51	44	
Denmark	133	4%	119	14	12	
Switzerland	102	3%	85	17	20	
England	102	3%	82	20	24	
Spain	102	3%	99	3	3	
France	87	2%	85	2	2	
Others	122	3%	96	26	27	
Total	3 531	100%	3 059	472	15	

The acquisition of Orrefors Kosta Boda and Intraco has mainly affected the sales in Sweden, the USA, Benelux, England and "other countries". This means that the increases in the rest of the countries are mainly organic. New Wave is the market leader in the Nordic countries, which means that the future growth will mainly come from the rest of Europe.

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

Ever since the establishment in 2004, the Swiss subsidiary has had a continuously high growth-rate. Apart from the profiling area, Craft has been established. This has cost a lot of money, but the high growth-rate is expected to make the results improve during 2007.

New Wave Norway changed its location and computer system during 2005 and has regained its positive trend of a high level of service.

New Wave Denmark continues to grow within the profiling area and Craft. It has also started selling Projob's work wear and DJ Frantexil's give-aways. All deliveries are made from Sweden.

Bad service levels during autumn/spring 2005/2006 has led to the weak increase in Spain. The service level is now corrected and the new management is currently working hard to get the clients' confidence back.

The new management in New Wave in France is currently focusing on the service level to build up the clients' confidence.

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.

Magnus Vaenerberg, previous Nordic Manager for Villeroy & Boch, was appointed as CEO for Sagaform in the autumn of 2006. When New Wave acquired the Orrefors Kosta Boda group, Magnus Andersson, previous CEO for Sagaform, became CEO for the Orrefors Kosta Boda group. Since then there has only been temporary solutions until Vaenerberg joined the group this autumn. This means that the development in Sagaform has suffered owing to the development of the Orrefors Kosta Boda group. Vaenerberg has already created a team with competence to take Sagaform to the next level and focus is now on marketing and product development.

Sagaform sells in several countries in Europe, but mainly in Norway, Germany, Finland, England and Sweden with approximately 60 % of the sales in retail and 40 % in profile.

## ACQUISITIONS

The acquired units are the Intraco group that is consolidated from July 2005 and the Orrefors Kosta Boda group that is consolidated from June 2005, meaning that January - June was affected by acquisitions. The both units have contributed with SEK 245 M in sales and burdened the results with SEK 21.3 M. The Orrefors Kosta Boda group has developed according to the expectations with cardinal lower external costs, increased sales and a profit for the whole year. The Intraco group has so far not met the expectations, but has contributed with a small profit.

## 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 promo wear, work wear and gifts are established in existing New Wave companies in Europe. New Wave has a high rate of establishment 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 promo wear that is supplied with goods from Sweden. In China, Orrefors Kosta Boda has opened three small flag-ship stores in Shanghai, with a very positive start. Except glass, New Wave sells promo wear in China.

An assortment of textiles is launched under the trademark Kosta Linnewärfveri 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.

Other establishments around Orrefors Kosta Boda, where New Wave is the only or the major share holder are OKB Restaurang AB, which runs the hotel and restaurant business in Kosta and Orrefors. Several outlets have also been established. A new hotel in Kosta with more than 100 beds is planned for the summer of 2008. The real estate of the hotel will be owned by a company with Lessebo as the majority owner and New Wave as the minority owner. It will contain a crystal bar designed by Kjell Engman. An outdoor stage will be built for audiences and conferences.

All establishments will be profitable on their own and meet New Wave's profit demands in the long term. Tourists are expected to visit the establishments during sum-

mer, while conferences will fill them during winter. Conference packages will be offered to companies via New Wave's retail network in Sweden and abroad.

The real estates are the largest investments. These will be owned by a company of which New Wave holds 49 % of the shares and the municipality is the majority owner.

## CAPITAL TIED UP

During the period, capital tied up in goods has increased by SEK 52 M to SEK 1 519 (1 467) M, of which Orrefors Kosta Boda as a producing company increased by SEK 89 M to be able to raise the service level. Running longer series in production keeps the cost for permutations at a minimum level and increases the profitability, but increases the stock level. The increase in stock is ravishing to Orrefors Kosta Boda's standard assortment, such as the classic Intermezzo, that has been in the assortment in 25 years. Kosta Linnewärfveri, that was established this autumn, has built up a stock of SEK 25 M. Accounts receivable increased by SEK 25 M to SEK 745 (709) M.

## INVESTMENTS, FINANCING AND LIQUIDITY

The Group's cash flow from operation amounted to SEK 281 (-97) M before investments and SEK 232 (-318) M after investments. New Wave's cash-affecting net investments amounted to SEK -49 (-220) M during January – December. Net debt decreased by SEK 173 M for the period January – December and amounted to SEK 1 316 (1 489) M. New Wave's credit limits were approximately SEK 2 400 M as of 31 December 2006.

## PERSONNEL AND ORGANISATION

The number of employees as of 31 December 2006 amounted to 2 161 (2 032) 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 get back to the same level as previous years.

## THE PARENT COMPANY

Sales amounted to SEK 62 (56) M. Profit after financial items amounted to SEK 5.8 (6) M. Net borrowings increased to SEK 903 M, of which SEK 698 M refer to subsidiaries. Net investments amounted to SEK 100 (153) M.

## 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 com-

pany. 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.

## DIVIDEND

New Wave's financial goal is to enable the company to continue growing and be prepared to exploit business opportunities. The goal is to pay out 30 % of the Group's net profit as dividend during a business cycle. The Board of Directors has decided to suggest a dividend of SEK 1.00 (0.90) per share totalling to SEK 66.3 M. The suggestion is an increase of 14 % (calculated on the total amount) from last year and is equivalent to 29 % of the Group's net profit.

## 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 the major shareholder.
- Britt Reigo, represents Robur – the second biggest shareholder.

## CALENDAR

- 23 April 2007  
Interim report for Q1
- 11 May 2007  
Annual shareholders meeting
- 13 July 2007  
Interim report for Q2

Stockholm 16 February 2007  
New Wave Group AB (publ)  
The Board

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## Income Statements

SEK M	12 month JAN-DEC 2006	12 month JAN-DEC 2005	12 month JAN-DEC 2004	12 month JAN-DEC 2003
Net sales	3 530.5	3 059.0	2 302.2	1 881.9
Goods for resale	-1 839.6	-1 638.7	-1 246.4	-1 047.2
<b>Gross profit</b>	<b>1 690.9</b>	<b>1 420.3</b>	<b>1 055.8</b>	<b>834.7</b>
Operating income*	23.1	25.8	20.0	13.5
Other external expenses	-793.4	-653.9	-440.2	-335.1
Personnel costs	-522.2	-461.5	-341.1	-263.9
Depreciation of tangible and intangible fixed assets	-40.1	-31.5	-29.6	-23.6
Other expenses	-13.6	-3.5	-2.5	-4.5
Shares in associated companies	0.1	-0.1	0.2	0.0
<b>Operating profit</b>	<b>344.8</b>	<b>295.6</b>	<b>262.6</b>	<b>221.1</b>
Interest income	9.4	6.9	4.2	2.7
Interest costs	-64.0	-48.5	-32.6	-26.5
<b>Net financial items</b>	<b>-54.6</b>	<b>-41.6</b>	<b>-28.4</b>	<b>-23.8</b>
<b>Profit after financial items</b>	<b>290.2</b>	<b>254.0</b>	<b>234.2</b>	<b>197.3</b>
Tax on the profit for the period	-63.1	-47.3	-61.3	-46.5
<b>Profit/loss for the period</b>	<b>227.1</b>	<b>206.7</b>	<b>172.9</b>	<b>150.8</b>
<b>Related to:</b>				
Shareholders parent company	225.7	203.0	171.9	149.5
Minority share of net profit	1.4	3.7	1.0	1.3
	<b>227.1</b>	<b>206.7</b>	<b>172.9</b>	<b>150.8</b>
<b>Profit per share</b>				
Profit per share before dilution	3.47	3.22	2.80	2.55
Profit per share after dilution	3.46	3.17	2.74	2.54
Weighted number of shares before dilution	65 430 660	64 210 410	61 722 986	59 160 848
Weighted number of shares after dilution	65 681 234	65 306 999	63 143 988	59 396 757

\* Rate of exchange profit and capital gain.

## Quarterly Income Statements

SEK M	2006				2005				2004			
	Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	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	-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>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>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	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	-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	-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	-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	-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>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	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	-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>-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	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>-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	-0.04	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	-0.04	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	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	66 003 728	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-dec 2006	31-dec 2005	31-dec 2004	31-dec 2003
<b>ASSETS</b>				
Intangible fixed assets	140.1	138.3	12.9	17.3
Goodwill	375.6	371.8	340.9	249.0
Fixed assets	345.0	319.9	216.4	127.5
Other long-term receivables	105.8	95.8	45.9	104.9
<b>Total fixed assets</b>	<b>966.5</b>	<b>925.8</b>	<b>616.1</b>	<b>498.7</b>
Stock	1 519.3	1 466.8	971.9	677.8
Accounts receivable	745.2	708.5	482.4	378.8
Other short-term receivables	134.3	147.5	77.1	67.3
Liquid funds	114.2	133.8	84.1	21.9
<b>Total current assets</b>	<b>2 513.0</b>	<b>2 456.6</b>	<b>1 615.5</b>	<b>1 145.8</b>
<b>TOTAL ASSETS</b>	<b>3 479.5</b>	<b>3 382.4</b>	<b>2 231.6</b>	<b>1 644.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>	<b>1 310.7</b>	<b>1 144.0</b>	<b>910.6</b>	<b>612.6</b>
Long term loans	1 373.5	1 540.3	515.9	698.3
Other long term liabilities	109.6	104.4	57.3	48.7
<b>Total long term liabilities</b>	<b>1 483.1</b>	<b>1 644.7</b>	<b>573.2</b>	<b>747.0</b>
Short term loans	57.1	82.2	454.4	15.1
Other liabilities	628.6	511.5	293.4	269.8
<b>Total short term liabilities</b>	<b>685.7</b>	<b>593.7</b>	<b>747.8</b>	<b>284.9</b>
<b>Total liabilities</b>	<b>2 168.8</b>	<b>2 238.4</b>	<b>1 321.0</b>	<b>1 031.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3 479.5</b>	<b>3 382.4</b>	<b>2 231.6</b>	<b>1 644.5</b>
<b>Changes in equity</b>				
Opening balance	1 144.0	910.6	614.8	511.2
New accounting principle	-	-	-13.6	-
Adjusted opening balance	1 144.0	910.6	601.2	511.2
Translation difference	-53.7	23.9	-2.8	-11.2
Cash flow hedge	-3.0	-3.6	-	-
Equity change minority	0.9	-2.9	5.1	-
Profit/loss related to the shareholdersaktieägareaktieägare	225.7	203.0	171.9	133.5
Profit/loss related to the minority	1.4	3.7	1.0	-
Dividends	-58.1	-47.5	-36.3	-25.4
New issue	53.5	44.0	169.7	-
Option premiums	-	12.8	0.8	4.5
	<b>1 310.7</b>	<b>1 144.0</b>	<b>910.6</b>	<b>612.6</b>

## Cash Flow Analysis

SEK M	1 jan - 31 dec 2006	1 jan - 31 dec 2005	1 jan - 31 dec 2004	1 jan - 31 dec 2003
<b>Current operation</b>				
Profit/loss before financial items	344.8	295.6	242.4	205.1
Justering för poster som inte ingår i kassaflödet	41.8	17.9	48.5	40.1
Gained interest	9.4	6.9	4.4	2.7
Paid interest	-63.9	-48.5	-32.6	-26.5
Paid income	-32.4	-53.7	-72.6	-47.7
<b>Cash flow from current operations before changes in working capital</b>	<b>299.7</b>	<b>218.2</b>	<b>190.1</b>	<b>173.7</b>
<b>Cash flow from changes in working capital</b>				
Increase of stock	-48.7	-244.7	-170.6	-72.6
Increase/decrease of current receivables	-27.0	-90.1	-4.4	-26.7
Increase/decrease of accounts payables	57.3	19.2	-12.8	1.6
<b>Cash flow from operation</b>	<b>281.3</b>	<b>-97.4</b>	<b>2.3</b>	<b>76.0</b>
<b>Investments</b>				
Investment of material assets	-41.9	-79.6	-33.9	-54.1
Sales of material assets	3.1	0.4	0.5	1.5
Investment of immaterial assets	3.3	-8.9	-32.9	-20.3
Subsidiary acquisitions*	-6.4	-88.3	-175.6	-7.1
Investment of financial assets	-7.4	-45.0	-3.5	0
Sales of financial assets	0	1.2	0	0
<b>Cash flow from investments</b>	<b>-49.3</b>	<b>-220.2</b>	<b>-245.4</b>	<b>-80.0</b>
<b>Cash flow after investments</b>	<b>232.0</b>	<b>-317.6</b>	<b>-243.1</b>	<b>-4.0</b>
<b>Financial payments</b>				
New issue	53.5	44.0	149.7	-
Increase of loans	-241.8	365.2	192.1	38.5
Paid dividend to the parent company's shareholders	-58.1	-47.5	-36.3	-25.4
<b>Cash flow from financial payments</b>	<b>-246.4</b>	<b>361.7</b>	<b>305.5</b>	<b>13.1</b>
Cash flow of the year	-14.4	44.1	62.4	9.1
Opening cash balance	133.8	84.1	21.9	14.2
Currency translation difference in cash	-5.2	5.6	-0.2	-1.4
<b>Ending cash balance</b>	<b>114.2</b>	<b>133.8</b>	<b>84.1</b>	<b>21.9</b>

\*The item includes:

Goodwill	-4.9	-46.1	-41.7	-7.1
Brands	-	-112.0	-	-
Working capital	-6.2	-192.2	-196.2	-
Fixed assets	-0.1	-87.7	-9.0	-
Transferred loans	4.8	361.8	71.3	-
Paid with non-cash issue	-	-12.1	-	-
<b>Effect on the cash flow</b>	<b>-6.4</b>	<b>-88.3</b>	<b>-175.6</b>	<b>-7.1</b>

## Financial highlights

	IFRS		Swe standard	
	JAN - DEC 2006	JAN - DEC 2005	JAN - DEC 2004	JAN - DEC 2003
Sales growth %	15.4	32.9	22.3	11.5
Number of employees	2 161	2 032	1 269	806
Gross profit margin %	47.9	46.4	45.9	44.4
Operating margin before depreciation %	10.9	10.7	12.7	13.0
Operating margin %	9.8	9.7	11.4	10.9
Profit margin %	8.2	8.3	10.2	9.6
Netto margin %	6.4	6.8	7.5	7.1
Return on shareholders' equity %	18.7	20.3	22.7	23.8
Return on capital employed %	12.9	13.0	16.6	16.5
Equity ratio %	37.7	33.8	40.8	37.4
Net dept - Equity ratio %	100.4	130.1	97.3	113.1
Net liabilities SEK m	1 316.4	1 488.7	886.2	692.5
Interest cover ratio times	5.5	6.2	8.2	7.8
Rate of capital turnover times	1.0	1.2	1.2	1.2
Rate of stock turnover times	1.2	1.5	1.5	1.6
Net investments SEK m	281.3	-97.4	2.3	75.9
Cash flow before investments SEK m	49.3	220.2	245.4	80.0
Cash flow after investments SEK m	232.0	-317.6	-243.1	-4.0
Shareholders' equity per share SEK	20.03	17.82	14.75	10.57
Shareh. equity per share after dilution SEK	19.96	17.38	14.42	10.52
Share 31 December SEK	77.25	88.00	63.75	37.50
Share price SEKSEK	1.00	0.90	0.75	0.63
P/E-ratio	22.26	27.33	25.93	16.30
P/S-ratio	1.43	1.85	1.71	1.16
Rate/Shareholders' equity	3.86	4.94	4.45	3.56

## 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 12 414 (9 169) on December 31st. Institutional investors accounted for 39 % of the capital and 10 % of the votes. At the same time, the ten largest shareholders held 62 % 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 2006-12-31

SHAREHOLDER	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Torsten Jansson	20 873 405	207 242 525	31.5%	80.3%
Robur	6 012 609	6 012 609	9.1%	2.3%
Fjärde AP-Fonden	4 270 800	4 270 800	6.4%	1.7%
AMF Pension	2 868 200	2 868 200	4.3%	1.1%
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	1 100 000	1 100 000	1.7%	0.4%
Skandia Fonder	995 927	995 927	1.5%	0.4%
Domani AB	903 960	903 960	1.4%	0.4%
Carnegie småbolagsfond	710 000	710 000	1.1%	0.3%
	<b>40 865 821</b>	<b>227 234 941</b>	<b>61.6%</b>	<b>88.1%</b>

#### SHAREHOLDER DISTRIBUTION IN NEW WAVE 2006-12-31

	NUMBER OF SHARES	NUMBER OF VOTES	CAPITAL %	VOTES %
Sweden	61 086 895	251 672 884	92.1%	97.3%
Outside Sweden, excl.USA	4 929 267	6 729 267	7.4%	2.6%
USA	327 381	327 381	0.5%	0.1%
<b>Total</b>	<b>66 343 543</b>	<b>258 022 663</b>	<b>100.0%</b>	<b>100.0%</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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