

NewWave

Presentation of  
*NewWave*  
G R O U P



*NewWave*  
G R O U P

## Q1 2003

Result after net financial items:

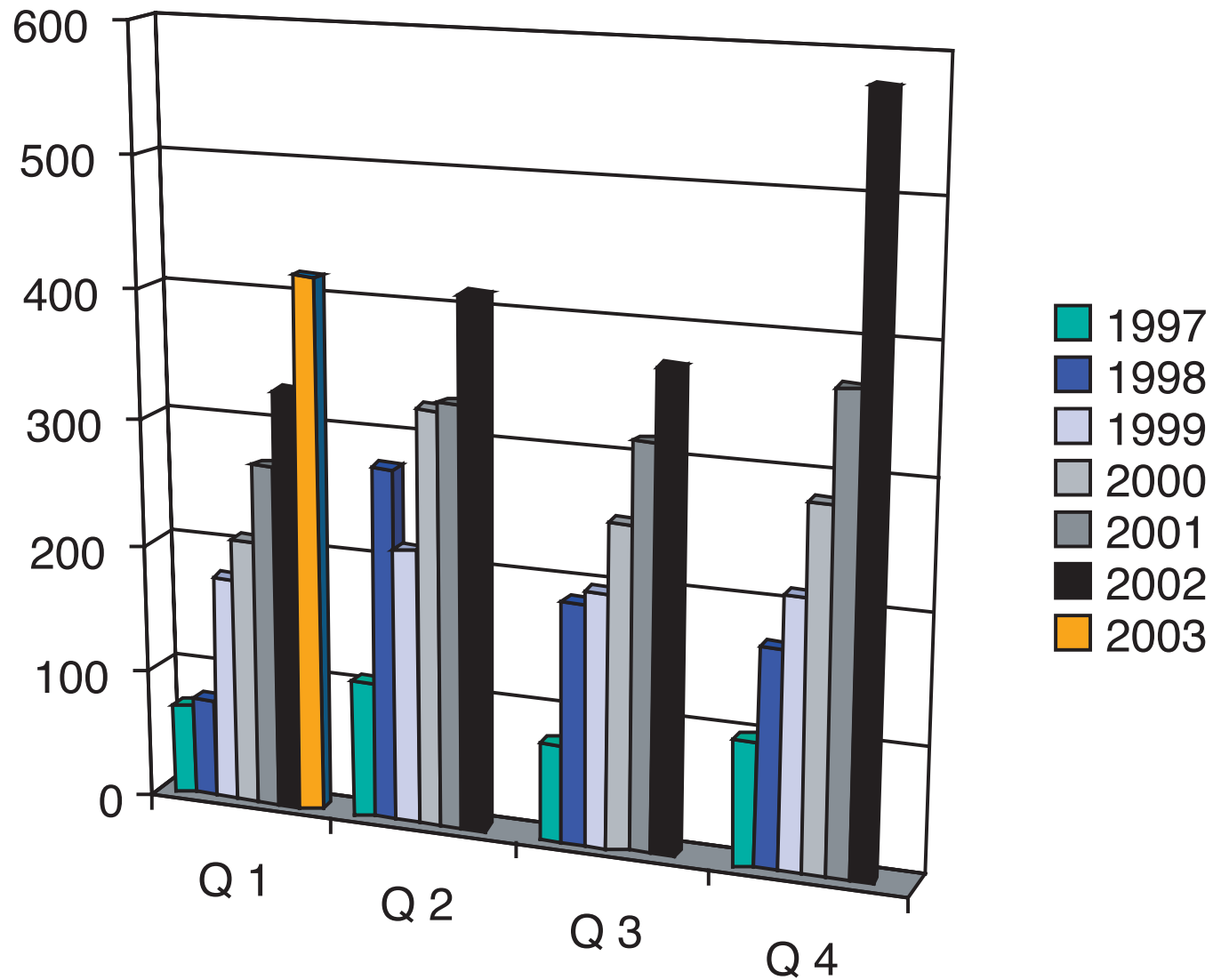
- ✓ Increased by SEK 15.4 m to SEK 12.5 (-2.9) m:
  - Corporate Profiling SEK 9.9 m to SEK 2.5 (-7.4) m
  - Retailing SEK 5.6 m to SEK 10.1 (4.5) m
- ✓ Best first quarter ever!
- ✓ 12 months moving SEK 160.5 (145.1 for 2002) m
- ✓ Increased by an average of 44 % for 12 years in a row

## Q1 2003

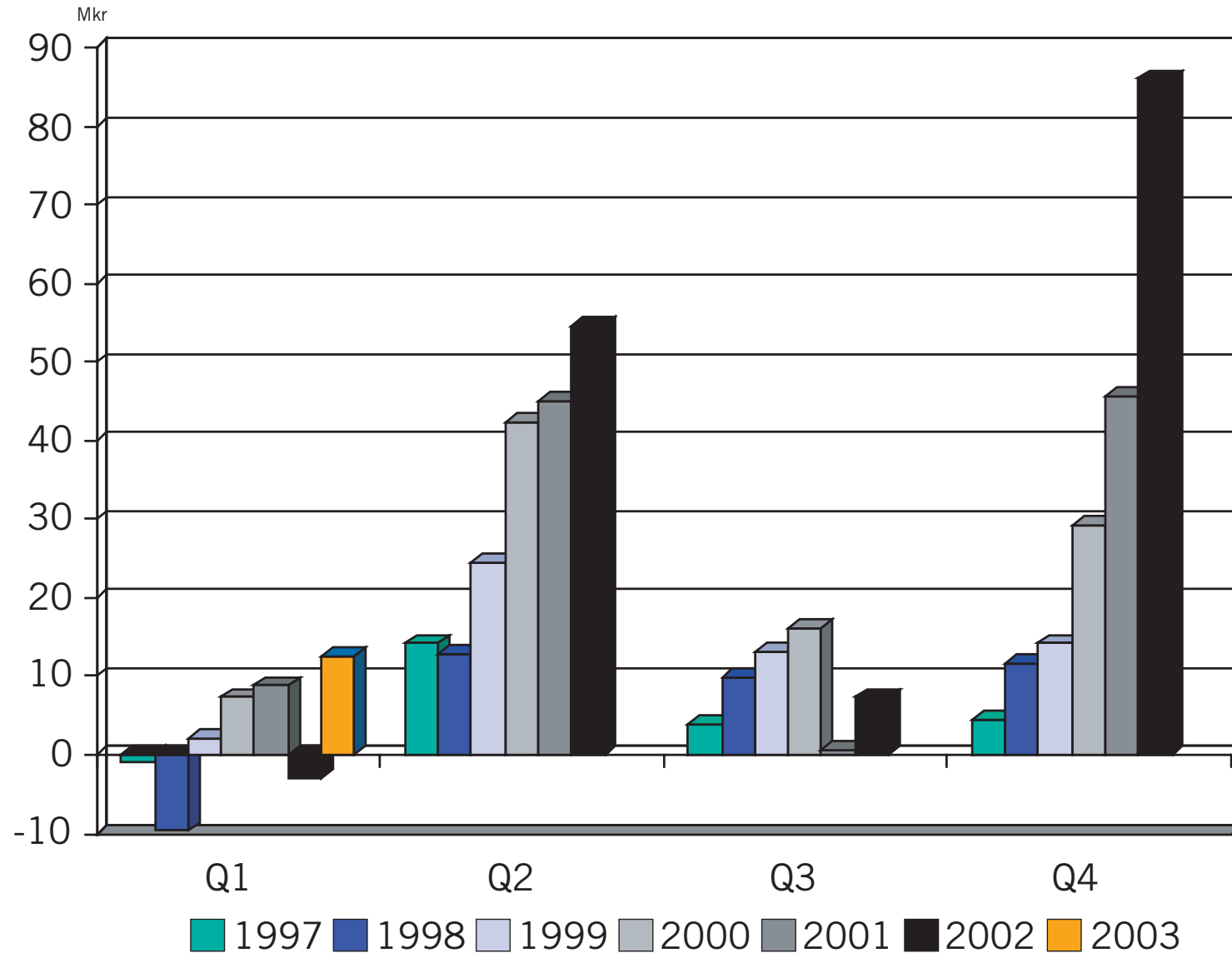
Turnover:

- ✓ Increased by 27 % to SEK 415.2 (327.6) m:
  - Corporate Profiling +33 % to SEK 240.6 (181.3) m
  - Retailing +19 % to SEK 174.6 (146.3) m
- ✓ 12 months moving SEK 1,775 (1,687 for 2002) m
- ✓ Increased by an average of 41,3 % for 12 years in a row

## Sales



# Profit/loss after net financial items



## Important events during Q1

- ✓ Strong growth in Germany again; New Wave GmbH +48 %.
- ✓ Reconstruction of New Wave Sportswear Ltd completed. Profitability expected during Q4 at the latest.
- ✓ Heavy increase of Craft's sales for autumn 2003.
- ✓ Seger's (Umbro's) investment in the Swedish National Football Team is paying off.
- ✓ Sagaform continues its triumphal progress.

# Income Statements

	3 months JAN-MAR 2003	3 months JAN-MAR 2002	3 months APR-MAR 2002/2003	3 months JAN-DEC 2002	3 months JAN-DEC 2001
<b>SEK MILLION</b>	<b>2003</b>	<b>2002</b>	<b>2002/2003</b>	<b>2002</b>	<b>2001</b>
Net sales	415.2	327.6	1 774.9	1 687.3	1 269.6
Other income	0.4	0.3	2.3	2.2	10.6
Goods for resale	-239.4	-196.0	-1 024.1	-980.7	-760.1
<b>Gross profit</b>	<b>176.2</b>	<b>131.9</b>	<b>753.1</b>	<b>708.8</b>	<b>520.1</b>
Gross margin	42.4 %	40.3 %	42.4 %	42.0 %	41.0 %
Other external costs	-83.1	-69.4	-291.7	-278.0	-209.4
% of income	-20.0 %	-21.2 %	-16.4 %	-16.5 %	-16.5 %
Personnel costs	-63.4	-49.0	-230.7	-216.3	-158.2
% of income	-15.3 %	-15.0 %	-13.0 %	-12.8 %	-12.5 %
Depreciation	-10.1	-8.7	-34.1	-32.7	-24.9
Other costs	-2.4	-0.4	-4.8	-2.8	
<b>Operating profit</b>	<b>17.2</b>	<b>4.4</b>	<b>191.8</b>	<b>179.0</b>	<b>127.6</b>
Operating margin	4.1 %	1.3 %	10.8 %	10.6 %	10.1 %
Net financial items	-4.7	-7.3	-31.3	-33.9	-27.5
<b>Result after financial items</b>	<b>12.5</b>	<b>-2.9</b>	<b>160.5</b>	<b>145.1</b>	<b>100.1</b>
Tax for the period	-3.1	-0.6	-33.3	-30.8	-16.7
Minority share	0.8	0.5	-9.7	-10.0	-1.6
<b>Profit for the period</b>	<b>10.2</b>	<b>-3.0</b>	<b>117.5</b>	<b>104.3</b>	<b>81.8</b>
Profit margin	2.5 %	-0.9 %	6.6 %	6.2 %	6.4 %
<b>Result per share</b>	<b>0.70</b>	<b>-0.21</b>	<b>8.10</b>	<b>7.20</b>	<b>5.70</b>

NewWave

# Financial Highlights

	JAN-MAR	JAN-MAR	JAN-DEC	JAN-DEC	JAN-DEC
SEK MILLION	2003	2002	2002	2001	2000
Sales growth %	26.8	22.3	32.0	20.2	33.1
Sales per employee	2.3	2.6	3.0	3.1	3.1
Gross profit margin %	42.4	40.2	44.2	41.0	38.8
Operating margin %	4.1	1.3	10.6	10.0	10.6
Profit margin %	2.5	-0.9	6.2	6.4	6.1
Return on shareholders' equity %	7.9	-2.8	22.0	20.9	23.7
Return on capital employed %	6.0	2.0	16.9	14.7	17.7
Solidity %	37.9	35.2	37.9	40.5	36.7
Net borrowings	662.0	625.0	629.0	519.7	427.8
Turnover of inventories, times	1.4	1.4	1.6	1.5	1.6
Net investments	8.3	35.2	147.3	85.1	37.8
Cash flow after investments	-32.8	-46.8	9.6	9.4	-146.1
Cash flow before investments	-24.5	-11.6	156.9	94.5	-108.3
Shareholders' equity per share, SEK	35.95	29.38	35.26	29.98	22.93



## Turnover per country (SEK million)

	JAN-MAR	JAN-MAR	CHANGE	%
COUNTRY	2003	2002	SEK M	
Denmark	6.9	4.7	2.2	46.8
England	16.2	10.5	5.7	54.3
Finland	20.9	18.2	2.7	14.8
France	6.2	3.5	2.7	77.1
Holland	42.3	6.1	36.2	593.4
Italy	20.3	16.2	4.1	25.3
Norway	30.0	26.6	3.4	12.8
Spain	15.2	13.1	2.1	16.0
Sweden	232.8	218.3	14.5	6.6
Germany	20.7	9.8	10.9	111.2
Other	3.7	0.6	3.1	516.7
Total	415.2	327.6	87.6	26.7

# 2003

- ✓ Prognosis turnover: > SEK 2,000 million.
- ✓ Prognosis result: > 2002.
- ✓ Within Corporate Profiling we will continue gaining market shares:
  - Current concepts in current markets.
  - More Group concepts in current markets.
  - Establishments in new markets (China etc.).
- ✓ The investments made for Mac One, Jingham and other concpets in Finland during 2002 are expected to pay off.
- ✓ New trading company in China for sales to European customers.
- ✓ Establishment of Corporate Profiling company for sales in the Chinese market.

## 2003 continuation

- ✓ Great potential for improvements in England.
- ✓ Toppoint's integration will have effect:
  - DJ:s products are sold by Toppoint in Germany and Holland.
  - Toppoint's products are sold by Group companies in the Nordic countries.
- ✓ Craft expects heavy international expansion.
- ✓ Seger's (Umbro's) investment in the Swedish National Football Team is paying off.
- ✓ When the economic situation improves: Great turnover – result potential.

## Business idea

New Wave Group is a growing company that designs, acquires and develops quality articles for the profiling market (business market) and the consumers' market, mainly in the clothing, accessories and gifts areas.

New Wave Group concentrates on two business areas:

- ✓ The Retailing business area – the products are distributed via the retailing trade.
- ✓ The Profiling business area – the products are distributed via independent retailers to companies.

Synergies between the two business areas: design, product development, purchasing and distribution.

## Strategic distribution – business areas

- ✓ The main part of the distribution (60–80%) within Corporate Profiling has a lower risk when it comes to degree of fashion etc.
- ✓ Risk spread between Retailing and Corporate Profiling, as they have different business cycles.



## The Corporate Profiling business area



## Did you know...

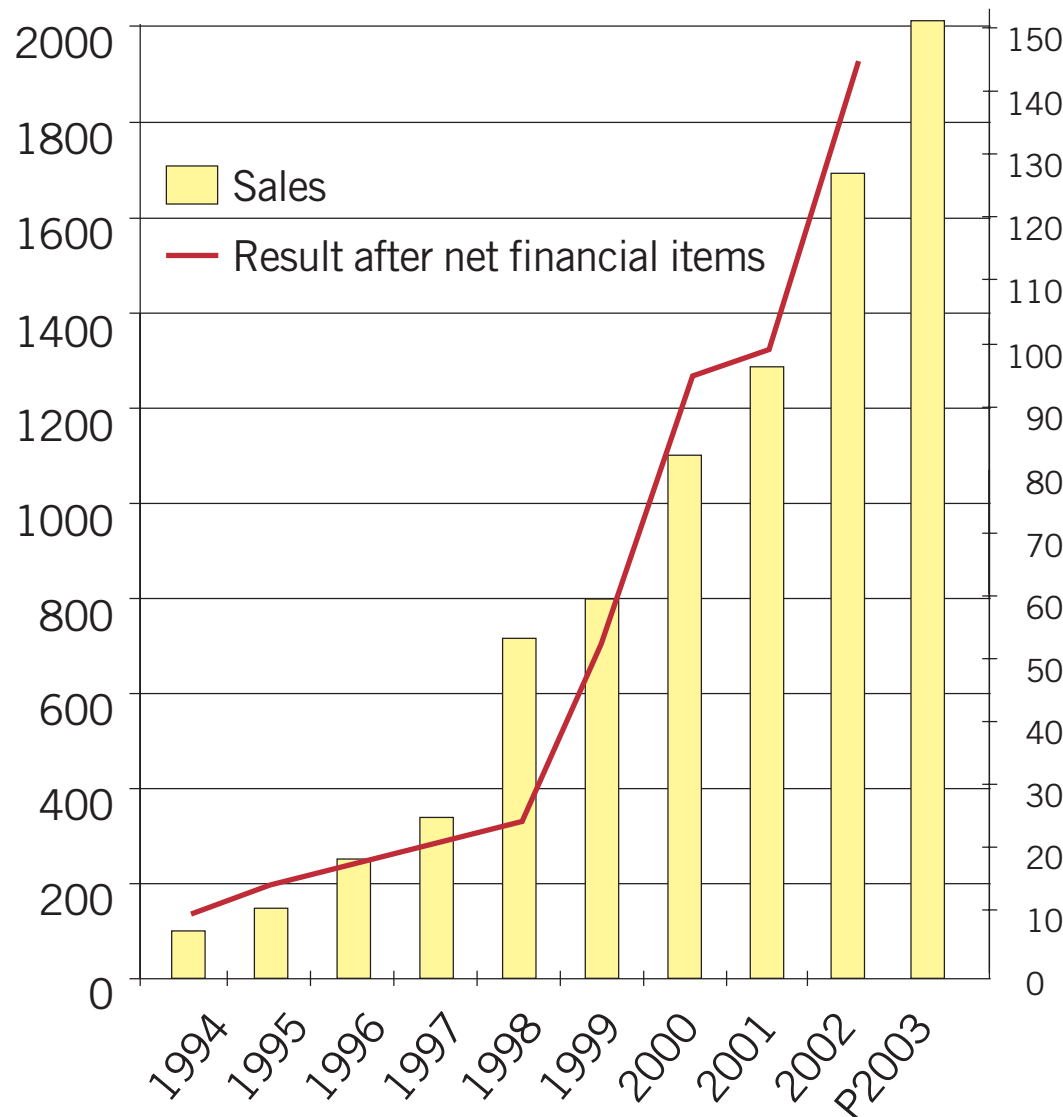
...that New Wave Group through its trademarks (2002) sold approximately...

- ✓ 4.1 million one-coloured T-shirts in Sweden and 4.4 million in the rest of Europe?
- ✓ 470 thousand piqué shirts in Sweden and 1.4 million in the rest of Europe?
- ✓ 265 thousand shirts in Sweden and 451 thousand in the rest of Europe?
- ✓ 33 million promo pens in Europe?





# New Wave – history



- ✓ **1990** • Sweden and Norway
- ✓ **1994** • Finland and Italy
- ✓ **1996** • Acquisition of Craft AB
- ✓ **1997** • Denmark, Spain and Germany
- ✓ **1998** • Acquisition of Hefa AB
- ✓ **1999** • Acquisition in Holland and England
- ✓ **2000** • Acquisition of Textet AB, establishments of Cyberwave and Make Your Own Design, and the subsidiary in France
- ✓ **2001** • Acquisition of Textwear A/S, and Sagaform AB, Seger AB
- ✓ **2002** • Acquisition of Frantextil AB, X-Tend B.V., Lensen Beheer B.V.
- ✓ **2003** • Establishment of Corporate Profiling company in China, establishment of trading company in China.



## Design and product development

Two of the most important things for a successful company within our line of business are good design (without concern taken to fashion) and good products.



Clique Bike – a classic design that's sold in over 1.2 million pieces.

## Purchasing – quality control

New Wave Group has purchasing offices (with equipment for extensive quality control) in Sweden, China and Bangladesh. Producing products with a even, high quality is very important.



## Vision – The Profiling business area

**To become Europe's leading supplier of promotion products**  
by offering...

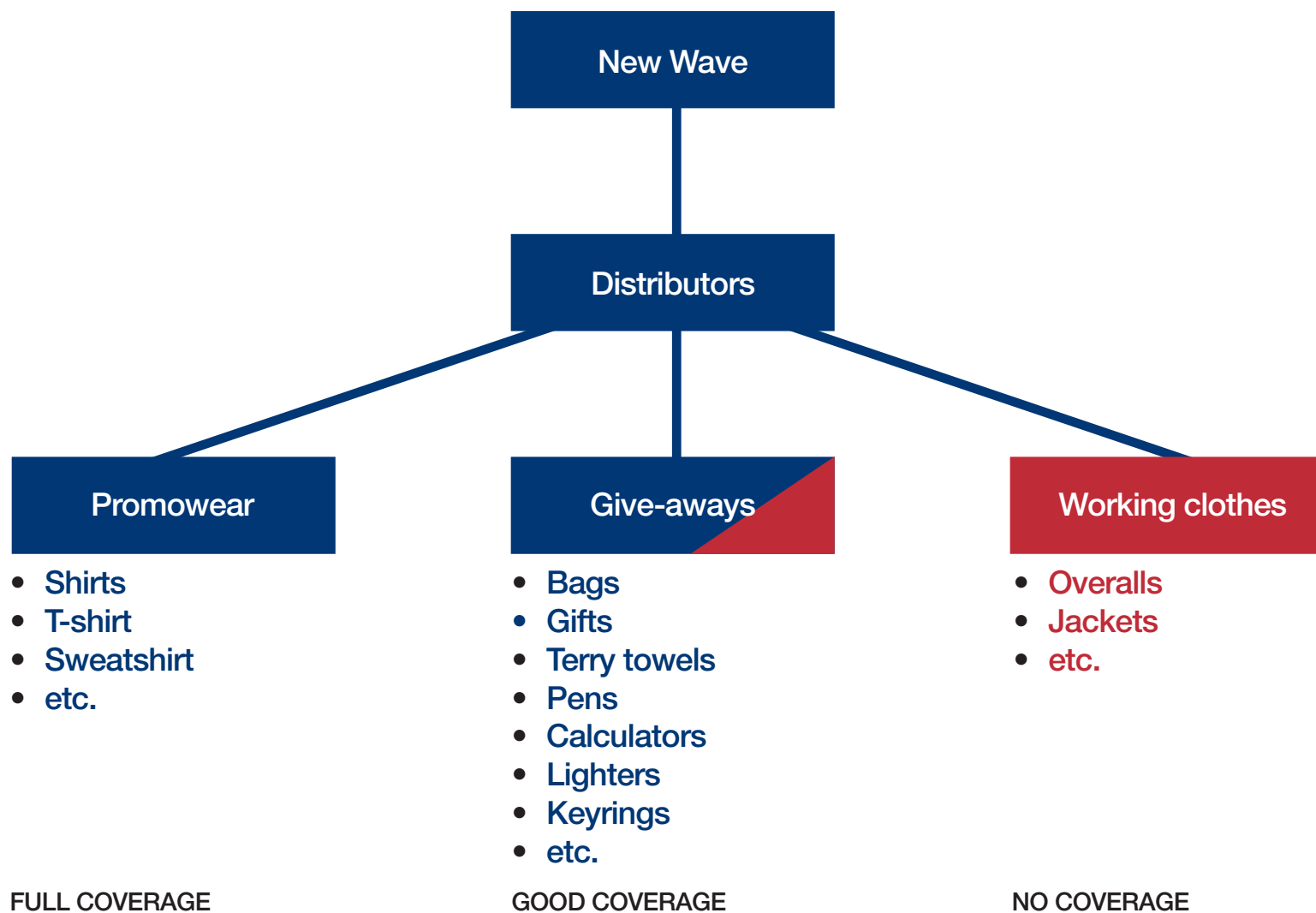
- ✓ good products.
- ✓ strong trademarks.
- ✓ high competence and service.
- ✓ a unique and complete concept for our retailers, including e-business and marketing solutions etc.

The total market covering the suppliers within the three areas promowear, gifts and working clothes in Europe amounts to between SEK 80 and 100 billion.



# Range coverage

Existing  
Possible



## The following owned trademarks are distributed within the Profiling business area:














## Vision – The Retailing business area

- ✓ To become the Nordic countries' main supplier of sports- and leisurewear.
- ✓ To become one of the main suppliers of quality shoes and gifts.
- ✓ To develop the owned trademarks Craft and Seger into international trademarks on functional sportswear.



# The Retailing business area


These owned trademarks are distributed within the Retailing business area:

- ✓  – functional sportswear
- ✓  – basicwear, T-shirts etc, for the sports trade.
- ✓  – basic ware, T-shirts etc, for the everyday commodities trade.
- ✓  – socks, caps etc.
- ✓  – children's shoes
- ✓  – ladies' shoes
- ✓  – gifts
- ✓  – domestic textile products
- ✓  – domestic textile products



## The Retailing business area

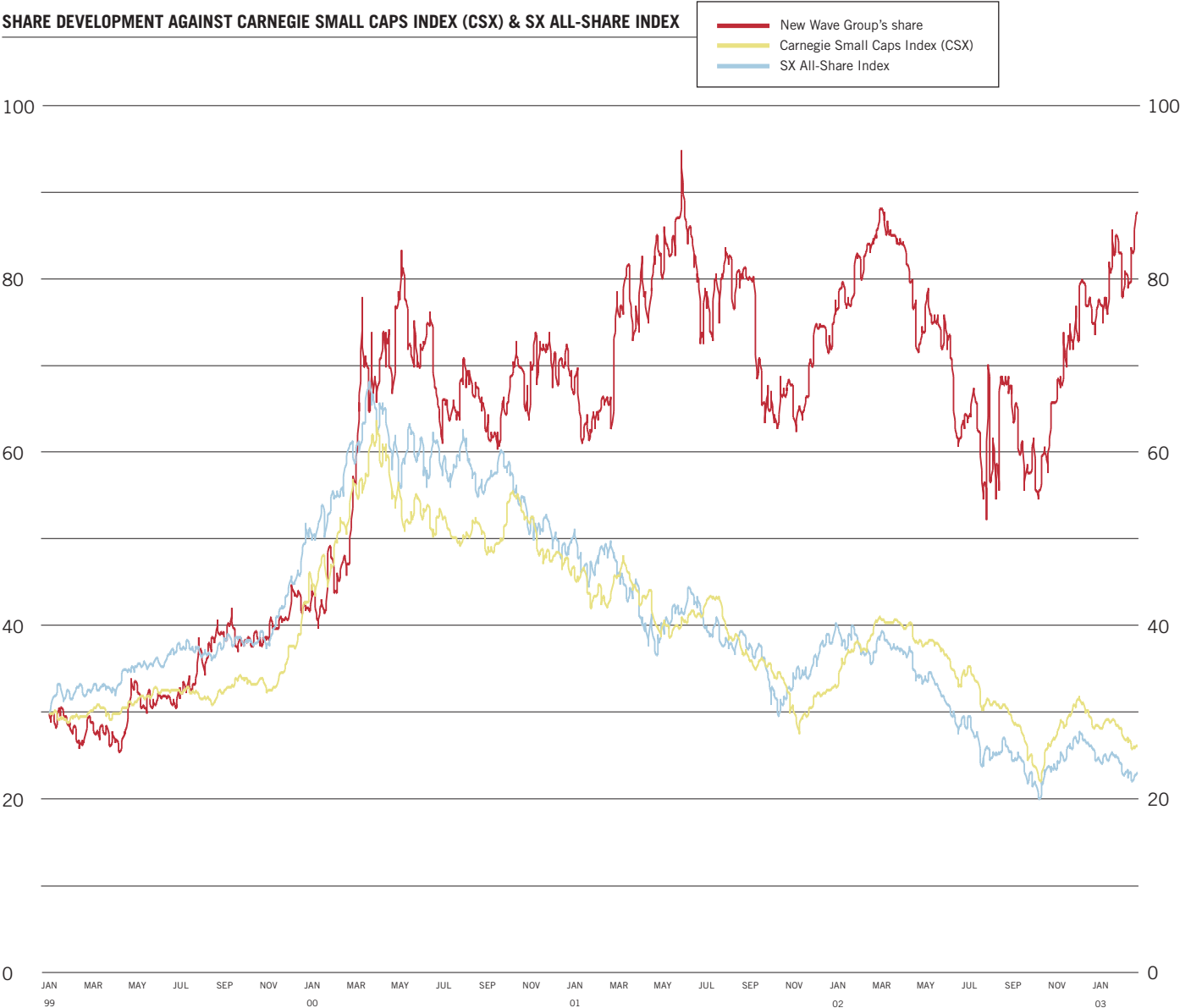
The following licence or agent trademarks are distributed in Sweden:

- ✓ **NORDICA** – skiing equipment
- ✓ **Rollerblade** – inlines
- ✓ **exel** – indoor bandy and skiing equipment
- ✓  **UMBRO** – football clothes and equipment





# Share development against general index



# Continuous growth

**New Wave Group expects the growth to continue at the same pace as earlier, if the result allows it, through...**

- ✓ continuous organic growth
- ✓ continuous establishments of current trademarks abroad
- ✓ new establishments/product broadening/acquisitions within gifts
- ✓ new establishments/product broadening/acquisitions within working clothes
- ✓ continuous acquisitions of retail trademarks (sports)

*“The sky is the limit”*

**Why are we likely to succeed?**

NewWave

## What we have accomplished so far speaks for itself...

Year	Sales SEK m	Increase SEK m	Increase %
1992	53		
1993	74	21	39.7 %
1994	102	28	37.8 %
1995	151	49	48.0 %
1996	246	95	62.9 %
1997	351	105	42.7 %
1998	721	370	105.4 %
1999	799	78	10.8 %
2000	1,063	264	33.0 %
2001	1,278	215	20.2 %
2002	1,687	409	32 %
2003 (prognosis) >2000		>313	>19 %

**...especially considering the fact that the profit has increased every year...**

Year	Net profit SEK m	Increase SEK m	Increase %
1992	3.8		
1993	7.5	3.7	97.4 %
1994	9.7	2.2	29.3 %
1995	14.5	4.7	48.5 %
1996	17.9	3.4	23.5 %
1997	21.6	3.7	20.7 %
1998	24.5	2.9	13.4 %
1999	54.1	29.6	120.8 %
2000	86.6	32.5	60.0 %
2001	100.1	13.5	15.6 %
2002	145.2	45.1	45.1 %

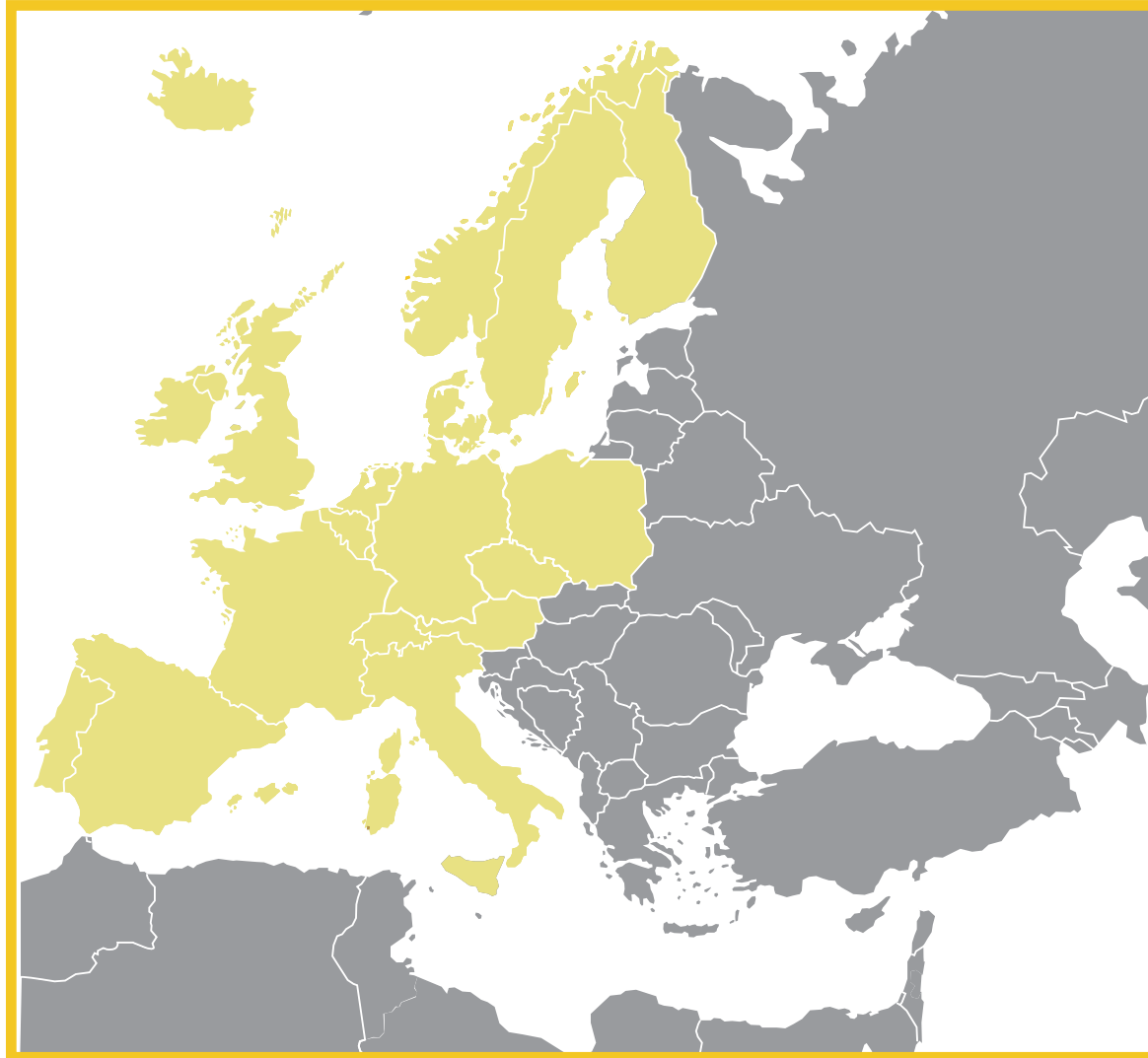
## Growth...

- ✓ During the last 12 years, New Wave's average growth has been 41.3 percent per year.
- ✓ New Wave's profit has increased during the 12 years, by an average of 44 percent per year.
- ✓ On 31 March 2003, the trade price for the New Wave share was SEK 92, which corresponds to P/E 12.6 estimated on the profit for 2002.
- ✓ New Wave counts on a better profit this year than the preceding year.
- ✓ New Wave expects a turnover that exceeds SEK 2 billion for 2003.

# New Wave's success factors

- ✓ Early integration
- ✓ Advantages of scale
- ✓ Synergies between the business areas
- ✓ Leads progress
- ✓ Good service/quality
- ✓ The customer is the most important
- ✓ The "New Wave culture"

# The European Corporate Profiling market is still fragmental and fairly immature...



# Turnover for the profiling and gifts market

	Estimated total market* SEK m	New Wave's prof. sales 2002	New Wave's market share
Sweden	2 944	465	15.8 %
Norway	1 472	110	7.5 %
Finland	1 693	86	5.1 %
Denmark	1 472	14	1.0 %
Germany	22 816	46	0.2 %
England	16 928	45	0.3 %
France	16 928	15	0.1 %
Italy	11 040	87	0.8 %
Spain	11 040	35	0.3 %
Benelux	7341	142	1.9 %
Portugal	2 208	0	0.0 %
Switzerland	2 061	0	0.0 %
Austria	2 318	0	0,0 %
Total	100 262	1 045	

\*Light working clothes are also part of this segment.



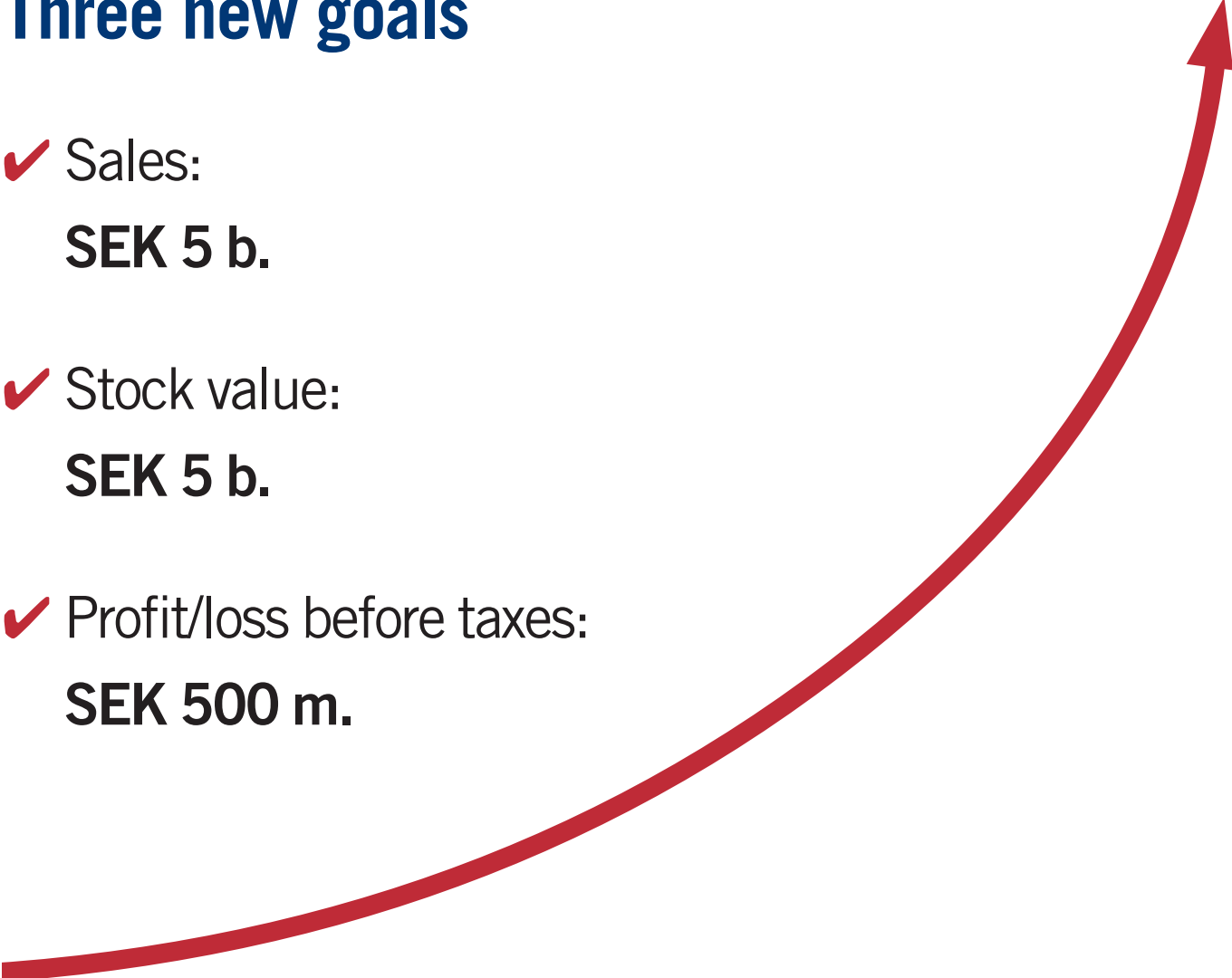
# Verdure

✓ Sales:	SEK 1 b	(met 2000) (2002 SEK <b>1,685 million</b> )
✓ Stock value:	SEK 1 b	(met 2000) (2002 SEK <b>1,280 million</b> )
✓ Profit/loss b. taxes:	SEK 100 m	(met 2001) (2002 SEK <b>145 million</b> )

**Without these goals, which seemed crazy at the time, we would not be where we are today...**

## Three new goals

- ✓ Sales:  
**SEK 5 b.**
- ✓ Stock value:  
**SEK 5 b.**
- ✓ Profit/loss before taxes:  
**SEK 500 m.**



...and without these goals, which might seem crazy now, we will not be able to come as far as we plan to in the future! (When we have reached these goals, or just before we reach them, we will have new goals!)

# How to reach our goals for Corporate Profiling

- ✓ More green field projects in more countries  
**Switzerland, Poland, the Czech Republic, Hungary, Portugal, Greece etc.**
- ✓ More concepts/trademarks on the Group's existing markets  
**Italy, Germany, Benelux, Spain, England**
- ✓ The very first establishment of Corporate Profiling outside Europe  
**Careful set-up in China**
- ✓ Further acquisitions are possible  
**Golf, Watches, Umbrellas**
- ✓ Working clothes  
**Starting with ProJob (see separate page)**

# How shall we succeed with working clothes?

## Our competitors have:

- ✓ Strong trademarks (Fristad, Snickers, Blåkläder, Jobman etc.)
- ✓ Good profitability
- ✓ High gross profit (some more than 50 percent)
- ✓ Good products
- ✓ Loyal customers
- ✓ Enough capital to be persistent

## How shall we succeed with working clothes?

- ✓ We have international distribution
- ✓ We will create many new retailers of working clothes, i.e. customers that do not sell working clothes today but want to. In Sweden, approximately 300 retailers are concerned.
- ✓ We will offer working clothes to our existing retailers and use our advantages as market leader within promo wear.
- ✓ We will be the only reliable alternative for retailers that want to offer promo wear, gifts and working clothes.
- ✓ Withing two years, we will be as good as our competitors when it comes to products, quality, range and logistics.

## Goal – working clothes

- 2003** No turnover. Negative result. Only in Sweden. No stock. Large development costs (products, personnel etc.).
- 2004** Goal: Turnover of SEK 20 m in Sweden. Loss of up to SEK –5 m.
- 2005** Goal: Turnover of SEK 40 m in Sweden. Introduction in Norway and Denmark. Total turnover of SEK 60 m. Small profit.
- 2006** Goal: Turnover of SEK 80 m in Sweden. Turnover of SEK 60 m in Norway and Denmark. Introduction in Finland and Germany with a turnover of SEK 20 m. Total turnover of SEK 160 m. Fine profit.
- 2007** Goal: Total turnover of at least SEK 250 m. Good profitability. Operations in more countries.
- 2008** Goal: Total turnover of at least SEK 350 m. Margin goal reached.

The development can be faster, but this plan is realistic.

**We hope that everybody who buys our  
products is a content customer  
and we want you to know that if you choose  
to invest in New Wave Group  
we promise that we will  
take care of your investment  
in the best possible way through long-term  
thinking, growth,  
stability and hard work!**

*NewWave*  
G R O U P