

NewWave

Presentation of  
*NewWave*  
G R O U P



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## 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

- ✓ Corporate Profiling 60–80 %.  
Retailing 20–40 %.
- ✓ Risk spread.



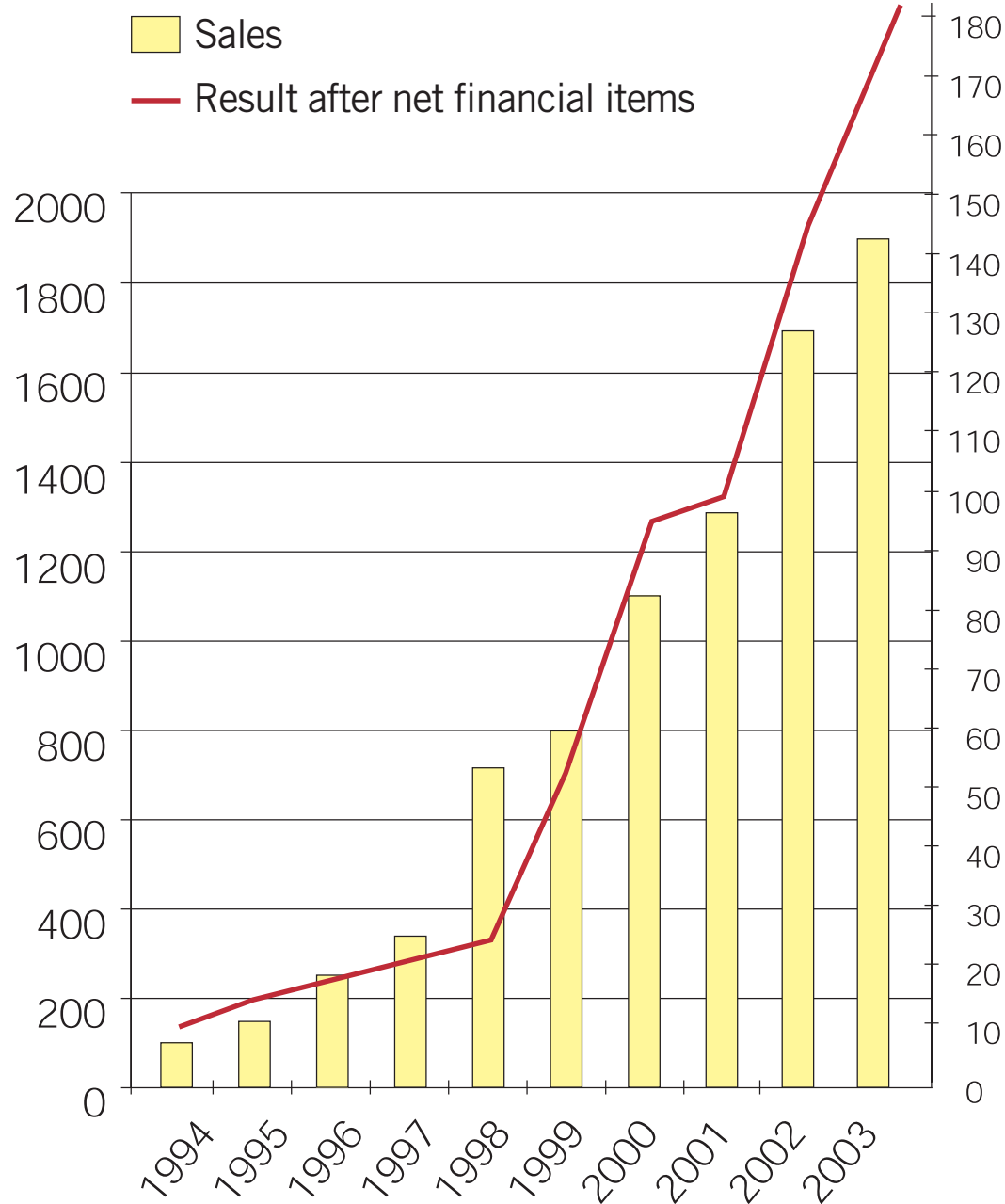
## Did you know...

...that New Wave Group through its trademarks (2003) sold approximately...

- ✓ 4.2 million one-coloured T-shirts in Sweden and 5.0 million in the rest of Europe?
- ✓ 480 thousand piqué shirts in Sweden and 1.7 million in the rest of Europe?
- ✓ 266 thousand shirts in Sweden and 520 thousand in the rest of Europe?
- ✓ 34 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 Texet 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 in China. Establishment of working clothes.
- ✓ **2003** • Establishment in Switzerland.
- ✓ **2004** • Acquisition of SMAP. Acquisition of DAD. Acquisition of Jobman.



## 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.







New Wave has established a factory for production of clothes for the Chinese market in Shanghai, China.



Interior from New Wave's factory in Shanghai, China.

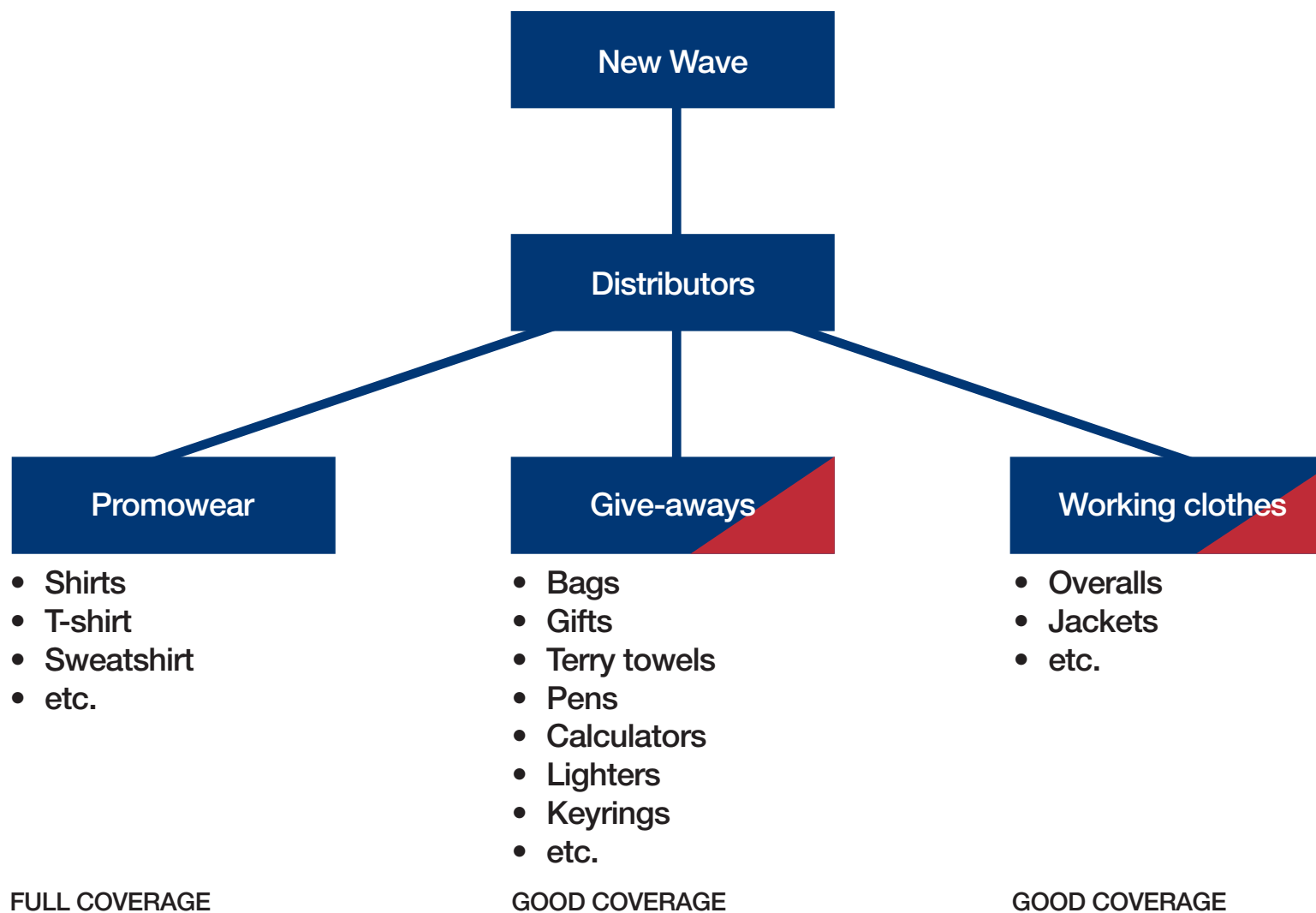




Embroidery machine in New Wave's factory in Shanghai, China. The Chinese customers are offered ready-embroidered promowear.

# Range coverage

Existing  
Possible





## Sales per country

	Jan–sep 2004	Jan–sep 2003	Change SEK m.	%
Sweden	684	596	88	15
Benelux	194	127	67	53
Norway	124	122	2	2
Finland	125	120	5	4
Germany	126	87	39	45
Italy	97	78	19	25
Spain	65	55	10	18
France	44	20	24	117
England	36	40	-4	-10
Denmark	37	30	7	23
Switzerland	33	6	28	506
Other	25	17	8	47
<b>Total</b>	<b>1 590</b>	<b>1 297</b>	<b>293</b>	<b>23</b>

\*Workwear is part of this segment.

The following owned trademarks are distributed within the Corporate 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:

- ✓ **CRAFT**  – functional sportswear
- ✓ **CLIQUE**  – basicwear, T-shirts etc, for the sports trade.
- ✓ **baz**  – basic ware, T-shirts etc, for the everyday commodities trade.
- ✓ **SEGER**  – socks, caps etc.
- ✓ **PAX**  – children's shoes
- ✓ **mari:DC** – ladies' shoes
- ✓ **sagaform**  – gifts
- ✓ **NELSON**  – domestic textile products
- ✓ **Queen Anne**  – 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



**UMBRO**

2003–2008



Craft has not only strengthened its collection of underwear with the line Pro Cool, but it also invests more in cycling by recruiting Tony Rominger as Cycling Product Manager (ranked one of the world's top 10 cyclists ever by Union Cycliste Internationale).

## **Q3 July–September 2004**

### **Heavy growth in profit and sales**

#### **✓ Sales:**

**+27 % to SEK 525 (413) m.**

**Profiling: +51 % to SEK 328 (217) m.**

**Retailing: +0.5 % to SEK 197 (196) m.**

#### **✓ Profit:**

**+ SEK 8.8 m. to SEK 22.9 (14.1) m.**

**Profiling: + SEK 8.3 m. to SEK 13.7 (5.4) m.**

**Retailing: + SEK 0.5 m. to SEK 9.2 (8.7) m.**

## January–September 2004

### ✓ Sales:

**+23 % to SEK 1 590 (1 297) m.**

**Profiling: +35 % to SEK 1 070 (791) m.**

**Retailing: +3 % to SEK 520 (506) m.**

### ✓ Profit:

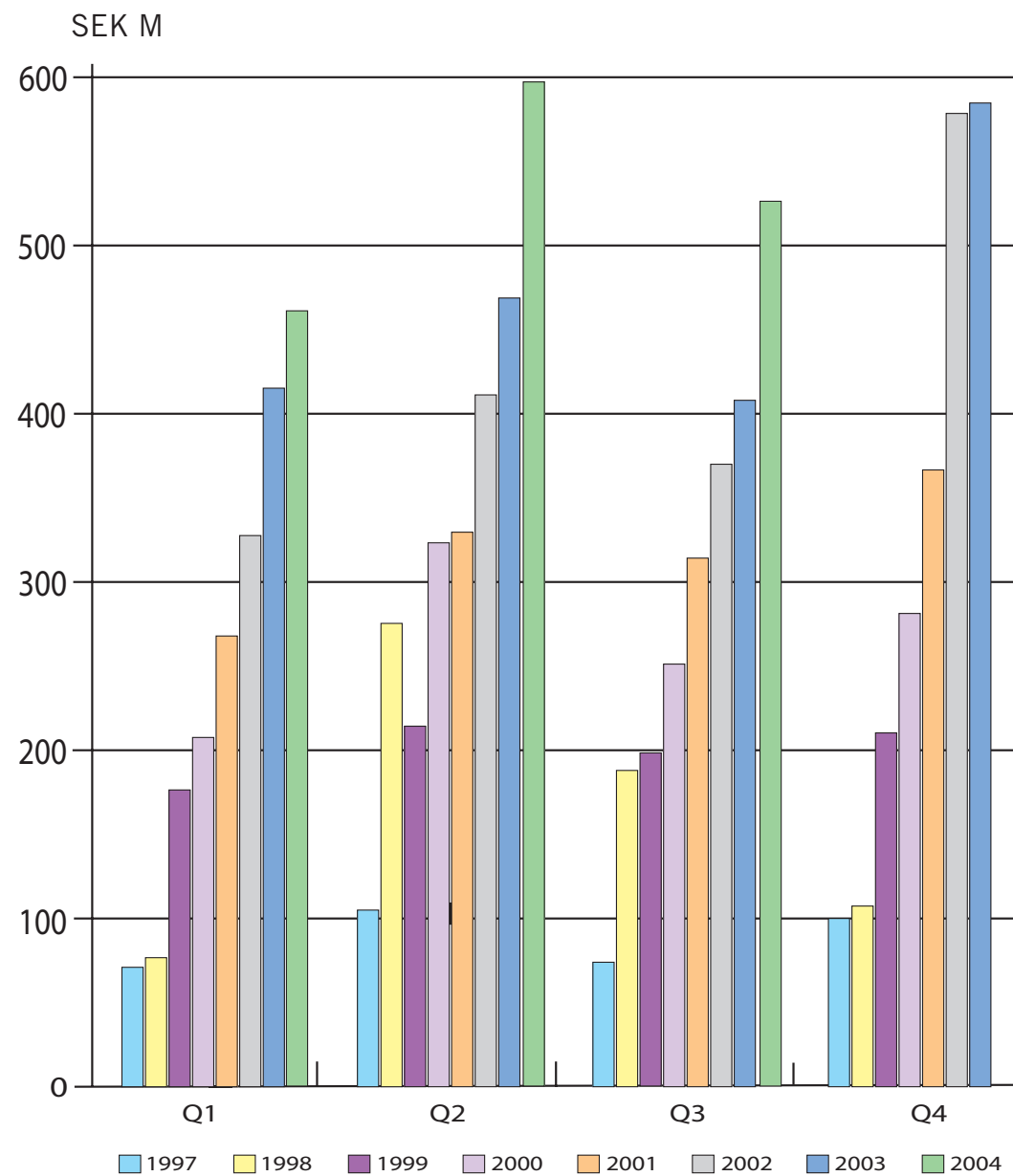
**+ SEK 22.9 m. to SEK 106.2 (83.3) m.**

**Profiling: + SEK 17.6 m. to SEK 80.7 (63.1) m.**

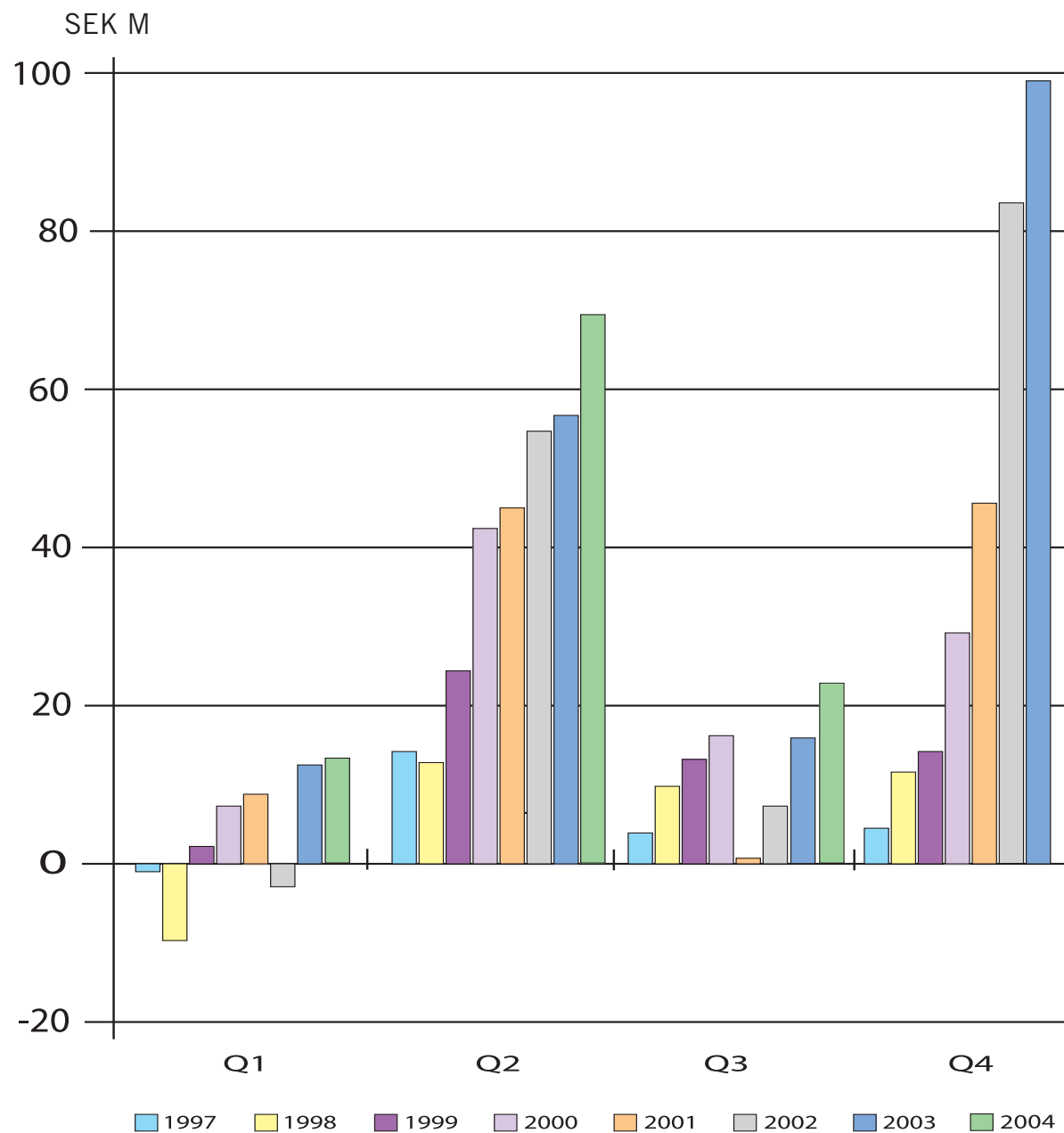
**Retailing: + SEK 5.3 m. to SEK 25.5 (20.2) m.**



## Sales



# Profit/Loss after net financial items



## Important events during Q3

- ✓ Preparations for the launch of Jobman in Norway and Italy.
- ✓ The establishment of the trademarks Clique/New Wave and Harvest/Printer in Switzerland is going very well.
- ✓ Craft Switzerland SA was established in September.
- ✓ The establishment of Inside Out in Spain.
- ✓ The establishment of Inside Out in Italy is according to the plan.
- ✓ Sagaform's establishment in England with sales in the Retailing business area is speeding up.
- ✓ The results are charged by SEK 10.6 m. because of the investments in Switzerland, China, Spain and Belgium as well as ProJob and Jobman.
- ✓ Sagaform established with its own warehouse in Benelux.
- ✓ ProJob's launch has been welcomed by retailers.

# Income Statement

	9 Months	9 Months	12 Months	12 Months
	JAN-SEP	JAN-SEP	OCT-SEP	JAN-DEC
SEK m.	2004	2003	2003/04	2003
<b>Net sales</b>	<b>1 589.9</b>	<b>1 297.2</b>	<b>2 174.6</b>	<b>1 881.9</b>
Other income	12.8	1.5	24.8	13.5
Goods for resale	-872.5	-736.6	-1 183.2	-1 047.2
<b>Gross profit</b>	<b>730.2</b>	<b>562.1</b>	<b>1 016.2</b>	<b>848.2</b>
<b>Gross margin</b>	<b>45.1%</b>	<b>43.2%</b>	<b>45.6%</b>	<b>44.4%</b>
Other external costs	-316.7	-239.4	-412.4	-335.1
% of income	-19.9%	-18.5%	-19.0%	-17.8%
Personnel costs	-245.2	-189.2	-320.0	-263.9
% of income	-15.4%	-14.6%	-14.7%	-14.0%
Depreciations	-39.2	-29.1	-49.6	-39.6
Other costs	-2.7	-5.7	-2.9	-4.5
<b>Operating profit</b>	<b>126.4</b>	<b>98.7</b>	<b>231.3</b>	<b>205.1</b>
Operating margin	8.0%	7.6%	10.6%	10.9%
<b>Net financial items</b>	<b>-20.2</b>	<b>-15.4</b>	<b>-27.1</b>	<b>-23.8</b>
Result after financial items	106.2	83.3	204.2	181.3
Tax for the period	-29.5	-22.0	-54.1	-46.5
Minority share	1.9	0.9	-0.3	-1.3
<b>Profit for the period</b>	<b>78.6</b>	<b>62.2</b>	<b>149.8</b>	<b>133.5</b>
Profit per share SEK	2.49	2.15	4.75	4.61

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# Financial Highlights

SEK m.	JAN-SEP 2004	JAN-SEP 2003	JAN-DEC 2003	JAN-DEC 2002	JAN-DEC 2001
Sales growth %	22.6	17.1	11.5	32.0	20.2
Employees	1 017.0	779.0	806.0	729.0	422.0
Gross profit margin %	45.1	43.3	44.4	42.0	40.5
Operating margin %	8.0	7.6	10.9	10.6	10.0
Profit margin %	4.9	4.8	7.1	6.2	6.4
Return on shareholders' equity %	14.6	16.2	23.8	22.0	20.9
Return on capital employed %	10.5	10.8	16.5	16.9	14.7
Solidity %	35.9	32.6	37.4	37.9	40.5
Net borrowings SEK m.	1 033.9	806.3	692.5	629.0	519.7
Turnover of inventories times	1.3	1.5	1.6	1.6	1.5
Net investments. SEK m.	147.4	59.7	79.9	153.2	85.1
Cash flow before investments. SEK m.	-121.8	-57.4	75.9	160.7	94.5
Cash flow after investments. SEK m	-385.1	-117.1	-4.0	7.4	9.4
Shareholders' equity per share SEK	26.23	18.61	21.13	17.80	15.00

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## Heavy growth 2004–2005

- ✓ Switzerland: Sales start January 15, 2004 – NWG:s best start so far!
- ✓ ProJob: Sales start August 15, 2004.
- ✓ Warehouse for Harvest/Printer in Spain March 1, 2004.
- ✓ Warehouse for Harvest/Printer in Switzerland September 1, 2004.
- ✓ Warehouse for Sagaform Profiling in Benelux September 1, 2004.
- ✓ D&J/Inside Out was launched in Italy January 1, 2004.
- ✓ D&J/Inside Out was launched in Spain July 1, 2004.
- ✓ Craft was established in Switzerland in August, 2004, with its own distribution.
- ✓ New purchasing office in Guandong, China.
- ✓ New purchasing office in Turkey.

# Heavy growth 2004–2005, continuation

Our pace has never been higher!

- ✓ Increased international focus from Craft.
- ✓ The Czech republic and Poland are prepared for start during next year.
- ✓ Last year's establishments in China take shape.
- ✓ Jobman will be introduced in Norway and Italy at the year-end.
- ✓ ProJob will be introduced in Denmark and Finland at the year-end.
- ✓ Thereafter, workwear will be introduced in 2–3 countries/year.

## Growth

- ✓ These establishments will give organic growth of 10–15 % (it was 11 % for Q2 and 10 % for Q3).

We have the capacity to make more acquisitions. This will give a high level of growth for the next-coming years.



# Goal

- ✓ Profit: Increasing
- ✓ We are well prepared for the future and we feel optimistic!

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**What says that  
we are going to  
succeed?**

## 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	1,881.9	194.9	12 %

**...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 %
2003	181.3	36.1	25.0 %

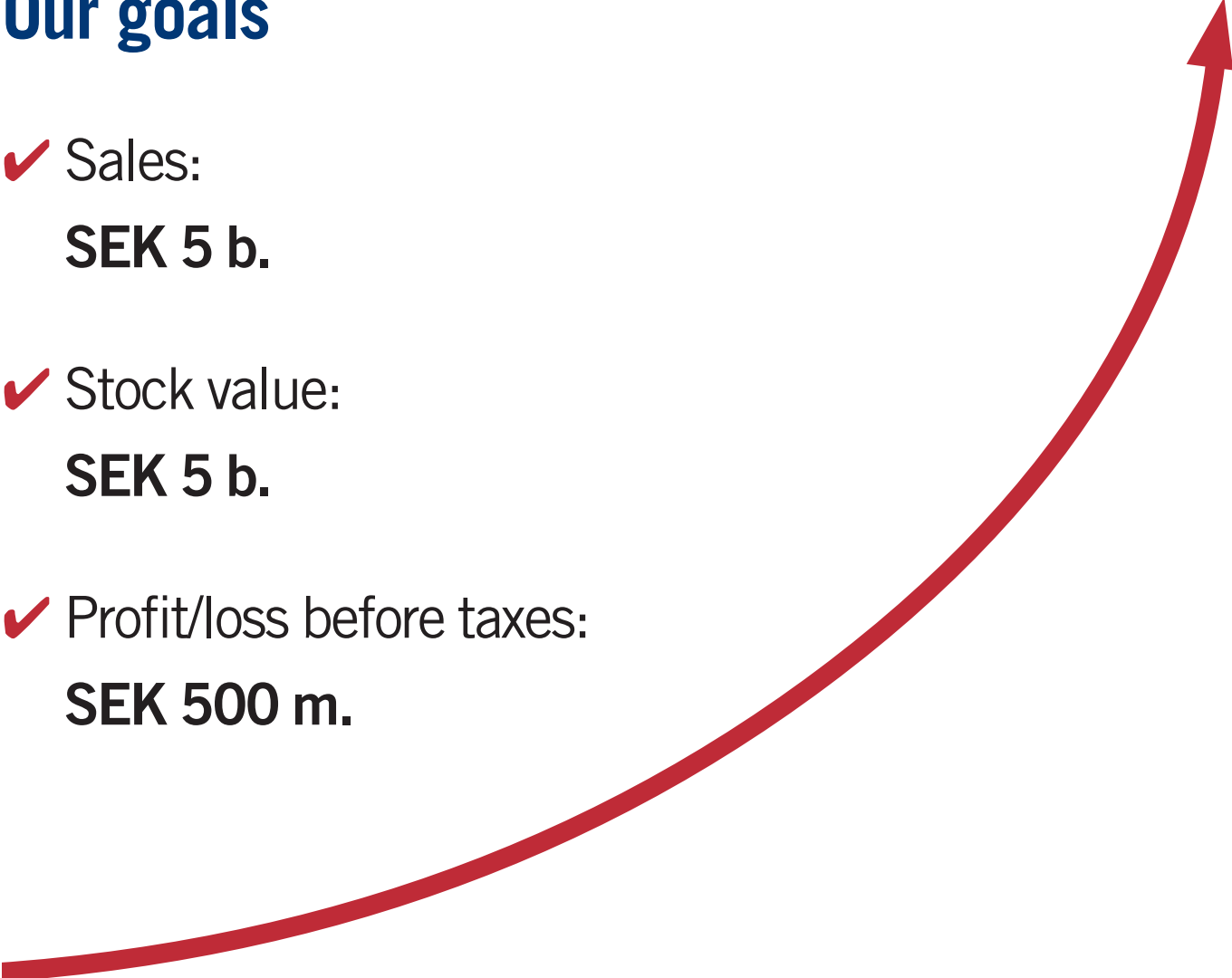
# New Wave's success factors

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



## Our goals

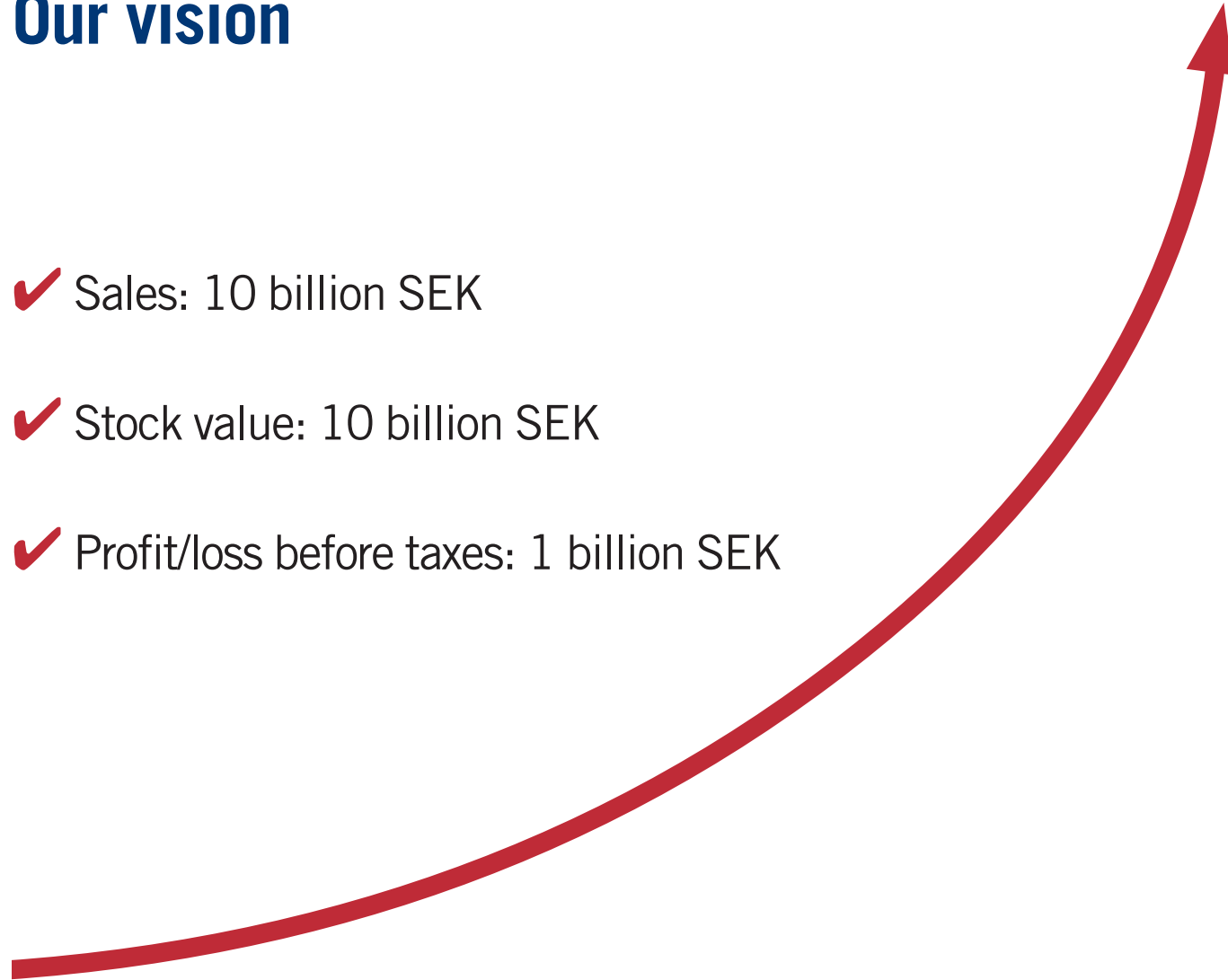
- ✓ Sales:  
**SEK 5 b.**
- ✓ Stock value:  
**SEK 5 b.**
- ✓ Profit/loss before taxes:  
**SEK 500 m.**



...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!

## Our vision

- ✓ Sales: 10 billion SEK
- ✓ Stock value: 10 billion SEK
- ✓ Profit/loss before taxes: 1 billion SEK



**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!**

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