

# NewWave



Presentation of

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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.

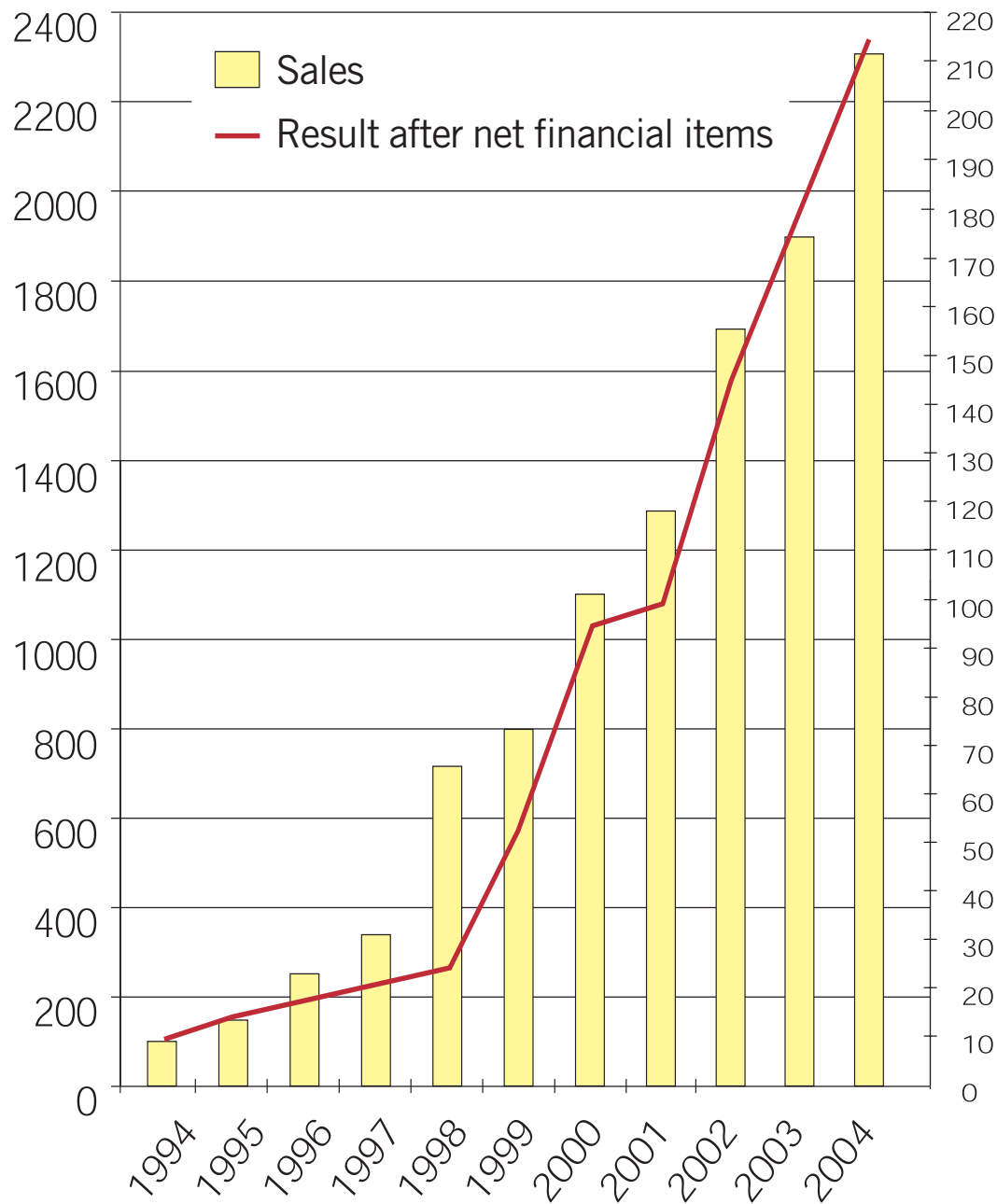
## Did you know...

...that New Wave Group through its trademarks (2004) sold approximately...

- ✓ 5.0 million one-coloured T-shirts in Sweden and 8.0 million in the rest of Europe?
- ✓ 550 thousand piqué shirts in Sweden and 3.0 million in the rest of Europe?
- ✓ 400 thousand shirts in Sweden and 600 thousand in the rest of Europe?
- ✓ 37 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** • Holland and England.
- ✓ **2000** • France.  
Acquisition of Textet AB.
- ✓ **2001** • Acquisition Sagaform AB, Seger AB.
- ✓ **2002** • Acquisition of Frantextil AB, X-Tend and Toppoint
- ✓ **2003** • China and Switzerland.  
Establishment of working clothes.
- ✓ **2004** • Acquisition of SMAP, DAD Sportswear and Jobman.
- ✓ **2005** • Acquisition of Dahetra.  
Acquisition of Orrefors Kosta Boda.  
Acquisition of Intraco.  
Establishment in Irland, Wales, Russia.

# Intraco.nl



## Vision – The Profiling business area

To become Europe's leading supplier of promotion products

by offering...

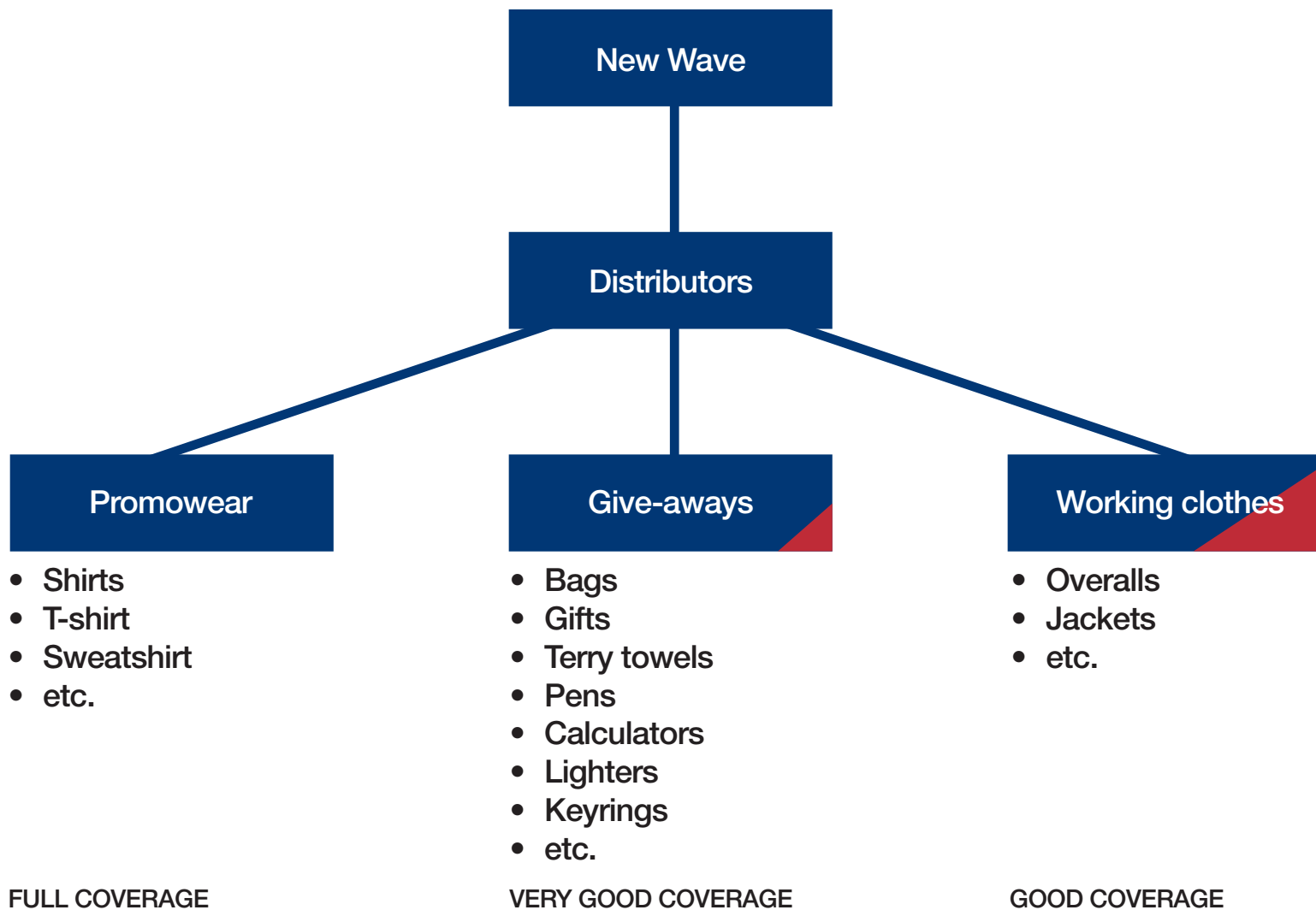
- ✓ good products.
- ✓ strong trademarks.
- ✓ high competence and service.
- ✓ a unique and complete concept for our retailers, including e-business and marketing solutions etc.

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 Corporate Profiling business area:





## Vision – The Retailing business area

- ✓ To become the Nordic countries' main supplier of sports- and leisurewear.
- ✓ To develop Sagaform into one of Europe's biggest brands on kitchen, china 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.
- ✓  – children's shoes
- ✓ **mari:DC** – ladies' shoes
- ✓  – gifts
- ✓  **Orrefors** – glass
- ✓  – textile products
- ✓ **KOSTA BODA** – glass
- ✓  – textile products
- ✓  – glass

## 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

## January–June 2005

### ✓ Sales:

**+18% to SEK 1,255 (1,065) m.**

**Profile: +20% to SEK 892 (742) m.**

**Retail: +12% to SEK 363 (323) m.**

**Dahetra + OKB (Orrefors Kosta Boda) contribution was 99.0 m.**

### ✓ Profit:

**SEK -27.5 to SEK 66.0 (93.5) m.**

**Dahetra + OKB contributed with -SEK 14.6 m.**

**Establishments SEK -17.7 m.**

**Profile: EBITDA +4.5 m to SEK 103.0 (98.5) m.**

**Retail: EBITDA -30.2 m to SEK -5.7 (24.5) m.**

## Q2 April–June 2005

✓ Sales:

**+24% to 738 (596) Mkr**

**Establishments 83.0 Mkr.**

**Profile: +19% to 544 (458) Mkr**

**Retail: +41% to 194 (138) Mkr**

✓ Profit:

**-1.4 Mkr to 74.5 (75.9) Mkr**

**Establishments -11.3 Mkr.**

**New establishments -6.4 Mkr.**

**Profile: EBITDA +13.4 Mkr to 96.5 (83.1) Mkr**

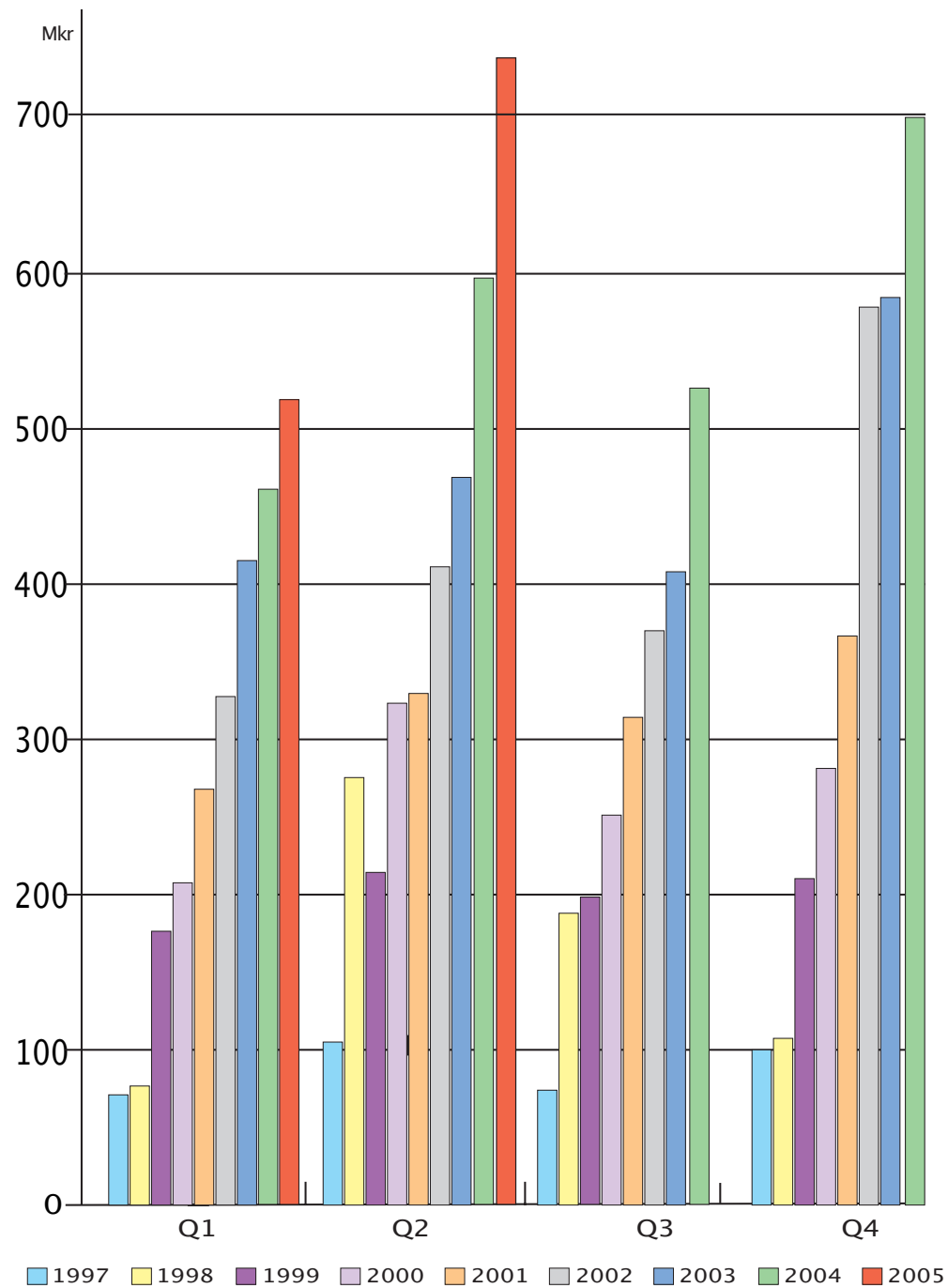
**Retail: EBITDA -15.4 Mkr to -6.6 (9.0) Mkr**

## Important events during Q2

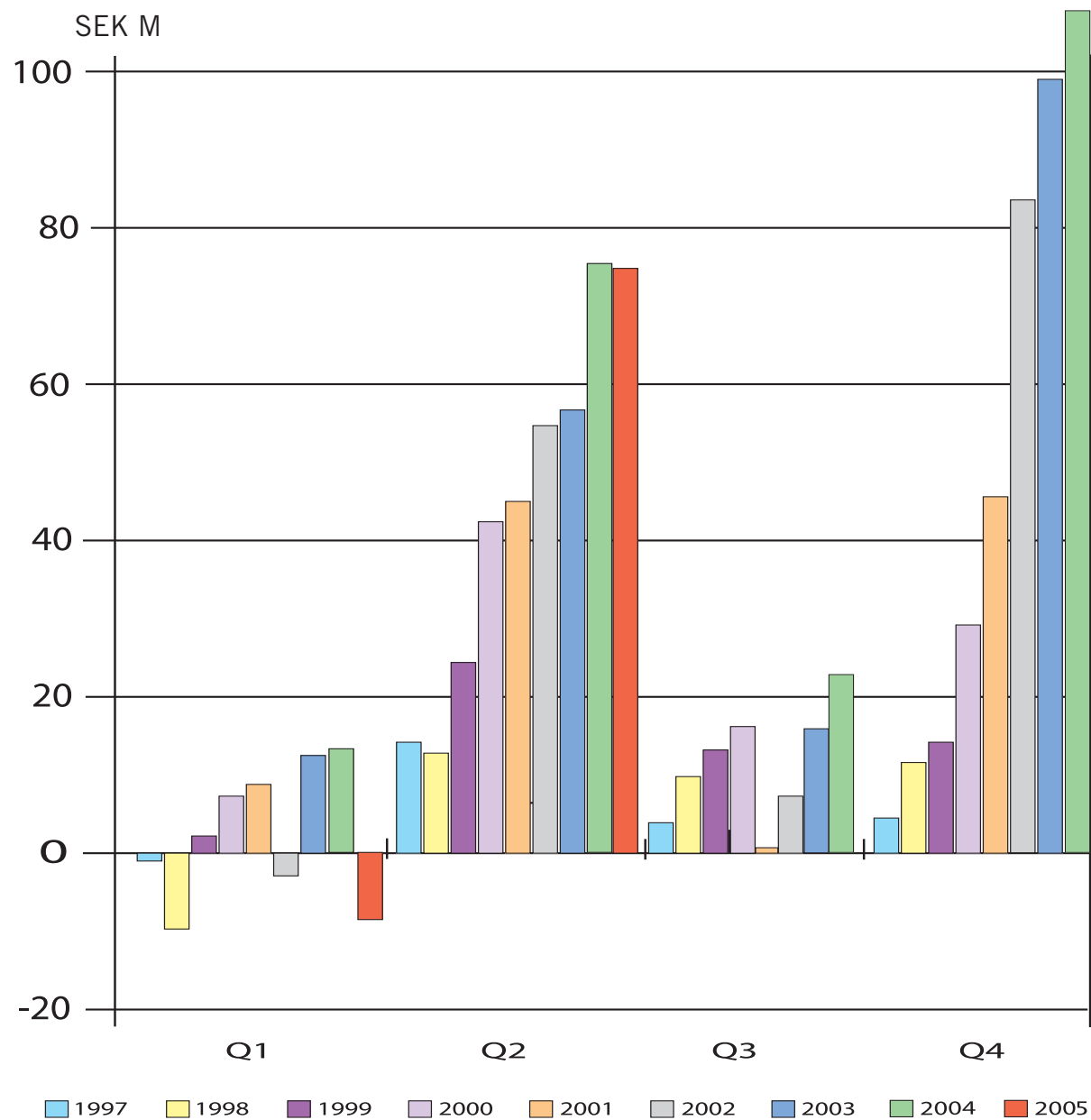
- ✓ Acquri of Orrefors Kosta Boda
  - New MD (Magnus Andersson previous Sagaform) nominated
  - More than 50 salaries employees have been reduced
  - Salaries is negotiated
  - Investments is stopped
  - Purchasing contracts is negotiated
  - Consolidated from 1<sup>st</sup> of June
- ✓ The cost for establishments amounted to SEK 6,4 m during quarter 2.
- ✓ Acquri 51% of Intraco. Will be consolidated from 1<sup>st</sup> of July
- ✓ Decision regarding establishments in Irland
- ✓ Decision regarding establishments in Russia
- ✓ Continued price reduction and deflation. Stronger USD and China duty gives argument for higher prices.

## Sales

SEK M



# Profit/Loss after net financial items





## Financial Highlights

	JAN - JUNE	JAN - JUNE	JAN - DEC	JAN - DEC
<b>MKR</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>
Sales growth %	17,9	20,4	22,3	11,5
Employees	2 384,00	970	1 269,00	806
Gross profit margin %	45,5	46	45,9	44,4
Operating margin %	6,5	10,1	10,5	10,9
Profit marginal %	3,9	6,6	6,6	7,1
Return on shareholders' equity %	10,5	19,8	20,3	23,8
Return on capital employed %	7,6	14,2	11,7	16,5
Solidity %	32,8	37,8	40,5	37,4
Net borrowings SEK m	1 365,60	859,1	886,2	692,5
Turnover of inventories times	1,3	1,4	1,5	1,6
Net investments, SEK m	-77,8	181,5	245,4	80
Cash flow before investments, SEK m	-88,7	-47,6	2,3	76
Cash flow after investments, SEK m	-166,5	-229,1	-243,1	-4
Shareholders' equity per share, SEK m	31,46	26,57	28,72	21,13

# Income Statement

SEK M,	6 Months	6 Months	12 Months	12 Months
	JAN-JUNE 2005	JAN-JUNE 2004	JAN-DEC 2004	JAN-DEC 2003
<b>Net sales</b>	<b>1255.1</b>	<b>1064.6</b>	<b>2 302.2</b>	<b>1 881.9</b>
Other income	4.5	7.2	20.0	13.5
Goods for resale	-684.1	-574.5	-1 246.4	-1 047.2
<b>Gross profit</b>	<b>575.5</b>	<b>497.3</b>	<b>1 075.8</b>	<b>848.2</b>
<b>Gross margin</b>	<b>45.5%</b>	<b>46.0%</b>	<b>45.9%</b>	<b>44.4%</b>
Other external costs	-267.8	-210.5	-440.2	-335.1
% of income	21.3%	19.8%	-19.1%	-17.8%
Personnel costs	-210.3	-163.8	-341.1	-263.9
% of income	16.8%	15.4%	-14.8%	-14.0%
Depreciations	-15.9	-15.5	-29.6	-23.6
Other costs	0	0	-2.5	-4.5
<b>Operating profit</b>	<b>81.5</b>	<b>107.5</b>	<b>262.4</b>	<b>221.1</b>
Operating margin	6.5%	10.1%	11.4%	11.7%
<b>Net financial items</b>	<b>-15.5</b>	<b>-14.0</b>	<b>-28.2</b>	<b>-23.8</b>
Result after financial items	66.0	93.5	234.2	197.3
Tax for the period	-16.8	-22.7	-61.3	-46.5
<b>Profit for the period</b>	<b>49.2</b>	<b>70.8</b>	<b>172.9</b>	<b>150.8</b>
Profit per share SEK	1.55	2.29	5.60	5.10

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## Sales per country

COUNTRY	JAN-JUNE	JAN-JUNE	SEK M	CHANGE
	2005	2004		%
Sweden	499	465	34	7
Benelux	143	121	22	18
Norway	108	86	22	26
Germany	90	78	12	15
Finland	88	89	-1	-1
Italy	80	68	12	18
Denmark	51	24	27	114
Spain	45	47	-2	-4
France	41	32	9	28
Switzerland	37	20	17	85
England	32	28	4	14
Other	25	7	18	257
USA	16	-	16	N/A
Total	1 255	1 065	190	18

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## Prognosis 2005

- ✓ Higher turn over than 25% and result higher than 2004.

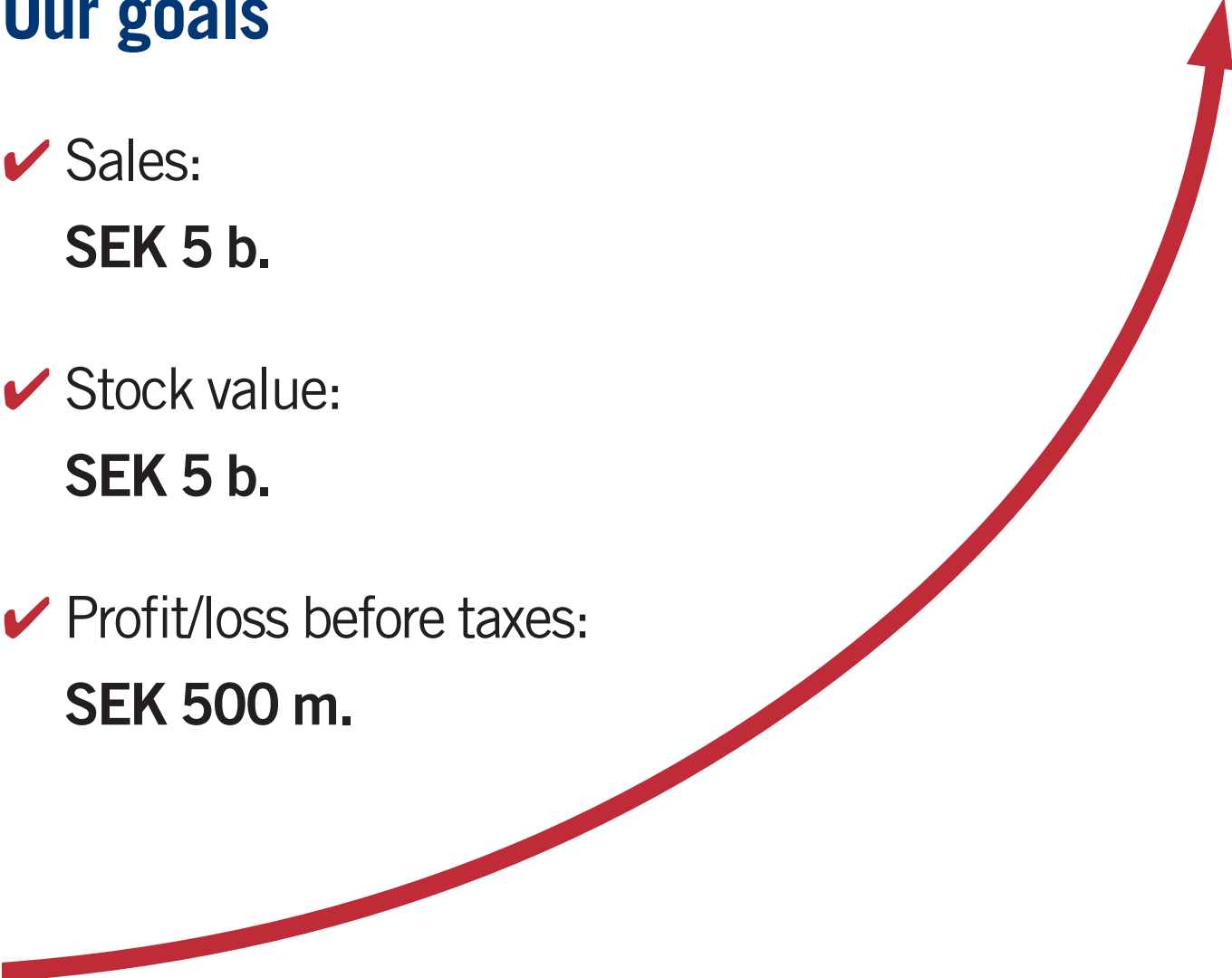


## New Wave's success factors

- ✓ 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

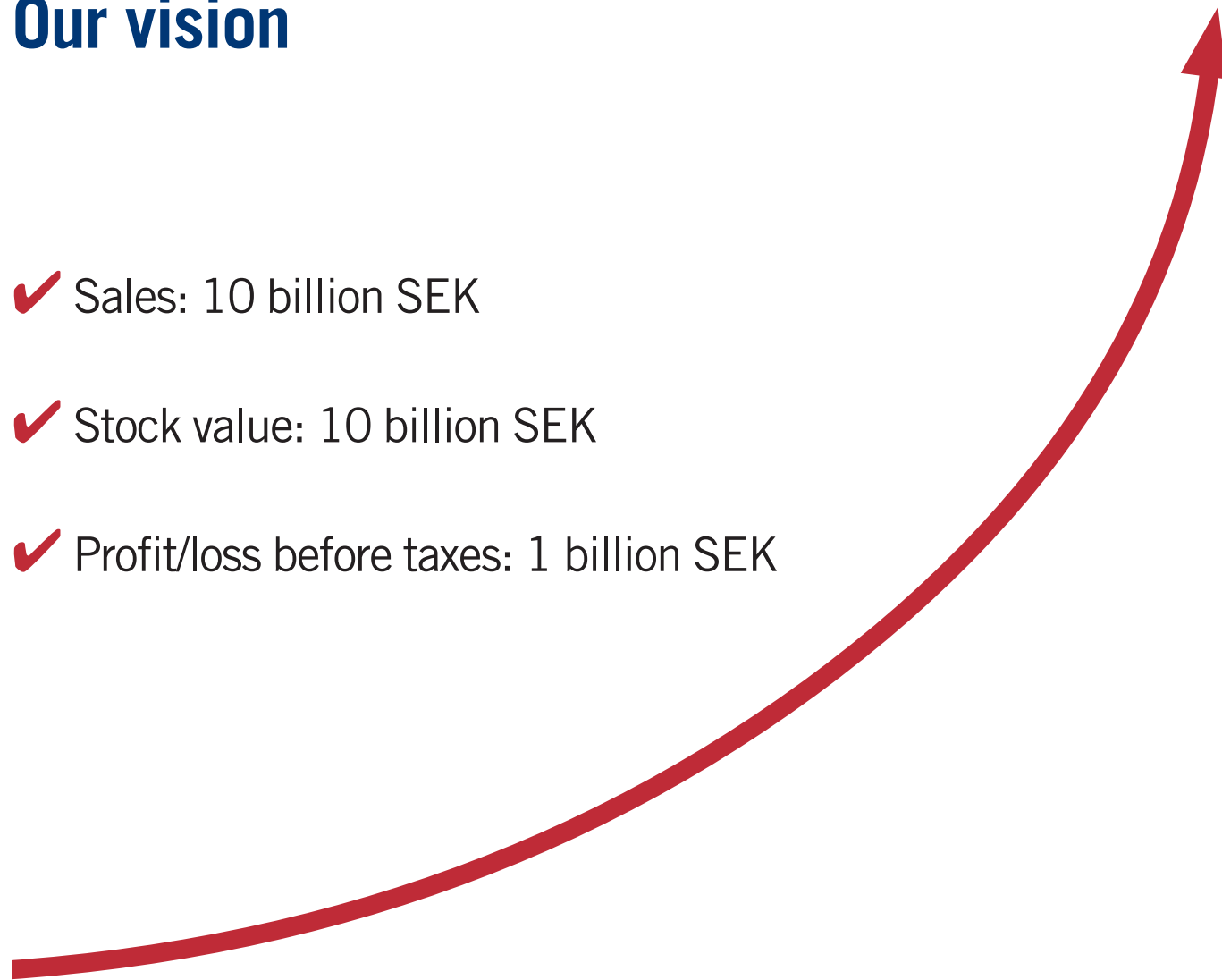
- ✓ Sales:  
**SEK 5 b.**
- ✓ Stock value:  
**SEK 5 b.**
- ✓ Profit/loss before taxes:  
**SEK 500 m.**



...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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