

NewWave

# Presentation of *NewWave* G R O U P



*NewWave*  
G R O U P

## 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.

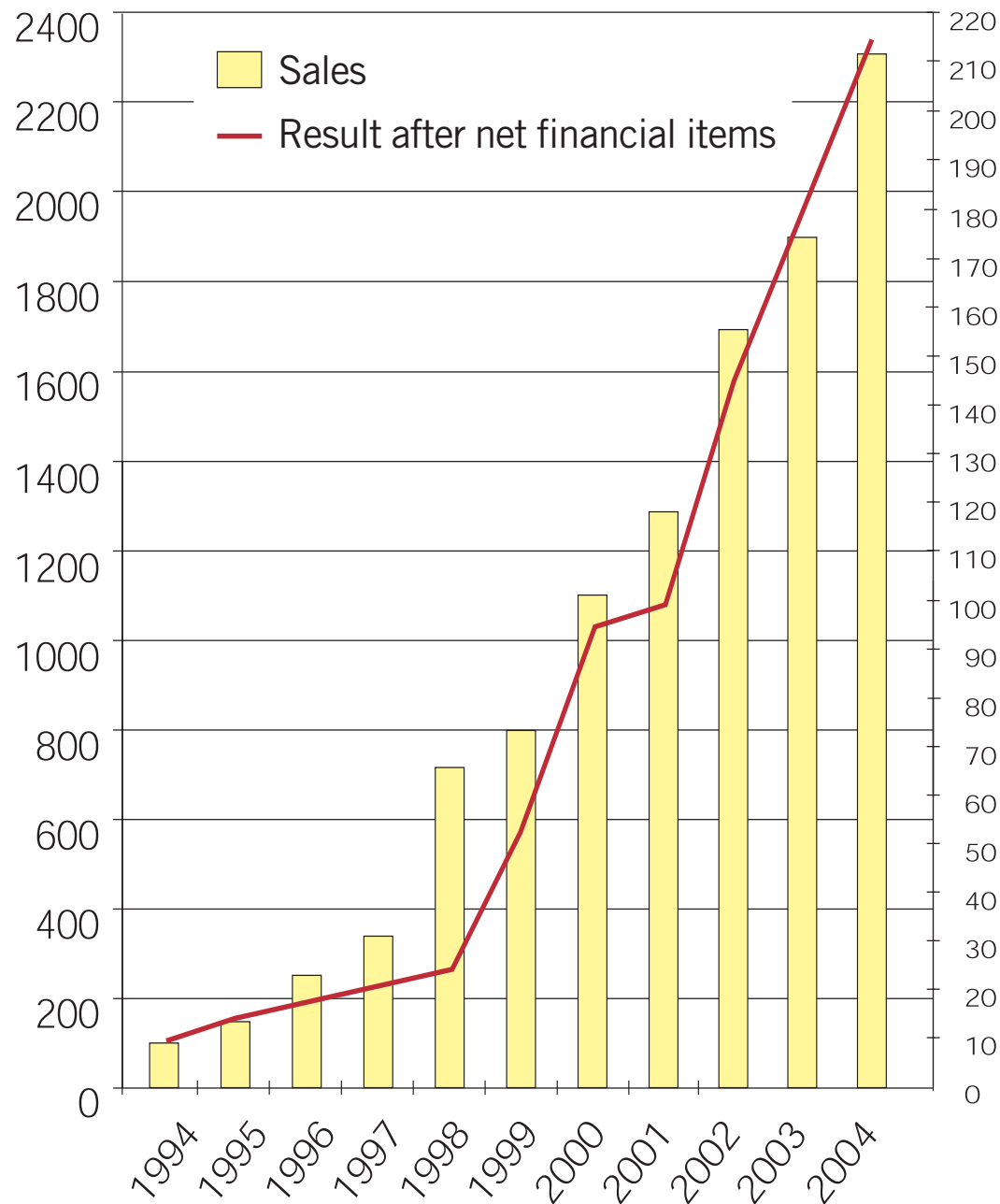
## Did you know...

...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.

## Vision – The Profiling business area

**To become Europe's leading supplier of promotion products**

by offering...

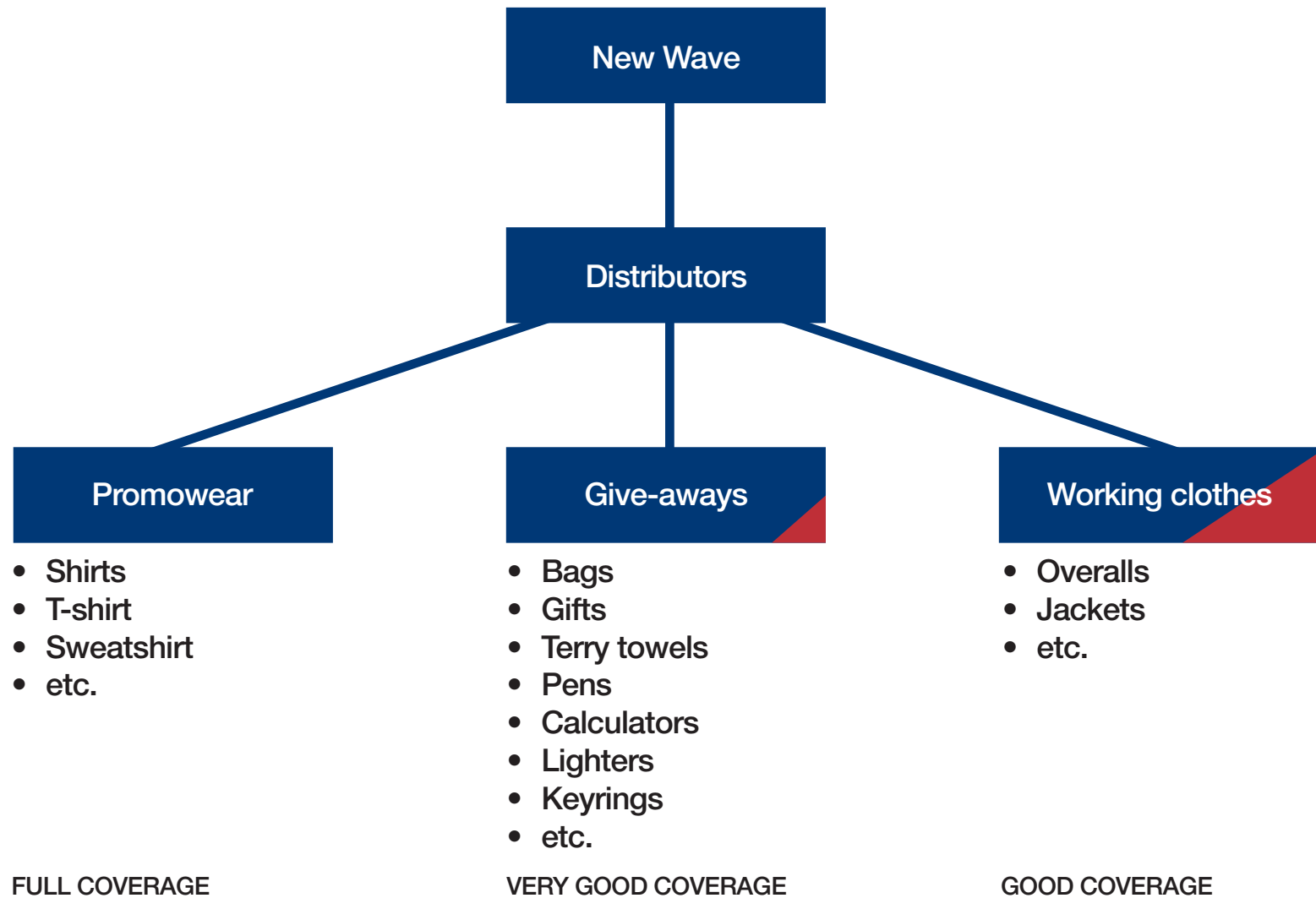
- ✓ good products.
- ✓ strong trademarks.
- ✓ high competence and service.
- ✓ a unique and complete concept for our retailers, including e-business and marketing solutions etc.

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:



HURRICANE®



**MACHAIR**



**KOSTA BODA**  
SWEDEN 1742



**TOPPOINT®**



# Prospective growth –The Profiling business area

- ✓ New countries – old assortment
- ✓ Old and new countries – work wear
- ✓ Old and new countries – give-aways
- ✓ Widen the product range- work wear/give-aways

In Europe we have introduced our concept at 5 percent of the potential market. In a larger perspective we just entered into the launch.



## 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.
- ✓ To develop Orrefors and Kosta Boda into the leading brands in the world of the glass business (within glass and crystal).




# 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

✓ **Orrefors**  – glass

✓  **NELSON** – textile products

✓ **KOSTA BODA**  – glass

✓  **Queen Anne** – textile products

✓  **Sea Glass Drink** – 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–September 2005

### ✓ Sales:

+28% to SEK 2,029 (1,590) M

Profiling: +25% to SEK 1,335 (1,070) M

Retailing: +33% to SEK 694 (520) M

Establishments contributed with SEK 300 M

### ✓ Profit:

SEK +0.2 M to SEK 122.4 (122.2) M

Establishments contributed with SEK 15.1 M

New establishments SEK -25.7 M

Profiling: EBITDA SEK 20.0 M to SEK 147.9 (127.9) M

Retailing: EBITDA SEK 8.2 M to SEK 29.5 (37.7) M

## Q3 July–September 2005

### ✓ Sales:

**+47% to SEK 774 (525) M.**

**Establishments contributed with SEK 201 M.**

**Profiling: +35% to SEK 443 (328) M.**

**Retailing: +68% to SEK 331 (197) M**

### ✓ Profit:

**SEK 27.8 M to SEK 56.4 (28.6) M.**

**Establishments contributed with SEK 29.7 M.**

**Cost for new establishments SEK -8 M.**

**Profiling: EBITDA SEK +15.5 M to SEK 44.9 (29.4) M.**

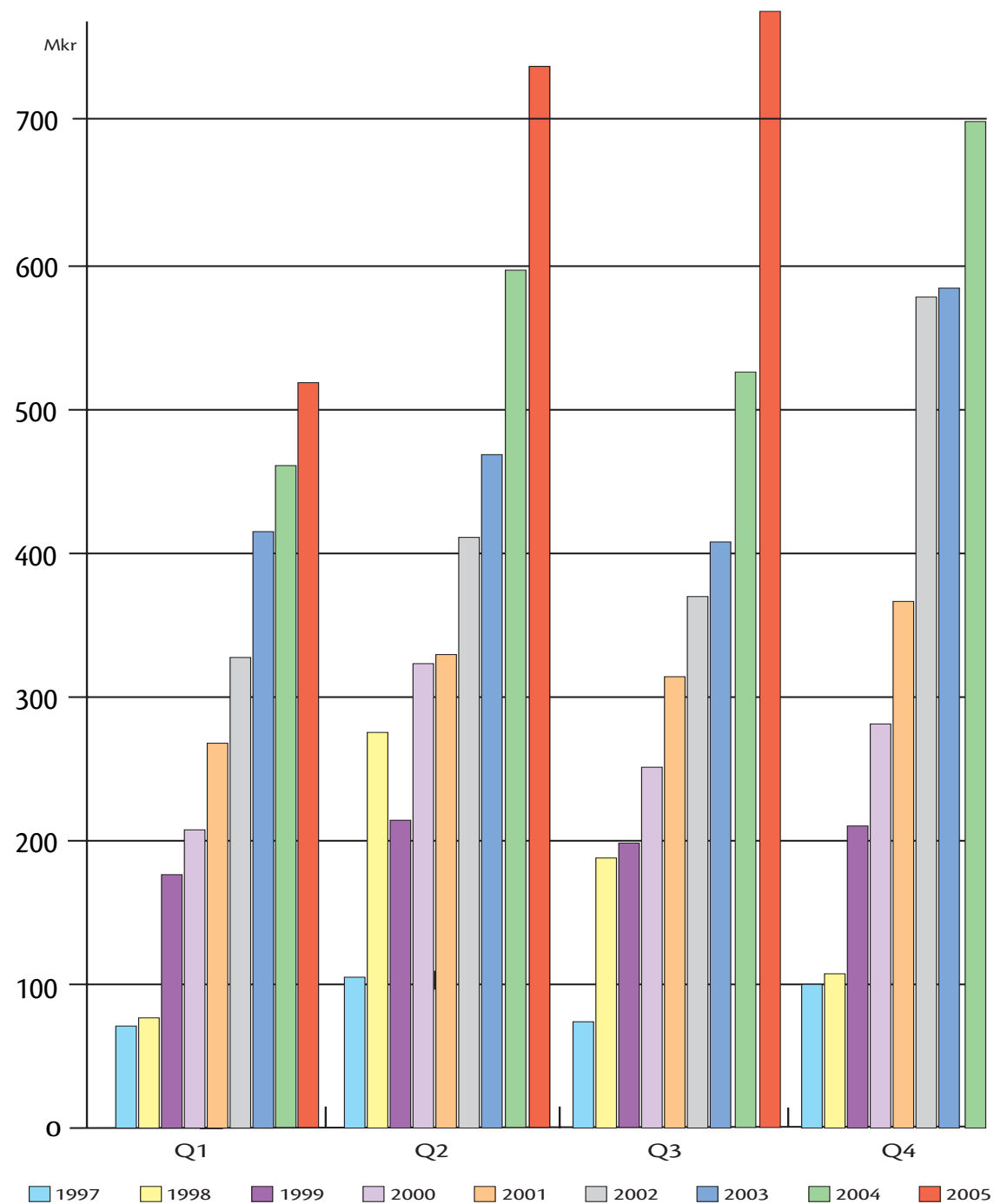
**Retailing: EBITDA SEK +21.9 M to SEK 35.1 (13.2) M.**

## Important events during Q3

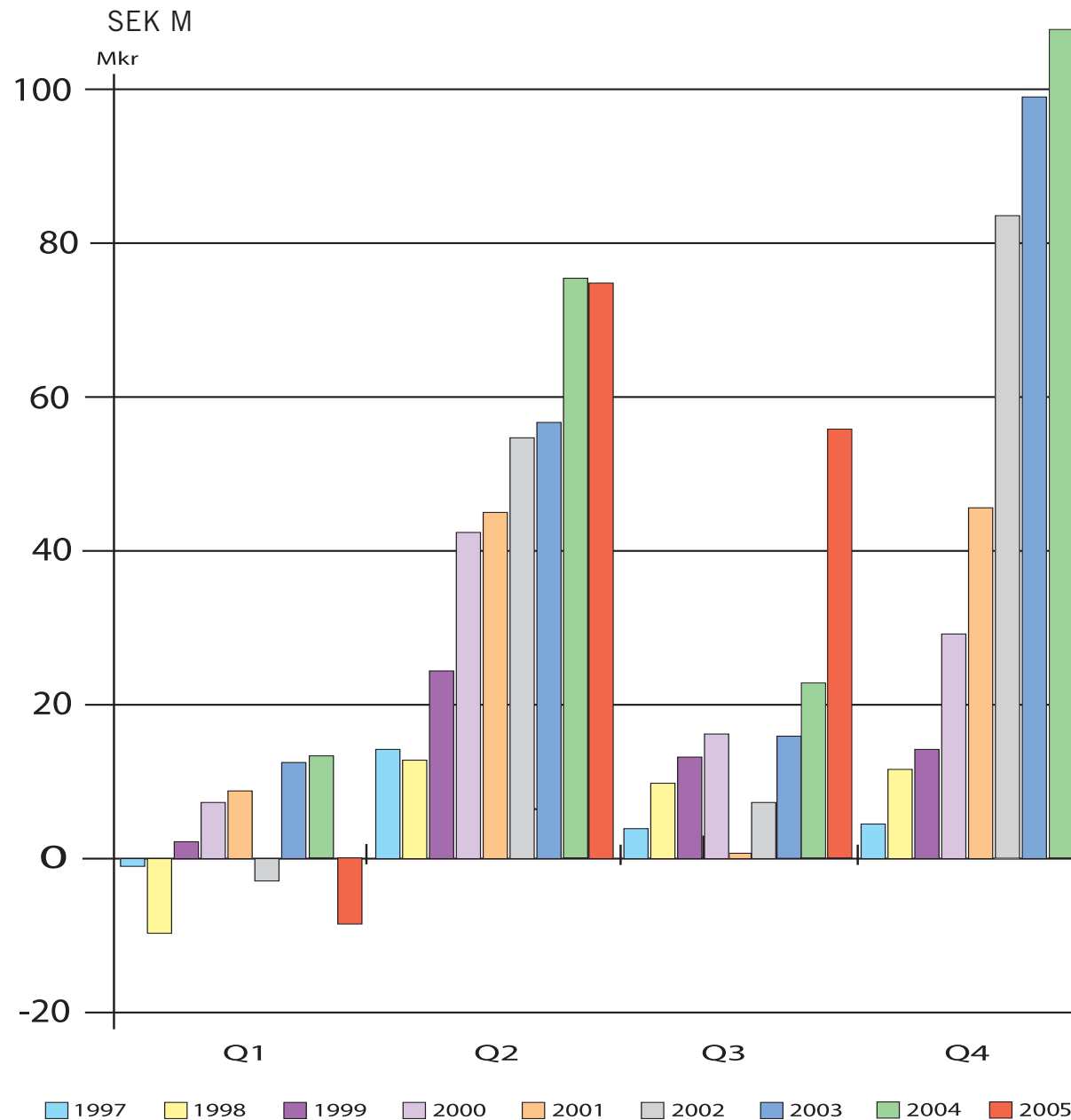
- ✓ Large cost reductions in Orrefors KostaBoda is carried out:
  - These have already started to give effect.
  - Integration in sales departement (the Profiling business area).
  - Orrefors Jernverk and Boda Linnewäfveri is being established, sales begin autumn 2006.
  - Decision to open three new Orrefors Kosta Boda flag ship stores in Shanghai.
  - Plans to develop Glasriket (“The Kingdom of Chrystal”).
  - New products.
- ✓ The cost for establishments amounted to SEK 8.0 m during third quarter
- ✓ Gross profit continues to be strong 46,6 (43,3) %.
- ✓ Limited effect of the Chinese quotas
- ✓ Integration of Intraco has begun.

## Sales

SEK M



# Profit/Loss after net financial items





# Income Statement

	9 Months	9 Months	12 Months	12 Months
	JAN-SEPT	JAN-SEPT	JAN-DEC	JAN-DEC
SEK m	2005	2004	2004	2003
<b>Net sales</b>	<b>2029.3</b>	<b>1589.9</b>	<b>2 302.2</b>	<b>1 881.9</b>
Other income	13.9	12.8	20.0	13.5
Goods for resale	-1097.7	-872.5	-1246.4	-1047.2
<b>Gross profit</b>	<b>945.5</b>	<b>730.2</b>	<b>1075.8</b>	<b>848.2</b>
<b>Gross margin</b>	<b>45.9%</b>	<b>45.1%</b>	<b>45.9%</b>	<b>44.4%</b>
Other external costs	-439.8	-316.7	-440.2	-335.1
% of income	21.7%	19.9%	19.1%	17.8%
Personnel costs	-325.7	-245.2	-341.1	-263.9
% of income	16.0%	15.4%	14.8%	14.0%
Depreciations	-25.9	-23.2	-29.6	-23.6
Other costs	-2.6	-2.7	-2.5	-4.5
<b>Operating profit</b>	<b>151.5</b>	<b>142.4</b>	<b>262.4</b>	<b>221.1</b>
Operating margin	7.5%	9.0%	11.4%	11.7%
<b>Net financial items</b>	<b>-29.1</b>	<b>-20.2</b>	<b>-28.2</b>	<b>-23.8</b>
Result after financial items	122.4	122.2	234.2	197.3
Tax for the period	-28.8	-29.5	-61.3	-46.5
<b>Profit for the period</b>	<b>93.6</b>	<b>92.7</b>	<b>172.9</b>	<b>150.8</b>
Profit per share SEK	1.46	1.51	2.80	2.55

NewWave

# Financial Highlights

	JAN - SEP	JAN - SEP	JAN - DEC	JAN - DEC
SEK M	2005	2004	2004	2003
Sales growth %	27.6	22.6	22.3	11.5
Employees per year	2 389.0	1 017.0	1 269.0	806.0
Gross profit margin %	45.9	45.1	45.9	44.4
Operating margin %	7.5	9.0	11.4	11.7
Profit marginal %	4.6	5.8	7.5	8.0
Return on shareholders' equity %	12.8	14.0	22.7	23.8
Return on capital employed %	9.1	11.9	16.6	16.5
Solidity %	32.3	35.3	40.9	37.4
Net borrowings	1 617.9	1 033.9	886.2	692.5
Turnover of inventories times	1.3	1.3	1.5	1.6
Net investments	114.3	263.3	245.4	80.0
Cash flow before investments	-317.6	-121.8	2.3	76.0
Cash flow after investments	-431.9	-385.1	-243.1	-4.0
Shareholders' equity per share SEK	16.63	13.12	14.36	10.57

## Sales per country

	JAN-SEP	JAN-SEP		CHANGE
COUNTRY	2005	2004	SEK M	%
Sweden	821	684	137	20
Benelux	219	194	25	13
Norway	174	124	50	40
Germany	148	126	22	18
Finland	126	125	1	1
Italy	117	97	20	21
Denmark	78	37	41	111
Spain	65	65	0	0
France	58	44	14	32
Switzerland	58	33	25	76
England	51	36	15	42
Other	49	25	24	96
USA	65		65	N/A
Total	2 029	1 590	439	28

## New establishments

- Switzerland (New Wave Group SA, Craft Suisse SA)
  - China (large reinforcements of acquisition, sales and manufacture)
  - Working clothes: Projob (Finland, Denmark, Belgium, Luxembourg, Netherlands, Italy, Spain + Great Britain, Germany, Italy and France coming shortly),  
Jobman (Norway, Germany, Italy and the Netherlands)
  - Inside Out (Italy, Spain, autumn 2004)
  - Sagaform (Belgium, Spain, England)
  - Clique/NW (starting to keep stock in Austria)
  - Craft (Spain, England)
  - Wales (multibrand project with stock)
  - Ireland (multibrand project with deliveries from Wales)
  - Russia (joint ownership 51% company, no stock, Sagaform + Clique/NW)
- Increasing risk
- Increasing growth

## OKB 2009

- ✓ minimum SEK1,000 m
- ✓ Operating result SEK 150 m, minimum 15% of sales
- ✓ At least 1000 employees

## Prognosis 2005

- ✓ The important fourth quarter will be crucial for 2005
- ✓ Previous forecast with increased result and sales for 2005 remains.

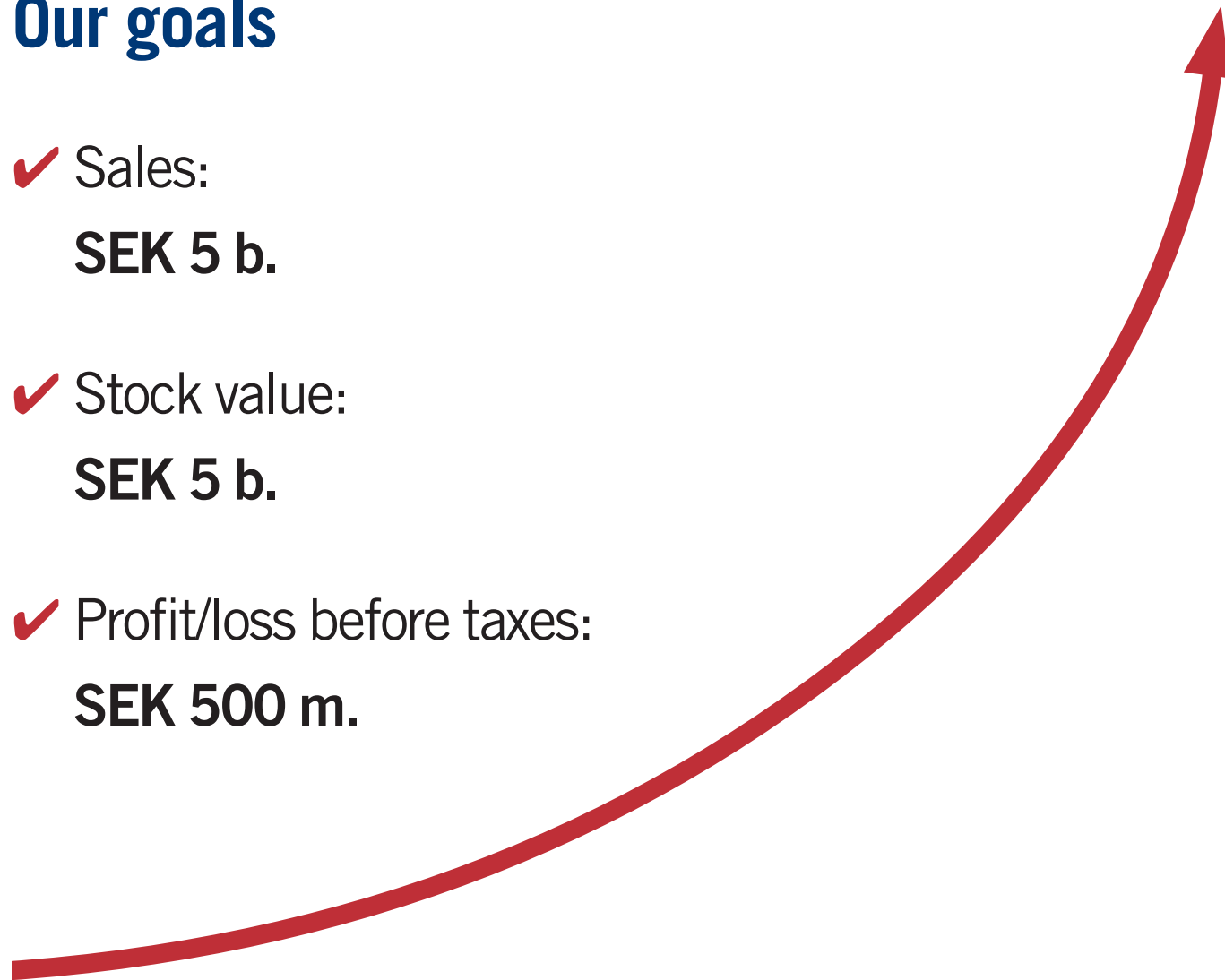


# New Wave's success factors

- ✓ 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.**

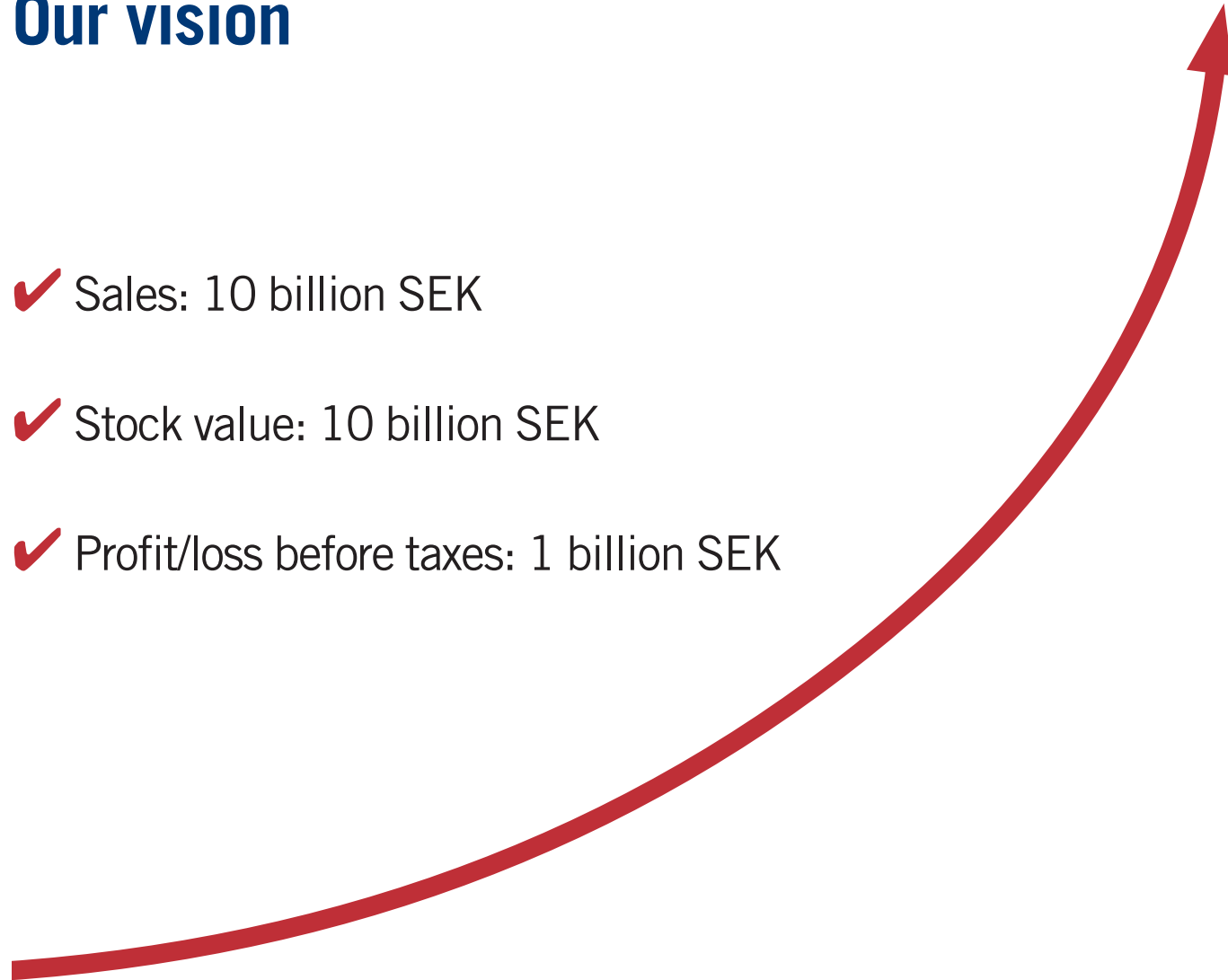


...and without these goals, which might seem crazy now, we will not be able to come as far as we plan to in the future! When we have reached these goals, or just before we reach them, we will have new goals!

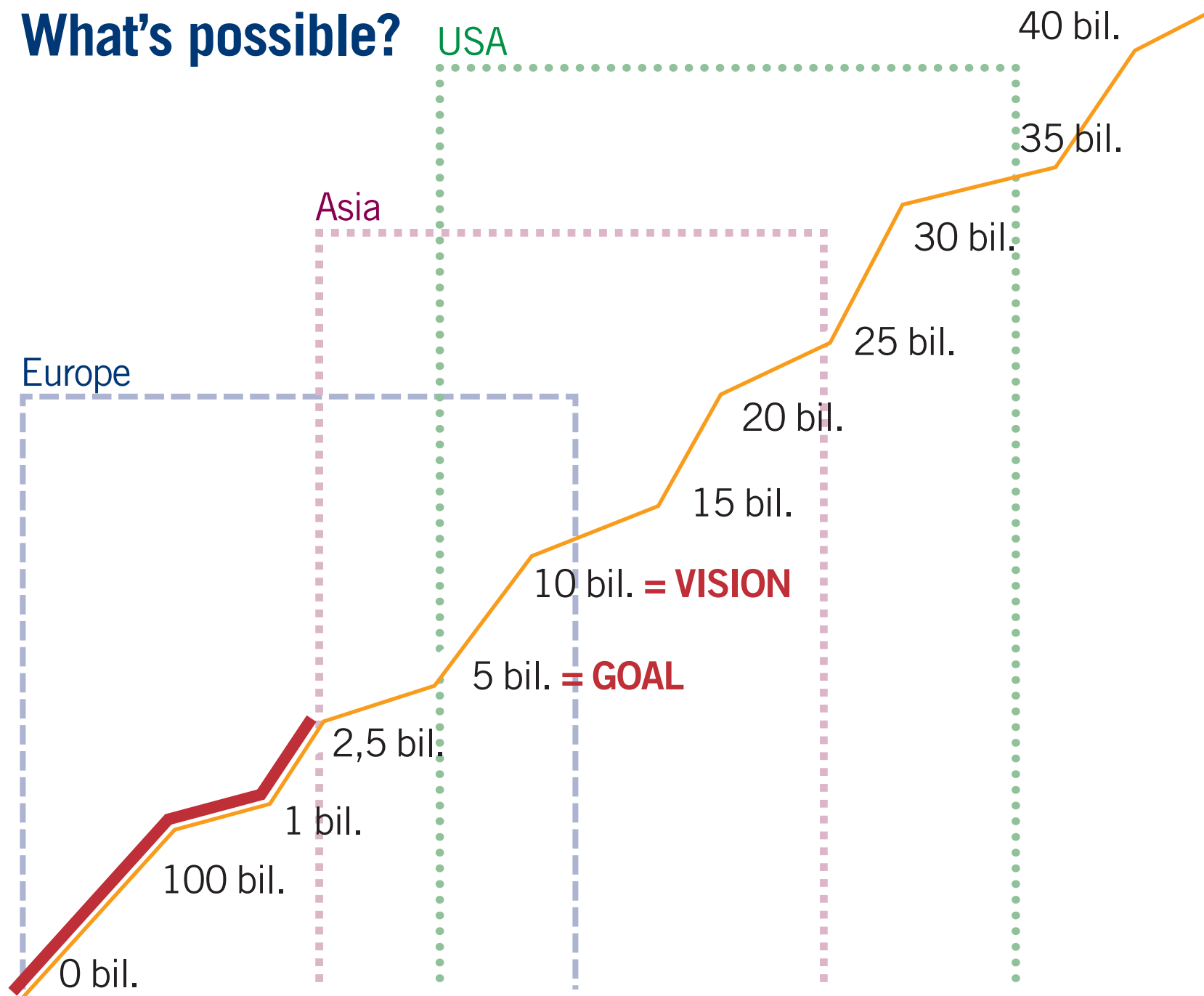


## Our vision

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



## What's possible?



**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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