

NewWave

Presentation of  
*NewWave*  
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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.

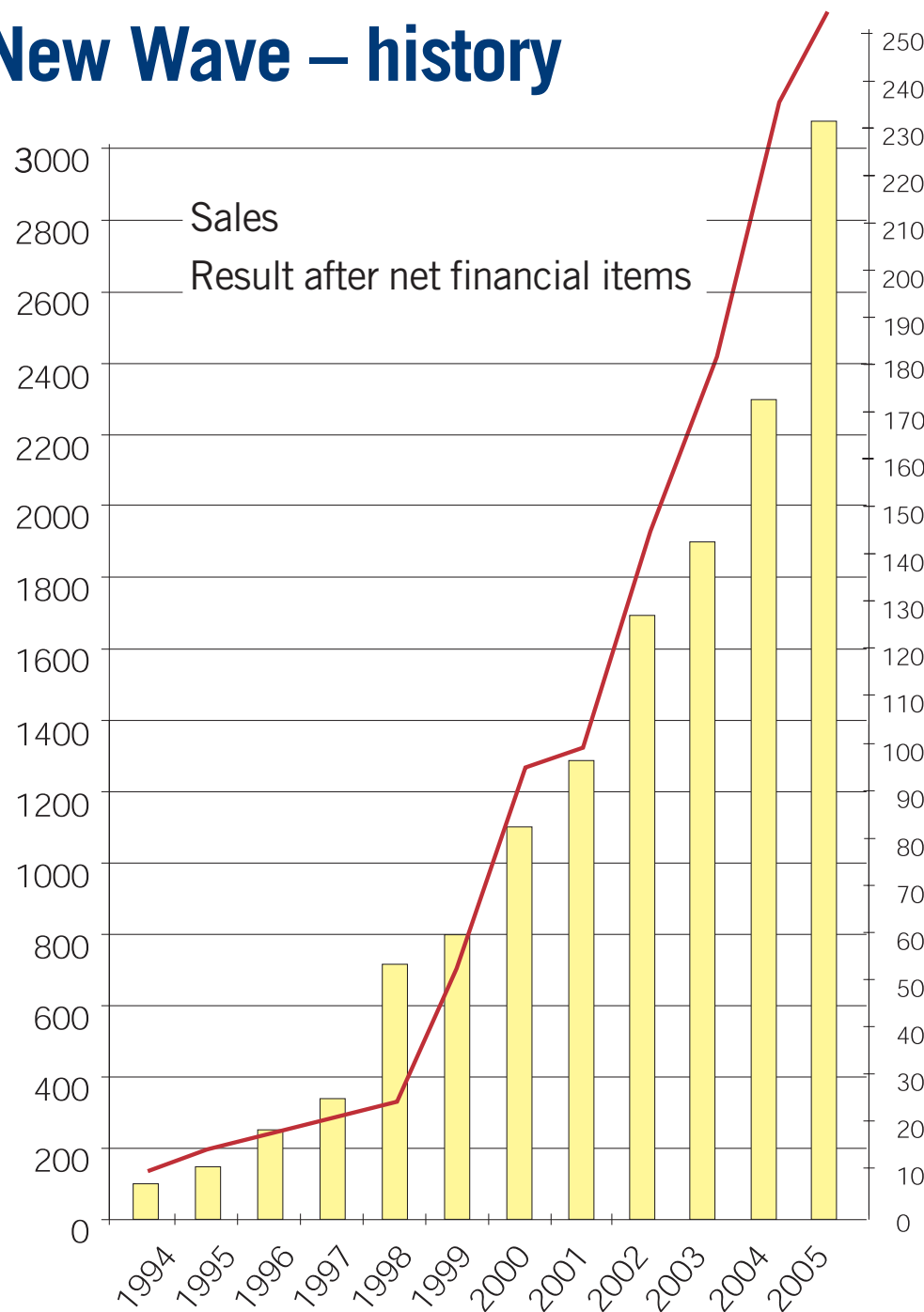
Synergies between the two business areas: design, product development, purchasing, IT and distribution.

## Did you know...

**...that New Wave Group through its trademarks (2005) sold approximately...**

- ✓ 4.2 million one-coloured T-shirts in Sweden and 6 million in the rest of Europe?
- ✓ 1.4 million piqué shirts in Sweden and 3.8 million in the rest of Europe?
- ✓ 400 thousand shirts in Sweden and 690 thousand in the rest of Europe?
- ✓ 280 thousand bags in Sweden and 470 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 Texet 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 •** Ireland, Wales and Ryssland.  
Acquisition of Dahetra, Orrefors Kosta Boda, Intraco

# Vision – The Profiling business area

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

by offering...

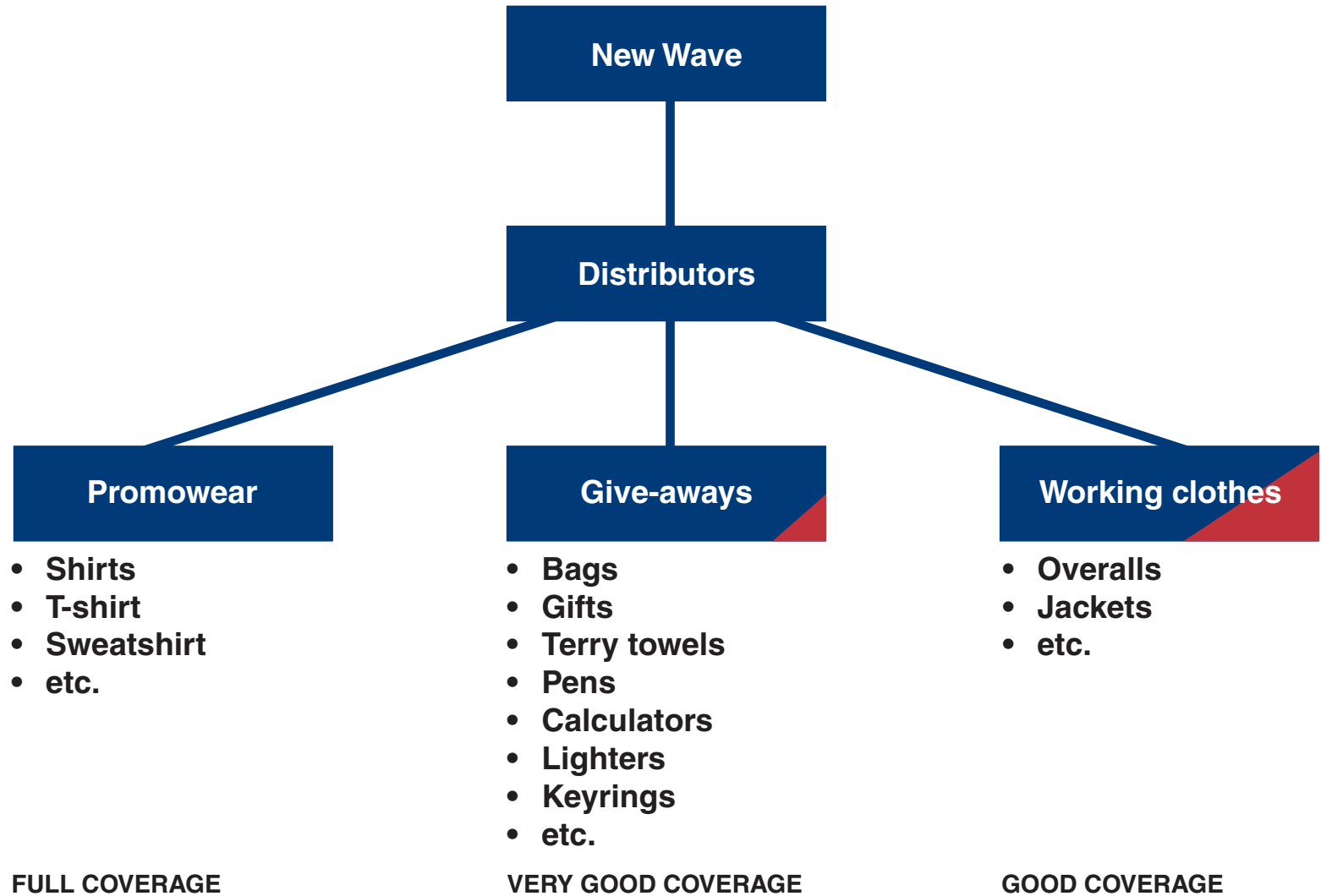
- ✓ good products.
- ✓ strong trademarks.
- ✓ high competence and service.
- ✓ a unique and complete concept for our retailers.

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

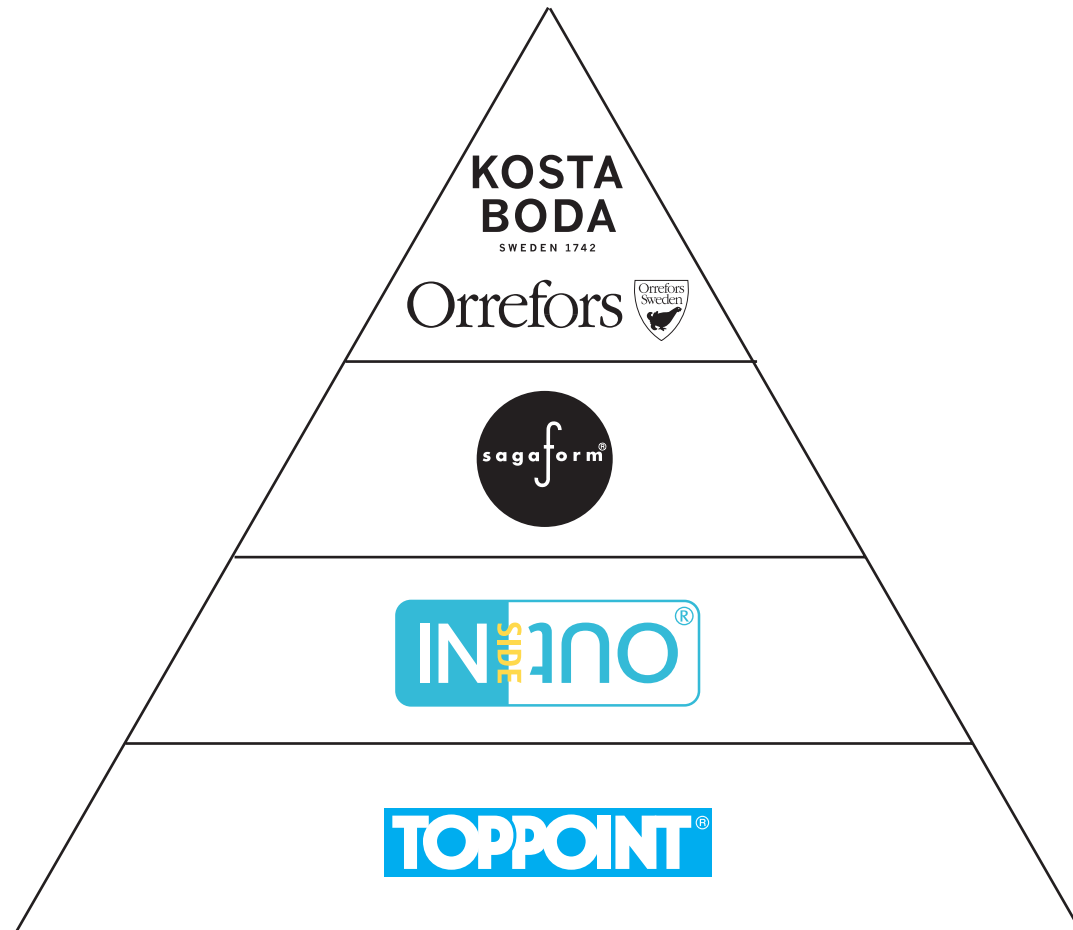
Existing  
Possible



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



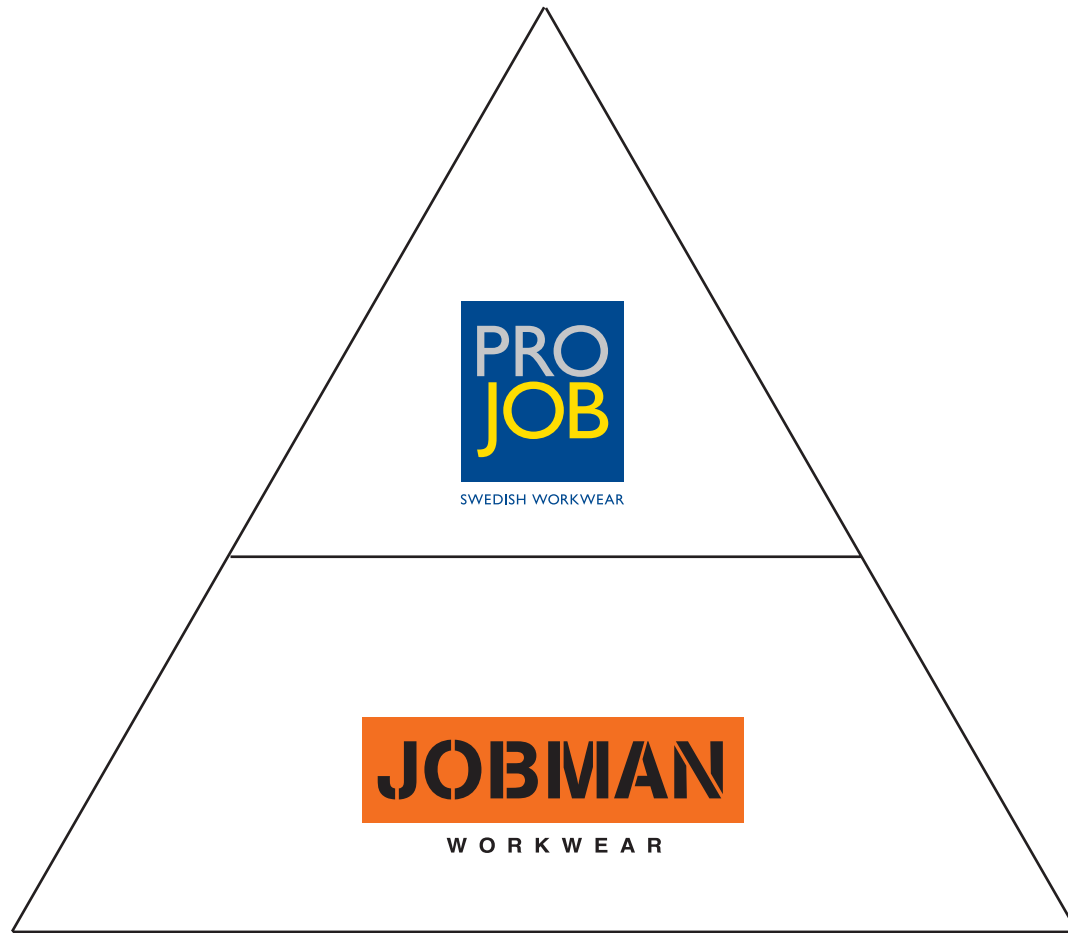
# Give-aways



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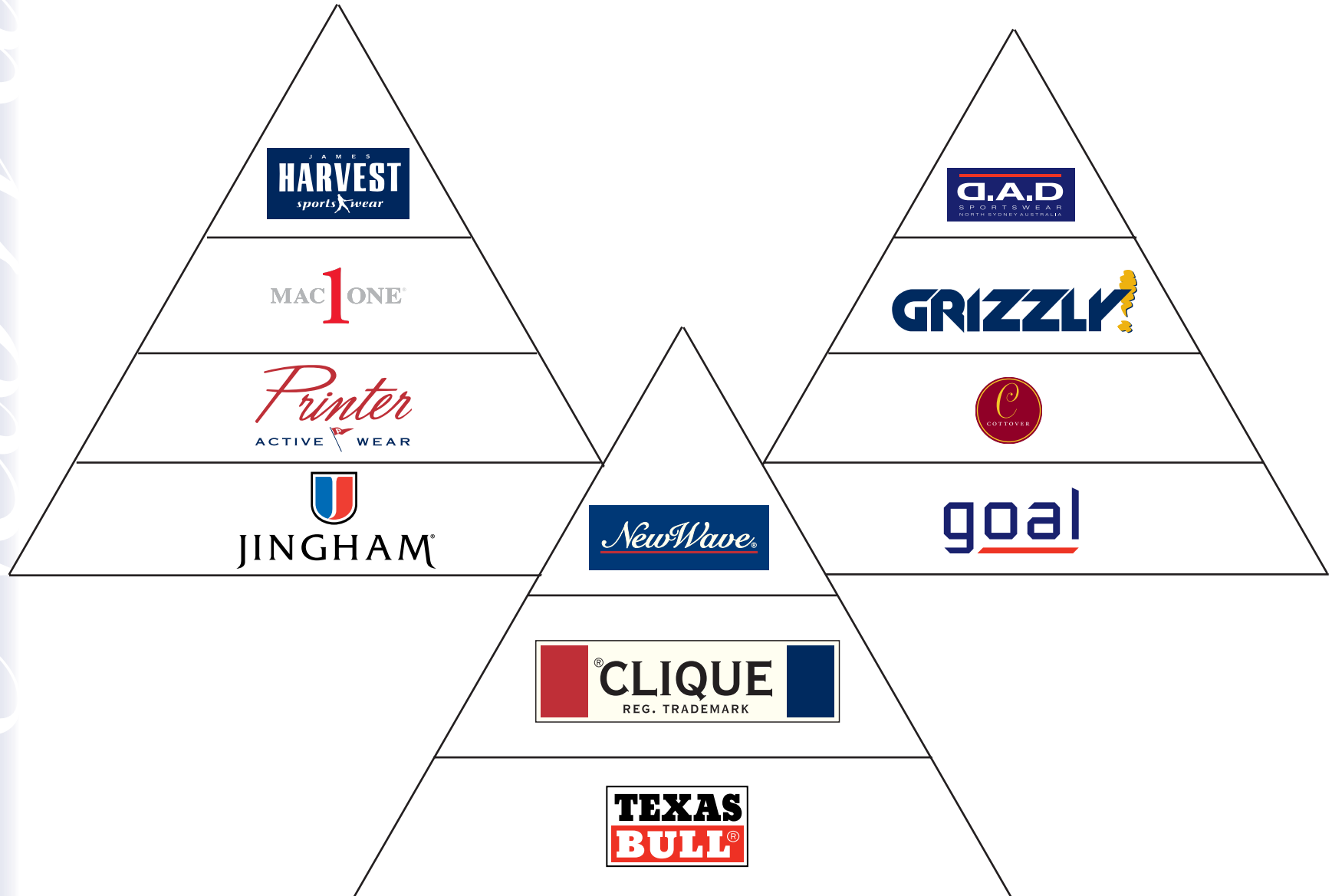


# Workwear



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# Promowear



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## 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 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.
- ✓  **SEGER** – socks, caps etc.
- ✓  **PAX**® – children's shoes
- ✓  **sagaform**® – gifts
- ✓  **Lord NELSON** Exclusive – textile products
- ✓  **Queen Anne** – textile products
- ✓ **Orrefors**  – glass
- ✓ **KOSTA BODA** SWEDEN 1742 – glass
- ✓  **Sea Glas Bruk** – glass

# The Retailing business area

The following licence or agent trademarks are distributed in Sweden:



– skiing equipment



– inlines



– indoor bandy and skiing equipment



– football clothes and equipment



**UMBRO**  
2003–2008

## Q4 October–December 2005

### ✓ Sales:

**+45% to SEK 1,030 (712) M.**

**Profiling: +25% to SEK 641 (511) M.**

**Retailing: +94% to SEK 389 (201) M**

### ✓ Profit:

**SEK 19.6 M to SEK 131.6 (112) M.**

**Profiling: EBITDA SEK +11.3 M to SEK 99.2 (87.9) M.**

**Retailing: EBITDA SEK +12.1 M to SEK 50.5 (38.4) M.**

# Income Statement

	9 Months	9 Months	12 Months	12 Months
	JAN-DEC	JAN-DEC	JAN-DEC	JAN-DEC
SEK M	2005	2004	2003	2002
<b>Net sales</b>	<b>3 059,0</b>	<b>2 302,2</b>	<b>1 881,9</b>	<b>1 687,3</b>
Other income	25,8	20,0	13,5	2,2
Goods for resale	-1 638,7	-1 246,4	-1 047,2	-980,7
<b>Gross profit</b>	<b>1 446,1</b>	<b>1 075,8</b>	<b>848,2</b>	<b>708,8</b>
<b>Gross margin</b>	<b>46,4%</b>	<b>45,9%</b>	<b>44,4%</b>	<b>41,9%</b>
Other external costs	-654,0	-440,2	-335,1	-278,0
% of sales	21,4%	19,1%	17,8%	16,5%
Personalkostnader	-461,5	-341,1	-263,9	-216,3
% of sales	15,1%	14,8%	14,0%	12,8%
Depreciations	-31,5	-29,6	-23,6	-19,7
Other costs	-3,5	-2,5	-4,5	-2,8
<b>Operating profit</b>	<b>295,6</b>	<b>262,4</b>	<b>221,1</b>	<b>192,0</b>
Operating margin	9,7%	11,4%	11,7%	11,4%
<b>Net financial items</b>	<b>-41,6</b>	<b>-28,2</b>	<b>-23,8</b>	<b>-33,9</b>
Result after financial items	254,1	234,3	197,4	158,2
% of sales	8,2%	10,1%	10,4%	9,4%
Tax for the period	-47,3	-61,3	-46,5	-30,8
<b>Profit for the period</b>	<b>206,9</b>	<b>173,1</b>	<b>151,0</b>	<b>127,5</b>
Profit per share SEK	6,8%	7,5%	8,0%	7,6%

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## Important events during Q4

- ✓ New Wave owns 100% of Orrefors Kosta Boda
- ✓ Acquired units contributed with 231 M and the organic growth was 12.1%
- ✓ Gross profit continues to be strong 47.5%.
- ✓ The cost for establishments amounted to SEK 6.3 M
- ✓ New Wave's factory in China has been closed down, once-for-all cost of SEK 6 M have been taken.
- ✓ Acquired units contributed with 15 M
- ✓ Low tax, 14.1%, due to loss-deduction for OKB
- ✓ Impairment test has been executed, no depreciation of goodwill
- ✓ Workwear emphasise is going well.
- ✓ Turn in OKB faster than expected. Still, the first six months of 2006 will be hard.
- ✓ Board proposes to increase the dividends with 20% to SEK 0.90 (0.75) per share. Total of SEK 58.1 M



## January–December 2005

### ✓ Sales:

**+33 % to SEK 3 059 (2 302) m.**

**Profiling: +25 % to SEK 1 976 (1 581) m.**

**Retailing: +50 % to SEK 1 083 (721) m.**

### ✓ Profit:

**+ SEK 19.8 to SEK 254 (234.2) m.**

**Profiling: + SEK 31.3 to SEK 247.1 (215.8) m.**

**Retailing: + SEK 3.8 m to SEK 80 (76.2) m.**

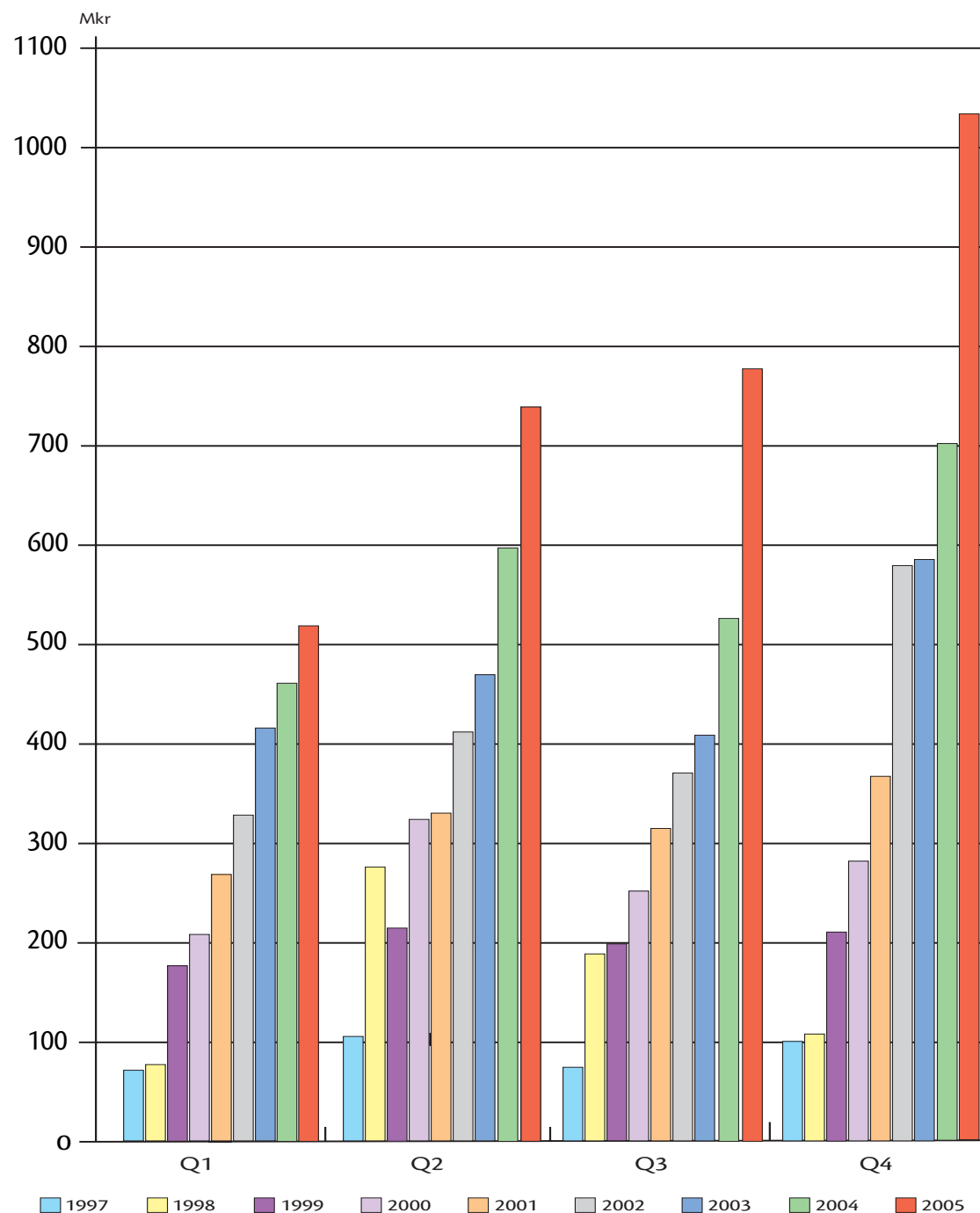
# Financial Highlights

	JAN - DEC	JAN - DEC	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

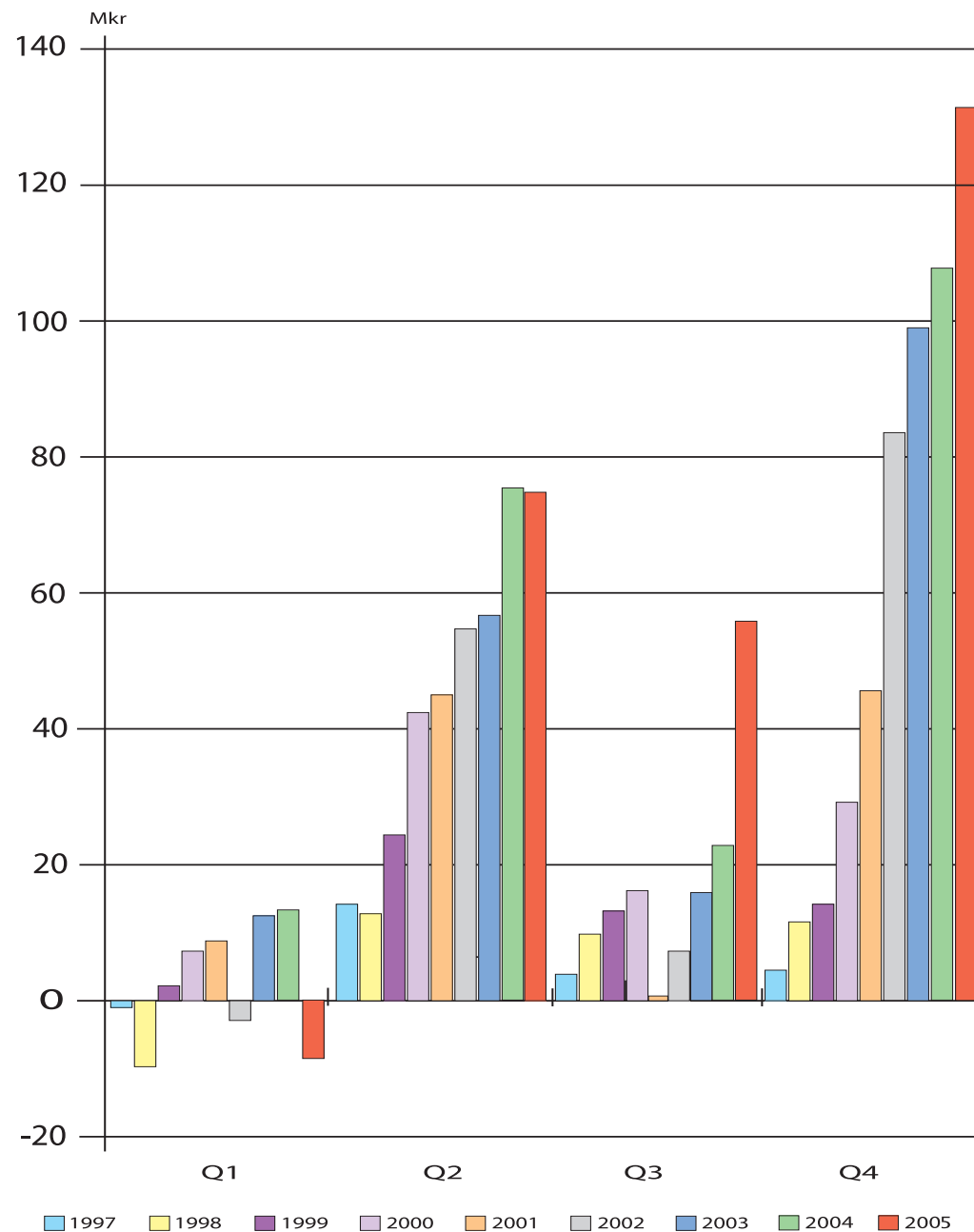
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## Sales

SEK M



## Profit/loss after net financial items



## Sales per country

COUNTRY	JAN-DEC	PART OF JAN-DEC		CHANGE	
	2005	SALES	2004	MKR	%
Sweden	1 188	39%	956	232	24
Benelux	336	11%	293	43	15
Norway	257	8%	180	77	43
Germany	223	7%	181	42	23
Finland	192	6%	180	12	7
Italy	181	6%	140	41	29
Denmark	119	4%	64	55	86
Spain	99	3%	93	6	7
France	85	3%	62	23	37
Switzerland	85	3%	48	37	77
England	82	3%	56	26	46
Other	96	3%	49	47	96
USA	116	4%		116	N/A
Total	3 059	100%	2 302	757	33

## This has been/will be done in OKB

- ✓ Large cost reductions
- ✓ Integration of sales to Profiling business area
- ✓ Production running well
- ✓ Orrefors Jernverk and Boda Linnewäfveri is being established to be launched in autumn 2006
- ✓ To be established in China, Flag Ship Stores will open in Shanghai
- ✓ Develop Glasriket [“The Kingdom of Crystal”]:
  - Building 4,900m<sup>2</sup> new outlet together with the municipality mostly to be let to attractive brands.
  - Planning new outlet with the municipality
  - Hotel and tourist activities are built.
- ✓ New products
- ✓ Positive fighting spirit has spread within the group
- ✓ This has lead to decreasing costs and the trend of declining sales has turned. Yet its still too soon for applauds.

## New establishments

- Switzerland (New Wave Group SA, Craft Suisse SA)
- Acquisition (large reinforcements in Asia)
- Working clothes:
  - Projob (Finland, Denmark, Belgium, Luxemburg, Netherlands, Italy, Spain + Great Britain, Germany, Italy and France)
  - Jobman (Norway, Germany, Italy and the Netherlands)
- Inside Out (Italy, Spain)
- Sagaform (Belgium, Spain, England)
- Clique/NW (starting to keep stock and sell in Austria)
- Grizzly (Germany)
- 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)
- Orrefors Kosta Boda launched in China
- Orrefors Jernverk and Kosta Linnewäfveri established and launched this autumn.

## Prospect for 2006

- ✓ More establishments and acquisitions made during 2005.  
Focus will be to get establishments profitable and integrate the acquisitions
- ✓ First six months burdened by OKB, but will give a positive contribution on the full year.
- ✓ Both sales and result is estimated to exceed 2005



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

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

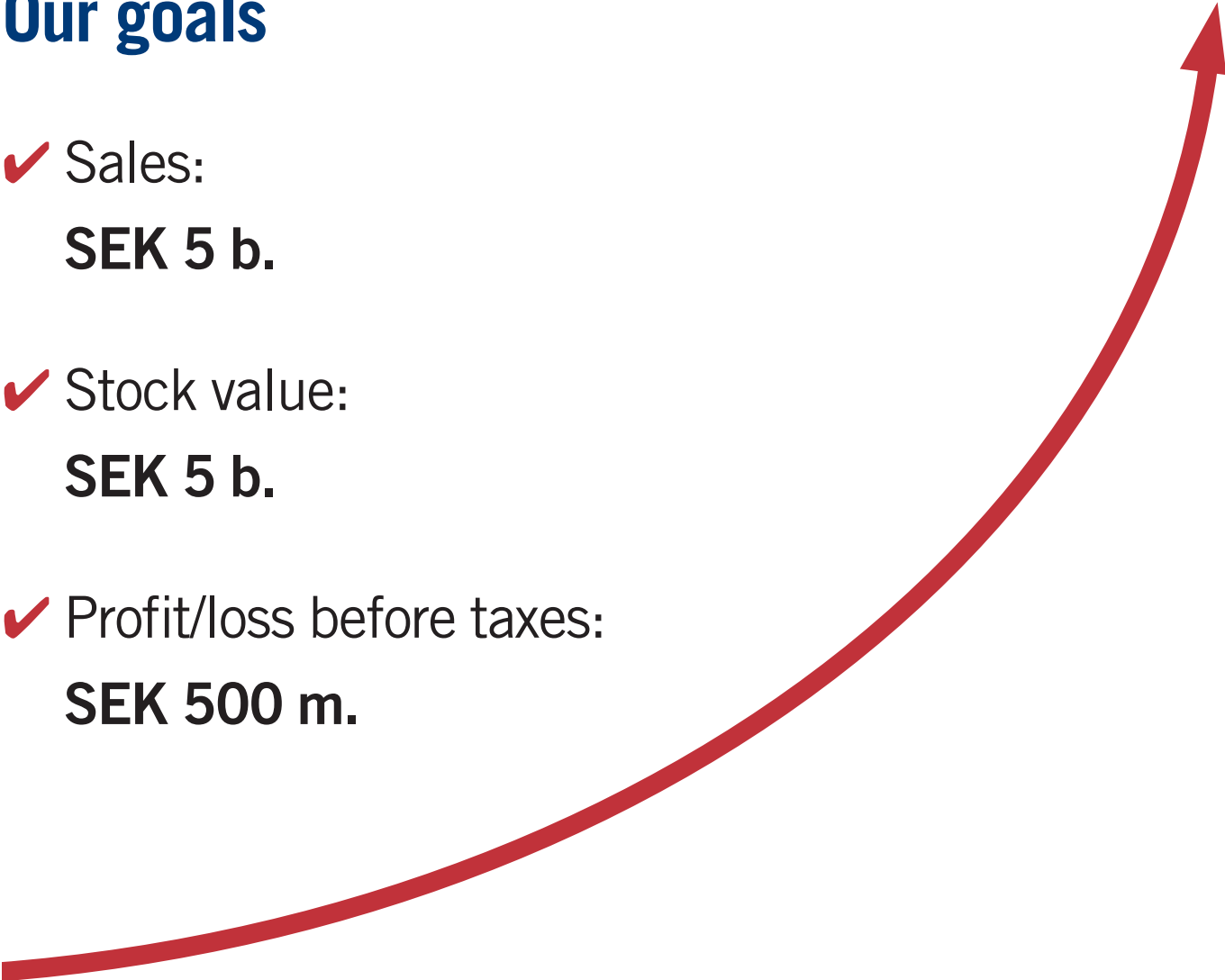
Year	Sales SEK m	Increase SEK m	Increase %
1992	53		
1993	74	21	39,7 %
1994	102	28	37,8 %
1995	151	49	48,0 %
1996	246	95	62,9 %
1997	351	105	42,7 %
1998	721	370	105,4 %
1999	799	78	10,8 %
2000	1.063	264	33,0 %
2001	1.278	215	20,2 %
2002	1.687	409	32 %
2003	1.882	195	12 %
2004	2.301	419	22 %
2005	3.059	757	33 %
Average growth			<b>37 % per year</b>

**...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 %
2004	234,2	32,8	18,1 %
2005	254,0	19,8	8,5 %
Average increase			<b>38 % per year</b>

## Our goals

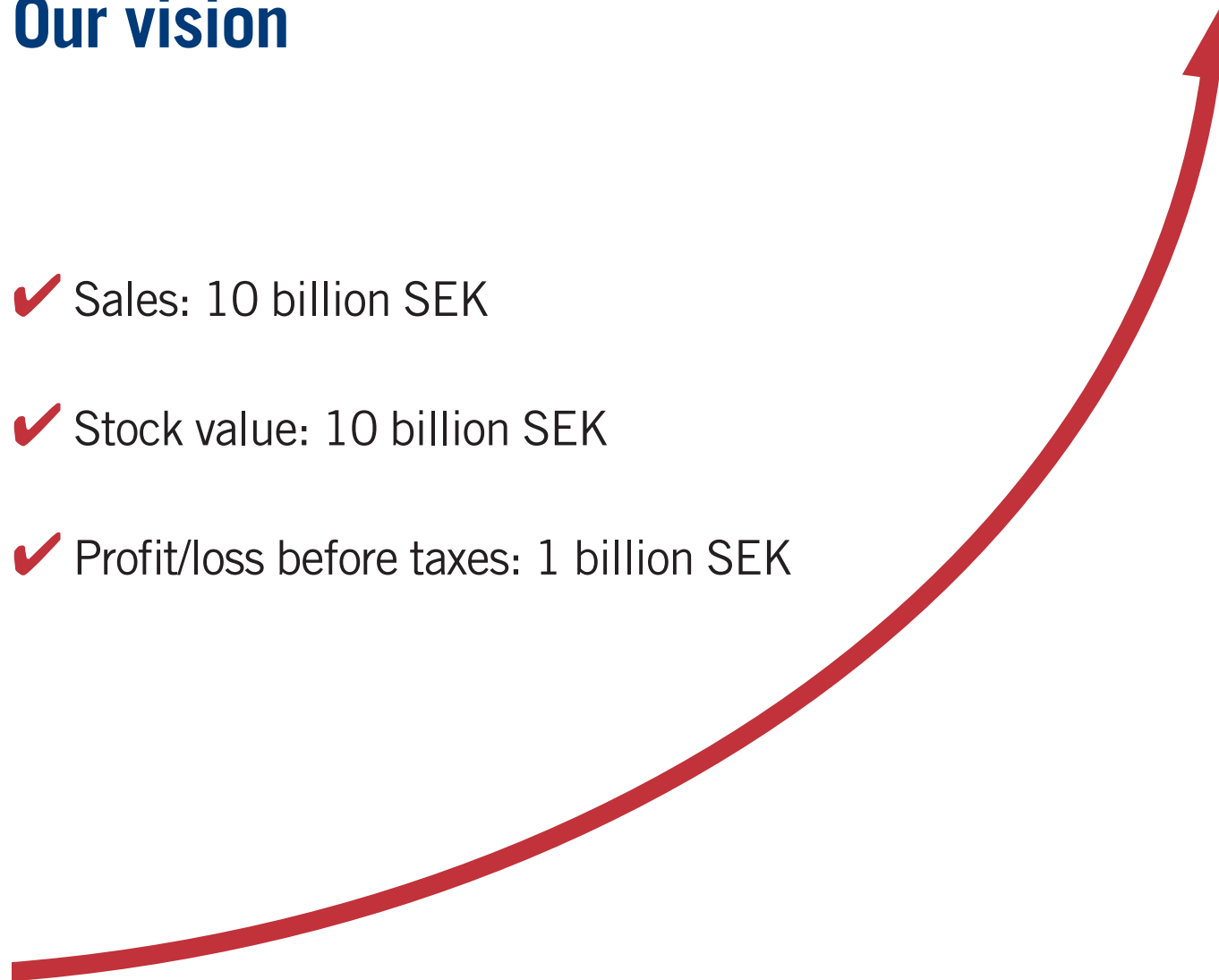
- ✓ Sales:  
**SEK 5 b.**
- ✓ Stock value:  
**SEK 5 b.**
- ✓ Profit/loss before taxes:  
**SEK 500 m.**



...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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