

## Interim Report – Q3 2008



# This is New Wave Group

- New Wave Group is a **growth company**. We deliver **workwear, promo wear, and gifts & giveaways** to independent promo companies, and **sports & leisure wear, gifts & interior design, and shoes** to consumers through resellers working with specialized stores. We achieve this by **establishing, acquiring and developing brands** within these business areas.
- We are active in two business areas; the **promo market** and the **retail market**. By being active on both these markets, the group achieves good **risk diversification**. We also achieve great **coordination advantages** since large portions of the assortment can be used for both business areas.
- New Wave Group's competitive force is **design, purchasing, logistics and marketing** of our brands.
- The products are mainly produced in Asia and to a lesser quantity in Europe.
- New Wave Group has since the start shown **strong growth with good margins**.

# New Wave Group on the Promo Market

We divide our promo market brands into **6 concepts**  
and our concepts into **3 segments**

## Work Wear



## Promo Wear



## Gifts & Giveaways

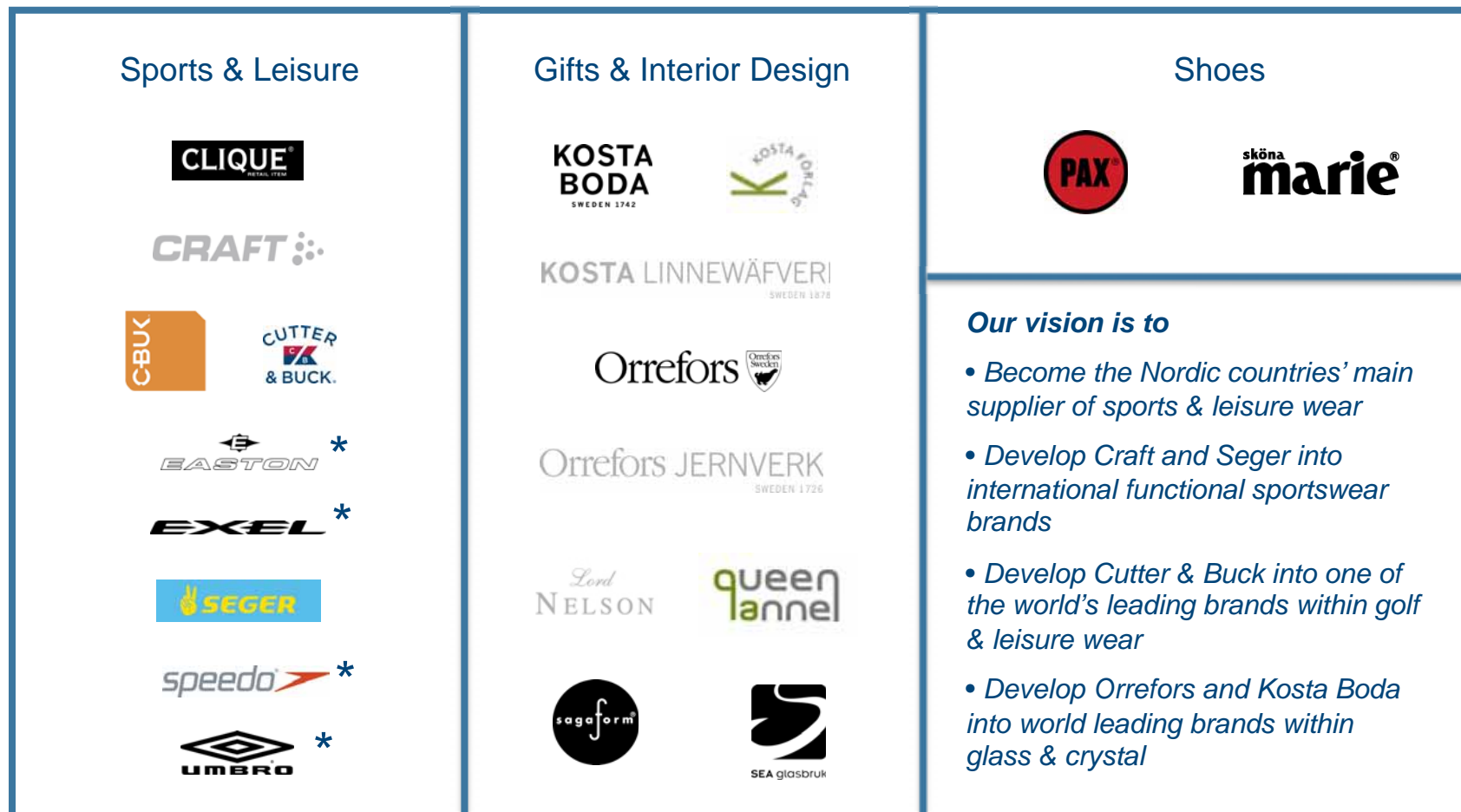


### *Our vision is to*

- *Become Europe's leading supplier of promo products by offering*
  - *A unique and complete concept to our resellers*
  - *High quality products and strong brands*
  - *High competence and service*

# New Wave Group within Retail

We divide our brands within retail into **3 segments**



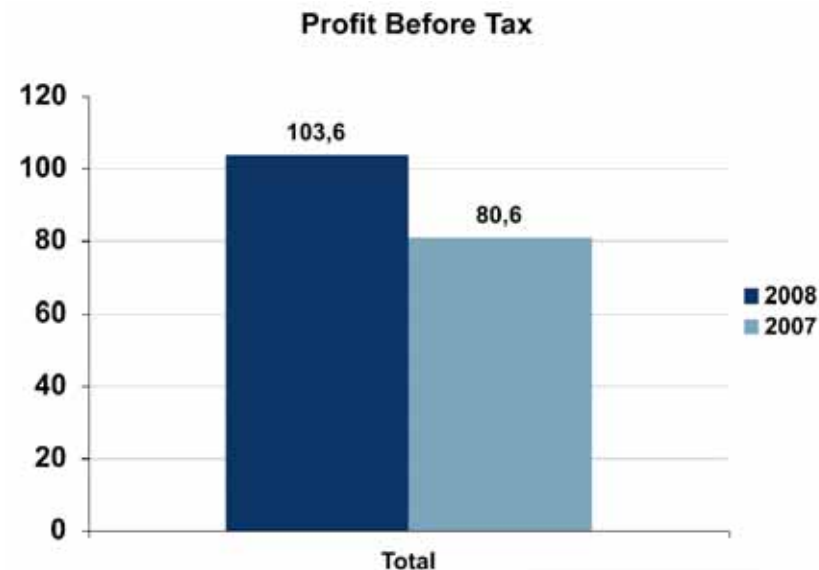
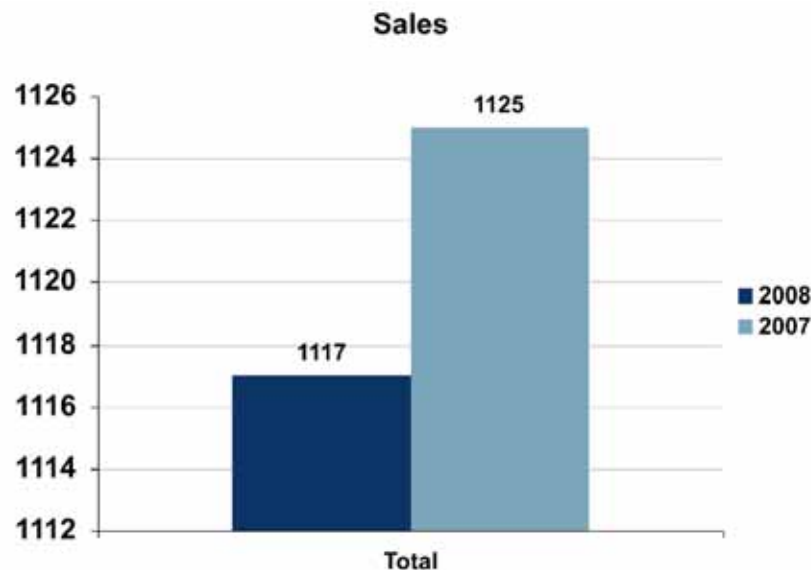
\* Licensed brands

# Interim Report

## Q3 2008

# Consolidated Q3, July-Sept 2008

- **Sales -1% to MSEK 1 117 (1 125)**
  - The exchange rates, mainly the weak US Dollar, have affected sales negatively by MSEK 21.
- **Profit Before Tax MSEK +23.0 to MSEK 103.6 (80.6)**



## Comments Q3, July-Sept 2008

- **Sales -1%, MSEK 1 117 ( 1 125)**
  - Growth in Nordic area and in Europe
  - Weak American market
  - Growth excl USA +5%
  - Growth in Promo, decrease in Retail
  - Currency effect -2%, mainly due to USD
- **Gross margin 50.8 (47.4)**
  - Growth on most markets, American market effected by the weaker economy

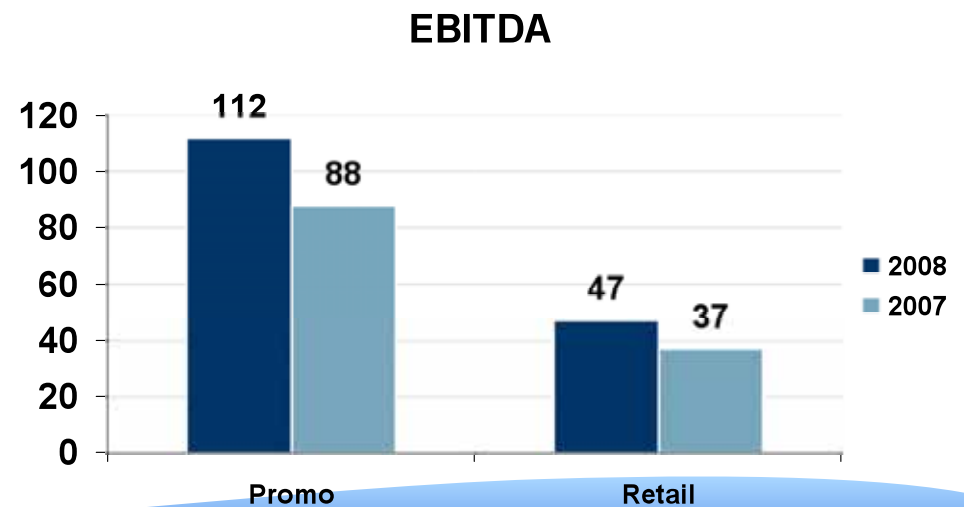
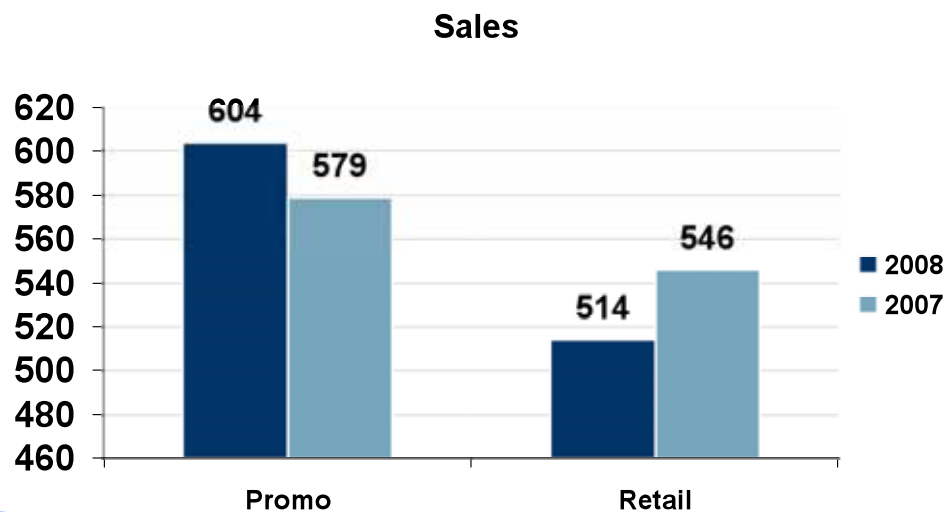
## Comments Q3, July-Sept 2008

- Profit before tax +23.0 to 103.6 (80.6)
  - Strong gross margin
  - Sale of property and insurance remuneration
- Operating profit 12.8 (9.6) %
  - Excl sale of property etc 11.5%
- Result per share SEK 1.13 (0.87)



# Business Areas July-Sept 2008

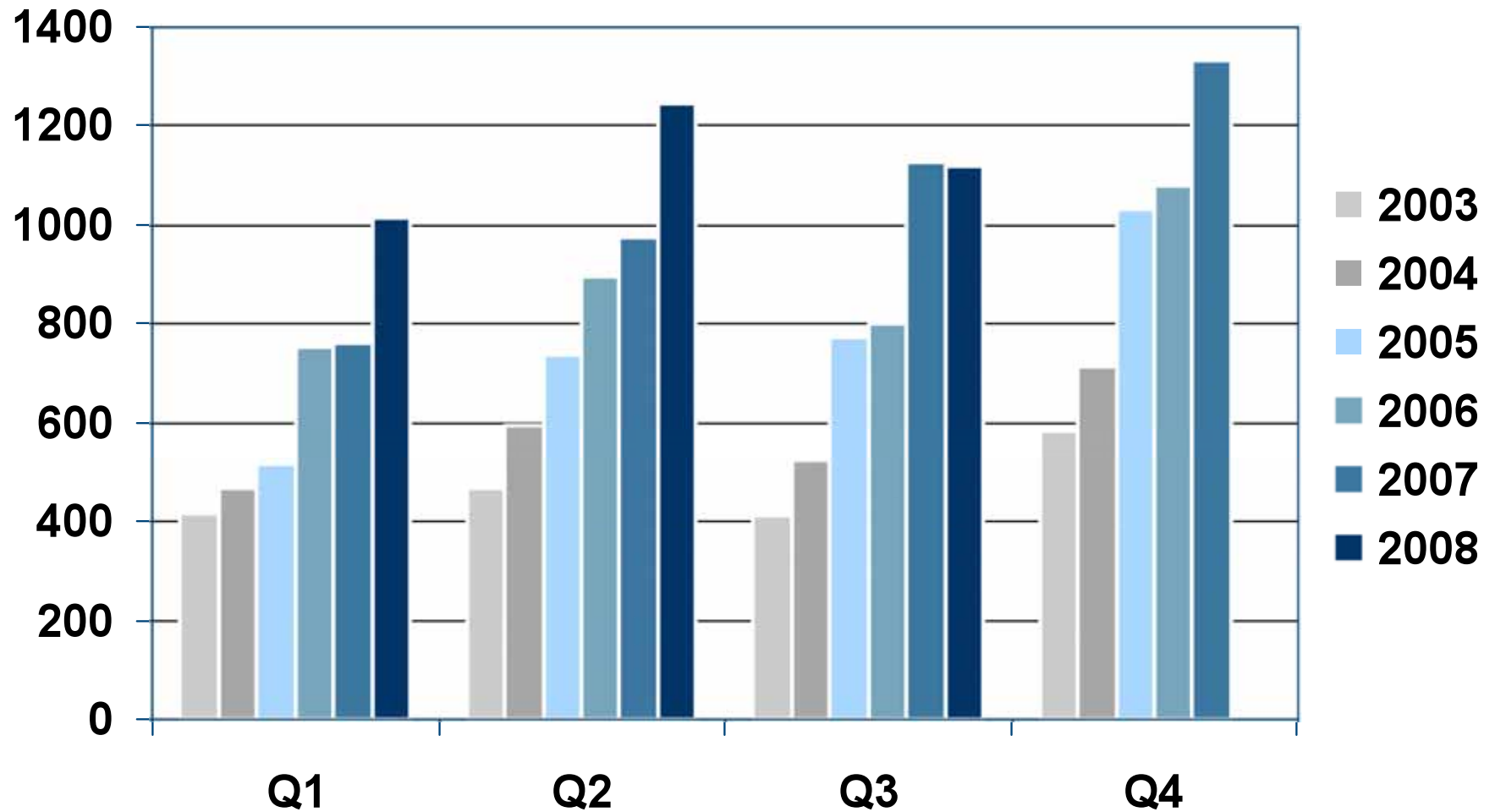
- **Sales Promo: +4% to MSEK 604 (579)**
  - European region strong, US weak
- **Sales Retail: -6% to MSEK 514 (546)**
  - Orrefors Kosta Boda US negative impact
- **EBITDA Promo: MSEK +24 to MSEK 112 (88)**
- **EBITDA Retail: MSEK +10 to MSEK 47 (37)**



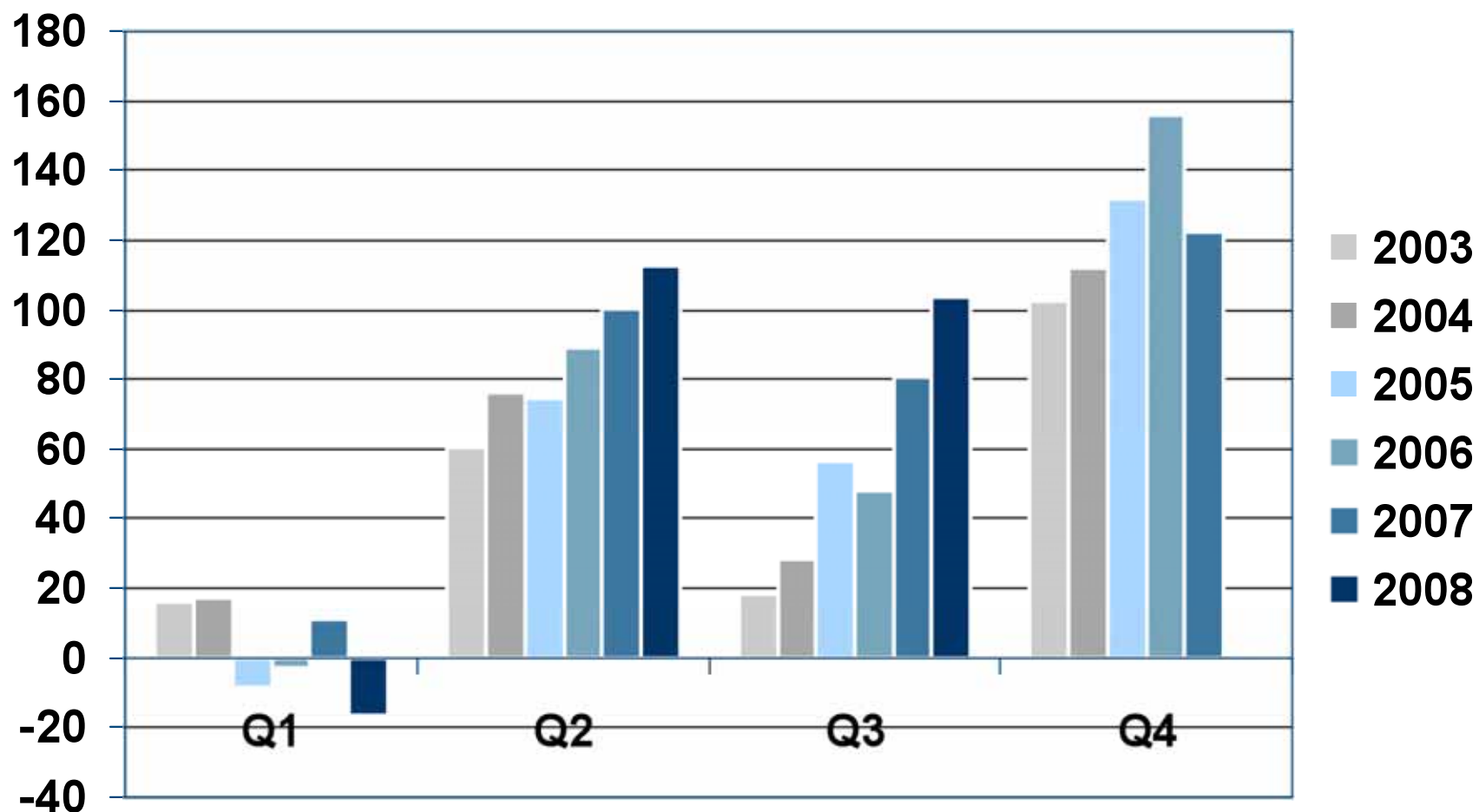
# Geographical Allocation of Turnover

	July-Sept 2008	Part of turnover	July-Sept 2007	Part of turnover	Change MSEK	Change %
Nordic countries	496	44%	478	42%	18	4
Mid-Europe	200	18%	188	17%	12	7
Southern Europe	114	10%	108	10%	6	6
USA	269	24%	316	28%	-46	-15
Other countries	38	4%	32	3%	5	17
<b>Total</b>	<b>1 118</b>	<b>100%</b>	<b>1 122</b>	<b>100%</b>	<b>-4</b>	<b>0</b>

# Sales



# Result After Finance Net

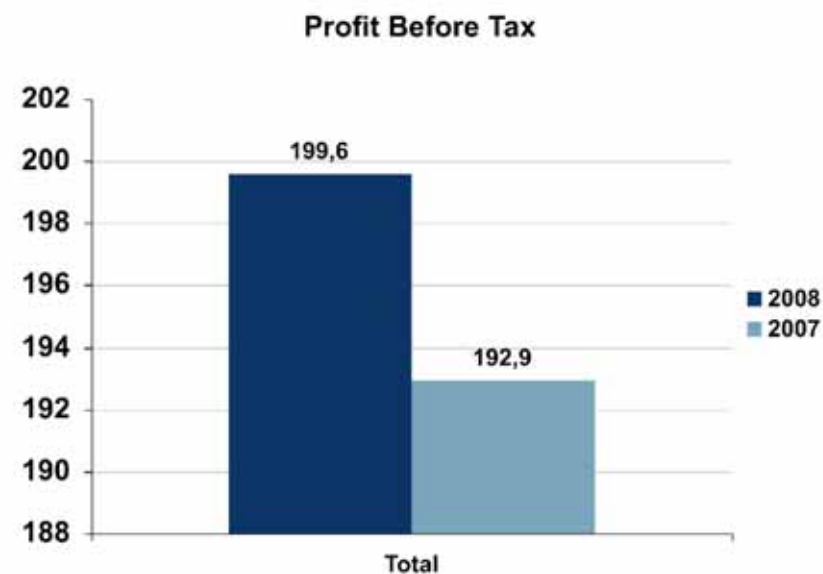
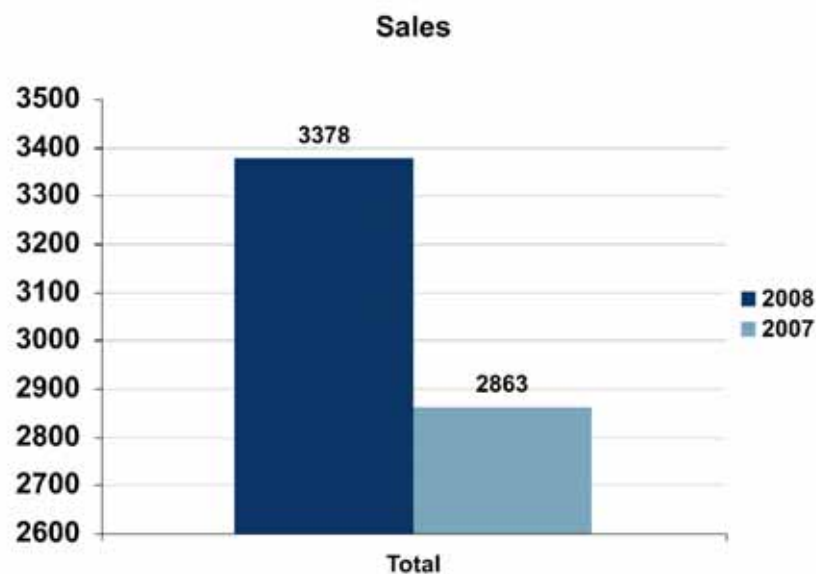


# Income Statement

SEK Mkr	3 mths JUL-SEP		3 mths JUL-SEP		9 mths JAN-SEP		9 mths JAN-SEP	
	2008		2007		2008		2007	
Net sales	1 117,3		1 124,7		3 377,7		2 862,6	
Goods for resale	-549,8		-591,8		-1 708,9		-1 499,6	
<b>Gross margin</b>	<b>567,5</b>	50,8%	<b>532,9</b>	47,4%	<b>1 668,8</b>	49,4%	<b>1 363,0</b>	47,6%
Other operating income	23,2		6,8		35,8		27,7	
External costs	-259,9		-252,6		-807,9		-647,0	
Personnel costs	-167,5		-163,2		-533,0		-447,5	
Depreciation and amortization	-16,5		-16,4		-45,7		-37,2	
Other costs	-4,0		0,3		-10,8		-4,6	
<b>Operating profit</b>	<b>142,8</b>	12,8%	<b>107,8</b>	9,6%	<b>307,2</b>	9,1%	<b>254,4</b>	8,9%
<b>Net financial items</b>	<b>-39,2</b>		<b>-27,2</b>		<b>-107,6</b>		<b>-61,5</b>	
<b>Profit before tax</b>	<b>103,6</b>	9,3%	<b>80,6</b>	7,2%	<b>199,6</b>	5,9%	<b>192,9</b>	6,7%
Tax for the period	-28,9		-23,2		-54,1		-52,8	
<b>Net result</b>	<b>74,7</b>	6,7%	<b>57,4</b>	5,1%	<b>145,5</b>	4,3%	<b>140,1</b>	4,9%
<b>Net result / share bef dilution</b>	<b>1,13</b>		<b>0,87</b>		<b>2,19</b>		<b>2,11</b>	

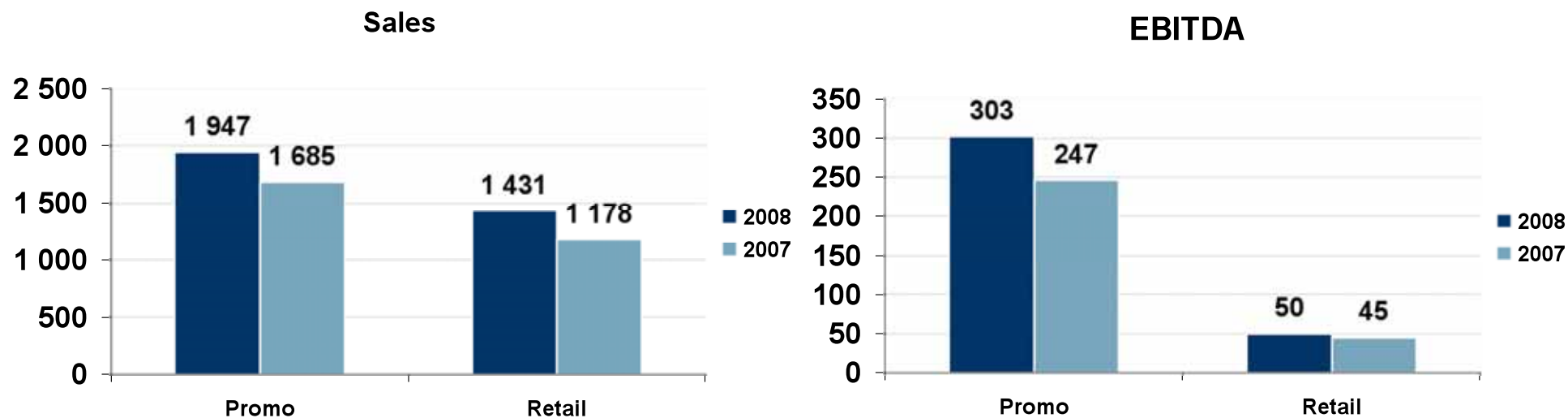
# Consolidated Q3 Jan-Sept, 2008

- **Sales +18% to MSEK 3 378 (2 863)**
  - Organic growth amounted to +5%
- **Profit Before Tax MSEK +6.7 to MSEK 199.6 (192.9)**



# Business Areas Jan-Sept, 2008

- **Sales Promo: +16% to MSEK 1 947 (1 685)**
  - Primarily regions outside Sweden
- **Sales Retail: +21% to MSEK 1 431 (1 178)**
  - One off revenue positive effect
  - 1st quarter OKB higher production costs negative effect
- **EBITDA Promo: MSEK +56 to MSEK 303 (247)**
- **EBITDA Retail: MSEK +5 to MSEK 50 (45)**



# Geographical Allocation of Turnover

	Jan-Sept 2008	Part of turnover	Jan-Sept 2007	Part of turnover	Change MSEK	Change %
Nordic countries	1 566	46%	1 431	50%	135	9
Mid-Europe	599	18%	550	19%	49	9
Southern Europe	378	11%	354	12%	24	7
USA	715	21%	444	16%	272	61
Other countries	119	4%	82	3%	36	44
<b>Total</b>	<b>3 378</b>	<b>100%</b>	<b>2 861</b>	<b>100%</b>	<b>517</b>	<b>18</b>



# Income Statement

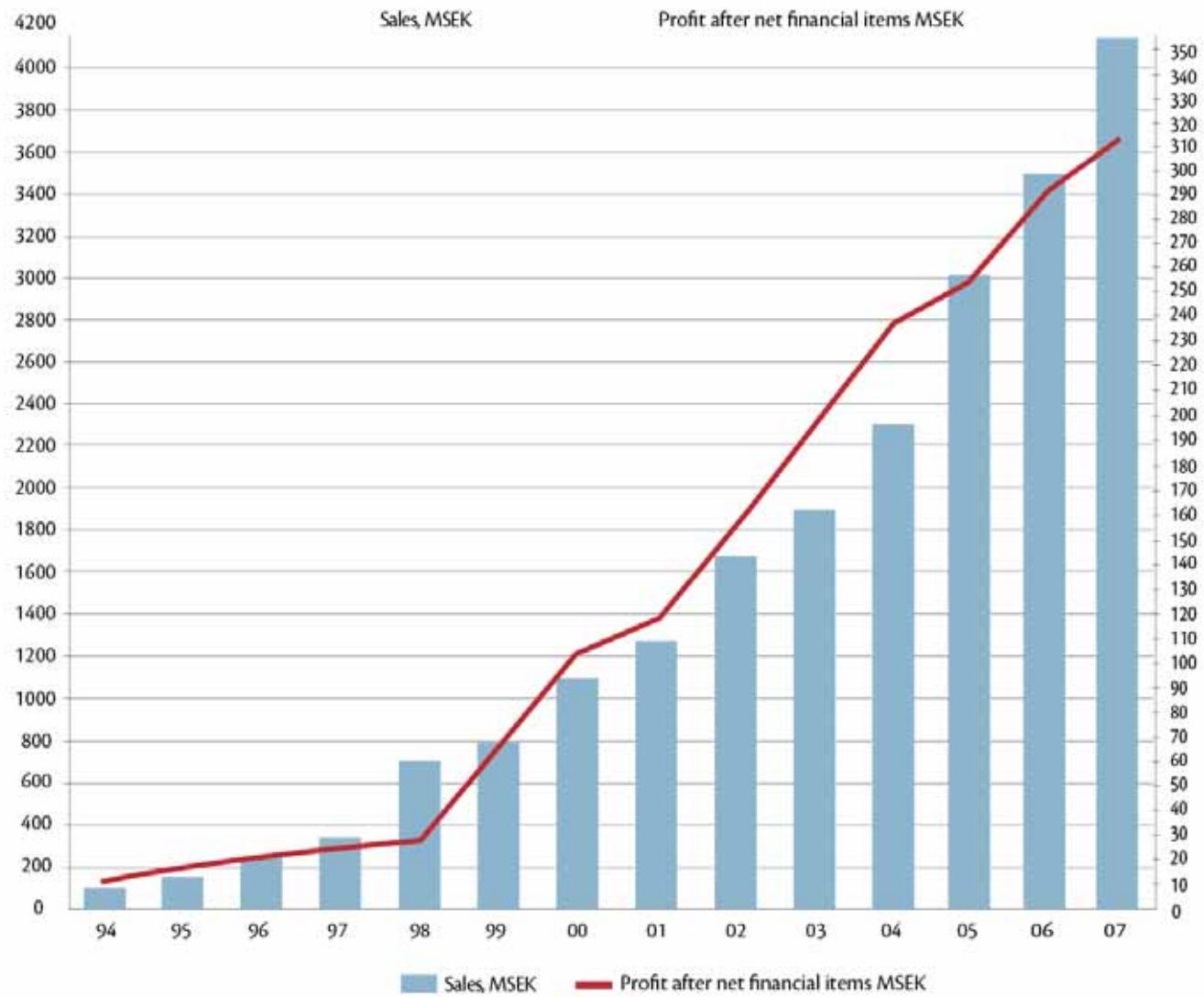
SEK Mkr	9 mths JAN-SEP 2008	9 mths JAN-SEP 2007	12 mths JAN-DEC 2007	12 mths JAN-DEC 2006
Net sales	3 377,7	2 862,6	4 194,0	3 530,5
Goods for resale	-1 708,9	-1 499,6	-2 196,1	-1 839,6
<b>Gross margin</b>	<b>1 668,8</b> 49,4%	<b>1 363,0</b> 47,6%	<b>1 997,9</b> 47,6%	<b>1 690,9</b> 47,9%
Other operating income	35,8	27,7	37,7	23,1
External costs	-807,9	-647,0	-921,3	-793,4
Personnel costs	-533,0	-447,5	-647,2	-522,2
Depreciation and amortization	-45,7	-37,2	-53,9	-40,1
Other costs	-10,8	-4,6	-7,4	-13,5
<b>Operating profit</b>	<b>307,2</b> 9,1%	<b>254,4</b> 8,9%	<b>405,8</b> 9,7%	<b>344,9</b> 9,8%
<b>Net financial items</b>	<b>-107,6</b>	<b>-61,5</b>	<b>-90,8</b>	<b>-54,6</b>
<b>Profit before tax</b>	<b>199,6</b> 5,9%	<b>192,9</b> 6,7%	<b>315,0</b> 7,5%	<b>290,3</b> 8,2%
Tax for the period	-54,1	-52,8	-83,7	-63,1
<b>Net result</b>	<b>145,5</b> 4,3%	<b>140,1</b> 4,9%	<b>231,3</b> 5,5%	<b>227,2</b> 6,4%
<b>Net result / share bef dilution</b>	<b>2,19</b>	<b>2,11</b>	<b>3,49</b>	<b>3,47</b>

# Financial Highlights

	JAN - SEP 2008	JAN - SEP 2007	JAN - DEC 2007	JAN - DE C 2006
Sales growth %	18,0	16,8	18,8	15,4
Gross margin %	49,4	47,6	47,6	47,9
Operating margin before depreciation %	10,4	10,2	11,0	10,9
Operating margin %	9,1	8,9	9,7	9,8
Profit margin %	5,9	6,7	7,5	8,2
Return on equity %	12,8	14,4	17,1	18,7
Return on capital employed %	10,0	10,1	12,8	12,9
Equity ratio %	30,5	27,7	29,9	37,7
Net debt SEK Mkr	2 739,9	2 439,6	2 357,0	1 316,4
Stock turnover - times	1,1	1,2	1,3	1,2
Cash flow before investments SEK Mkr	-321,5	-116,8	83,0	281,3
Net investments SEK Mkr	-58,8	-1 142,5	1 165,7	49,3
Cash flow after investments SEK Mkr	-380,3	-1 259,3	-1 082,7	232,0
Equity per share SEK Kr	24,38	20,06	21,68	20,03
Equity per share after dilution SEK Kr	23,63	20,03	20,89	19,96

## Views on 2008

For 2008, New Wave expects higher turnover and profit than previous years. However, the current market conditions and economic situation have increased the forecast's uncertainty.



# Moving Forward

- Continued high gross margin
- Improve working capital, profitability and efficiency
- Prepared action plans in order to quickly reduce costs if forecasted turnover is not met
- Historically good development even during downturns, mainly due to:
  - High stock and service level (the customers avoid direct import from the Far East during downturns)
  - Customers move from expensive to mid-priced products within promo
  - Customers cut expensive marketing actions (TV commercials, ads, etc), but continue with promo articles

**We aim to make everyone who buys our products  
a happy customer.**

**If you choose to invest in New Wave Group,  
we want you to know that  
we promise to take care of your investment  
in the best possible way we know how —  
through long-term thinking, growth, stability, and hard work!**