

## Interim Report – Q4 2008



# This is New Wave Group

- New Wave Group is a **growth company**. We **create, acquire and develop brand articles** for the Corporate Promo- and Retail sales channels.
- We have three business areas: **Promo**; work wear, promo wear, and gifts & giveaways to independent promo companies, **Sports & Leisure** and **Gifts & Home interior**, to consumers through resellers working with specialized stores.
- We operate through two sales channels; 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 sales channels.
- New Wave Group's competitive forces are **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**.

# Business Area - Corporate Promo



## ***Our vision is to***

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

# Business Area - Sports & Leisure

**ANNIKA**  
CUTTER & BUCK.



**CLIQUE**

**CUTTER  
& BUCK.**

**CRAFT**

**EASTON**

**EXEL**



**sköna  
marie**



**speedo**

## ***Our vision is to***

- *Become the Nordic countries main supplier of Sports & Leisure Wear*
- *Develop Craft and Seger into international functional sportswear brands*
- *Develop Cutter & Buck into one of the world's leading brands within golf & leisure wear*

# Business Area - Gifts & Home Interior

KOSTA  
BODA  
SWEDEN 1742



KOSTA LINNEWÄFVERI

Orrefors 

Orrefors JERNVERK



*Our vision is to*

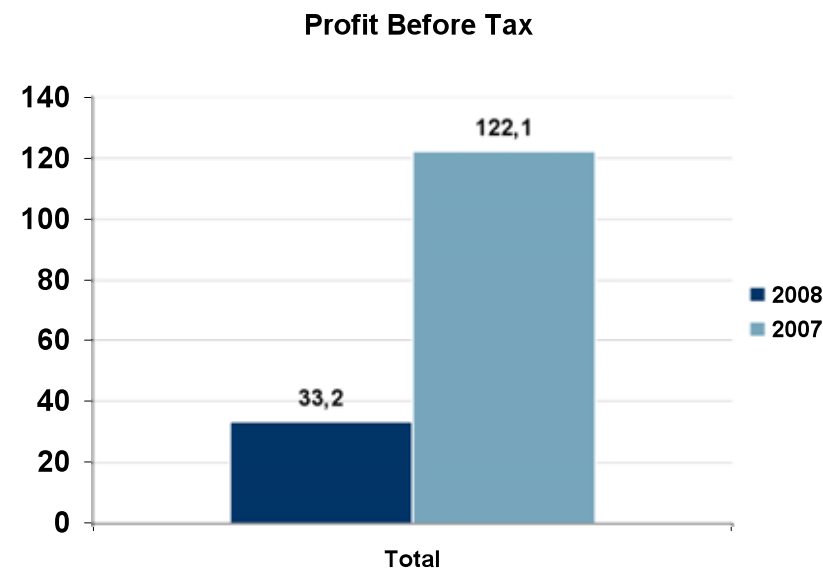
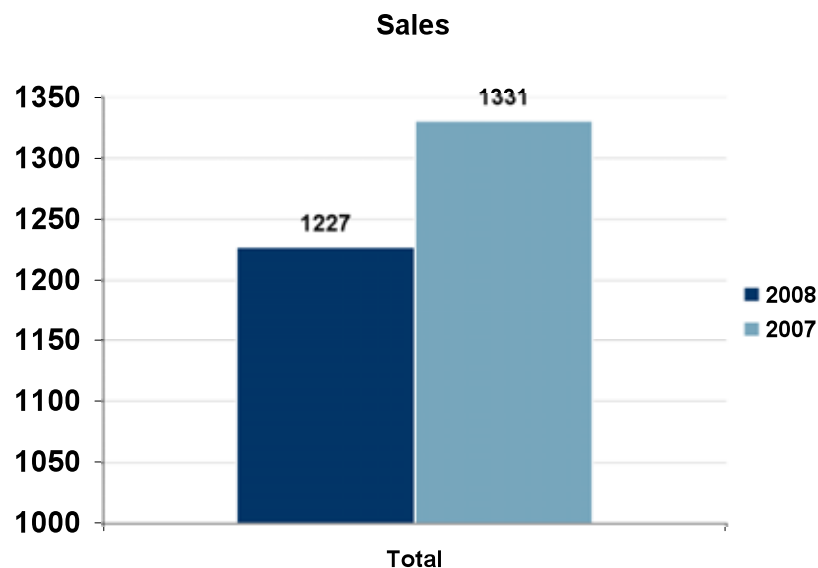
- *Develop Orrefors and Kosta Boda into world leading brands within glass & crystal*

# Interim Report

## Q4 2008

# Consolidated Q4, October-December 2008

- **Sales -8% to MSEK 1 227 (1 331)**
  - The exchange rates have affected sales positively by MSEK 76.
- **Profit Before Tax MSEK -88.9 to MSEK 33.2 (122.1)**



# Comments Q4, October-December 2008

- **Sales -8% MSEK 1 227 ( 1 331)**
  - In general, a weak market in all areas, but...
  - ...especially weak in America
  - Growth in Promo South Europe
  - Currency effect MSEK +76.
- **Gross margin 46.0 (47.7)**
  - Growth on most markets
  - Provision for obsolete goods MSEK -24 (109 mkr or 5%)
  - American market effected by the weaker economy

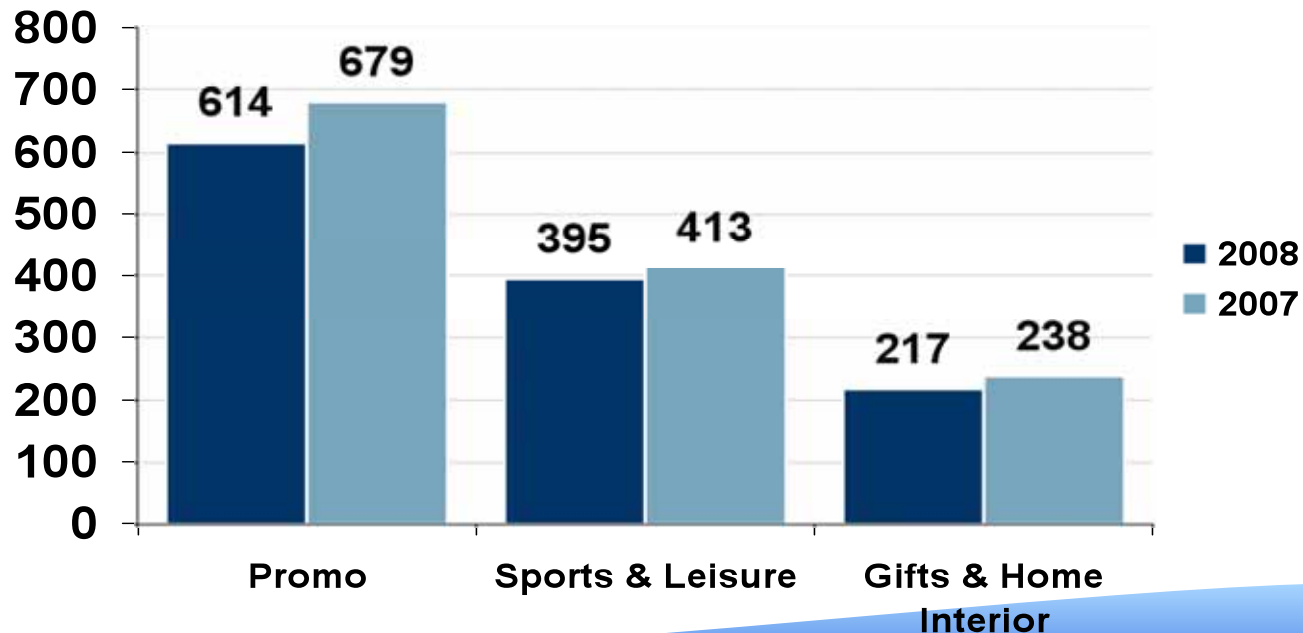


## Comments Q4, October-December 2008

- Profit before tax -88.9 to 33.2 (122.1)
  - Lower volume and Gross Margin
- Operating profit 5.0 (11.4) %
- Res per share in parent company SEK -0.01 (1.37)

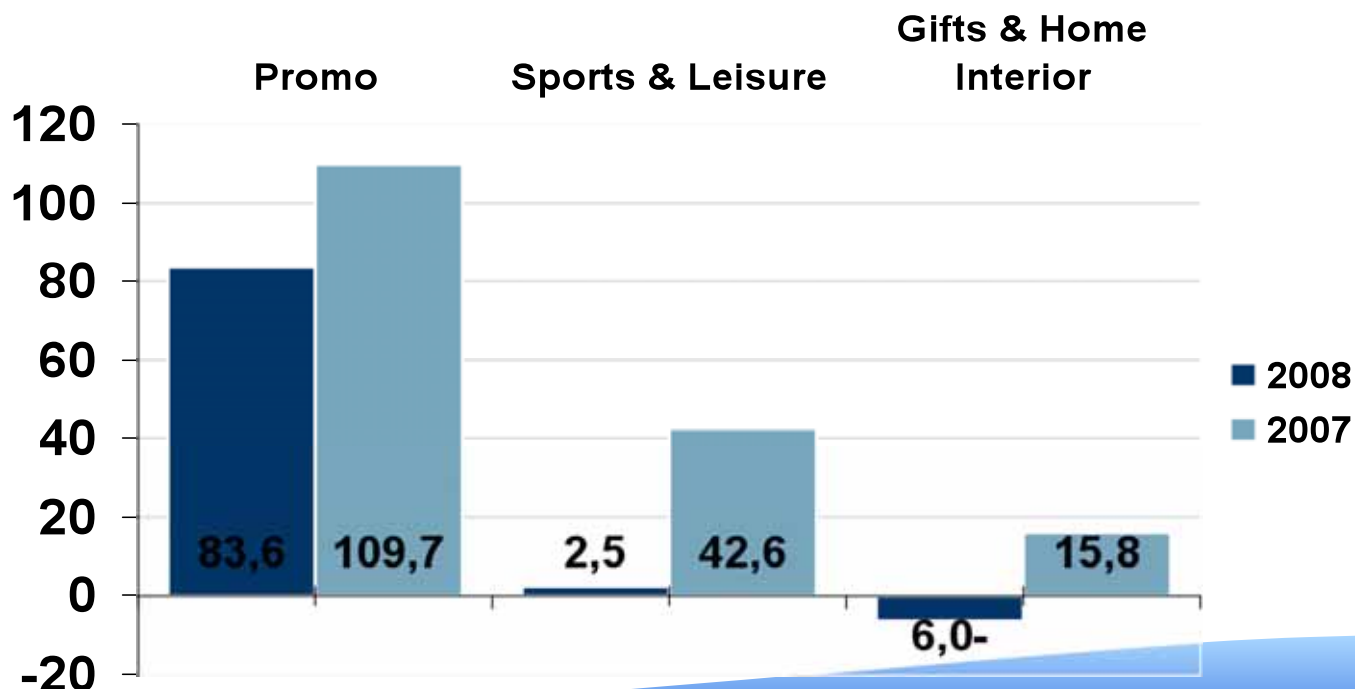
# Business Areas – Sales, Oct-Dec 2008

- **Promo: -10% to MSEK 614 (679)**
  - Nordic countries and Europe weak
- **Sports & Leisure: -4% to MSEK 395 (413)**
  - Europe growth, USA weak
- **Gifts & Home Interior: -9% to MSEK 217 (238)**
  - Nordic countries weak, China increasing



# Business Areas – EBITDA, Oct-Dec 2008

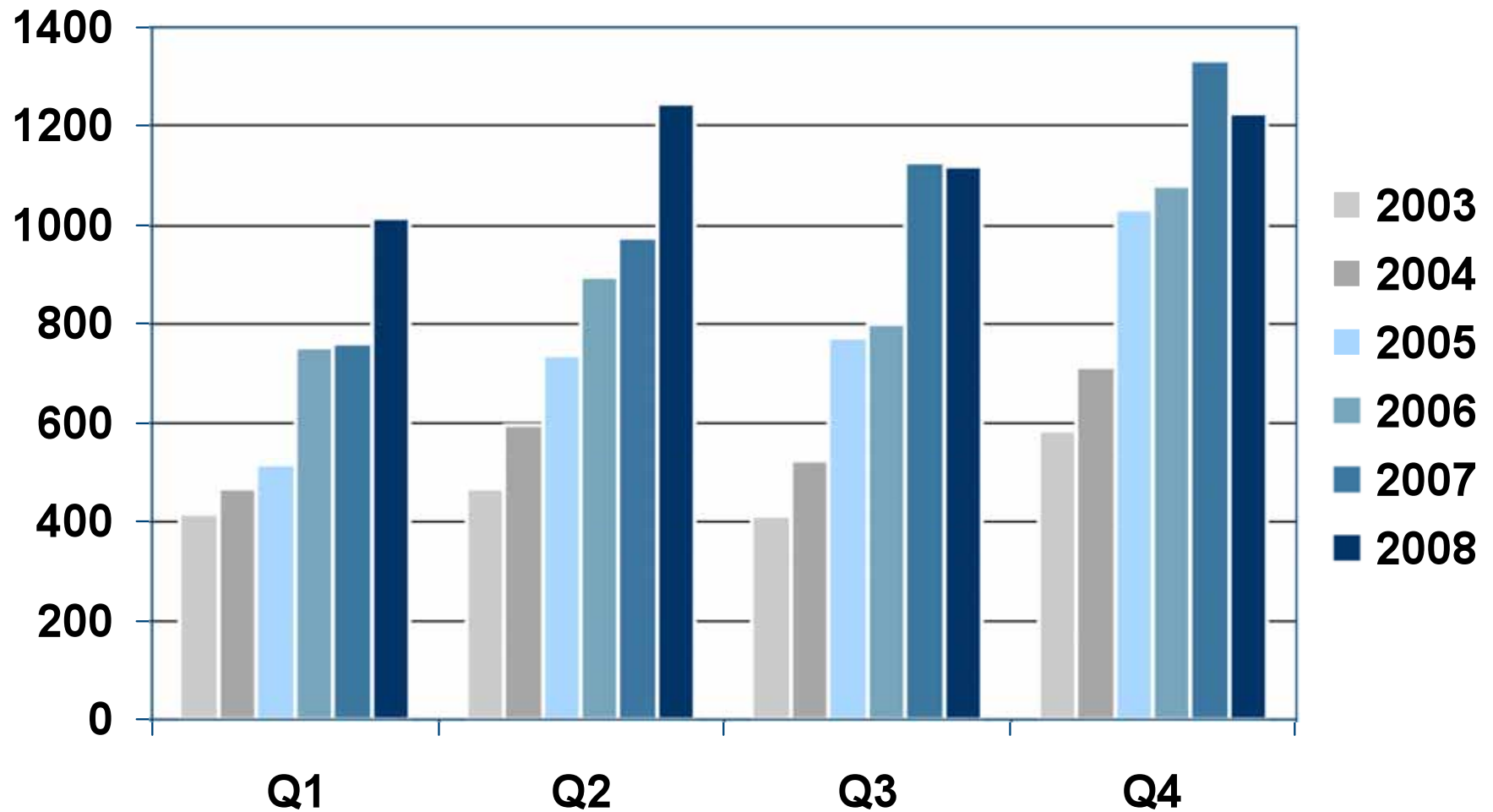
- **Promo: MSEK -26.1 to MSEK 83.6 (109.7)**
  - Volume related
- **Sports & Leisure: MSEK -40.1 to MSEK 2.5 (42.6)**
  - Volume, margin and marketing costs
- **Gifts & Home Interior: MSEK -21.8 to MSEK-6.0 (15.8)**
  - Orrefors Kosta Boda



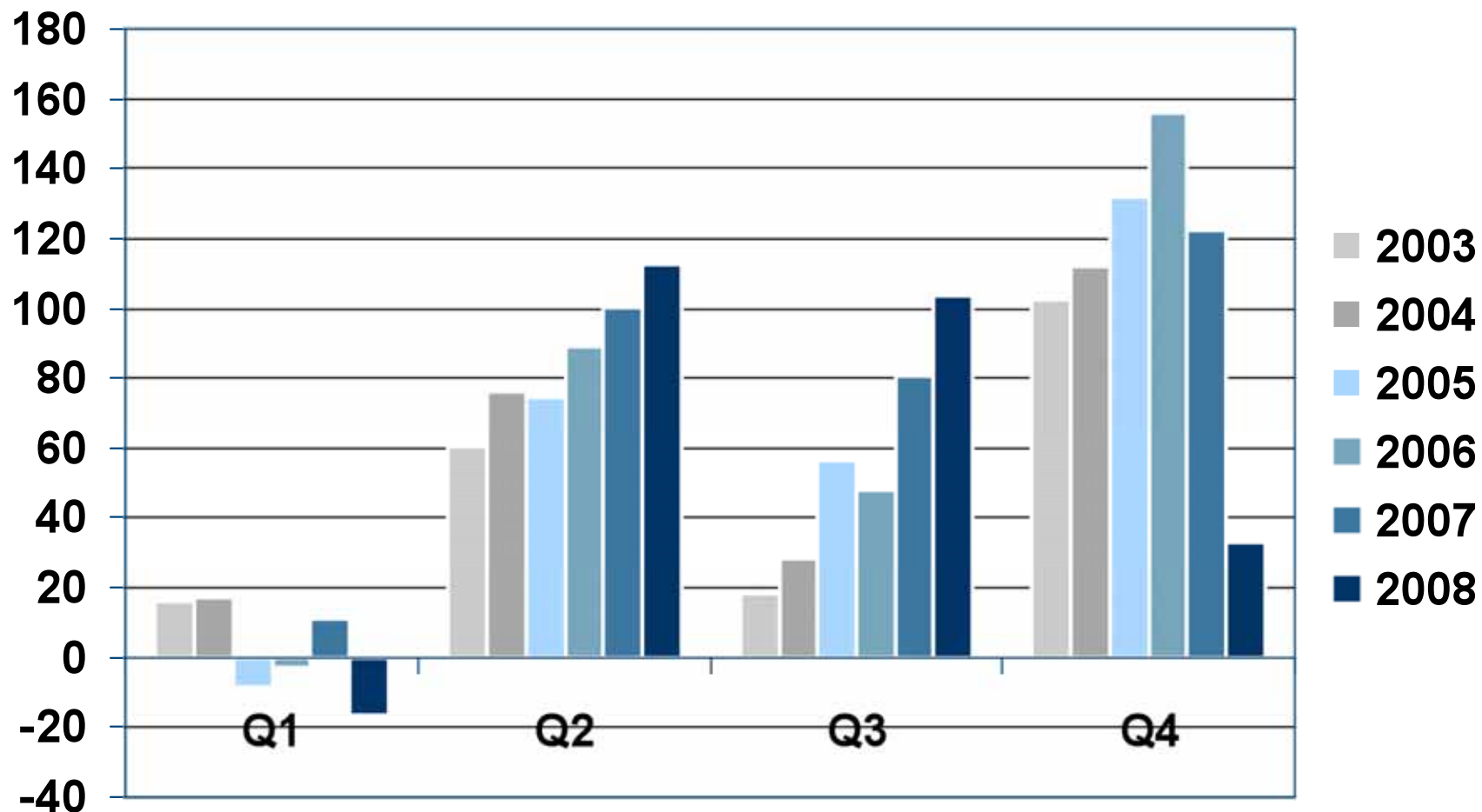
# Geographical Allocation of Turnover

	Qtr 2007	Part of turnover	Qtr 2006	Part of turnover	Change MSEK	%
Nordic countries	509	42%	630	47%	-121	-19
Mid-Europé	260	21%	247	18%	14	6
Southern Europé	182	15%	157	12%	25	16
USA	214	17%	245	18%	-31	-13
Övriga länder	61	5%	54	4%	6	12
<b>Totalt</b>	<b>1 226</b>	<b>100%</b>	<b>1 333</b>	<b>100%</b>	<b>-106</b>	<b>-8</b>

# Sales



# Result After Finance Net

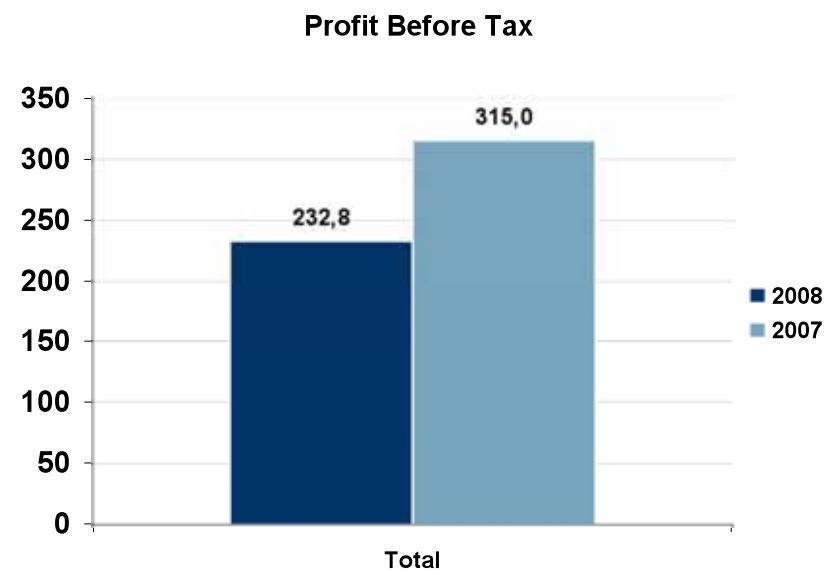
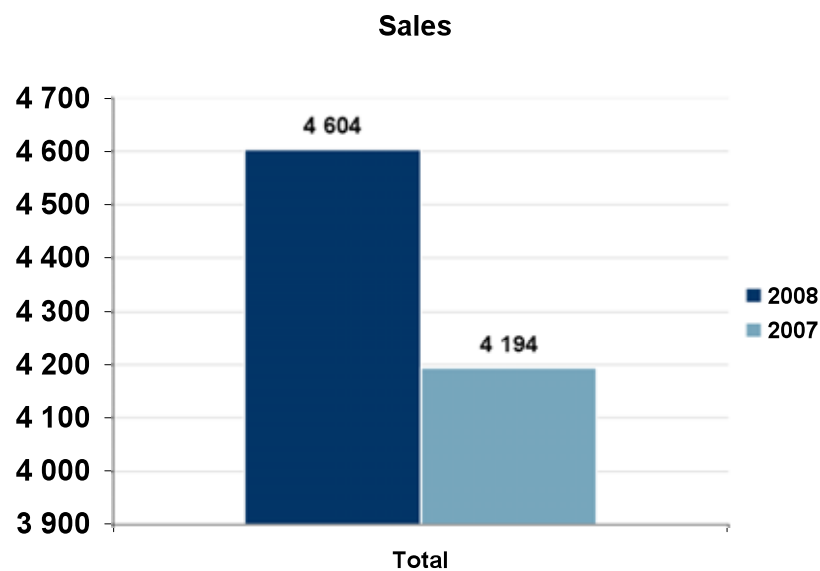


# Income Statement

SEK Mkr	3 mths OCT-DEC <b>2008</b>	3 mths OCT-DEC <b>2007</b>
Net sales	1 226,5	1 331,4
Goods for resale	-662,9	-696,5
<b>Gross margin</b>	<b>563,6</b> 46,0%	<b>634,9</b> 47,7%
Other operating income	20,7	10,0
External costs	-297,7	-274,3
Personnel costs	-198,0	-199,7
Depreciation and amortization	-18,5	-16,7
Other costs	-9,6	-2,7
Andelar i intresseföretags resultat	1,1	0
<b>Operating profit</b>	<b>61,6</b> 5,0%	<b>151,5</b> 11,4%
<b>Net financial items</b>	<b>-28,4</b>	<b>-29,4</b>
<b>Profit before tax</b>	<b>33,2</b> 2,7%	<b>122,1</b> 9,2%
Tax for the period	-30,8	-30,9
<b>Net result</b>	<b>2,4</b> 0,2%	<b>91,2</b> 6,8%
<b>Net result / share bef dilution</b>	<b>-0,01</b>	<b>1,37</b>

# Consolidated Q4 Jan-Dec, 2008

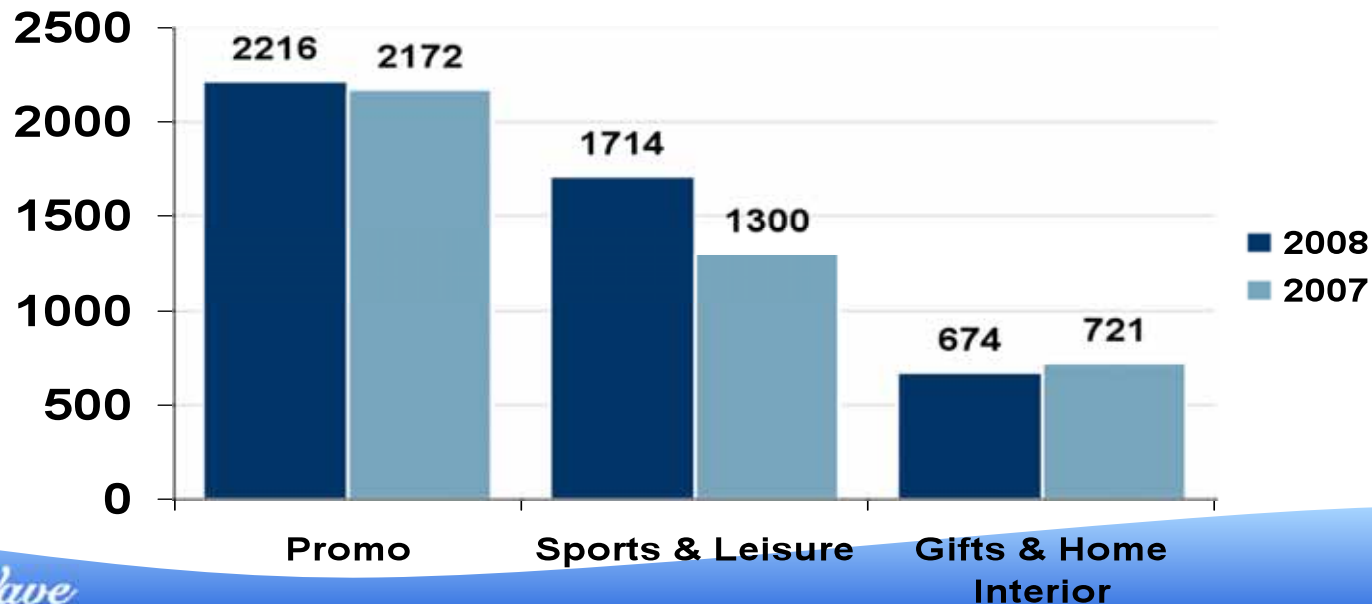
- **Sales +10% to MSEK 4 604 (4 194)**
  - Organic growth amounted to +1%
- **Profit Before Tax MSEK -82.2 to MSEK 232.8 (315.0)**





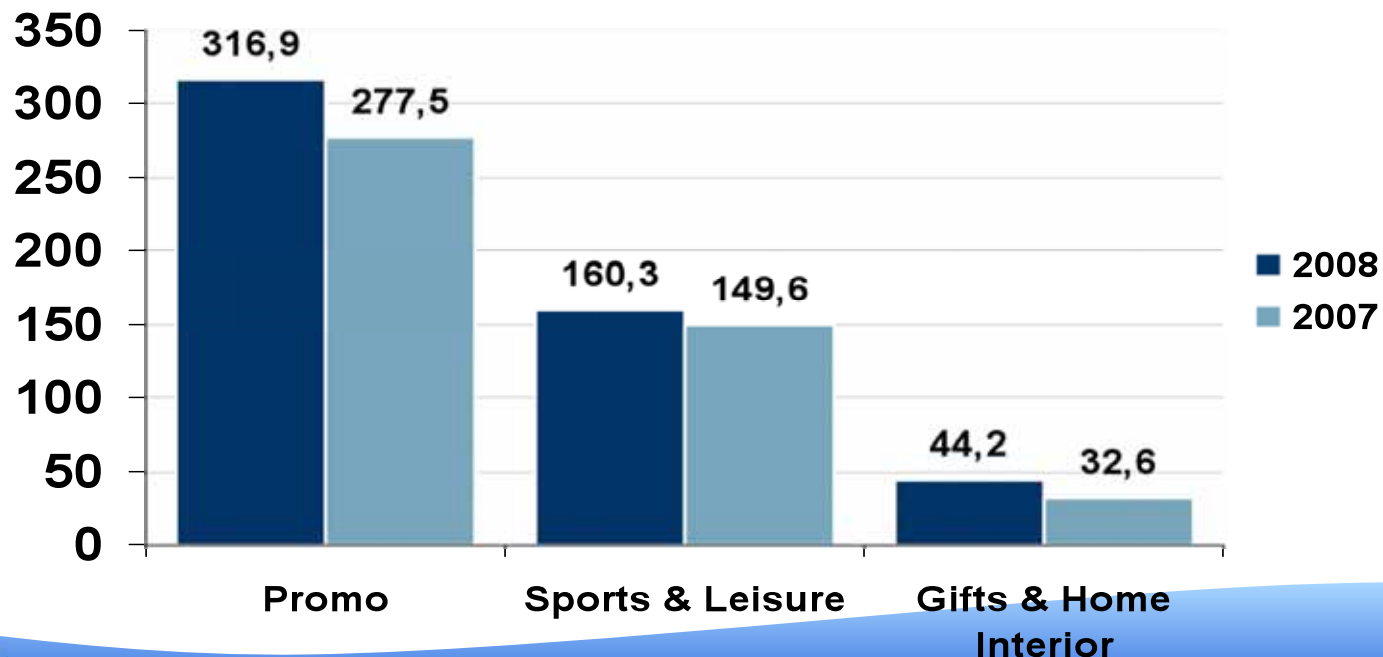
# Business Areas – Sales, Jan-Dec 2008

- **Promo: +2% to MSEK 2 216 (2 172)**
  - European region strong + Norway and Denmark.
- **Sports & Leisure: +32 % to MSEK 1 714 (1 300)**
  - Growth excl Cutter & Buck +18% -> Craft in Europe and Nordic region
  - US negative impact
- **Gifts & Home Interior: -7% to MSEK 674 (721)**
  - Sweden and US negative impact



# Business Areas – EBITDA, Jan-Dec 2008

- **Promo: +39.4 to MSEK 316.9 (277.5)**
  - European region strong, US weak
- **Sports and Leisure: +10.7 to MSEK 160.3 (149.6)**
  - Cutter & Buck MSEK 39.6 (49.6) Py as from acquisition date 8 June
- **Gifts and Home Interior: -76.8 to MSEK 44.2 (32.6)**
  - Orrefors Kosta Boda



# Geographical Allocation of Turnover

	<b>JAN-DEC 2008</b>	<b>Part of turnover</b>	<b>JAN-DEC 2007</b>	<b>Part of turnover</b>	<b>Change MSEK</b>	<b>%</b>
Nordic countries	2 075	45%	2 061	49%	14	1
Mid-Europé	859	19%	797	19%	63	8
Southern Europé	560	12%	511	12%	49	10
USA	929	20%	689	16%	240	35
Other countries	180	4%	136	3%	44	32
<b>Total</b>	<b>4 604</b>	<b>100%</b>	<b>4 194</b>	<b>100%</b>	<b>410</b>	<b>10</b>

# Income Statement

	3 mths OCT-DEC <b>2008</b>	3 mths OCT-DEC <b>2007</b>	12 mths JAN-DEC <b>2008</b>	12 mths JAN-DEC <b>2007</b>
<b>SEK Mkr</b>				
Net sales	1 226,5	1 331,4	4 604,2	4 194,0
Goods for resale	-662,9	-696,5	-2 371,8	-2 196,1
<b>Gross margin</b>	<b>563,6</b> 46,0%	<b>634,9</b> 47,7%	<b>2 232,4</b> 48,5%	<b>1 997,9</b> 47,6%
Other operating income	20,7	10,0	56,5	37,7
External costs	-297,7	-274,3	-1 105,6	-921,3
Personnel costs	-198,0	-199,7	-731,0	-647,2
Depreciation and amortization	-18,5	-16,7	-64,2	-53,9
Other costs	-9,6	-2,7	-20,4	-7,4
Andelar i intresseföretags resultat	1,1	0	1,1	0
<b>Operating profit</b>	<b>61,6</b> 5,0%	<b>151,5</b> 11,4%	<b>368,8</b> 8,0%	<b>405,8</b> 9,7%
<b>Net financial items</b>	<b>-28,4</b>	<b>-29,4</b>	<b>-136,0</b>	<b>-90,8</b>
<b>Profit before tax</b>	<b>33,2</b> 2,7%	<b>122,1</b> 9,2%	<b>232,8</b> 5,1%	<b>315,0</b> 7,5%
Tax for the period	-30,8	-30,9	-84,9	-83,7
<b>Net result</b>	<b>2,4</b> 0,2%	<b>91,2</b> 6,8%	<b>147,9</b> 3,2%	<b>231,3</b> 5,5%

# Financial Highlights

	JAN - DEC 2008	JAN - DEC 2007	JAN - DEC 2006	JAN - DEC 2005
Sales growth %	9,8	18,8	15,4	32,9
Gross margin %	48,5	47,6	47,9	46,4
Operating margin before depreciation	9,4	11,0	10,9	10,7
Operating margin %	8,0	9,7	9,8	9,7
Profit margin %	5,1	7,5	8,2	8,3
Return on equity %	9,2	17,1	18,7	20,3
Return on capital employed %	6,6	12,8	12,9	13,0
Equity ratio %	34,1	29,9	37,7	33,8
Net debt SEK Mkr	2 576,4	2 357,0	1 316,4	1 488,7
Stock turnover - times	1,2	1,3	1,2	1,5
Cash flow before investments SEK M	-268,0	83,0	281,3	-97,4
Net investments SEK Mkr	-65,2	-1 165,7	-49,3	-220,2
Cash flow after investmetns SEK Mkr	-333,2	-1 082,7	232,0	-317,6
Equity per share SEK Kr	27,64	21,68	20,03	17,82
Equity per share after dilution SEK Kr	26,58	20,89	19,96	17,38

## Views on 2009

Market conditions are difficult to predict due to the uncertainty in the economy, for 2009 New Wave expects profits before tax in line with 2008 but the sales are not expected to reach the previous year.

The second half of the year will be stronger than the first half in profits. The reason is over all cost savings but especially Orrefors Kosta Boda is effecting.

# Management changes

- Göran Härstedt resigns as President and CEO in connection with AGM May 19, 2009
- Göran Härstedt is proposed as new board member and he will also be chairman of the board in eight of New Group's subsidiaries, including New Wave Mode AB, New Wave Sports AB, Intraco and the south European companies. In addition, Göran Härstedt will continue to work for the New Wave Group of companies with various projects on commission basis
- New Wave Group's founder, main owner and former CEO, Torsten Jansson, has been appointed new President and CEO with effect from May 19, 2009
- Jens Petersson (member of the group executive management and CEO of New Wave Sports AB), has been appointed Vice President and Deputy CEO with effect from May 19, 2009

# Nomination Committee's Proposals to the Annual General Meeting 2009

- New Chairman: Jan Lidén (former President and CEO of Swedbank AB (publ))
- Re-election of Torsten Jansson and Mats Årjes
- Göran Härstedt, resigning President and CEO, as new board member
- Kinna Belander (TV4, MTG and Kinnevik) as new board member
- Helle Kruse Nielsen (Mars, Inc., Swedbank AB, Oriflame Cosmetics SA, Gumlink A/S and AkerBioMarine ASA)
- Hans Johansson, Maria Andark and Peter Nilsson have declined re-election



**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!**