

NewWave
G R O U P

Presentation
12 november

Interim report
July – September
2010

This is New Wave Group

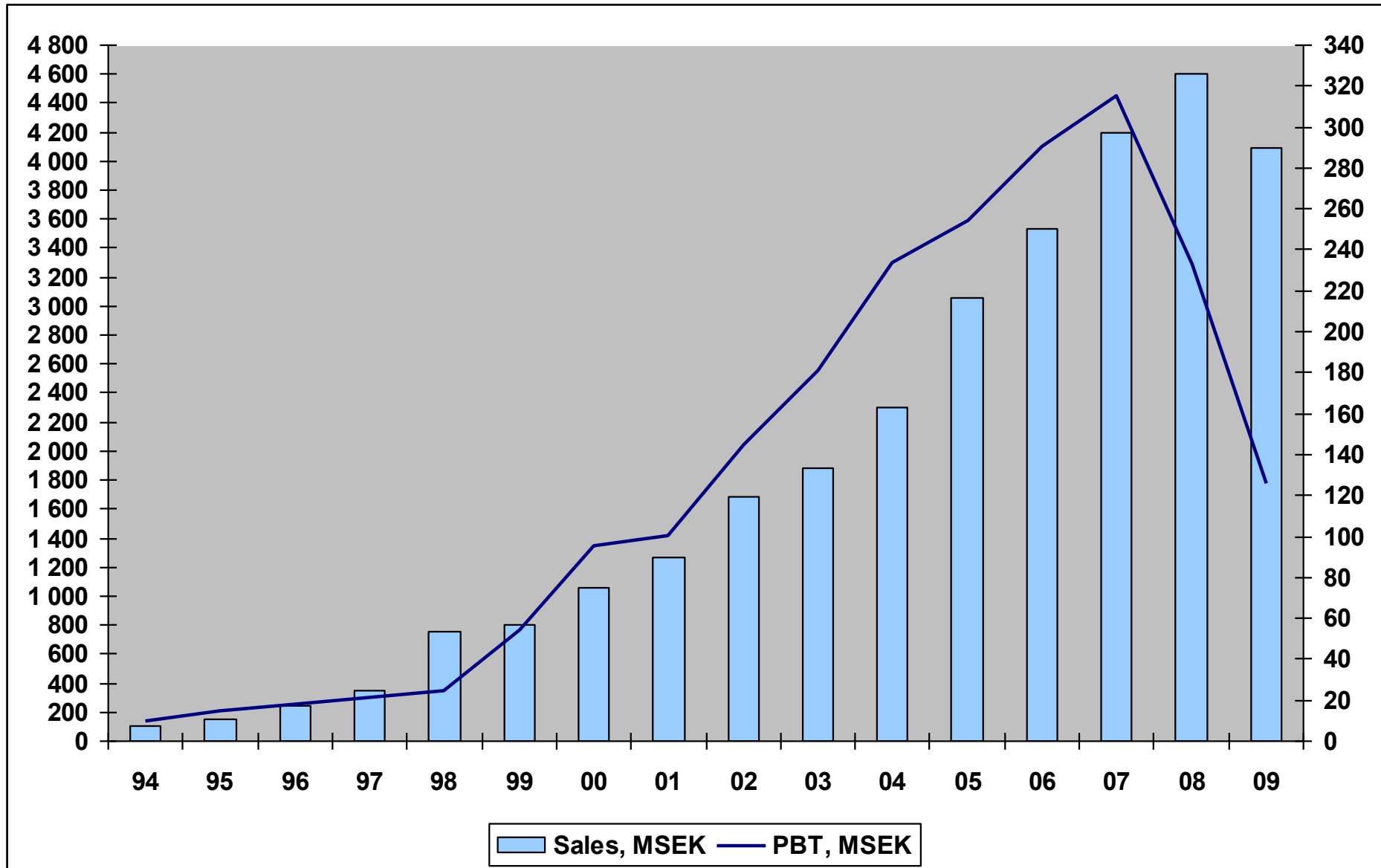


- New Wave Group is a **growth company**. We **create, acquire and develop brands and articles** for the Corporate Promo and Retail sales channels.
- We have three business areas: **Promo**; workwear, promo wear, and gifts & giveaways to independent promo companies, **Sports & Leisure** and **Gifts & 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 in 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 had **strong growth** and **good margins**.

New Wave Group...

- ... has more than 40 brands in its brand portfolio.
- ... has subsidiaries in 20 countries.
- ... is Sweden's largest supplier of sports articles, brands include Craft, Seger, Umbro, Speedo and Clique.
- ... is Europe's second largest supplier of promo articles with more than 18 fully owned brands.

Historical development



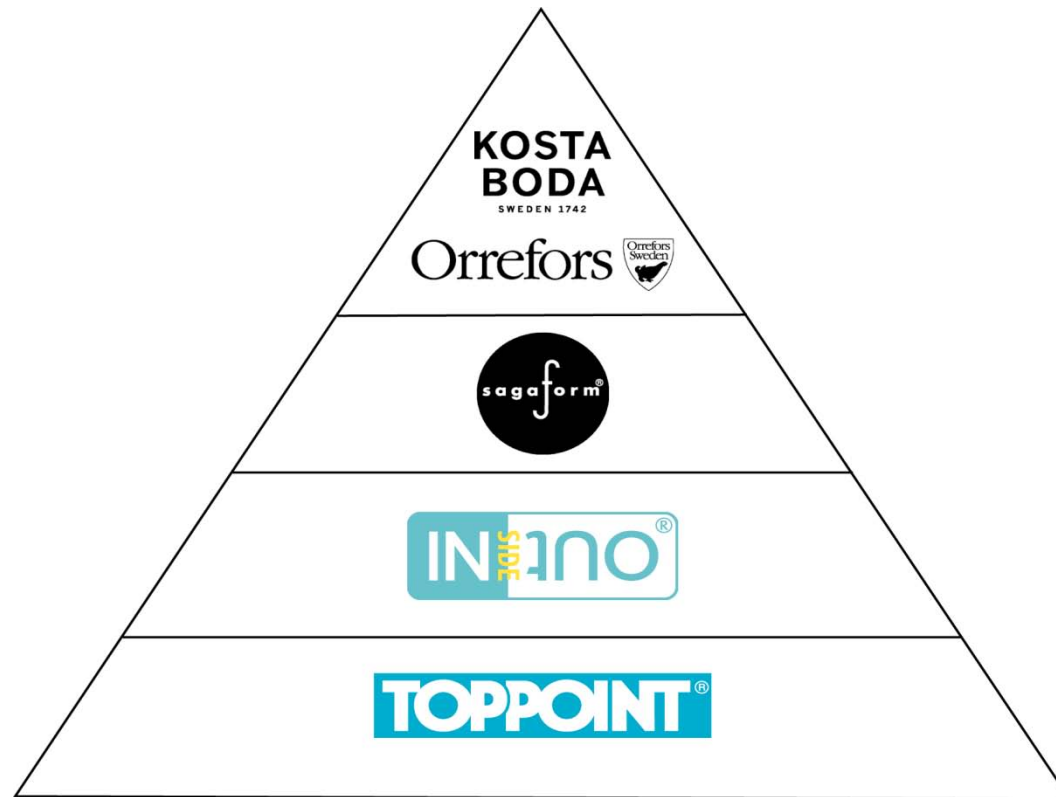
Promo – promo wear

Classic

Sports



Promo – gifts



Promo - workwear



Promo – workwear



Vision - promo

Our vision is to become Europe's leading supplier of promo articles by offering:

- ✓ high quality products
- ✓ strong brands
- ✓ knowledge and service
- ✓ a superior overall concept to resellers

Retail

- Specialised stores for gifts
- Home interior
- Home textiles
- Specialised stores for sports articles
- Specialised stores for shoes

Retail

- New Wave's retail operation is divided into two categories:
 - Sports & Leisure
 - Fully owned brands
 - Licensed brands
 - Gifts & Home Interior
 - Fully owned brands

Retail – Sports & Leisure

Fully owned brands

CRAFT ⚡

Functional sports wear

CLIQUE

Leisure wear, T-shirts etc.



Knitted socks, hats, etc.



Skona
marie

Children's and women's shoes

CUTTER

& BUCK.

Golf and leisure wear

Retail – Sports & Leisure

Licensed brands



Football wear and equipment



Swimwear

Retail – Gifts & Home Interior

Fully owned brands

KOSTA LINNEWÄFVERI
SWEDEN 1878

Orrefors JERNVERK
SWEDEN 1726



DJ Frantextil

Orrefors 

**KOSTA
BODA**
SWEDEN 1742



Gifts and home interior

Gifts and home interior

Gifts and home interior

Gifts and home interior

Glass and crystal

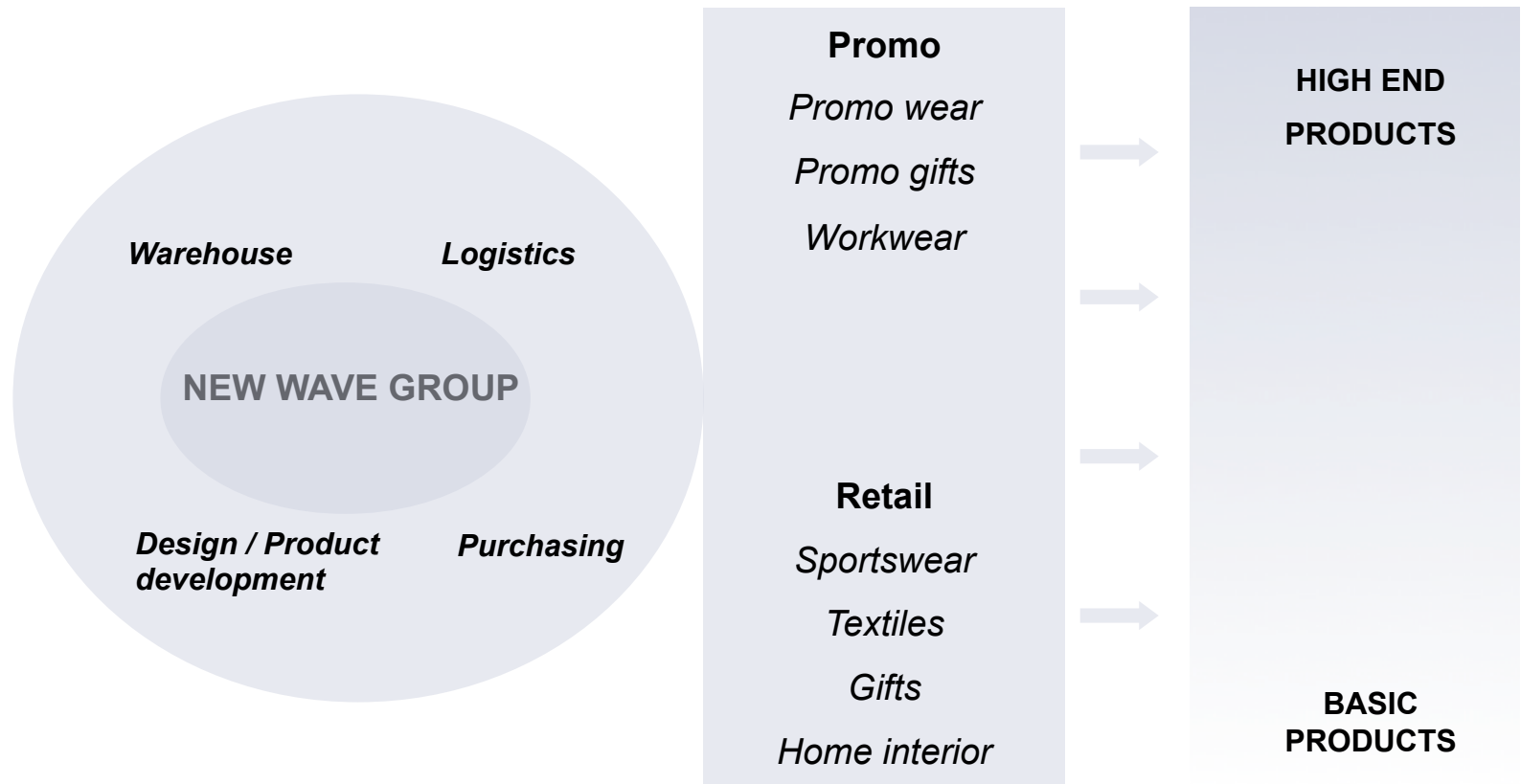
Art glass

Glass

Vision – Retail

- We shall become the Nordic countries' leading supplier of sports and leisure wear.
- Make the fully owned brands Craft and Seger internationally renowned functional sportswear brands.
- Develop Sagaform into one of Europe's leading brands on kitchenware, chinaware and gifts.
- Develop Orrefors and Kosta Boda into world leading glass and crystal suppliers .

The larger Group's synergies – the smaller companies' flexibility



July - September 2010

- ❑ Sales amounted to SEK 1 061 million, which was 9% higher than previous year in local currencies and 6% higher in SEK (SEK 1 002 million).
- ❑ Operational profit amounted to SEK 84.7 (37.7) million
- ❑ Profit after tax SEK 55.5 (19.3) million
- ❑ Cash flow from operations amounted to SEK -42.5 (141.3) million
- ❑ Equity ratio increased to 42.4 (36.7) %
- ❑ Net debt to equity ratio decreased to 87.9 (127.0) %

Comments July-September 2010

❑ Sales 6%, SEK 1 061 (1 002) million

- Sales in local currencies +9% (currency effect SEK -33 million or -3%)
- Sport & Leisure strong growth, especially in USA but also improvement within Promo
- A majority of our markets are showing growth.
- Both sales channels(Promo/Retail) are showing growth

❑ Business areas

- Promo +2% to SEK 382 (375) million
 - Nordic region and Mid Europe has growth while South Europe is weaker.
- Sport & Leisure +11% to SEK 503 (455) million
 - Growth in Cutter & Buck. Both sales channels are showing growth
 - Craft is increasing vs py (growth in most countries but decreasing in Denmark)
- Gifts & Homeinterior +1% to SEK 175 (173) million
 - Kosta Boda Art Hotel
 - Orrefors Kosta Bodas exportmarkets weak

Sales per region

	JUL-SEP 2010	Part of turnover	JUL-SEP 2009	Part of turnover	Change MKR	%
Nordic countries	475	45%	456	46%	19	4
Central Europe	182	17%	180	18%	2	1
South Europe	96	9%	102	10%	-6	-6
North America	273	26%	225	22%	48	21
Other countries	35	3%	39	4%	-4	-10
Total	1 061	100%	1 002	100%	58	6

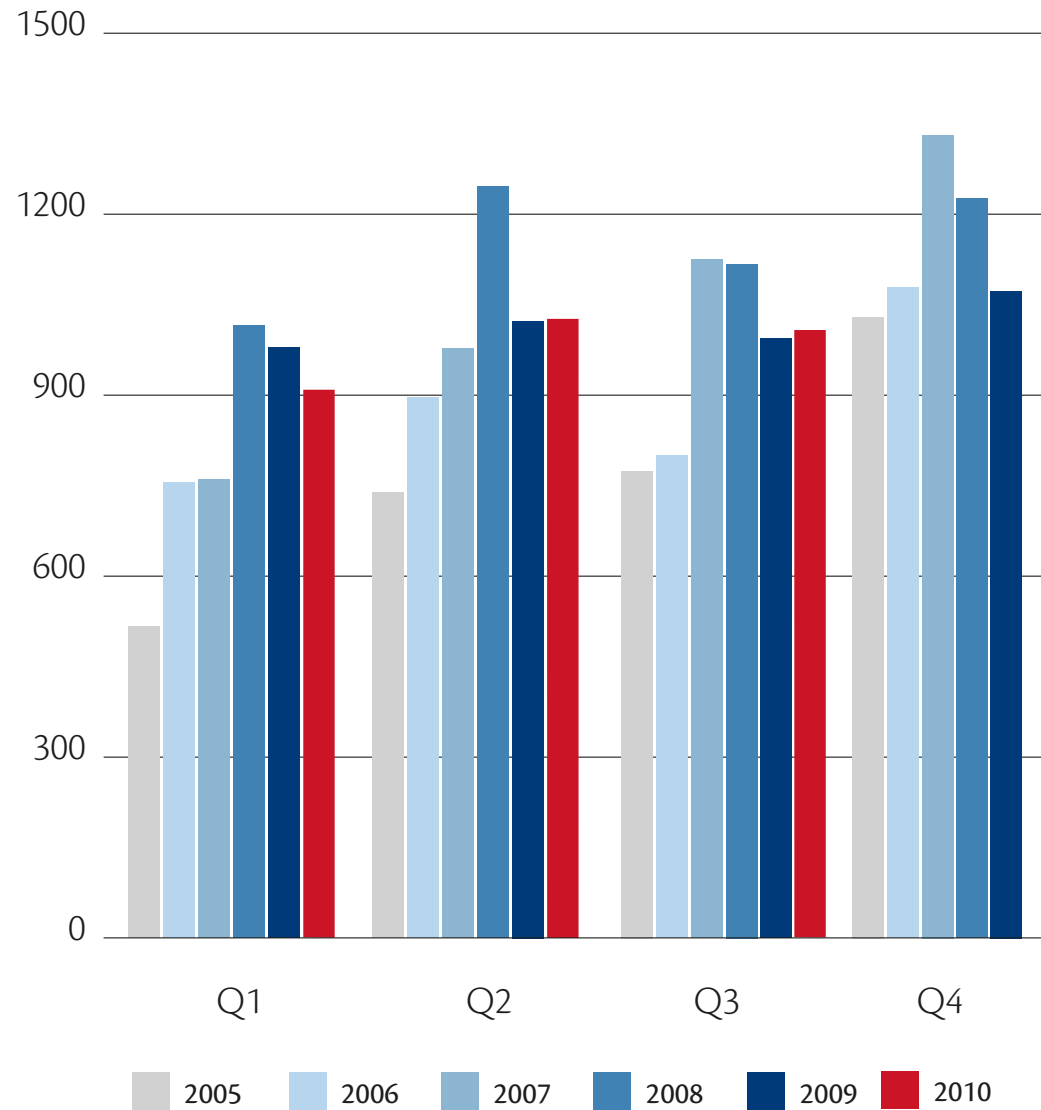
Comments July-September 2010

- ❑ Operating margin 8.0 (3.8) %
- ❑ Profit margin 7.3 (2.6) %
- ❑ Profit after tax improved with SEK 36.2 million and amounted to SEK 55.5 (19.3) million
 - *Result per share SEK 0.83 (0.29)*

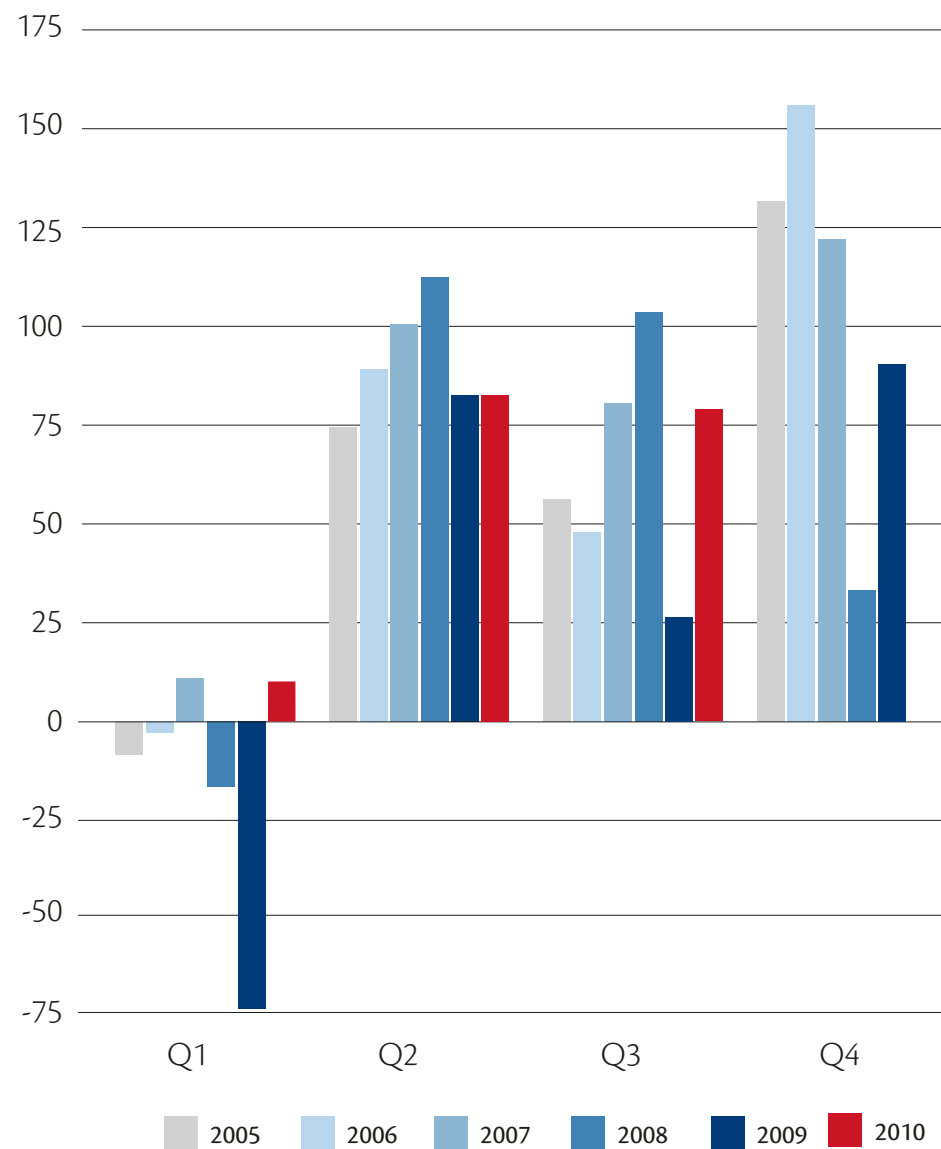
Income statement

SEK Million	3 mths juli-sep 2010	3 mths juli-sep 2009
Net sales	1 060,7	1 002,2
Goods for resale	-581,2	-555,5
Gross profit	479,5	446,7
Other income	12,6	2,1
External costs	-222,3	-226,5
Personnel costs	-161,1	-166,6
Depreciation/amorization	-14,2	-17,1
Other costs	-9,8	-0,9
Operating result	84,7	37,7
Financial income	0,6	0,0
Financial costs	-8,3	-11,4
Net financial items	-7,7	-11,4
Profit before tax	77,0	26,3
Tax on profit for the period	-21,5	-7,0
Profit for the period	55,5	19,3
Profit per share before dilution	0,83	0,29

Sales (in SEK million)



Profit before tax, SEK million



Cash flow

July-September 2010

SEK Million	3 mths july-sept 2010	3 mths july-sept 2009
Cash flow from operating act. before changes in working capital	115,5	34,2
Changes in working capital	-157,0	107,1
Cash flow from operating activities	-41,5	141,3
Investing activities	-19,0	-35,3
Cash flow after investing activities	-60,5	106,0
Financial activities	50,9	-138,0
Cash flow for the period	-9,6	-32,0

January - September 2010

- ❑ Sales amounted to SEK 3 041 million, which was 6% higher than previous year in local currencies and +1% in SEK (3 005 million).
- ❑ Operating profit amounted to SEK 189.5 million (75.8)
 - ❑ *Previous year was charged with a net of SEK 60.8 million (restructuring costs deducted with capital gains)*
- ❑ Profit after tax amounted to SEK 122.5 million (26.5)
 - ❑ *Previous year was charged with a net of SEK 44.1 million (restructuring costs deducted with capital gains)*
- ❑ Cash flow from operating activities amounted to SEK 141 million (376)

Comments January-September 2010

❑ Sales +1%, SEK 3 041 million (3 005)

- Sales in local currencies +6% (currency effect SEK -152 million or -5 %)
- Sport & Leisure has a good development.
- Sales channel Promo is continuing its improvement and has growth but still on a low level. Sales channel Retail has done better.

❑ Business areas

- Promo -3% to SEK 1 263 million (1 302)
 - The nordic countries Sweden and Norway has growth, Mid Europe stable/small growth while South Europe is weak.
- Sport & Leisure +4% SEK 1 287 million (1 240)
 - Growth in Cutter & Buck. Both sales channels have growth
 - Craft increase in most countries (but decrease in Denmark)
- Gifts & Homeinterior +6% to SEK 491 million (463)
 - Kosta Boda Art Hotel
 - Orrefors Kosta Bodas export markets weak

Sales per region

	JAN-SEP 2010	Part of turnover	JAN-SEP 2009	Part of turnover	Change MSEK	%
Nordic countries	1 375	45%	1 342	45%	33	2
Central Europe	555	19%	566	19%	-11	-2
South Europe	310	10%	353	12%	-43	-12
USA	704	23%	638	21%	66	10
Other countries	97	3%	106	3%	-9	-8
Total	3 041	100%	3 005	100%	36	1

Comments Januari-September 2010

❑ Operating margin 6.2 (2.5) %

- *Previous year was charged with a net of SEK 60.8 million (restructuring costs deducted with capital gains)*

❑ Profit margin 5.6 (1.2) %

- *Previous year was charged with a net of SEK 60.8 million (restructuring costs deducted with capital gains)*

❑ Profit after tax amounted to SEK 122.5 million (26.5)

- *Previous year was charged with a net of SEK 44,1 million (one-time items)*
- *Resultat per share SEK 1.84 (0.39)*

Income statement

SEK Million	9 mths jan-sept 2010	9 mths jan-sept 2009
Net sales	3 041,3	3 004,6
Goods for resale	-1 622,8	-1 602,9
Gross profit	1 418,5	1 401,7
Other income	22,8	47,0
External costs	-693,3	-714,3
Personnel costs	-499,8	-580,6
Depreciation/amorization	-44,2	-54,6
Other costs	-14,5	-23,4
Operating result	189,5	75,8
Financial income	3,1	5,0
Financial costs	-22,5	-44,7
Net financial items	-19,4	-39,7
Profit before tax	170,1	36,1
Tax on profit for the period	-47,6	-9,6
Profit for the period	122,5	26,5
Result per share before dilution	1,84	0,39

Cash flow

Januari-September 2010

SEK Million	9 mths jan - sept 2010	9 mths jan - sept 2009
Cash flow from operating act. before changes in working capital	218,0	19,1
Changes in working capital	-76,6	356,9
Cash flow from operating activities	141,4	376,0
Investing activities	-41,7	-41,9
Cash flow after investing activities	99,7	334,1
Financial activities	-112,9	-461,2
Cash flow for the period	-13,2	-127,1

Stock

❑ Amounted to SEK 1 623 (1 849) million per 30 september 2010

— Goods for resale	SEK 1 424 million (1 714)
— Raw materials, good in transit etc	SEK 199 million (135)
— Provision for obsolete goods	SEK 70 million (80)

Stock per 30 september to low in certain segments.

Improvements are made but is expected to be better during the coming quarters.

Financial highlights – summary

	1 jan - 30 sept 2010	1 jan - 30 sept 2009	1 jan - 31 dec 2009	1 jan - 31 dec 2008
Sales growth %	1,2	-11,0	-11,2	9,8
Number of employees	2 174	2 241	2 203	2 562
Gross margin %	46,6	46,7	46,5	48,5
Operating margin bef. depreciation %	7,7	4,3	5,9	9,4
Operating margin %	6,2	2,5	4,2	8,0
Profit margin %	5,6	1,2	3,1	5,1
Return on equity %	9,2	2,0	4,9	9,2
Return on capital employed %	7,2	2,5	4,3	9,0
Equity ratio %	42,4	36,7	41,0	34,1
Net debt %	87,9	127,0	96,3	140,5
Net debt SEK Million	1 594,1	2 171,6	1 740,8	2 576,3
Stock turnover - times	1,3	1,1	1,1	1,2
Cash flow bef investments SEK Million	141,4	376,0	806,3	-268,0
Net investments SEK Million	-41,7	-41,9	-23,0	-65,2
Cash flow after investments SEK Million	99,7	334,1	783,3	-333,2
Equity per share SEK	27,34	25,77	27,24	27,64

Outlook for 2010-2012

- 2010
 - We expect profit growth and a higher turnover than 2009
 - Positive cash-flow
- 2011-2012
 - Sales and earnings growth. Better focus on cash flow than previous years.

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!