



NewWave
G R O U P

Presentation
10 february

Year End Report
Jan - dec
2010

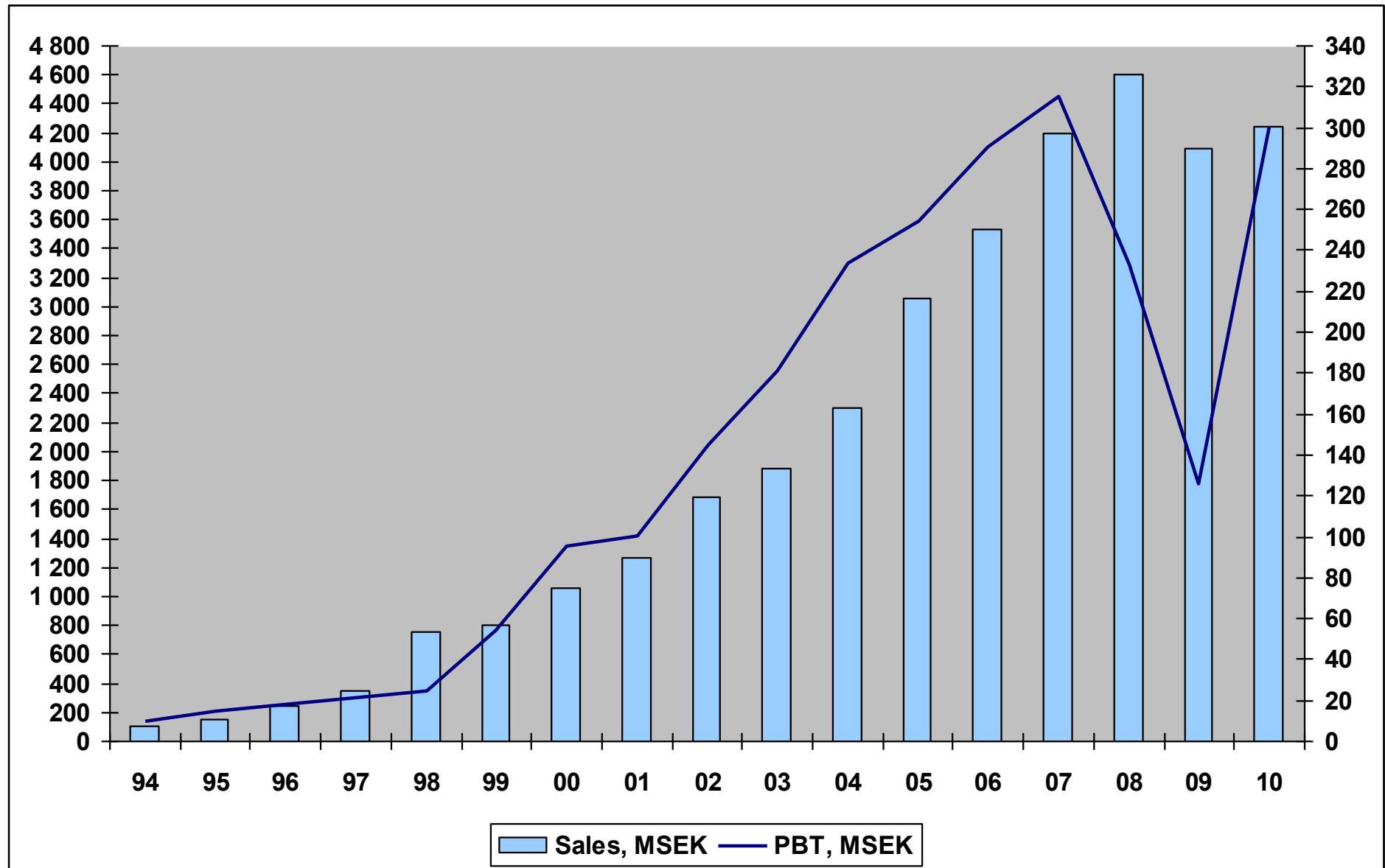
This is New Wave Group

- 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

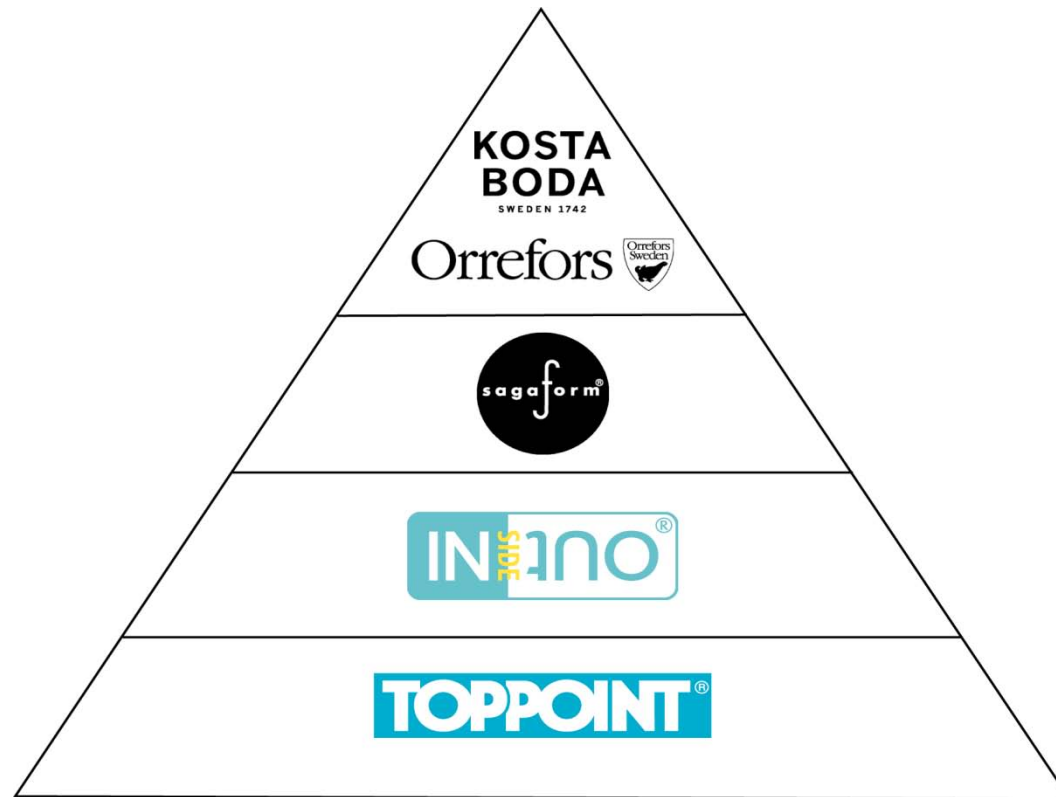
Classic

Sports

Volume



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.



Skina
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

Gifts and home interior

Orrefors JERNVERK
SWEDEN 1726

Gifts and home interior



Gifts and home interior

DJ Frantextil

Gifts and home interior

Orrefors 

Glass and crystal

**KOSTA
BODA**
SWEDEN 1742

Art glass

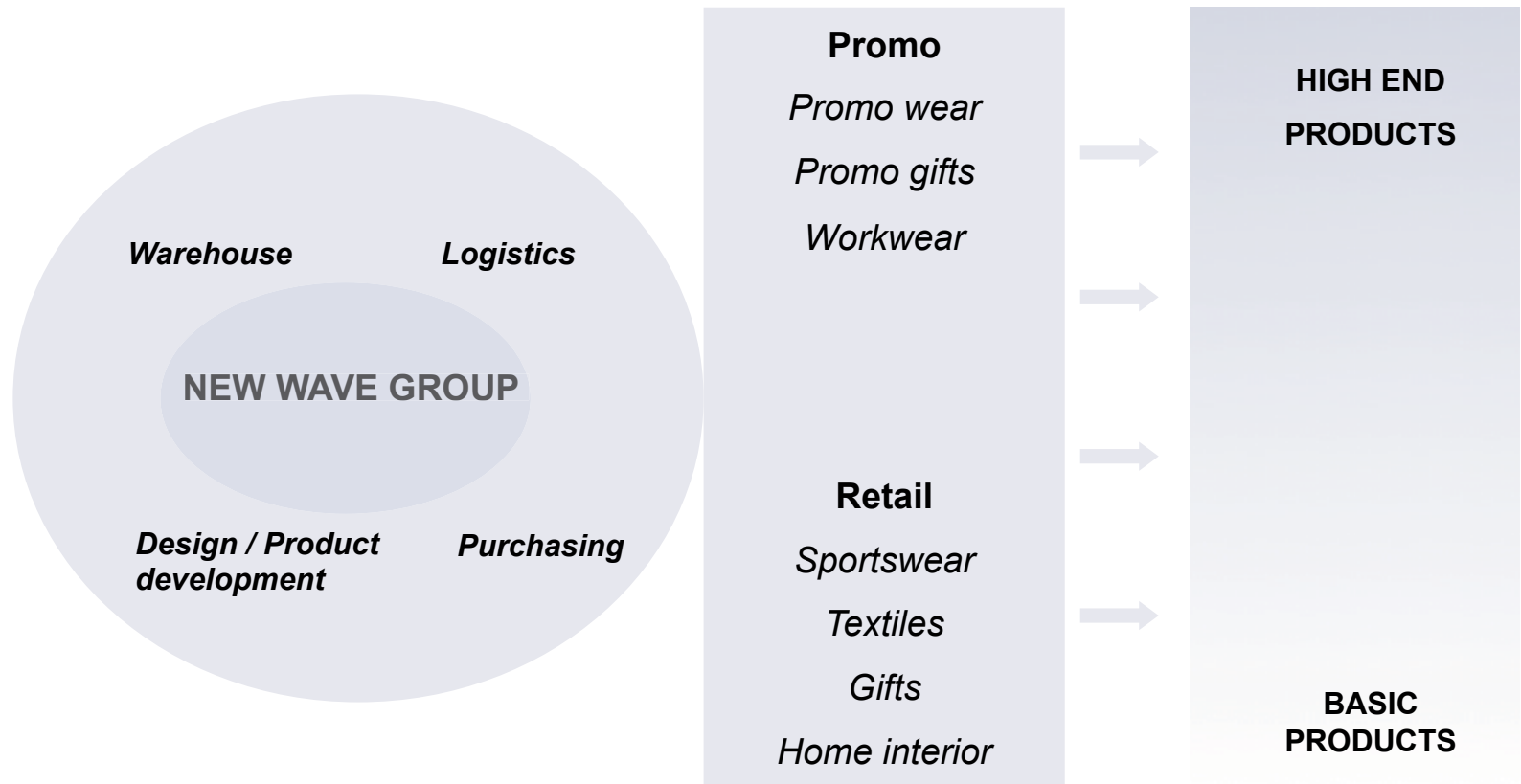


Glass

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



October - December 2010

- ❑ Sales amounted to SEK 1 202 million, which was 17% higher than previous year in local currencies and 11% higher in SEK (SEK 1 002 million).
- ❑ Operational profit amounted to SEK 138.1 (96.6) million
- ❑ Profit after tax SEK 99.0 (61.3) million
- ❑ Cash flow from operations amounted to SEK 202 (430) million
- ❑ Equity ratio increased to 44.8 (41.0) %
- ❑ Net debt to equity ratio decreased to 72.8 (96.3) %

Comments October-December 2010

❑ Sales 11%, SEK 1 202 (1 082) million

- Sales in local currencies +17% (currency effect SEK -65 million or -6%)
- Sport & Leisure strong growth, but also improvement within Promo.
- All our geographical regions are showing growth (local currency).
- Both sales channels (Promo/Retail) are showing growth

❑ Business areas

- Promo +10% to SEK 556 (503) million
 - Nordic region, USA and South Europe.
- Sport & Leisure +20% to SEK 416 (347) million
 - Craft has a good growth.
 - Cutter & Buck is increasing in both sales channels.
- Gifts & Homeinterior -1% to SEK 231 (232) million
 - Kosta Boda Art Hotel
 - Exportmarkets weak

Sales per region

	OCT-DEC 2010	Part of turnover	OCT-DEC 2009	Part of turnover	Change MKR	%
Sweden	404	34%	351	32%	53	15
USA	196	16%	162	15%	34	21
Nordic countries excl Sweden	161	14%	147	14%	14	10
Central Europe	243	20%	235	22%	8	3
South Europe	158	13%	146	14%	12	8
Other countries	40	3%	41	4%	-1	-2
Total	1 202	100%	1 082	100%	120	11

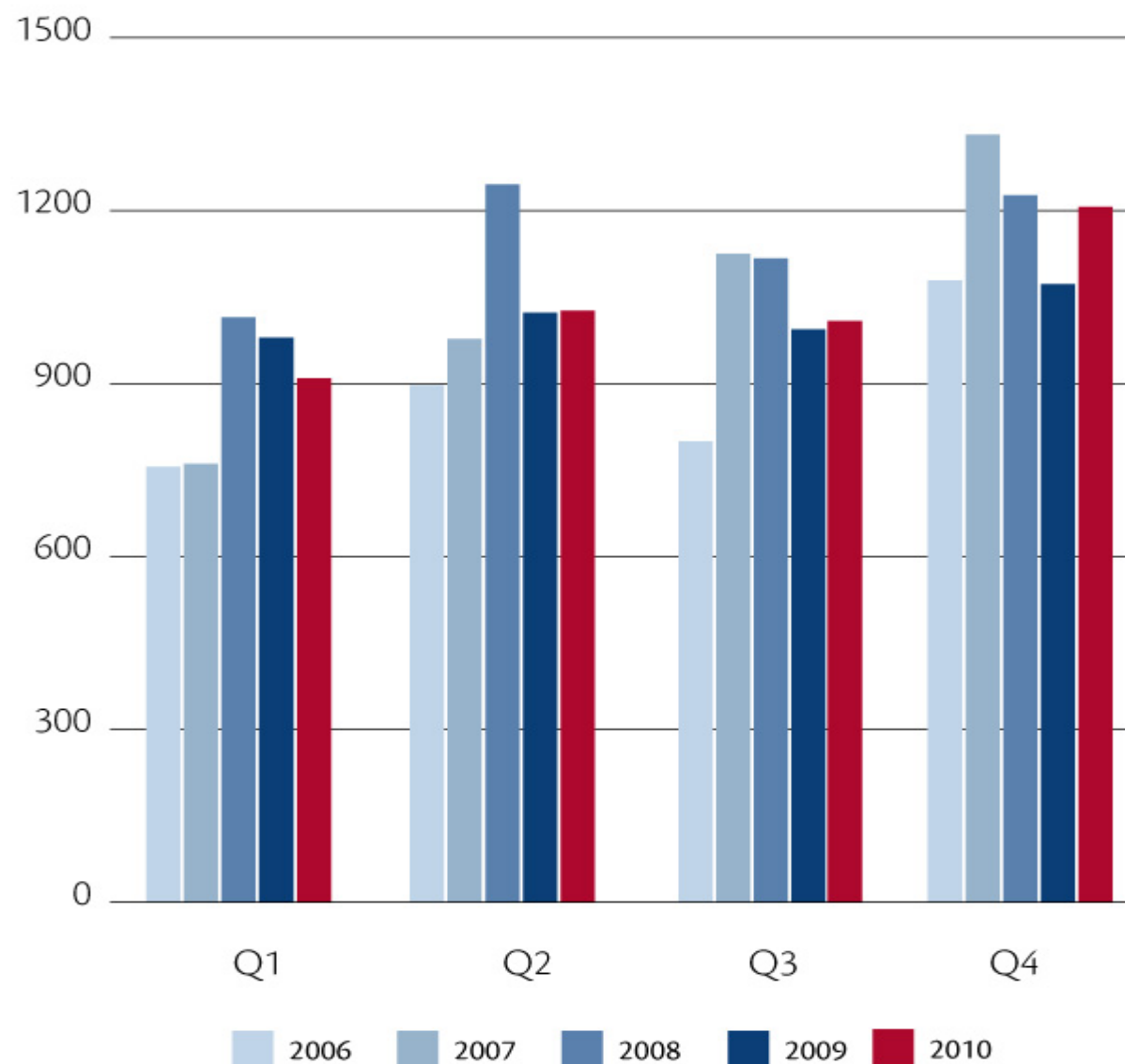
Comments October-December 2010

- ❑ Operating margin 11.5 (8.9) %
- ❑ Profit margin 10.8 (8.3) %
- ❑ Profit after tax improved with SEK 37.7 million and amounted to SEK 99.0 (61.3) million
 - *Earnings per share SEK 1.47 (0.90)*

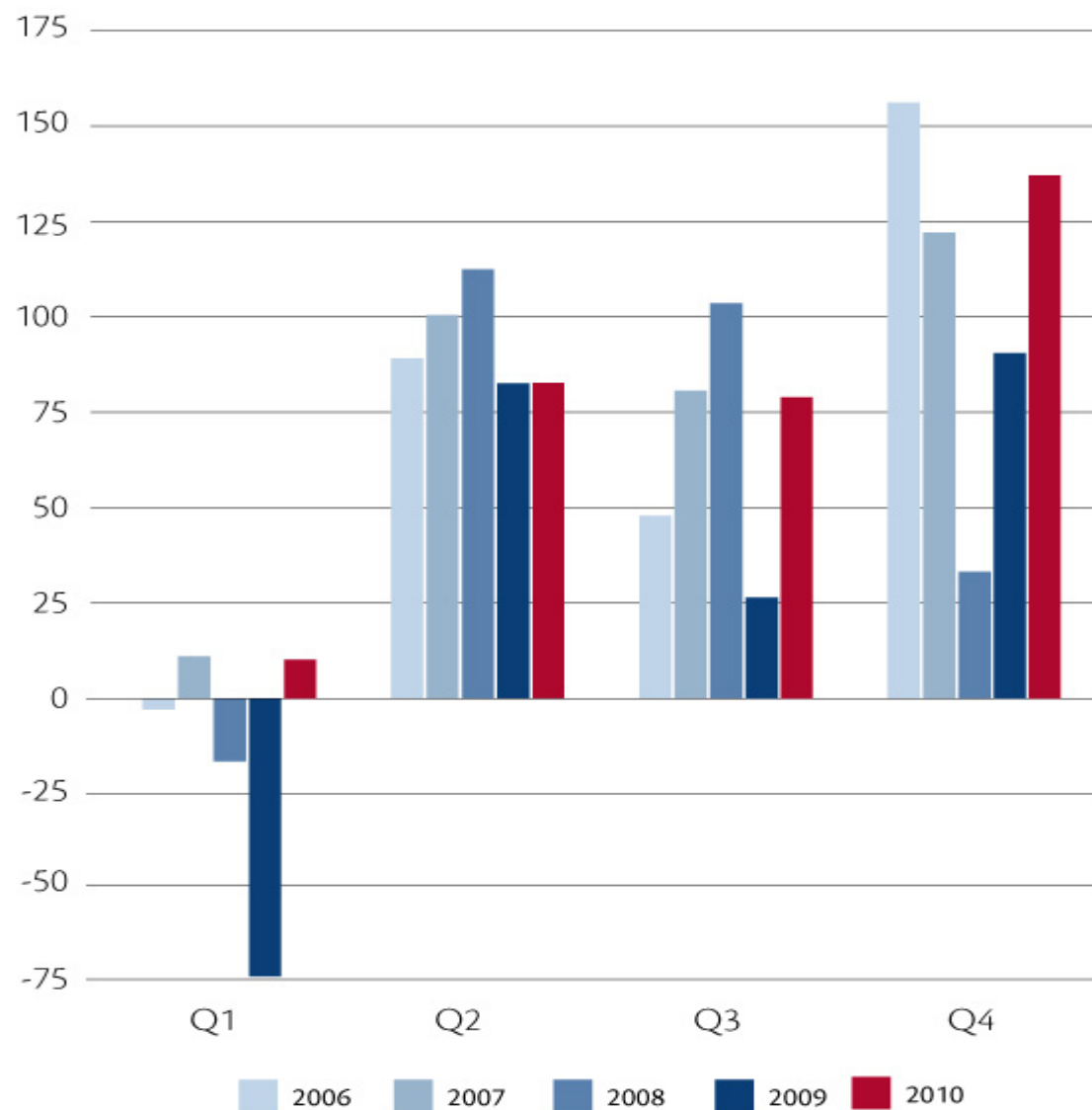
Income statement

SEK Million	3 mths oct-dec 2010	3 mths oct-dec 2009
Net sales	1 202,1	1 082,4
Goods for resale	-620,7	-582,4
Gross profit	581,4	500,0
Other operating income	9,4	21,9
External costs	-252,9	-234,8
Personnel costs	-179,4	-170,9
Depreciation/amorization	-14,2	-16,0
Other operating costs	-6,2	-3,6
Operating result	138,1	96,6
Financial income	2,0	1,2
Financial costs	-9,9	-7,7
Net financial items	-7,9	-6,5
Profit before tax	130,2	90,1
Tax on profit for the period	-31,2	-28,8
Profit for the period	99,0	61,3
Earnings per share before dilution	1,47	0,90

Sales (in SEK million)



Profit before tax, SEK million



Cash flow

October-December 2010

SEK Million	3 mths oct-dec 2010	3 mths oct-dec 2009
Cash flow from operating act. before changes in working capital	124,2	71,4
Changes in working capital	78,0	358,9
Cash flow from operating activities	202,2	430,3
Investing activities	-15,9	18,9
Cash flow after investing activities	186,3	449,2
Financial activities	-128,3	-423,6
Cash flow for the period	58,0	25,6

January - December 2010

- ❑ Sales amounted to SEK 4 243 million, which was 9% higher than previous year in local currencies and +4% in SEK (4 087 million).
- ❑ Operating profit amounted to SEK 327.6 million (172.4)
 - ❑ *Previous year was charged with a net of SEK 43.6 million (restructuring costs deducted with capital gains)*
- ❑ Profit after tax amounted to SEK 221.5 million (87.8)
 - ❑ *Previous year was charged with a net of SEK 31.6 million (restructuring costs deducted with capital gains and tax)*
- ❑ Cash flow from operating activities amounted to SEK 344 million (806)

Comments January-December 2010

❑ Sales +4%, SEK 4 243 million (4 087)

- Sales in local currencies +9% (currency effect SEK -217 million or -6 %)
- Sport & Leisure and Promo has a good development.
- USA, Sweden and Nordic countries are showing growth. Mid-Europe is stable while South Europe is weaker.
- Sales channel Promo has continuously improved its sales during the year and has growth. Sales channel Retail has a stable development throughout the year.

❑ Business areas

- Promo +1% to SEK 1 819 million (1 805)
 - USA, Sweden and Norway has growth. Mid-Europe stable/small growth while South Europe is weak.
- Sport & Leisure +7% SEK 1 703 million (1 587)
 - Growth in Cutter & Buck. Both sales channels have growth
 - Craft increase in most countries (but decrease in Denmark)
 - Seger has good growth
- Gifts & Home Interior +4% to SEK 722 million (695)
 - Kosta Boda Art Hotel
 - Orrefors Kosta Bodas export markets weak

Sales per region

	JAN-DEC 2010	Part of turnover	JAN-DEC 2010	Part of turnover	Change MSEK	%
Sweden	1 288	30%	1 215	30%	73	6
USA	893	21%	789	19%	104	13
Nordic countries	651	15%	625	15%	26	4
Central Europe	798	19%	804	20%	-6	-1
South Europe	468	11%	502	12%	-34	-7
Other countries	145	4%	152	4%	-7	-5
Total	4 243	100%	4 087	100%	156	4

Comments Januari-December 2010

❑ Operating margin 7.7 (4.2) %

- *Previous year was charged with a net of SEK 43.6 million (restructuring costs deducted with capital gains)*

❑ Profit margin 7.1 (3.1) %

- *Previous year was charged with a net of SEK 43.6 million (restructuring costs deducted with capital gains)*

❑ Profit after tax amounted to SEK 221.5 million (87.7)

- *Previous year was charged with a net of SEK 31.6 million (one-time items)*
- *Earnings per share SEK 3.31 (1.29)*

Income statement

SEK Million	12 mths jan-dec 2010	12 mths jan-dec 2009
Net sales	4 243,4	4 087,0
Goods for resale	-2 243,5	-2 185,3
Gross profit	1 999,9	1 901,7
Other operating income	32,2	68,9
External costs	-946,2	-949,1
Personnel costs	-679,2	-751,5
Depreciation/amorization	-58,4	-70,6
Other operating costs	-20,7	-27,0
Operating result	327,6	172,4
Financial income	5,1	6,2
Financial costs	-32,4	-52,4
Net financial items	-27,3	-46,2
Profit before tax	300,3	126,2
Tax on profit for the period	-78,8	-38,4
Profit for the period	221,5	87,8
Result per share before dilution	3,31	1,29

Cash flow

Januari-December 2010

SEK Million	12 mths ian - dec 2010	12 mths ian - dec 2009
Cash flow from operating act. before changes in working capital	342,2	138,9
Changes in working capital	1,4	667,4
Cash flow from operating activities	343,6	806,3
Investing activities	-57,6	-23,0
Cash flow after investing activities	286,0	783,3
Financial activities	-241,2	-884,8
Cash flow for the period	44,8	-101,5

Stock

□ Amounted to SEK 1 595 (1 625) million per 31 december 2010

— Goods for resale	SEK 1 388 million (1 473)
— Raw materials, good in transit etc	SEK 207 million (152)
— Provision for obsolete goods	SEK 61 million (74)

Stock per 31 december to low in certain segments within the promo stock.

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

Financial highlights – summary

	12 mths jan - dec 2010	12 mths jan - dec 2009	12 mths jan - dec 2008	12 mths jan - dec 2007
Sales growth %	3,8	-11,2	9,8	18,8
Number of employees	2 196	2 203	2 562	2 350
Gross margin %	47,1	46,5	48,5	47,6
Operating margin bef. depreciation %	9,1	5,9	9,4	11,0
Operating margin %	7,7	4,2	8,0	9,7
Profit margin %	7,1	3,1	5,1	7,5
Return on equity %	12,1	4,9	9,2	17,1
Return on capital employed %	9,4	4,3	9,0	12,8
Equity ratio %	44,8	41,0	34,1	29,9
Net debt %	72,8	96,3	140,5	163,9
Net debt SEK Million	1 406,6	1 740,8	2 576,3	2 357,0
Stock turnover - times	1,4	1,1	1,2	1,3
Cash flow bef investments SEK Million	343,6	806,3	-268,0	83,0
Net investments SEK Million	-57,6	-23,0	-65,2	-1 165,7
Cash flow after investments SEK Million	286,0	783,3	-333,2	-1 082,7
Equity per share SEK	29,14	27,24	27,64	21,68

Outlook for 2011-2014

- 2011 – We expect profit growth and a higher turnover than 2010
- 2012-2014 – 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!