



*NewWave*  
G R O U P

Presentation  
27 april

Interim report  
Jan - mar  
2011

# 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**.

# Historical development



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# 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.

# Corporate promo

- Promowear
- Promotional gifts
- 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

Expansion through:

- Acquisitions
- Geographical expansion of existing concepts/brands
- New countries

# 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



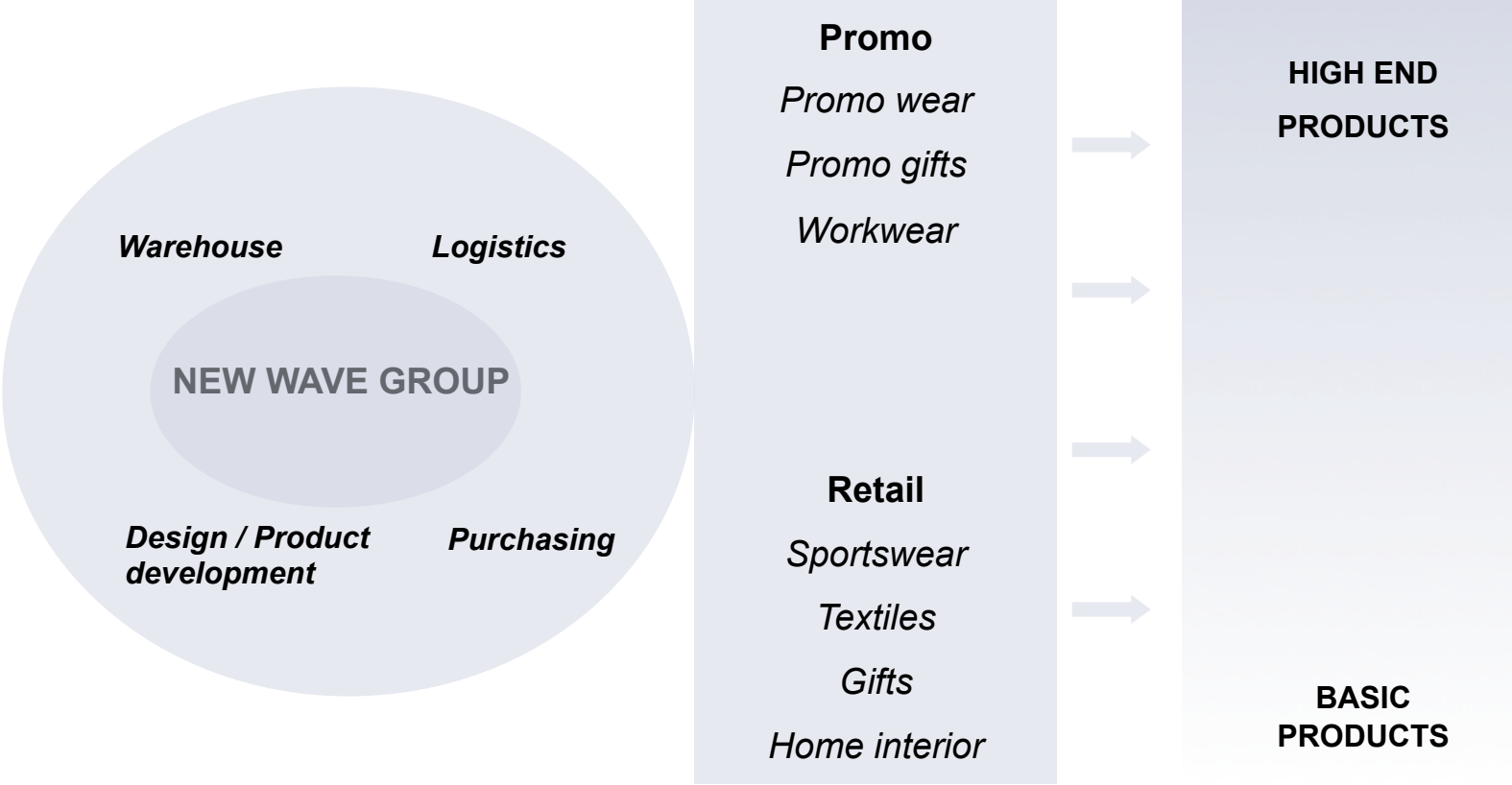
# Vision – Retail

- 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 .

## Expansion;

- Sports & Leisure: acquisitions and geographical expansion
- Gifts & Home Interior: No expansion before an acceptable profitability is reached – a reduction if necessary.

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



# January - March 2011

- ❑ Sales amounted to SEK 928 million, which was 8% higher than previous year in local currencies and 1% higher in SEK (SEK 915 million).
- ❑ Operational profit amounted to SEK 17.7 (16.9) million
- ❑ Profit after tax SEK 5.7 (7.6) million
- ❑ Cash flow from operations amounted to SEK -142.6 (65.4) million
- ❑ Equity ratio increased to 44.0 (41.5) %
- ❑ Net debt to equity ratio decreased to 81.1 (93.8) %

# Comments January-March 2011

## □ Sales 1%, SEK 928 (915) million

- Sales in local currencies +8% (currency effect SEK -62 million or -7%)
- Promo improved, but also Sport & Leisure. Gifts & Home Interior weak.
- All our geographical regions are showing growth (local currency).
- Saleschannel promo is showing good growth while retail is weaker

## □ Business areas

- Promo +3% to SEK 411 (398) million
  - Improved promomarket in most of our countries.
- Sport & Leisure +2% to SEK 389 (380) million
  - Craft has a good growth, especially within sales channel promo.
  - Cutter & Buck is increasing in both sales channels.
- Gifts & Home Interior -7% to SEK 128 (137) million
  - Kosta Boda Art Hotel
  - Orrefors Kosta Boda, saleschannel retail in Sweden.

# Sales per region

	<b>JAN-MAR 2011</b>	<b>Part of turnover</b>	<b>JAN-MAR 2010</b>	<b>Part of turnover</b>	<b>Change MSEK</b>	<b>%</b>
Sweden	272	29%	263	29%	9	3
USA	171	19%	171	18%	0	0
Nordic countries	151	16%	145	16%	6	4
Central Europe	197	21%	199	22%	-2	-1
South Europe	103	11%	102	11%	1	1
Other countries	34	4%	35	4%	-1	-3
<b>Total</b>	<b>928</b>	<b>100%</b>	<b>915</b>	<b>100%</b>	<b>13</b>	<b>1</b>

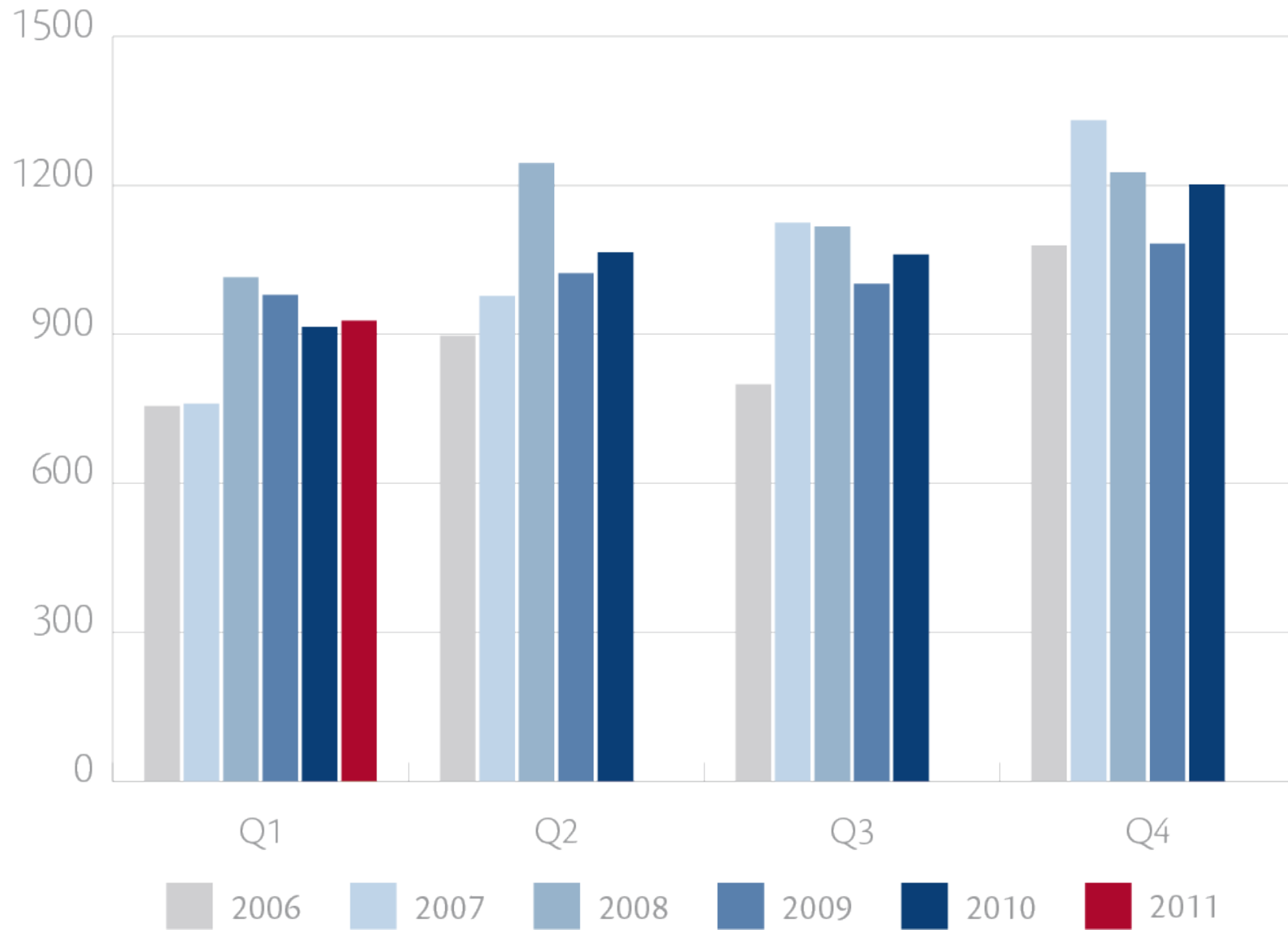
# Comments January-March 2011

- ❑ **Operating margin 1.9 (1.9) %**
  
- ❑ **Profit margin 0.8 (1.1) %**
  
- ❑ **Profit after tax SEK 5.7 ( 7.6 ) million**
  - *Earnings per share SEK 0.08 (0.11)*

# Income statement

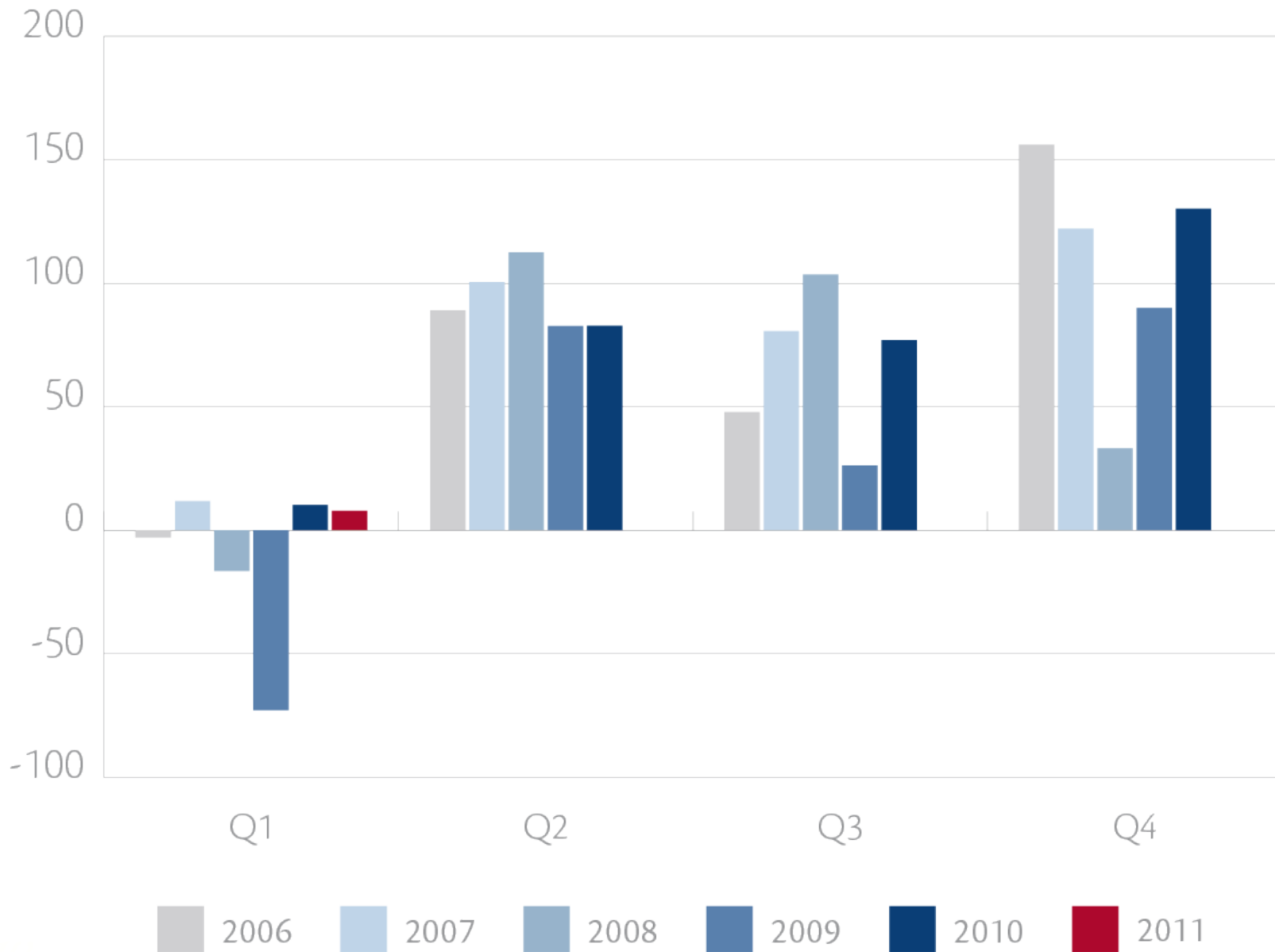
<b>SEK Million</b>	<b>3 mths jan-mar 2011</b>	<b>3 mths jan-mar 2010</b>
Net sales	927.6	915.3
Goods for resale	-493.9	-477.9
<b>Gross profit</b>	<b>433.7</b>	<b>437.4</b>
Other operating income	12.6	5.1
External costs	-241.5	-240.4
Personnel costs	-168.2	-167,0
Depreciation/amorization	-11.1	-14.9
Other operating costs	-7.8	-3.3
<b>Operating result</b>	<b>17.7</b>	<b>16.9</b>
Financial income	1.6	1,0
Financial costs	-11.5	-7.6
<b>Net financial items</b>	<b>-9.9</b>	<b>-6.6</b>
<b>Profit before tax</b>	<b>7.8</b>	<b>10.3</b>
Tax on profit for the period	-2.1	-2.7
<b>Profit for the period</b>	<b>5.7</b>	<b>7.6</b>
Earnings per share before dilution	0.08	0.11

# Net sales





# Profit before tax



# Cash flow

# January-March 2011

SEK Million	3 mths jan-mar 2011	3 mths jan-mar 2010
Cash flow from operating act. before changes in working capital	-22.6	20.1
Changes in working capital	-120,0	45.3
<b>Cash flow from operating activities</b>	<b>-142.6</b>	<b>65.4</b>
Investing activitites	-27.1	-16,0
<b>Cash flow after investing activities</b>	<b>-169.7</b>	<b>49.4</b>
Financial activities	137.7	-57,0
<b>Cash flow for the period</b>	<b>-32.0</b>	<b>7.6</b>

# Stock

□ **Amounted to SEK 1 687 (1 587) million per 31 March 2011**

— Goods for resale	SEK 1 501 million (1 420)
— Raw materials, good in transit etc	SEK 186 million (167)
— Provision for obsolete goods	SEK 64 million (67)

Stock is now on the expected level and the supply situation is becoming better.

# Financial highlights – summary

	3 mths jan - mar 2011	3 mths jan - mar 2010	12 mths jan - dec 2010	12 mths jan - dec 2009
Sales growth %	1.3	-6.6	3.8	-11.2
Number of employees	2 181	2 140	2 196	2 203
Gross margin %	46.8	47.8	47.1	46.5
Operating margin bef. depreciation %	3.1	3.5	9.1	5.9
Operating margin %	1.9	1.9	7.7	4.2
Profit margin %	0.8	1.1	7.1	3.1
Return on equity %	1.6	1.7	12.1	4.9
Return on capital employed %	2,0	2,0	9.4	4.3
Equity ratio %	44,0	41.5	44.8	41,0
Net debt %	81.1	93.8	72.8	96.3
Net debt SEK Million	1 527.5	1 676.2	1 406.6	1 740.8
Stock turnover - times	1.2	1.2	1.4	1.1
Cash flow bef investments SEK Million	-142.6	65.4	343.6	806.3
Net investments SEK Million	-27.1	-16,0	-57.6	-23,0
Cash flow after investments SEK Million	-169.7	49.4	286,0	783.3
Equity per share SEK	28.41	26.93	29.14	27.24

# 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!