



NewWave

G R O U P

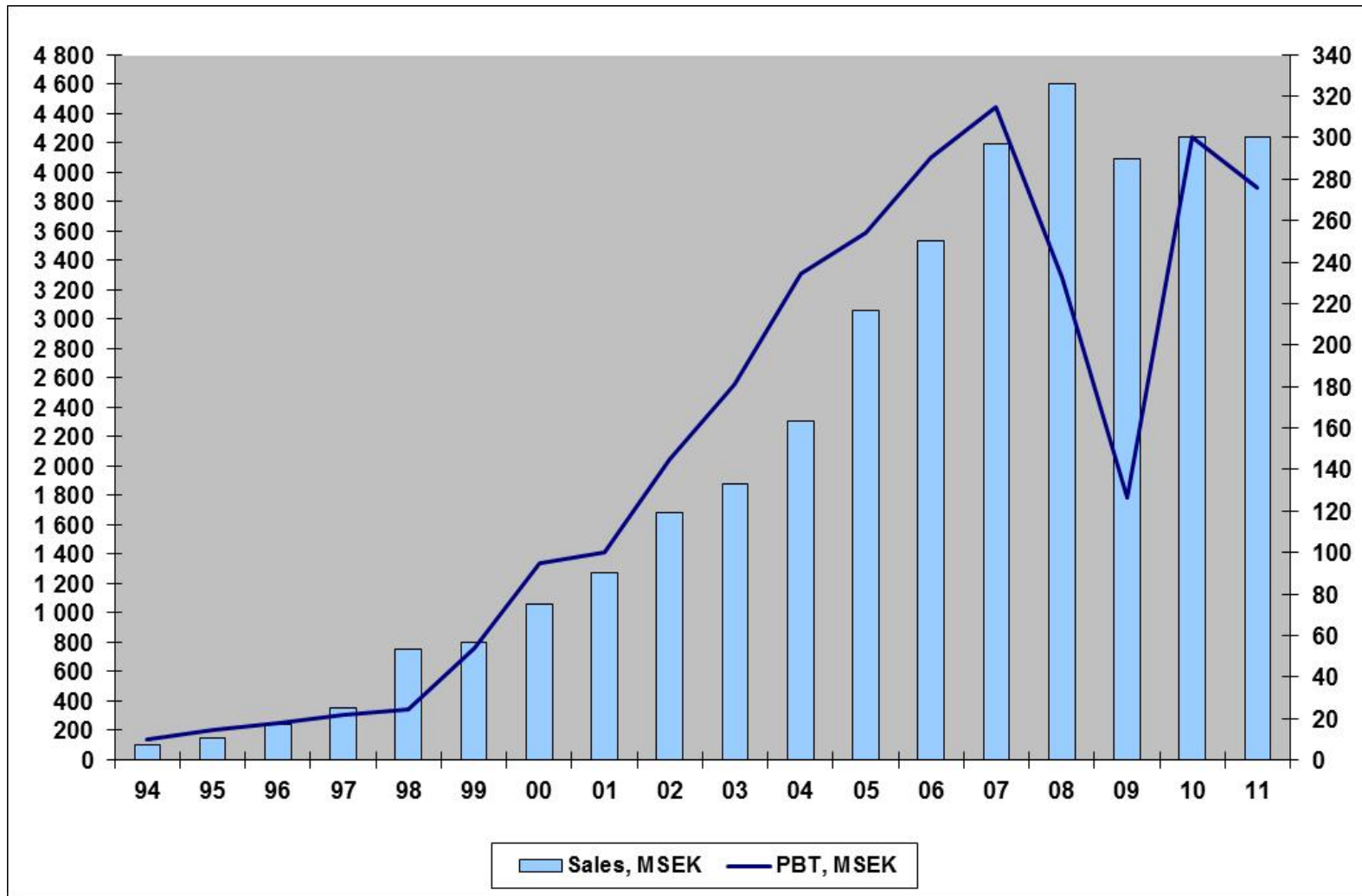
Interim report January-March 2012

This is New Wave Group

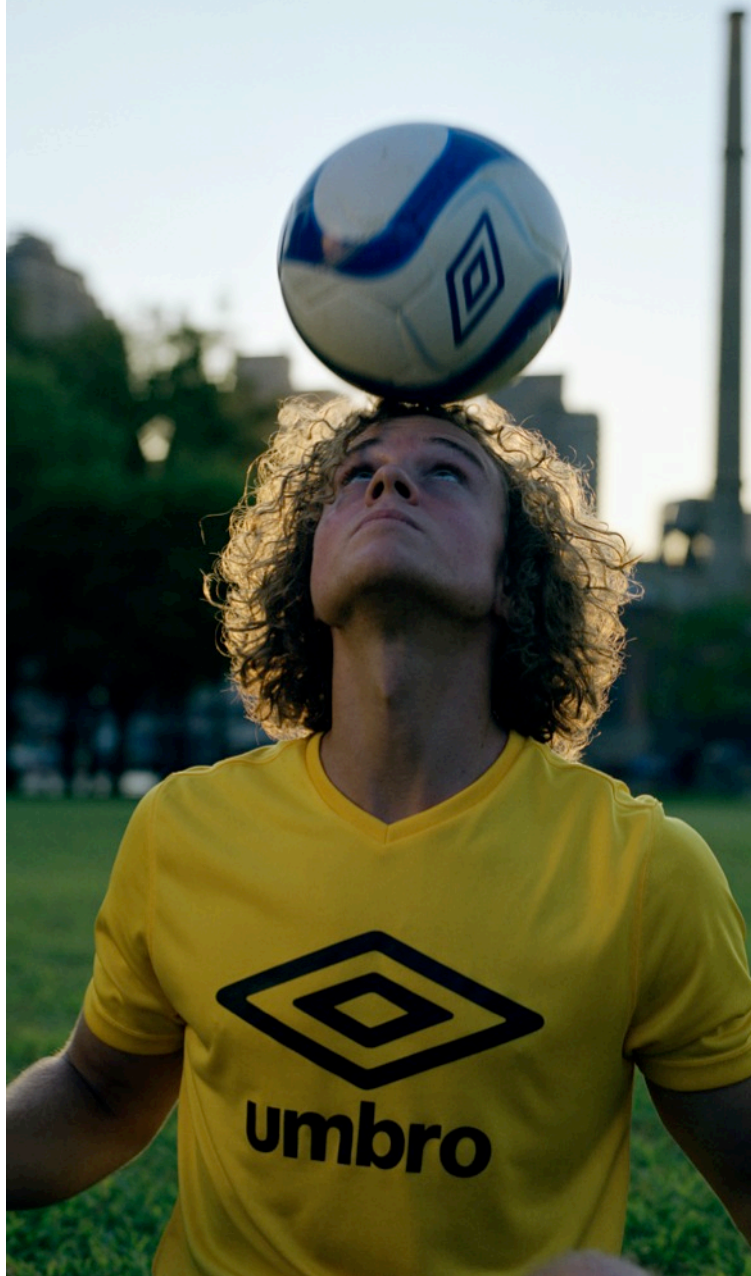


- ★ New Wave Group is a **growth company**. We **design, acquire** and **develop brands** and **products** in the **corporate promotion, gifts** and **home furnishings** sectors.
- ★ Our three operating segments are: **Corporate Promo**; promowear, promotional gifts and workwear, **Sports & Leisure** and **Gifts & Home Furnishings**.
- ★ We are active in two sales channels; the **promo market** and the **retail market**. By being active in both markets the Group achieves **good risk diversification**. We also achieve great **synergy advantages** since major parts of our product range can be used in both sales channels.
- ★ New Wave Group's strengths are **design, purchasing, logistics** and **marketing** of our brands.
- ★ The products are mainly produced in Asia and to a certain, lesser extent in Europe.
- ★ New Wave Group has since the start had **strong growth** and **good margins**.

Historical development



British football brand Umbro is one of New Wave Group's four licensed brands.



Our brands

Corporate Promo



Sport & Leisure



Gifts & Home Furnishings



Operating segments and markets

New Wave Group distributes more than 40 different brands, 4 of which are licensed brands. The rest are fully owned.

Each brand is categorised according to which of our three operating segments it belongs to; Corporate Promo, Sports & Leisure or Gifts & Home Furnishings.

The brands are distributed in both the promo market and the retail market to achieve good risk diversification.

New Wave Group covers all three corporate promo segments; promowear, promotional gifts and workwear.



Corporate Promo

Corporate Promo is New Wave Group's largest operating segment and it is divided into three additional segments; promowear, promotional gifts and workwear.

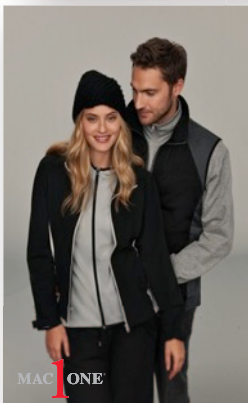
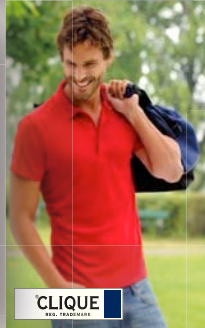
The segment's domestic market is the Nordic countries which also answer for most of the sales at 43% in 2011.

The brands in the Corporate Promo operating segment are sold primarily in the promo sales channel, but some brands are sold in the retail sales channel as well.

Corporate Promo promowear

New Wave Group offers clothes adapted for printing and embroidery which, in addition to price and quality, also cover all application areas and sizes – from favourably priced basic garments to detailed garments made of exclusive textiles, leisure, work and sports clothes, clothes in classic and trend colours, in sizes from XS to XXXL.

- ★ *Harvest* promowear to create team-spirit
- ★ *Jingham* basic high-volume garments in classic company colours
- ★ *Clique* high-quality basic garments and accessories in a wide range of colours and sizes
- ★ *New Wave* exclusive and refined promowear
- ★ *Printer* simple designs at great prices
- ★ *Grizzly* good quality sporty promowear for active people
- ★ *Texas Bull* basic garments perfect for large-volume activities
- ★ *Mac One* wide range of classic garments for internal and external corporate marketing
- ★ *D.A.D* maritime promowear for ambitious companies
- ★ *Hurricane* strong basic textiles



Corporate Promo promotional gifts

The promotional gifts concept is broad and the segment covers a multitude of products and price classes.

New Wave Group can offer everything from pens, USB flash drives and digital picture frames to handbags, bed linen and towels.

★ *Lord Nelson*

classic high-quality bed, bath and kitchen textiles

★ *Queen Anne*

bed, bath and home furnishing products at great value for money

★ *Wilson Staff*

reasonably priced high-performance golf balls suitable for profiling (licensed brand)

★ *Toppoint*

giveaways such as pens and USB drives used to enhance corporate identity

★ *Nightingale*

textile products at unbeatable prices

★ *Cottover*

high-quality terry and fleece promo products

★ *Philips*

a selection of Philips products available in the promo market (licensed brand)

★ *d-vice*

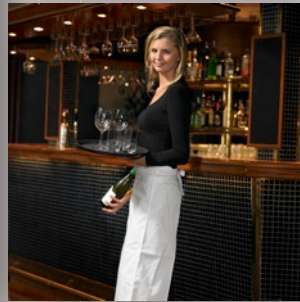
innovative latest technology gadgets and devices

★ *Lord Nelson*

top of the line bed and bath textiles



There is a vast need for personal protection in some work areas. In Sweden, the issue is intensely promoted by trade unions.



JOBMAN
WORKWEAR

PROJOB

Corporate Promo workwear

New Wave Group can offer workwear for such professional categories as construction and installation, painters and plasterers, transport and service, and hotel and restaurant.

The collection is all-inclusive, ranging from underwear to outer garments for all seasons and weather conditions, retro-reflexive clothing, shoes, gloves, carrying systems and accessories.

All garments and products are ergonomic and durable and come in sizes for both women and men.

- ★ **Jobman** workwear for construction workers, painters and transport businesses
- ★ **ProJob** complete workwear line, including safety shoes, high-visibility clothing and flame retardant garments

Maritime promowear brand DAD Sportswear is the proud sponsor of 65 feet long Celeste of Solent Farr65r. The race is on!



Corporate Promo vision

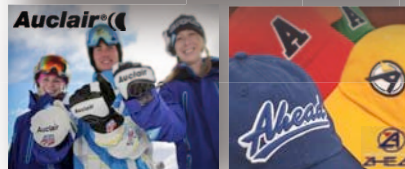
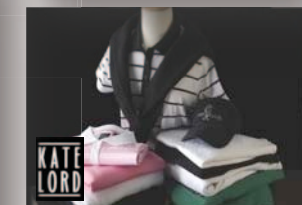
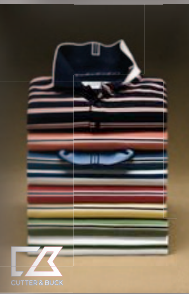
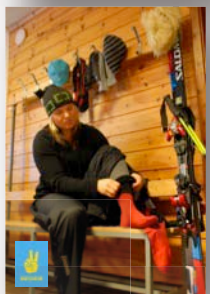
The vision for the Corporate Promo operating segment is to become the leading supplier in Europe and one of the leading suppliers in the USA of promotional products by offering retailers a broad product range, strong brands, advanced expertise and service, and a superior all-inclusive concept.

Sports & Leisure

Sports & Leisure consists of 14 different brands. Two licensed brands – Speedo and Umbro – are sold alongside the company's own brands.

Sports & Leisure answered for 41% of the Group's sales in 2011.

Most of the sales relate to the retail market (sports retail sector) but some sales also stem from the promo market.



★ *Speedo*

world-leading competition swimwear (licensed brand)

★ *Clique Retail*

basic garments for active people

★ *Umbro*

ground-breaking iconic football gear (licensed brand)

★ *Craft*

top of the line x-country, running, cycling and alpine skiing sportswear

★ *Seger*

technically knitted socks and hats

★ *Cutter & Buck*

impeccable classic golf wear

★ *ANNIKA*

Cutter & Buck's exclusive golf wear collection designed for Annika Sörenstam

★ *Sköna Marie*

high-quality comfortable women's shoes

★ *Kate Lord*

sophisticated and fun women's golf wear

★ *Auclair*

one of Canada's largest suppliers of gloves for men, women and children

★ *AHEAD*

golf caps, men's golf wear and accessories

★ *PAX*

top quality children's shoes

★ *Paris Glove*

gloves for men, women and children

★ *Laurentide*

work gloves, protective gloves, protective clothing and rain gear

Technically knitted Seger hats worn by Swedish professional alpine skiers Jessica Lindell Vikarby and Maria Pietilä-Holmner.



Sports & Leisure vision

The vision for the Sports & Leisure operating segment involves establishing the wholly owned brands Craft and Seger as international functional sportswear brands, and making Cutter & Buck a world-leading golf apparel brand.

The vision also entails strengthening Umbro in the Swedish market and Speedo also in the Norwegian and Danish markets.

With regards to our most recent acquisitions, we want to launch AHEAD in Europe and in time achieve the same market position as in the USA. The brand Auclair should take a leading position in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada.

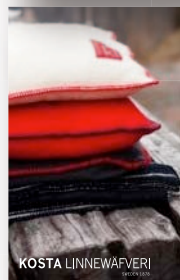
All in all, we want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA.

Gifts & Home Furnishings

The Gifts & Home Furnishings operating segment includes 9 strong brands. In total, the segment's brands are established in 15 countries.

Gifts & Home Furnishings was responsible for 16% of the Group's sales figures in 2011.

While the brands are mainly sold in the retail market, some sales also occur in the promo market.



★Kosta Boda

handmade glass in bold shapes and striking colours

★SEA Glasbruk

colourful and functional glass for everyday use

★Joyful Giftcard

select your own gift

★Kosta Förlag

publishing house

★Orrefors

classic and elegant handmade glass

★Sagaform

joyful and innovative gifts

★Kosta Linnewärfveri

home textiles for the design-conscious

★Orrefors Jernverk

Swedish designed kitchenware

★Kosta Outlet

20 000 m² shopping

★Kosta Boda Art Hotel

glass hotel, spa and conference centre

★Linnéa Art Rest.

gourmet restaurant led by chef Edin Dzemat

Joyful and innovative gifts from Sagaform, here represented by 'Happy Days' by Matz Borgström.



Gifts & Home Furnishings vision

The vision for the Gifts & Home Furnishings operating segment area is to make Orrefors and Kosta Boda world-leading glass and crystal suppliers.

Part of the vision also involves utilising innovative and playful design to make Sagaform a prominent player in Northern Europe in both the promo and retail markets.

The Group's ambition is to become a prominent supplier in the North American promo market through its presence in the USA and Canada.

*Limited edition art glass designed by Kjell Engman
and hand-made by Orrefors Kosta Boda's highly
skilled craftsmen.*



Financial information

The atrium at Kosta Boda Art Hotel. Chandelier by glass designer Anna Ehrner and Kosta Boda glassworks.



January-March 2012

- ★ Sales amounted to SEK 975 million (SEK 928 million), +5%, of which acquired units contributed with SEK 64 million (7%).
- ★ Operating result amounted to SEK 2.6 million (SEK 17.7 million) of which acquired units contributed with SEK -9.2 million (seasonal).
- ★ Result after tax amounted to SEK -8.2 million (SEK 5.7 million) of which acquired units contributed with SEK -7.2 million.
- ★ Cash flow from operating activities improved by SEK 187.6 million and amounted to SEK 45.0 million (SEK -142.6 million)

Canadian freestyle skier Kristi Richards in mid air wearing Auclair gloves, the latest addition to the Group.



January-March 2012

★ Sales +5%, SEK 975 million (SEK 928 million)

- ★ Sales in local currencies +4%.
- ★ Acquired units contributed with SEK 64 million (7%)
- ★ Corporate Promo -7%, Sport & Leisure (excl acquisitions) +3%. Gifts & Home Furnishings in line with prior year.
- ★ USA and Central Europe growth, decrease in Sweden and Southern Europe.
- ★ Sales channel promo decreased while retail increased.

★ Operating segment

- ★ Corporate Promo -7% to SEK 383 million (SEK 411 million)
 - Decrease in the Nordic countries and Southern Europe.
- ★ Sport & Leisure +20% to SEK 465 million (SEK 389 million)
 - Ahead & Paris contributed with SEK 64 million (16%)
 - Craft, Seger affected by mild winter
 - Cutter & Buck has growth, especially in retail
- ★ Gifts & Home -1% to SEK 127 million (SEK 128 million)
 - Sagaform has growth
 - Orrefors Kosta Boda decrease on export markets

January-March 2012

Net sales per region

	JAN-MAR 2012	Part of turnover	JAN-MAR 2011	Part of turnover	Change in SEK million	%
Sweden	244	25%	272	29%	-28	-10
USA	244	25%	171	19%	73	43
Nordic countries (excl. Sweden)	147	15%	151	16%	-4	-3
Central Europe	199	20%	197	21%	2	1
Southern Europe	92	10%	103	11%	-11	-11
Other countries	49	5%	34	4%	15	44
Total	975	100%	928	100%	47	5

*Promowear brand James Harvest Sportswear
helps companies create a winning team-spirit.*



January-March 2011

- ★ **Operating margin amounted to 0.3% (1.9%)**
 - ★ Excluding acquisitions 1.3%

- ★ **Profit margin amounted to -1.2% (0.8%)**
 - ★ Excluding acquisitions -0.1%

- ★ **Result per share amounted to SEK -0.13 (0.08)**
 - ★ Excluding acquisitions SEK -0.02

January-March 2012

Income statement

SEK million	3 months Jan-Mar 2012	3 months Jan-Mar 2011
Income	975.4	927.6
Goods for resale	-531.2	-493.9
Gross profit	444.2	433.7
Other operating income	8.5	12.6
External costs	-247.2	-241.5
Personnel costs	186.3	-168.2
Depreciation/amortization	-11.9	-11.1
Other operating costs	-3.8	-7.9
Associated companies	-0.9	0.1
Operating profit	2.6	17.7
Financial income	1.4	1.6
Financial costs	-15.4	-11.5
Net financial items	-14.0	-9.9
Result before tax	-11.4	7.8
Tax on profit for the period	3.2	-2.1
Result for the period	-8.2	5.7
Result per share before dilution	-0.13	0.08

Château by Kosta Boda – a timeless classic.



January-March 2012

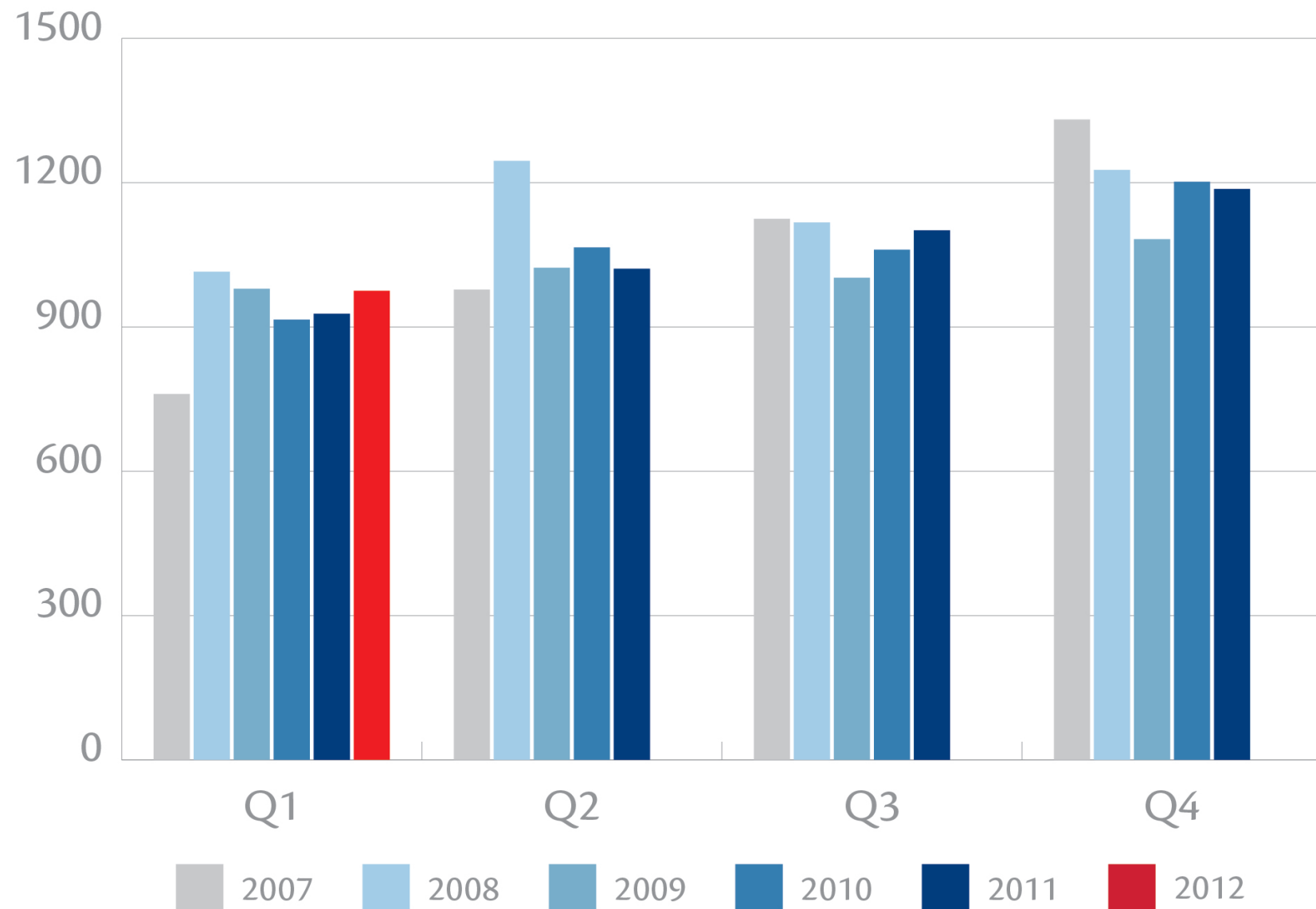
EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 12.9 million (SEK 24.6 million)**
 - ★ Lower sales

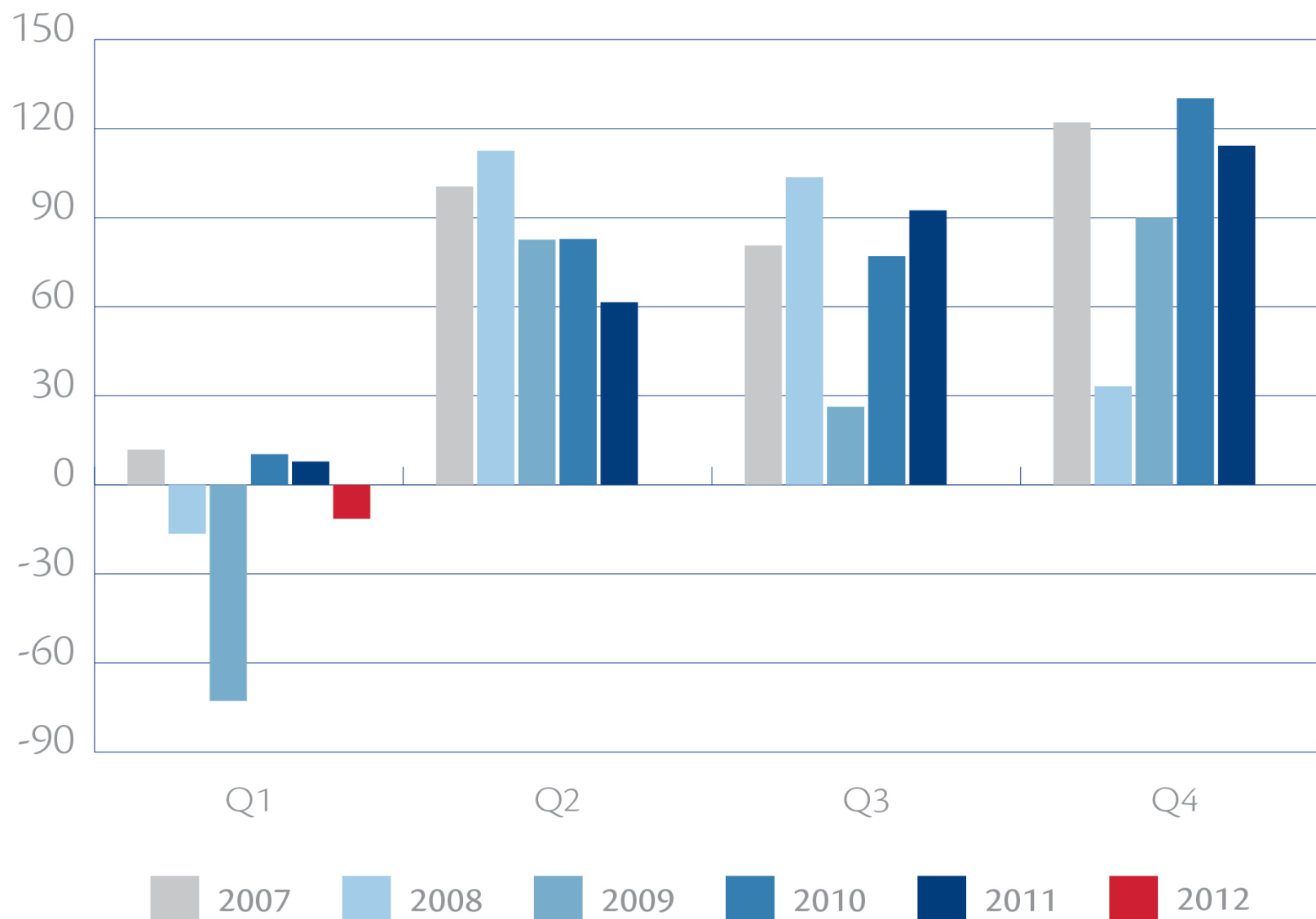
- ★ **Sport & Leisure amounted to SEK 27.9 million (SEK 36.4 million)**
 - ★ Lower turnover due to mild winter
 - ★ Acquired units SEK -8.4 million (seasonal)

- ★ **Gifts & Home Furnishings amounted to SEK -26.3 million (SEK -32.2 million)**
 - ★ Savings

Net sales



Result before tax



January-March 2012

Cash flow

SEK million	3 months Jan-Mar 2012	3 months Jan-Mar 2011
Cash flow from operating act. before changes in working capital	-12.8	-22.6
Changes in working capital	57.8	-120.0
Cash flow from operating activities	45.0	-142.6
Investing activities	-10.8	-27.1
Cash flow after investing activities	34.2	-169.7
Financial activities	-179.0	137.7
Cash flow for the period	-44.8	-32.0

Golf wear brand Cutter & Buck's distribution centre in Kentucky, USA.

Stock

Amounted to SEK 1 993 million (SEK 1 687 million) per 31 March 2012

SEK million

★ Merchandise on stock	1 836 (1 501)
★ Raw materials etc.	157 (186)
★ Provision for obsolescence	76 (64)

The increase is planned, as historically our inventories have been too low in some segments and periods. We have therefore not been able to achieve a satisfactory level of service to our clients.

Acquired units – AHEAD and Paris Glove – contributed with SEK 134 million.

Financial highlights

Summary

	3 months Jan-Mar 2012	3 months Jan-Mar 2011	12 months Jan-Dec 2011	12 months Jan-Dec 2010	12 months Jan-Dec 2009
Sales growth, %	5.2	1.3	-0.2	3.8	-11.2
Number of employees	2 440	2 181	2 470	2 196	2 203
Gross profit margin, %	45.5	46.8	47.7	47.1	46.5
Operating margin before depreciation, %	1.5	3.1	8.9	9.1	5.9
Operating margin, %	0.3	1.9	7.7	7.7	4.2
Profit margin, %	-1.2	0.8	6.5	7.1	3.1
Return on shareholders' equity, %	-1.3	1.6	9.9	12.1	4.9
Return on capital employed, %	0.4	2.0	8.9	9.4	4.3
Equity ratio, %	44.2	44.0	43.5	44.8	41.0
Net debt-to-equity ratio, %	83.8	81.1	85.9	72.8	96.3
Net debt-to-working-capital ratio, %	77.7	76.8	78.6	75.3	87.7
Net debt, SEK million	1 726.7	1 527.5	1 797.4	1 406.6	1 740.3
Stock turnover, times	1.1	1.2	1.2	1.4	1.1
Cash flow before investments, SEK million	45.0	-142.6	66.8	343.6	806.3
Net investments, SEK million	-10.8	-27.1	-338.2	-57.6	-23.0
Cash flow after investments, SEK million	34.2	-169.7	-271.4	286.0	783.3
Shareholders' equity per share, SEK	31.06	28.41	31.54	29.14	27.24

American golf wear brand Ahead became part of the Group in 2011. Their head office is situated in New Bedford, MA.



LPGA player Brittany Lincicome wears Ahead and Kate Lord.



Views on 2012

We expect a higher turnover and a better result than 2011.

Craft is the proud sponsor of Swedish Olympic cross country gold medallist Charlotte Kalla.



Final words

We strive 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!