



NewWave

G R O U P

Year end report 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**.

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.



Corporate Promo

Corporate Promo 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. The segment had 39 % of the Group's sales in 2012.

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*

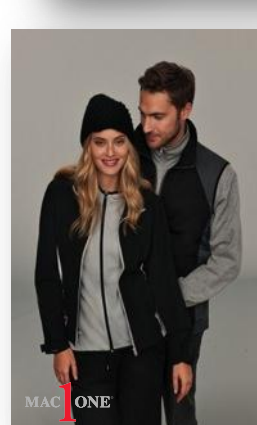
wide range of classic garments for internal and external corporate marketing

★ *DAD*

maritime promowear for ambitious companies

★ *Hurricane*

strong basic textiles

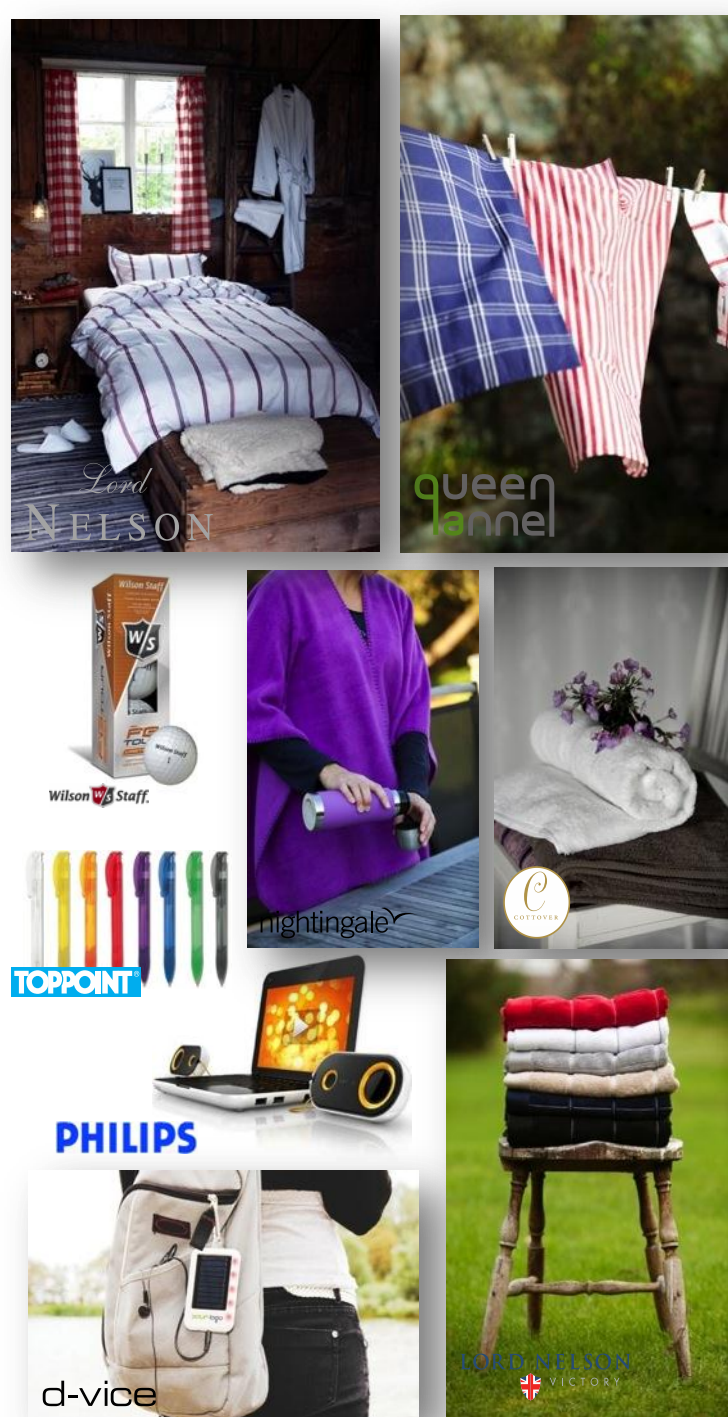


Corporate Promo promotional gifts

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.



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.

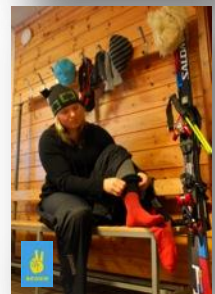
Sports & Leisure

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 46 % of the Group's sales in 2012.

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
- ★ *Seeger* 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 11 strong brands. In total, the segment's brands are established in 15 countries.

Gifts & Home Furnishings was responsible for 15 % of the Group's sales figures in 2012.

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 Linnewäfveri*

home textiles for the design-conscious

★ *Orrefors Jernverk*

Swedish designed kitchenware

★ *Kosta Outlet*

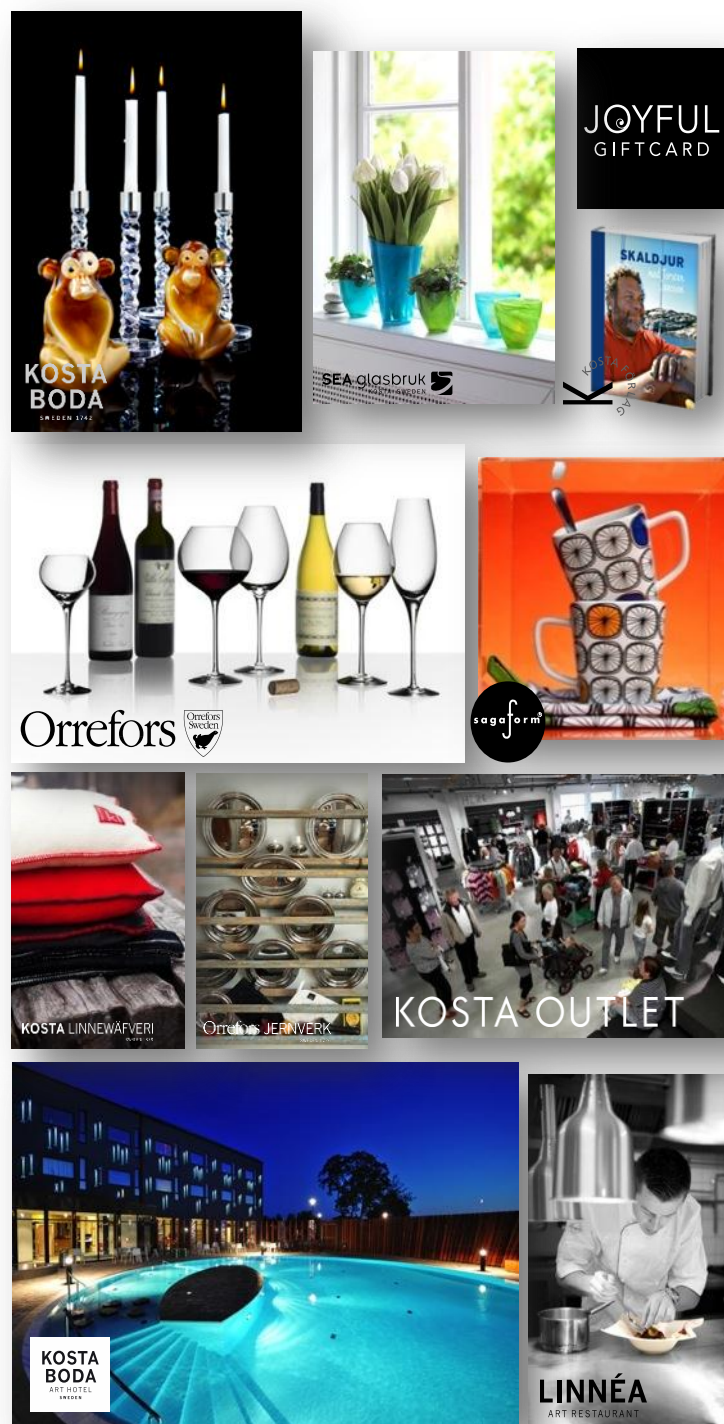
20 000 m² shopping

★ *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.



Financial information



October - December 2012

- ★ Sales amounted to SEK 1 176 million
(SEK 1 187 million) -1%
 - ★ of which py's acquired units SEK 45 million (4%).
- ★ Operating result amounted to SEK 151.7 million
(SEK 130.3 million)
 - ★ of which py's acquired units SEK 7.0 million.
- ★ Result after tax amounted to SEK 100.7 million
(SEK 82.7 million)
 - ★ of which py's acquired units SEK 4.8 million.
- ★ Cash flow from operating activities amounted to
SEK 276.1 million (SEK 278.3 million)



October - December 2012

★ Sales -1%, SEK 1 176 million (SEK 1 187 million)

- ★ Sales in local currencies +1 %.
- ★ Acquired units contributed with SEK 45 million (4%)
- ★ Corporate Promo -8 %, Sport & Leisure (excl acquisitions) +2 %. Gifts & Home Furnishings -11 %.
- ★ Weak market conditions, especially in Europe and Sweden.
- ★ Sales weak particularly in sales channel promo.

★ Operating segments

- ★ Corporate Promo -8% to SEK 501 million (SEK 544 million)
 - Decrease in Europe and Nordic countries.
- ★ Sport & Leisure +13% to SEK 485 million (SEK 429 million)
 - Paris contributed with SEK 45 million (+11%)
 - Weak market conditions, especially in Sweden, but better in USA.
- ★ Gifts & Home -11% to SEK 191 million (SEK 215 million)
 - Orrefors Kosta Boda decrease, mainly in promo sales channel.

October – December 2012

Sales per area

	OKT-DEC 2012	Part of turnover	OKT-DEC 2011	Part of turnover	Change MSEK	%
Sweden	338	29%	362	30%	-24	-7
USA	276	23%	250	21%	26	10
Nordic countries excl Sweden	155	13%	165	14%	-10	-6
Central Europe	205	17%	222	19%	-17	-8
South Europe	102	9%	129	11%	-27	-21
Other countries	100	9%	60	5%	40	67
Total	1 176	100%	1 187	100%	-12	-1

October - December 2012

Income statement

SEK Million	3 months Oct-Dec 2012	3 months Oct-Dec 2011
Income	1 176.1	1187.5
Goods for resale	-615.7	-607.3
Gross profit	560.4	580.2
Other operating income	9.7	6.9
External costs	-223.0	-256.0
Personnel costs	-181.9	-184.5
Depreciation/amortization	-11.9	-13.6
Other operating costs	-3.1	-4.7
Associated companies	1.5	2.0
Operating profit	151.7	130.3
Financial income	0.9	3.2
Financial costs	-18.7	-19.3
Net financial items	-17.8	-16.1
Result before tax	133.9	114.2
Tax on profit for the period	-33.2	-31.5
Result for the period	100.7	82.7
Result per share	1.51	1.25

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

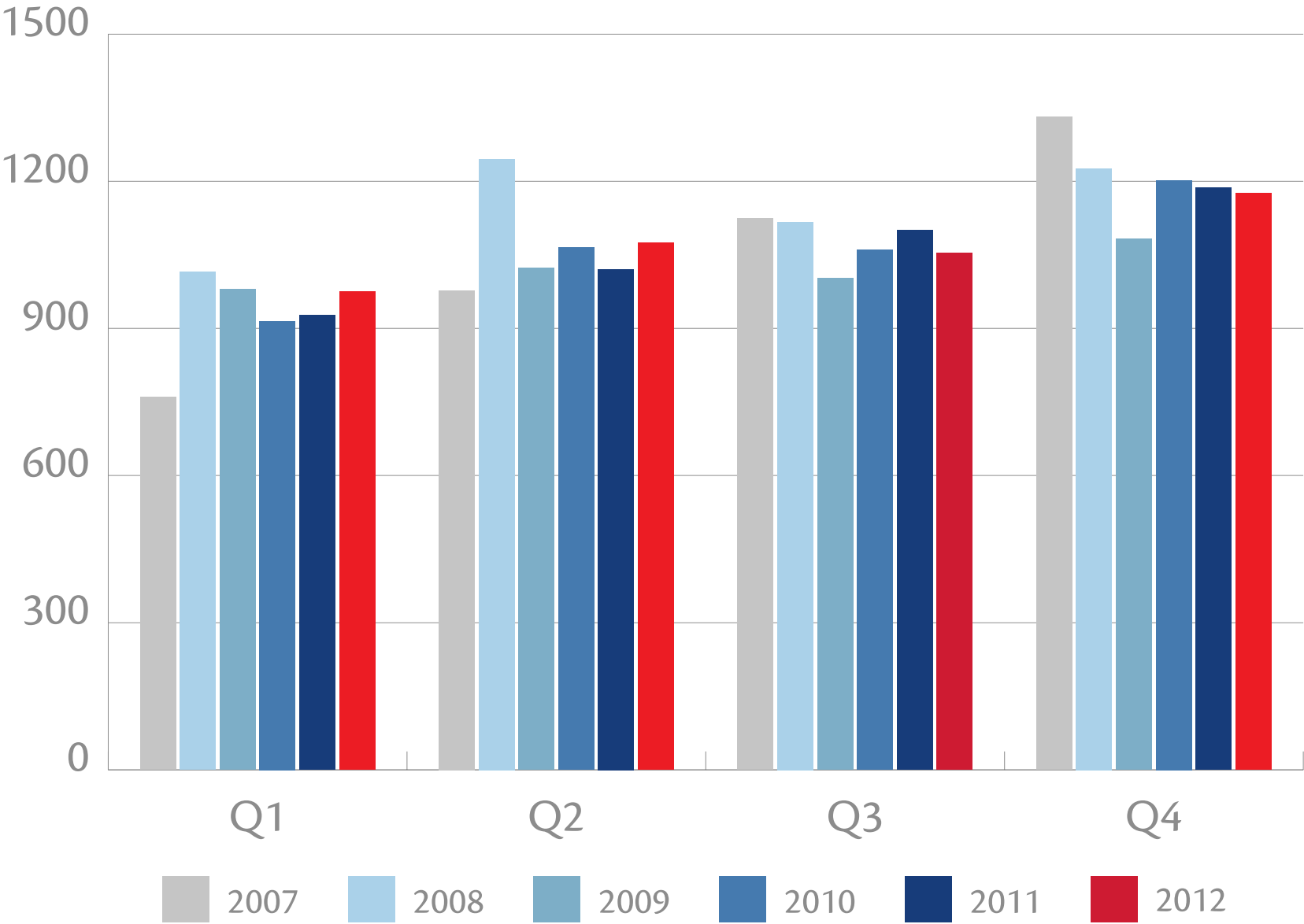


October - December 2012

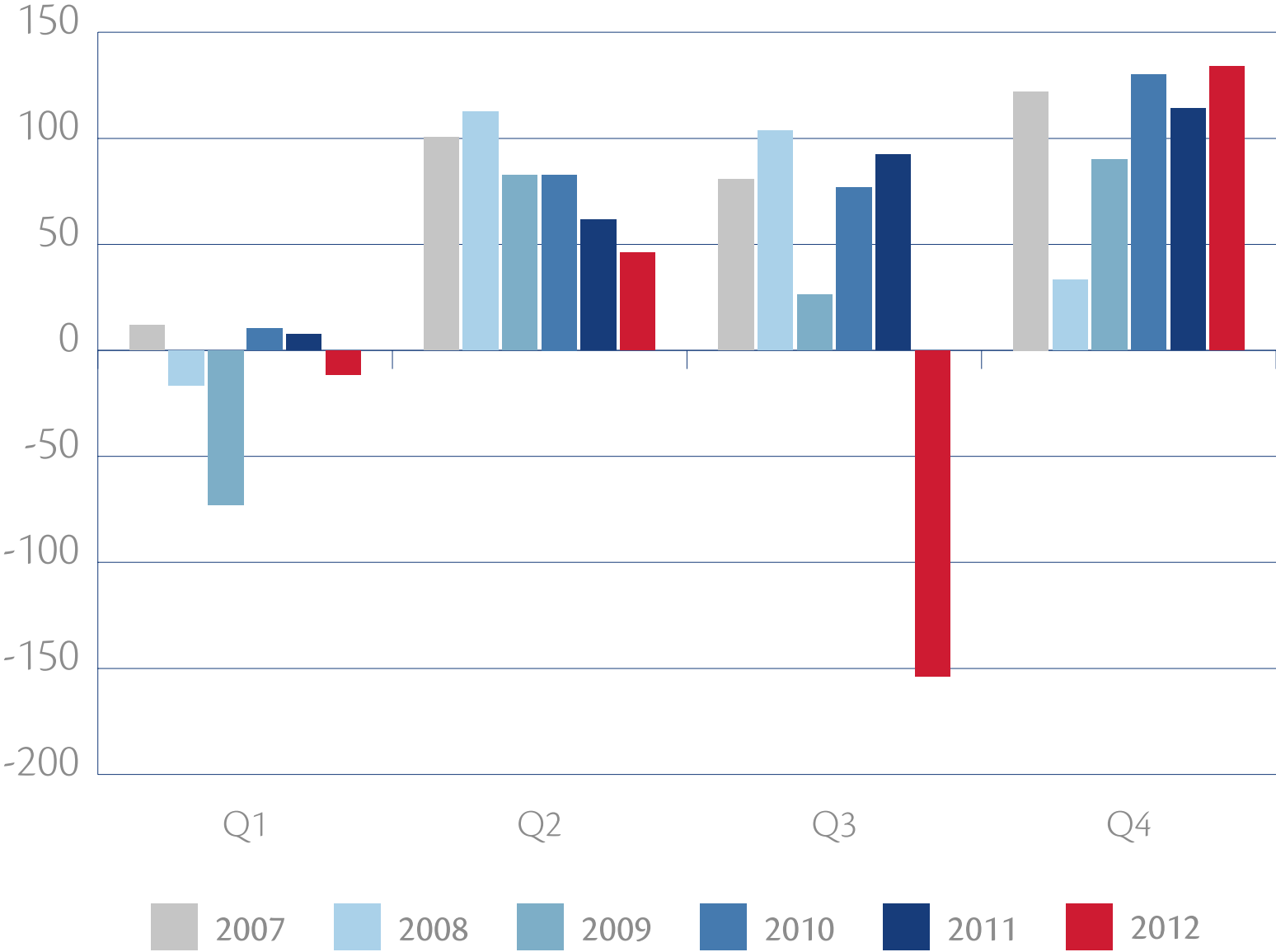
EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 67.9 million (SEK 102.7 million)**
 - ★ Lower sales and operating margin
- ★ **Sport & Leisure amounted to SEK 45.9 million (SEK 36.3 million)**
 - ★ Py's acquired unit SEK 7.0 million
- ★ **Gifts & Home Furnishings amounted to SEK 49.8 million (SEK 4.9 million)**
 - ★ Savings

Net Sales



Result before tax



October - December 2012

Cash flow

SEK Million	3 months Oct-Dec 2012	3 months Oct-Dec 2011
Cash flow from operating act. before changes in working capital	83.7	117.6
Changes in working capital	192.4	160.7
Cash flow from operating activities	276.1	278.3
Investing activities	-7.3	-114.4
Cash flow after investing activities	268.8	163.9
Financial activities	196.1	-190.9
Cash flow for the period	72.7	-27.0



CEO summary - quarter

★ Q4

- ★ Despite difficult market conditions, one of our best quarters ever.
- ★ Cost savings and streamlining
- ★ Good cash flow
- ★ Taking market shares

January - December 2012



- ★ Sales amounted to SEK 4 280 million
(SEK 4 237 million), +1 %
 - ★ *of which py's acquired units SEK 293 million (7 %).*
- ★ Operating result amounted to SEK 73.1 million
(SEK 326.9 million)
 - ★ *of which restructuring costs SEK -212 .0 million*
 - ★ *of which py's acquired units SEK 15.5 million*
 - *Prior year incl a non-recurring item of SEK -30.5 million*
- ★ Result after tax amounted to SEK 5.8 million
(SEK 199.1 million)
 - ★ *of which restructuring costs SEK -161.5 million*
 - ★ *of which py's acquired units contr. with SEK 7.8 million.*
 - *Prior year incl a non-recurring item of SEK -21.7 million*
- ★ Cash flow from operating activities improved by SEK 275.1 million and amounted to SEK 341.1 million
(SEK 66.0 million)



January - December 2012

- ★ **Sales +1%, SEK 4 280 million (SEK 4 237 million)**
 - ★ Acquired units contributed with SEK 293 million (7%)
 - ★ Corporate Promo -9 %, Sport & Leisure (excl acquisitions) -2 %. Gifts & Home Furnishings decreased -8%.
 - ★ Weak market, especially in Europe and Nordic countries.
 - ★ Sales channel promo has a weaker development than retail.

- ★ **Operating segments**
 - ★ Corporate Promo -9% to SEK 1 675 million (SEK 1 835 million)
 - Weaker market conditions in Europe and Nordic countries.
 - ★ Sport & Leisure +15% to SEK 1 983 million (SEK 1 724 million)
 - Ahead & Paris contributed with SEK 293 million (+17%)
 - Weaker market conditions, especially in Sweden.
 - ★ Gifts & Home -8% to SEK 623 million (SEK 678 million)
 - Orrefors Kosta Boda lower sales.

January – December 2012

Sales per area

	JAN-DEC 2012	Part of turnover	JAN-DEC 2011	Part of turnover	Change MSEK	%
Sweden	1 158	27%	1 285	30%	-127	-10
USA	1 112	26%	894	21%	218	24
Nordic countries excl Sweden	628	15%	661	16%	-33	-5
Central Europe	743	17%	781	18%	-38	-5
South Europe	356	8%	443	11%	-87	-20
Other countries	283	7%	173	4%	110	64
Total	4 280	100%	4 237	100%	43	1

January - December 2012

Income statement

SEK Million	Jan-Dec 2012	Jan-Dec 2011
Income	4 280.2	4 236.9
Goods for resale	-2 415.8	-2 214.1
Gross profit	1 864.4	2 022.8
Other operating income	35.1	39.4
External costs	-954.0	-970.5
Personnel costs	-765.5	-691.1
Depreciation/amortization	-89.9	-50.6
Other operating costs	-18.7	-24.8
Associated companies	1.7	1.7
Operating profit	73.1	326.9
Financial income	5.0	6.9
Financial costs	-63.2	-57.9
Net financial items	-58.2	-51.0
Result before tax	14.9	275.9
Tax on profit for the period	-9.1	-76.8
Result for the period	5.8	199.1
Result per share	0.08	2.99



January - December 2012

EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 159.0 million (SEK 251.7 million)**
 - ★ Lower sales and operating margin
 - ★ Prior year incl a non-recurring item of SEK -23.5 million

- ★ **Sport & Leisure amounted to SEK 161.8 million (SEK 177.3 million)**
 - ★ Lower operating margin
 - ★ Acquired units SEK 17.1 million

- ★ **Gifts & Home Furnishings amounted to SEK -157.8 million (SEK -51.5 million)**
 - ★ Restructuring costs SEK -172.0 million
 - ★ Prior year incl a non-recurring item of SEK -7.0 million
 - ★ Excl restr. costs and non-recurring item, the result improved by SEK 58.7 million

January - December 2012

Cash flow

SEK Million	Jan-Dec 2012	Jan-Dec 2011
Cash flow from operating act before changes in working capital	181.4	269.6
Changes in working capital	159.7	-203.6
Cash flow from operating activities	341.1	66.0
Investing activities	-50.4	-326.5
Cash flow after investing activities	290.7	-260.5
Financial activities	-223.5	256.0
Cash flow for the period	67.2	-4.5

Financial highlights

Summary

	12 months Jan-Dec 2012	12 months Jan-Dec 2011	12 months Jan-Dec 2010	12 months Jan-Dec 2009	12 months Jan-Dec 2008	12 months Jan-Dec 2007
Sales growth, %	1.0	-0.2	3.8	-11.2	9.8	18.8
Number of employees	2 258	2 470	2 196	2 203	2 562	2 350
Gross profit margin, %	43.6	47.7	47.1	46.5	48.5	47.6
Operating margin before depreciation, %	3.8	8.9	9.1	5.9	9.4	11.0
Operating margin, %	1.7	7.7	7.7	4.2	8.0	9.7
Profit margin, %	0.3	6.5	7.1	3.1	5.1	7.5
Return on shareholders' equity, %	0.4	9.9	12.1	4.9	9.2	17.1
Return on capital employed, %	2.0	8.9	9.4	4.3	9.0	12.8
Equity ratio, %	44.1	43.5	44.8	41.0	34.1	29.9
Net debt - Equity ratio, %	77.5	85.9	72.8	96.3	140.5	163.9
Net debt - working capital ratio, %	77.3	78.6	75.3	87.7	94.3	103.1
Net debt, SEK million	1 516.7	1 797.4	1 406.6	1 740.8	2 576.3	2 357.0
Stock turnover, times	1.3	1.2	1.4	1.1	1.2	1.3
Cash flow before investments, SEK million	341.1	66.0	343.6	806.3	-268.0	83.0
Net investments, SEK million	-50.4	-326.5	-57.6	-23.0	-65.2	-1165.7
Cash flow after investments, SEK million	290.7	-260.5	286.0	783.3	-333.2	-1082.7
Shareholders' equity per share, SEK	29.51	31.54	29.14	27.24	27.64	21.68

CEO summary - 2012

★ The year 2012

- ★ Sales were not as bad as I feared but is a long way from our goal.
- ★ Steps taken within Orrefors Kosta Boda
- ★ Strong cash flow
- ★ Strong balance sheet
 - ★ *Key figures in balance sheet are at historically good levels*





CEO comments

★ Future prospects

- ★ Tough sales for at least the first half year
- ★ In the short term, gross profit margin can be a threat
- ★ Cost savings in Orrefors Kosta Boda
- ★ We choose not to give a forecast for 2013

★ Expansion 2013?

- ★ Priority on further strengthening our balance sheet
- ★ If the economic situation swing upwards faster – then we can expand more quickly
- ★ Shall be back as a growth company

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



Growth target and dividend

★ Growth target

- ★ The growth target over a business cycle has been adjusted from 20-40% per year to 10-20% per year.

★ Dividend

- ★ The dividend policy has been adjusted from a distribution of 30% to 40% of the Group's net profit over a business cycle.
- ★ The Board propose a dividend of SEK 1.00 (SEK 1.00) per share.
- ★ Excluding restructuring costs in Orrefors Kosta Boda, the proposal corresponds to 40% of the years' net profit.



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

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!