

A man with short brown hair and a light beard is running on a red athletic track. He is wearing a bright green zip-up running jacket with a large black 'D' logo on the chest that says 'CRAFT' inside it, and black running leggings. The background shows a clear blue sky and some blurred structures in the distance.

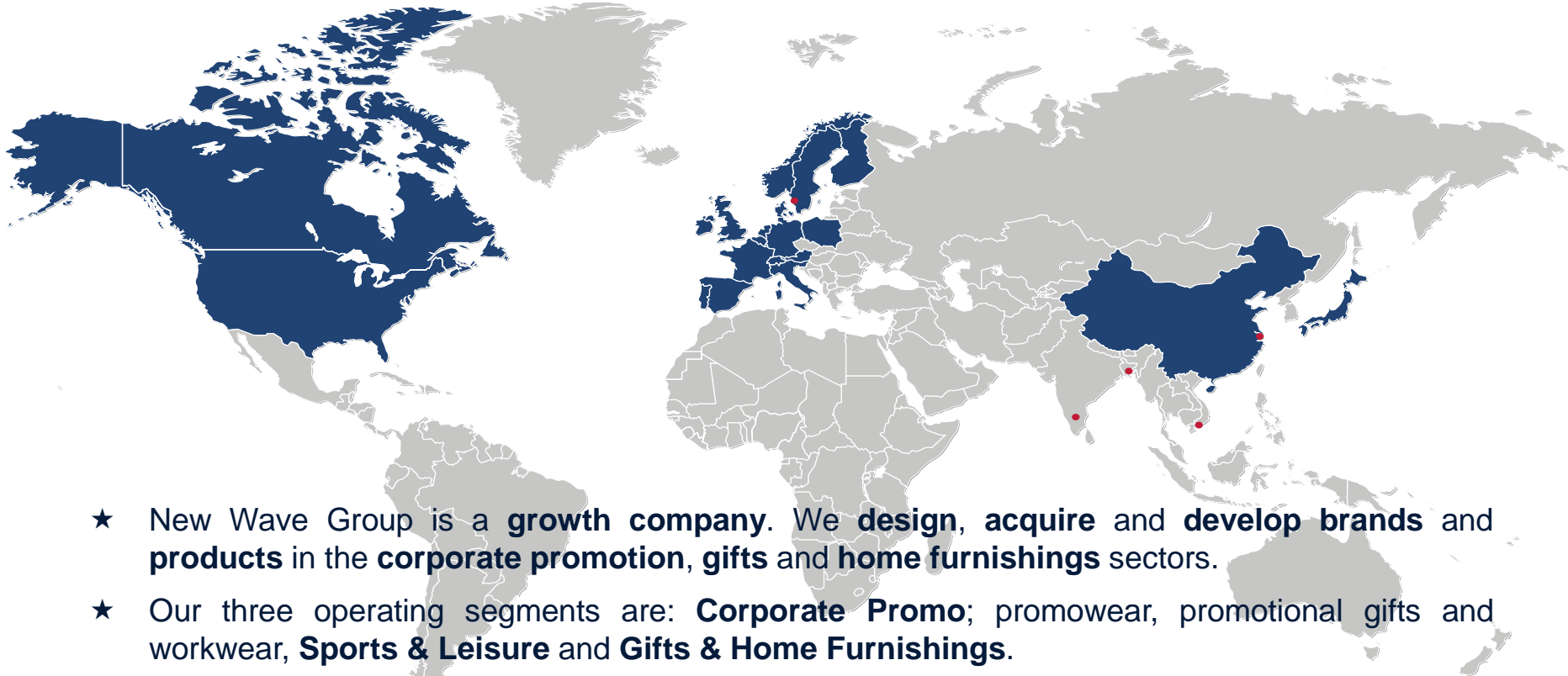
NewWave

G R O U P

Interim report Q2

April – June 2013

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**.



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*

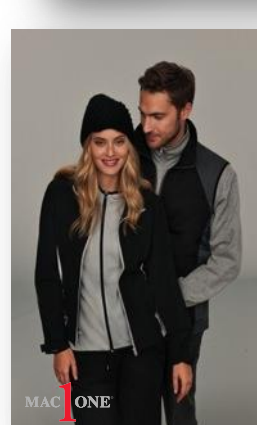
wide range of classic garments for internal and external corporate marketing

★ *DAD*

maritime promowear for ambitious companies

★ *Hurricane*

strong basic textiles

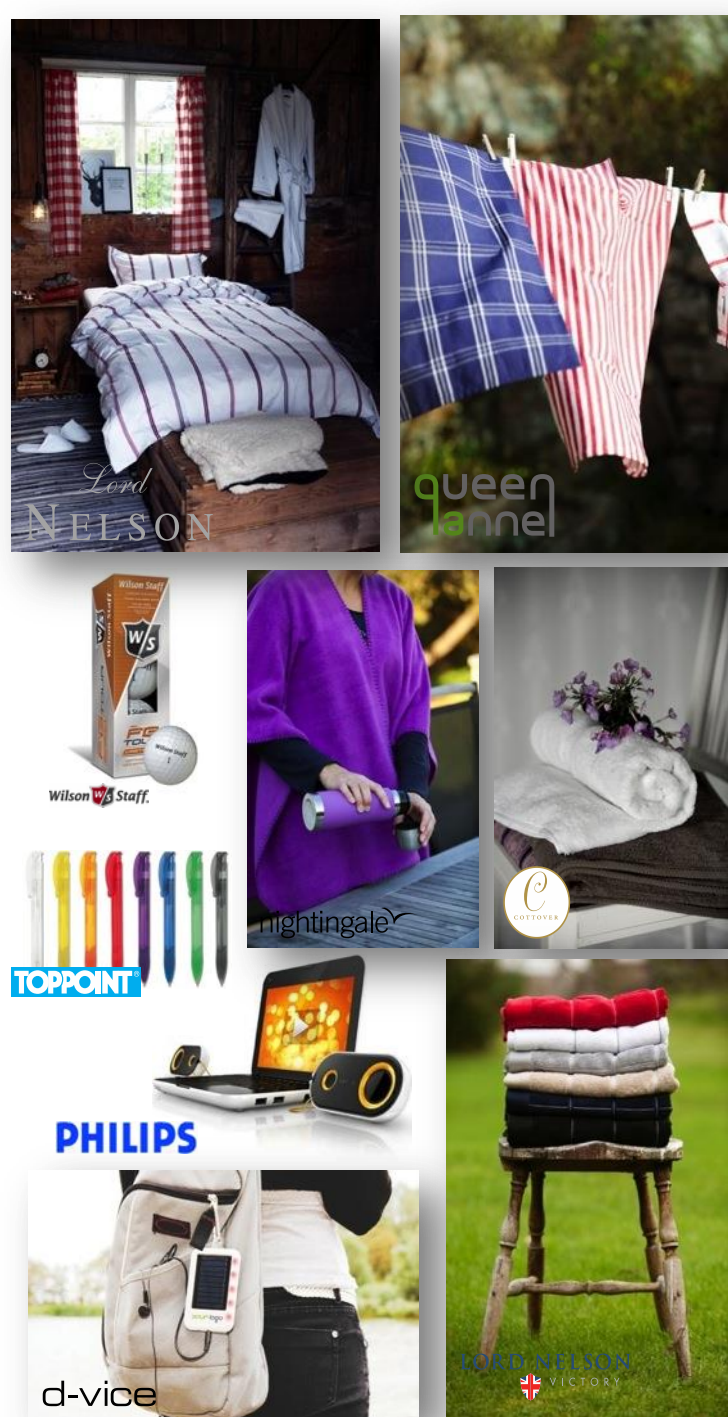


Corporate Promo promotional gifts

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

JOBMAN
WORKWEAR

PROJOB

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

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.



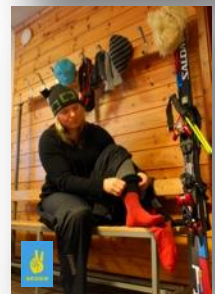
Sports & Leisure

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





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*

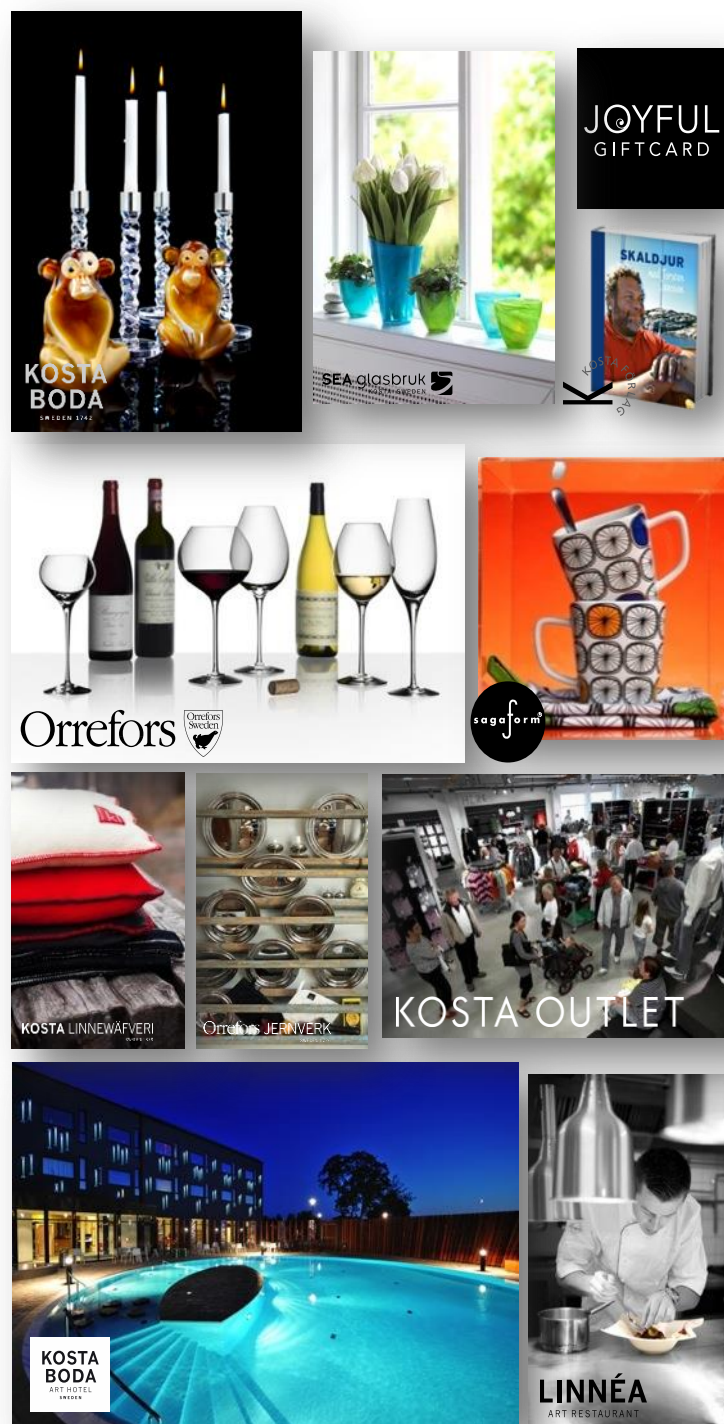
20 000 m² shopping

★ *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

April – June 2013

- ★ Sales amounted to SEK 995 million (SEK 1 075 million), -7%
 - ★ *of which currency effect SEK 30 million (3 %).*
- ★ Operating result amounted to SEK 70.2 million (SEK 58.7 million)
- ★ Result after tax amounted to SEK 38.9 million (SEK 33.3 million)
- ★ Cash flow from operations amounted to SEK 41.8 million (SEK 132.8 million).



April – June 2013

Sales -7%, SEK 995 million (SEK 1 075 million)

- ★ Sales in local currencies -4%.
- ★ Corporate Promo -6%, Sport & Leisure -7%, Gifts & Home -14%.
- ★ Weak market conditions
- ★ Sales weak in both sales channels

Operating segments

- ★ Corporate Promo -6% to SEK 421 million (SEK 448 million)
 - Decrease primarily in Sweden, Oth. Nordic countries and Europe.
- ★ Sports & Leisure -7% to SEK 442 million (SEK 473 million)
 - Weak market primarily in Sweden, Oth. Nordic countries and Europe
- ★ Gifts & Home -14% to SEK 133 million (SEK 155 million)
 - Primarily lower in the promo sales channel and in the export markets.



April – June 2013

Sales per region

	APR-JUN 2013	Part of turnover	APR-JUN 2012	Part of turnover	Change MSEK	%
Sweden	272	27%	314	29%	-42	-13
USA	278	28%	280	26%	-2	-1
Nordic countries excl Sweden	155	16%	176	16%	-21	-12
Central Europe	156	16%	166	16%	-10	-6
South Europe	80	8%	86	8%	-6	-7
Other countries	54	5%	53	5%	1	2
Total	995	100%	1 075	100%	-81	-7

April – June 2013

Income statement

SEK Million	3 months Apr-Jun 2013		3 months Apr-Jun 2012	
Income	995.3		1 074.9	
Goods for resale	-529.1		-580.0	
Gross profit	466.2	46.8%	494.9	46,0%
Other operating income	7.7		9.5	
External costs	-209.7		-238.3	
Personnel costs	-177.9		-189.2	
Depreciation/amortization	-14.6		-13.0	
Other operating costs	-1.9		-5.9	
Associated companies	0.4		0.7	
Operating profit	70.2	7.1%	58.7	5.5%
Financial income	1.4		0.5	
Financial costs	-16.1		-13.0	
Net financial items	-14.7		-12.5	
Result before tax	55.5		46.2	
Tax on profit for the period	-16.6		-12.9	
Result for the period	38.9		33.3	
Result per share	0.60		0.50	



April – June 2013

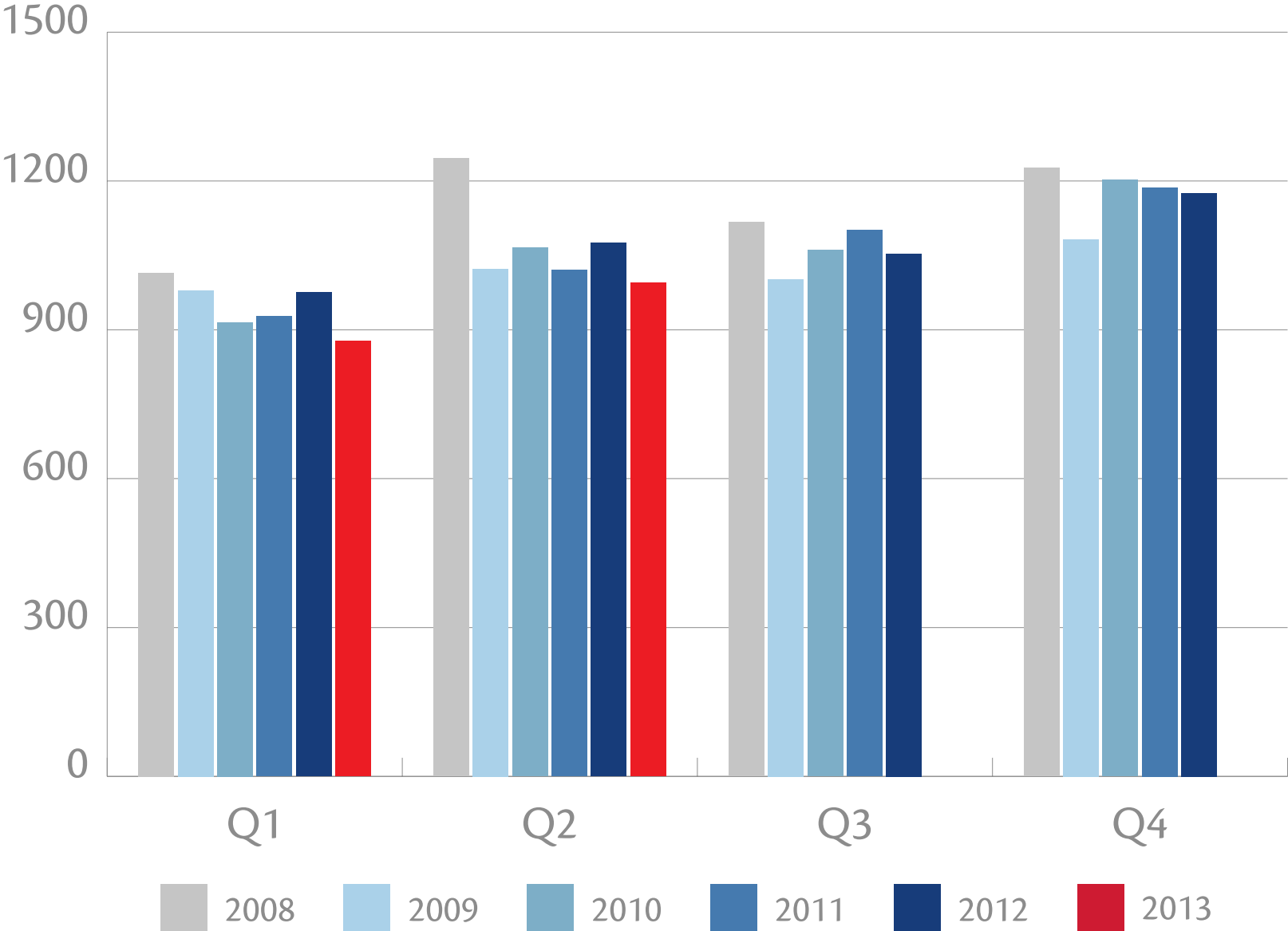
EBITDA per operating segment

- ★ **Corporate promo amounted to SEK 48.7 million (SEK 56.9 million)**
 - ★ Lower sales, savings

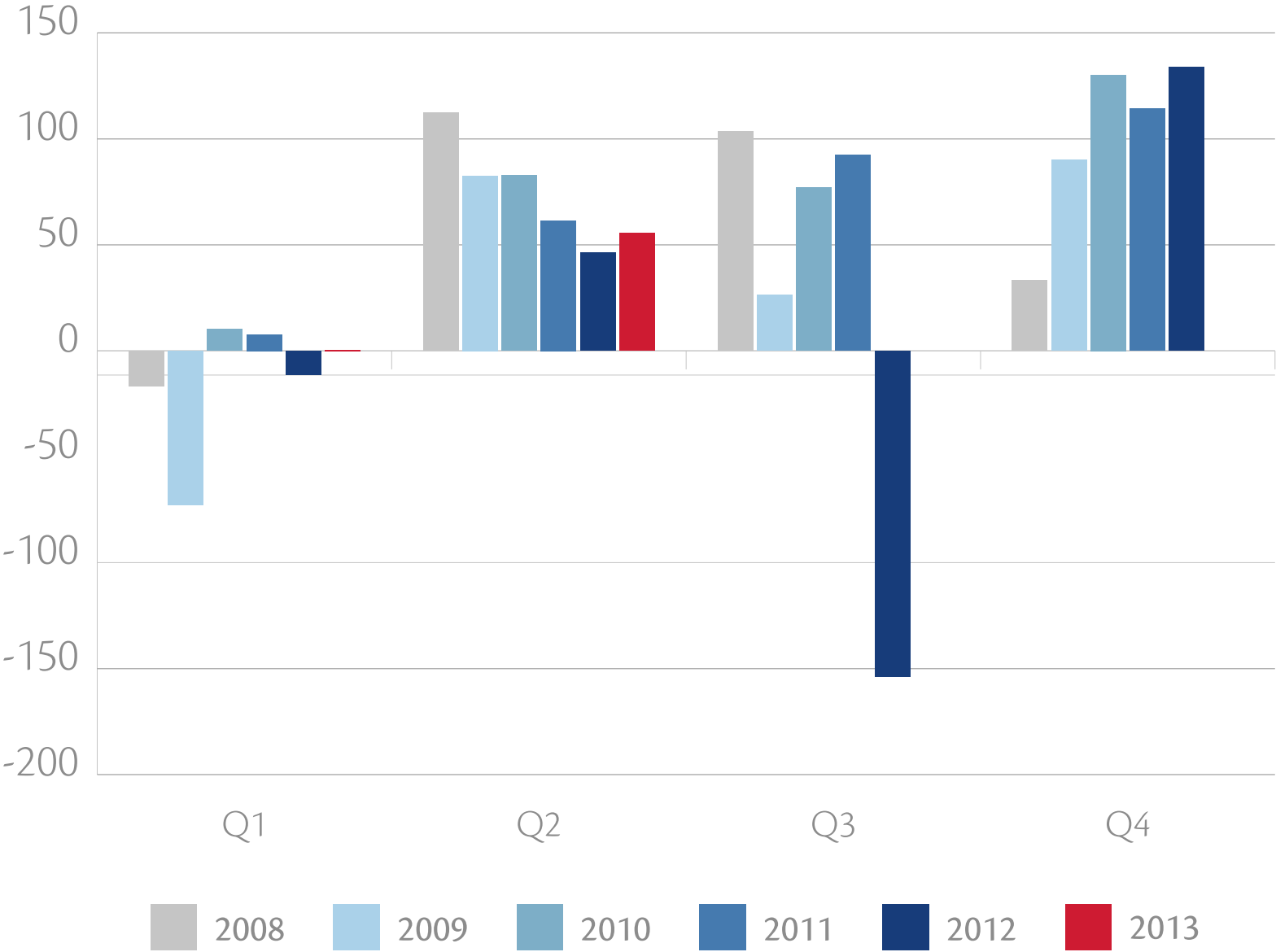
- ★ **Sports & Leisure amounted to SEK 27.7 million (SEK 23.8 million)**
 - ★ Lower turnover but higher gross profit margin and savings.

- ★ **Gifts & Home amounted to SEK 8.4 million (SEK -9.0 million)**
 - ★ Lower sales but higher gross profit margin and savings

Sales



Result before tax



April - June 2013

Cash flow

SEK Million	3 months Apr-Jun 2013	3 months Apr-Jun 2012
Cash flow from operating act before changes in working capital	55.3	43.8
Changes in working capital	-13.5	89.0
Cash flow from operations	41.8	132.8
Investing activities	-8.9	-15.1
Cash flow after investing activities	32.9	117.7
Financial activities	-42.0	-71.4
Cash flow for the period	-9.1	46.3



CEO summary – Q2

★ Market conditions and sales

- ★ Still tough market situation. No change in Europe or Nordic countries. USA stable
- ★ Stock to low in some basic promo articles

★ Result

- ★ Good cost control and savings
- ★ Focus on improvements. Structural changes and reorganizations may be required

★ Cash flow and working capital

- ★ Good control
- ★ Will increase the stock within corporate promo the coming quarters

★ Future

- ★ Continued tough in Q3 and maybe throughout the year.
- ★ Will increase sales and marketing activities



January – June 2013

- ★ Sales amounted to SEK 1 873 million (SEK 2 050 million), -9%
 - ★ *of which currency effect SEK 58 million (3 %).*
- ★ Operating result amounted to SEK 86.3 million (SEK 61.3 million)
- ★ Result after tax amounted to SEK 39.0 million (SEK 25.1 million)
- ★ Cash flow from operations amounted to SEK 147.9 million (SEK 177.8 million).

January – June 2013

Sales -9%, SEK 1 873 million (SEK 2 050 million)

- ★ Sales in local currencies -6%.
- ★ Corporate Promo -8%, Sport & Leisure -8%, Gifts & Home -15%.
- ★ Weak market conditions
- ★ Sales weak in both sales channels

Operating segments

- ★ Corporate Promo -8% to SEK 766 million (SEK 831 million)
 - Decrease primarily in Sweden, Oth. Nordic countries and Europe
- ★ Sports & Leisure -8% to SEK 867 million (SEK 938 million)
 - Weak market in Sweden, Oth. Nordic countries and Europe
 - USA has a weak growth
- ★ Gifts & Home -15% to SEK 240 million (SEK 281 million)
 - Primarily lower in the promo sales channel and in the export markets.



January – June 2013

Sales per region

	JAN-JUN 2013	Part of turnover	JAN-JUN 2012	Part of turnover	Change MSEK	%
Sweden	485	26%	558	27%	-73	-13
USA	501	27%	524	25%	-23	-4
Nordic countries excl Sweden	294	16%	323	16%	-29	-9
Central Europe	334	18%	365	18%	-31	-8
South Europe	158	8%	178	9%	-20	-11
Other countries	100	5%	102	5%	-2	-2
Total	1 872	100%	2 050	100%	-178	-9

January – June 2013

Income statement

SEK Million	6 months Jan-Jun 2013		6 months Jan-Jun 2012	
Income	1 872.6		2 050.3	
Goods for resale	-985.9		-1 111.2	
Gross profit	886.7	47.4%	939.1	45,8%
Other operating income	16.3		18.0	
External costs	-432.7		-485.5	
Personnel costs	-352.6		-375.5	
Depreciation/amortization	-26.3		-24.9	
Other operating costs	-5.7		-9.7	
Associated companies	0.6		-0.2	
Operating profit	86.3	4,6%	61.3	3,0%
Financial income	3.2		1.9	
Financial costs	-33.9		-28.4	
Net financial items	-30.7		-26.5	
Result before tax	55.6		34.8	
Tax on profit for the period	-16.6		-9.7	
Result for the period	39.0		25.1	
Result per share	0.60		0.38	

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



January – June 2013

EBITDA per operating segment

- ★ **Corporate promo amounted to SEK 57.6 million (SEK 69.8 million)**
 - ★ Lower sales, savings

- ★ **Sports & Leisure amounted to SEK 53.0 million (SEK 51.7 million)**
 - ★ Lower turnover but higher gross profit margin and savings.

- ★ **Gifts & Home amounted to SEK 2.0 million (SEK -35.3 million)**
 - ★ Lower sales but higher gross profit margin and savings

January - June 2013

Cash flow

SEK Million	6 mths Jan-Jun 2013	6 mths Jan-Jun 2012
Cash flow from operating act before changes in working capital	36.6	31.0
Changes in working capital	111.3	146.8
Cash flow from operating activities	147.9	177.8
Investing activities	-18.6	-25.9
Cash flow after investing activities	129.3	151.9
Financial activities	-198.4	-150.4
Cash flow for the period	-69.1	1.5

Financial highlights - summary

	6 months Jan-Jun 2013	6 months Jan-Jun 2012	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
Sales growth, %	-8.7	5.2	1.0	-0.2	3.8	-11.2	9.8
Number of employees	2 222	2 423	2 258	2 470	2 196	2 203	2 562
Gross profit margin, %	47.3	45.8	43.6	47.7	47.1	46.5	48.5
Operating margin before depreciation, %	6.0	4.2	3.8	8.9	9.1	5.9	9.4
Operating margin, %	4.6	3.0	1.7	7.7	7.7	4.2	8.0
Profit margin, %	3.0	1.7	0.3	6.5	7.1	3.1	5.1
Return on shareholders' equity, %	4.0	2.5	0.4	9.9	12.1	4.9	9.2
Return on capital employed, %	5.0	3.2	2.0	8.9	9.4	4.3	9.0
Equity ratio, %	46.0	43.4	44.1	43.5	44.8	41.0	34.1
Net debt - Equity ratio, %	73.3	83.4	77.5	85.9	72.8	96.3	140.5
Net debt - working capital ratio, %	76.9	79.0	77.3	78.6	75.3	87.7	94.3
Net debt, SEK million	1 429.3	1 710.0	1 516.7	1 797.3	1 406.6	1 740.8	2 576.3
Stock turnover, times	1.2	1.1	1.3	1.2	1.4	1.1	1.2
Cash flow before investments, SEK million	147.9	177.8	341.1	66.0	343.6	806.3	-268.0
Net investments, SEK million	-18.6	-25.9	-50.4	-326.5	-57.6	-23.0	-65.2
Cash flow after investments, SEK million	129.3	151.9	290.7	-260.5	286.0	783.3	-333.2
Shareholders' equity per share, SEK	29.38	30.89	29.51	31.54	29.14	27.24	27.64

Post balance sheet events

★ **Craft Sportswear North America**

- ★ As of July1 New Wave Group, through its wholly owned subsidiary New Wave USA Inc, acquired the distribution of CRAFT products on the North American market.
- ★ Operating transfer, initial purchase price is USD 3 million with an additional contingent consideration that cannot exceed USD 4.75 million.
- ★ Pro-forma sales 2012 amounted to appr. USD 6.9 million and New Wave Group expects it will add some USD 0.7 million additionally in annual operating profit.
- ★ New structure will provide a good basis for further expansion of the CRAFT brand in the USA and Canada.



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 can —

through long-term thinking, growth, stability and hard work!

